

STERLING CONSTRUCTION CO INC
Form 10-Q
August 08, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

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

For the quarterly period ended: June 30, 2011

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 1-31993

STERLING CONSTRUCTION COMPANY, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
State or other jurisdiction of incorporation
or organization

25-1655321
(I.R.S. Employer
Identification No.)

20810 Fernbush Lane
Houston, Texas
(Address of principal executive office)

77073
(Zip Code)

Registrant's telephone number, including area code (281) 821-9091

(Former name, former address and former fiscal year, if changed from last report)

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 (§232.405 of this chapter) 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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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

At August 1, 2011, there were 16,447,283 shares outstanding of the issuer's common stock, par value \$0.01 per share

STERLING CONSTRUCTION COMPANY, INC.
QUARTERLY REPORT ON FORM 10-Q
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PART I
Item 1.

Financial Statements

STERLING CONSTRUCTION COMPANY, INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

	June 30, 2011	December 31, 2010
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,267	\$ 49,441
Short-term investments	60,503	35,752
Contracts receivable, including retainage	77,635	70,301
Costs and estimated earnings in excess of billings on uncompleted contracts	19,440	10,058
Inventories	1,730	1,479
Income tax receivable	1,131	--
Deferred tax asset, net	100	82
Receivables from and equity in construction joint ventures	5,910	6,744
Deposits and other current assets	2,005	2,472
Total current assets	178,721	176,329
Property and equipment, net	81,102	74,681
Goodwill	114,745	114,745
Other assets, net	1,320	1,376
Total assets	\$ 375,888	\$ 367,131
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 35,449	\$ 35,432
Billings in excess of costs and estimated earnings on uncompleted contracts	19,024	17,807
Current maturities of long-term debt	73	73
Income taxes payable	241	1,493
Accrued compensation	7,180	6,920
Other current liabilities	10,737	7,326
T o t a l c u r r e n t liabilities	72,704	69,051
Long-term liabilities:		
L o n g - t e r m d e b t , n e t o f c u r r e n t maturities	299	336
D e f e r r e d t a x l i a b i l i t y , net	20,442	18,591
O t h e r l o n g - t e r m liabilities	177	--
T o t a l l o n g - t e r m liabilities	20,918	18,927

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Commitments and contingencies:		
Noncontrolling owners' interests in subsidiaries and joint ventures	28,903	28,724
Stockholders' equity:		
Preferred stock, par value \$0.01 per share; 1,000,000 shares authorized, none issued	--	--
Common stock, par value \$0.01 per share; 19,000,000 shares authorized, 16,546,914 and 16,468,369 shares issued	165	164
Treasury stock, 104,368 and 3,147 shares of common stock	(1,362)	--
Additional paid in capital	198,749	198,849
Retained earnings	55,808	51,553
Accumulated other comprehensive income (loss)	3	(137)
Total Sterling common stockholders' equity	253,363	250,429
Total liabilities and stockholders' equity	\$ 375,888	\$ 367,131

The accompanying notes are an integral part of these condensed consolidated financial statements.

STERLING CONSTRUCTION COMPANY, INC. & SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (Amounts in thousands, except share and per share data)
 (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues	\$128,498	\$116,865	\$227,740	\$203,022
Cost of revenues	114,916	104,162	206,559	182,066
Gross profit	13,582	12,703	21,181	20,956
General and administrative expenses	(6,300)	(5,241)	(12,356)	