

KATY INDUSTRIES INC
Form 10-Q
November 13, 2012

United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 28, 2012

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-05558

Katy Industries, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

75-1277589
(I.R.S. Employer Identification No.)

305 Rock Industrial Park Drive, Bridgeton, Missouri
(Address of principal executive offices)

63044
(Zip Code)

Registrant's telephone number, including area code: (314) 656-4321

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

| Class | Outstanding at October 26, 2012 |
|-----------------------------|---------------------------------|
| Common Stock, \$1 Par Value | 7,951,176 Shares |
| | |
| | |
| | |

KATY INDUSTRIES, INC.
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September 28, 2012

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

KATY INDUSTRIES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 AS OF SEPTEMBER 28, 2012 (UNAUDITED) AND DECEMBER 31, 2011
 (Amounts in Thousands)

ASSETS

| | September 28, 2012 | December 31, 2011 |
|------------------------------------|-----------------------|----------------------|
| CURRENT ASSETS: | | |
| Cash | \$ 937 | \$ 730 |
| Accounts receivable, net | 14,010 | 11,759 |
| Inventories, net | 12,443 | 15,911 |
| Other current assets | 1,358 | 4,086 |
| Assets held for sale | 564 | 2,655 |
| Total current assets | 29,312 | 35,141 |
| OTHER ASSETS: | | |
| Goodwill | 329 | 329 |
| Intangibles, net | 2,153 | 2,478 |
| Other | 2,111 | 2,032 |
| Total other assets | 4,593 | 4,839 |
| PROPERTY AND EQUIPMENT | | |
| Land and improvements | 336 | 336 |
| Buildings and improvements | 8,546 | 8,800 |
| Machinery and equipment | 76,807 | 77,502 |
| | 85,689 | 86,638 |
| Less - Accumulated depreciation | (69,989) | (68,805) |
| Property and equipment, net | 15,700 | 17,833 |
| Total assets | \$ 49,605 | \$ 57,813 |

See Notes to Condensed Consolidated Financial Statements.

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KATY INDUSTRIES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 AS OF SEPTEMBER 28, 2012 (UNAUDITED) AND DECEMBER 31, 2011
 (Amounts in Thousands, Except Share Data)

LIABILITIES AND STOCKHOLDERS' EQUITY

| | September 28, 2012 | December 31, 2011 |
|---|--------------------------|-------------------------|
| CURRENT LIABILITIES: | | |
| Accounts payable | \$8,796 | \$8,928 |
| Book overdraft | 730 | 946 |
| Accrued compensation | 1,834 | 1,317 |
| Accrued expenses | 9,735 | 8,701 |
| Payable to related party | 2,125 | 1,750 |
| Deferred revenue | 688 | 688 |
| Revolving credit agreement | 11,271 | 14,359 |
| Total current liabilities | 35,179 | 36,689 |
| DEFERRED REVENUE | 2,064 | 2,605 |
| OTHER LIABILITIES | 5,740 | 5,904 |
| Total liabilities | 42,983 | 45,198 |
| COMMITMENTS AND CONTINGENCIES (Note 10) | | |
| STOCKHOLDERS' EQUITY | | |