

CHASE CORP
Form 10-Q
April 16, 2007

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 February 28, 2007

Commission File Number: 1-9852

CHASE CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts

(State or other jurisdiction of incorporation
of organization)

11-1797126

(I.R.S. Employer Identification No.)

26 Summer Street, Bridgewater, Massachusetts 02324

(Address of Principal Executive Offices, Including Zip Code)

(508) 279-1789

(Registrant's Telephone Number, Including Area Code)

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, and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

The number of shares of Common Stock outstanding as of March 31, 2007 was 4,094,175.

CHASE CORPORATION

INDEX TO FORM 10-Q

For the Quarter Ended February 28, 2007

Part I - FINANCIAL INFORMATION

Item 1 Unaudited Financial Statements

Consolidated Balance Sheets as of February 28, 2007 and August 31, 2006

Consolidated Statements of Operations for the three and six months ended February 28, 2007 and 2006

Consolidated Statement of Stockholders' Equity for the six months ended February 28, 2007

Consolidated Statements of Cash Flows for the six months ended February 28, 2007 and 2006

Notes to Consolidated Financial Statements

Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3 Quantitative and Qualitative Disclosures About Market Risk

Item 4 Controls and Procedures

Part II OTHER INFORMATION

Item 1 Legal Proceedings

Item 1A Risk Factors

Item 6 Exhibits

SIGNATURES

Part 1 FINANCIAL INFORMATION**Item 1 Unaudited Financial Statements****CHASE CORPORATION
CONSOLIDATED BALANCE SHEETS**

(UNAUDITED)

	February 28, 2007	August 31 2006
ASSETS		
Current Assets:		
Cash	\$ 2,537,306	\$ 2,416,097
Accounts receivable, less allowance for doubtful accounts of \$635,406 and \$512,317	14,729,906	15,573,669
Inventories	19,097,848	16,627,393
Prepaid expenses and other current assets	2,456,971	526,874
Deferred income taxes	535,294	535,294
Total current assets	39,357,325	35,679,327
Property, plant and equipment, net	17,958,891	18,470,875
Other Assets		
Goodwill	14,333,958	12,983,323
Intangible assets, less accumulated amortization of \$2,570,419 and \$2,116,873	5,823,085	6,093,678
Cash surrender value of life insurance	4,136,218	4,074,619
Restricted investments	1,345,078	1,355,005
Other assets	76,139	180,270
	\$ 83,030,694	\$ 78,837,097
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable	\$ 8,012,647	\$ 8,033,683
Accrued payroll and other compensation	2,655,042	2,029,357
Accrued expenses - current	2,550,248	2,721,528
Accrued income taxes	379,035	1,134,617
Accrued pension expense - current	384,000	384,000
Current portion of long-term debt	2,010,000	2,935,000
Total current liabilities	15,990,972	17,238,185
Long-term debt, less current portion	10,791,108	10,288,179
Deferred compensation	2,186,976	2,271,903
Accrued pension expense	1,288,838	830,838
Accrued expenses	968,052	446,202
Deferred income taxes	1,742,604	1,688,038
Commitments and Contingencies (Notes 7 and 8)		
Stockholders Equity		
First Serial Preferred Stock, \$1.00 par value: Authorized 100,000 shares; none issued		
Common stock, \$.10 par value: Authorized 10,000,000 shares; 4,091,675 at February 2007 and 3,899,423 at August 2006 issued and outstanding		
	409,166	389,942
Additional paid-in capital	2,531,863	1,267,508
Accumulated other comprehensive income	1,268,429	893,887
Retained earnings	45,852,686	43,522,415
Total stockholders equity	50,062,144	46,073,752
Total liabilities and stockholders equity	\$ 83,030,694	\$ 78,837,097

See accompanying notes to the consolidated financial statements

CHASE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended February 28,		Six Months Ended February 28,	
	2007	2006	2007	2006
Revenue				
Sales	\$ 27,082,315	\$ 24,133,339	\$ 57,767,743	\$ 48,763,593
Royalty and commissions	421,373	205,298	980,541	426,268
	27,503,688	24,338,637	58,748,284	49,189,861
Costs and Expenses				
Cost of products and services sold	20,031,761	17,942,469	41,827,359	35,463,171
Selling, general and administrative expenses	5,133,211	4,558,718	10,348,989	10,326,802
Deferred compensation expense, net				814,034