

Citi Trends Inc
Form 10-Q
May 27, 2011
Table of Contents

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 April 30, 2011

OR

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

Commission File Number 000-51315

CITI TRENDS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of

52-2150697
(I.R.S. Employer

Edgar Filing: Citi Trends Inc - Form 10-Q

incorporation or organization)

Identification No.)

104 Coleman Boulevard
Savannah, Georgia
(Address of principal executive offices)

31408
(Zip Code)

Registrant's telephone number, including area code **(912) 236-1561**

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.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer
(Do not check if a smaller reporting company)

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 registrant's classes of common stock, as of the latest practicable date.

Class
Common Stock, \$.01 par value

Outstanding as of May 16, 2011
14,972,701 shares

Table of Contents

CITI TRENDS, INC.

FORM 10-Q

TABLE OF CONTENTS

	PAGE NUMBER
<u>PART I FINANCIAL INFORMATION</u>	
<u>Item 1 Financial Statements</u>	
<u>Condensed Consolidated Balance Sheets (unaudited) April 30, 2011 and January 29, 2011</u>	3
<u>Condensed Consolidated Statements of Income (unaudited) Thirteen weeks ended April 30, 2011 and May 1, 2010</u>	4
<u>Condensed Consolidated Statements of Cash Flows (unaudited) Thirteen weeks ended April 30, 2011 and May 1, 2010</u>	5
<u>Notes to the Condensed Consolidated Financial Statements (unaudited)</u>	6
<u>Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	9
<u>Item 3 Quantitative and Qualitative Disclosures About Market Risk</u>	12
<u>Item 4 Controls and Procedures</u>	12
<u>PART II OTHER INFORMATION</u>	
<u>Item 1 Legal Proceedings</u>	13
<u>Item 1A Risk Factors</u>	13
<u>Item 2 Unregistered Sales of Equity Securities and Use of Proceeds</u>	13
<u>Item 3 Defaults Upon Senior Securities</u>	13
<u>Item 4 (Removed and Reserved)</u>	13
<u>Item 5 Other Information</u>	13
<u>Item 6 Exhibits</u>	13
<u>SIGNATURES</u>	14

Table of Contents**PART I - FINANCIAL INFORMATION****Item 1. Financial Statements.****Citi Trends, Inc.****Condensed Consolidated Balance Sheets****April 30, 2011 and January 29, 2011****(Unaudited)****(in thousands, except share data)**

	April 30, 2011	January 29, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 76,847	\$ 69,231
Short-term investment securities		586
Inventory	113,380	121,432
Prepaid and other current assets	10,771	11,238
Income tax receivable		524
Deferred tax asset	5,057	4,907
Total current assets	206,055	207,918
Property and equipment, net of accumulated depreciation and amortization of \$100,227 and \$94,630 as of April 30, 2011 and January 29, 2011, respectively	91,175	85,299
Long-term investment securities	16,824	9,205
Goodwill	1,371	1,371
Deferred tax asset	1,150	2,001
Other assets	611	608
Total assets	\$ 317,186	\$ 306,402
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 58,988	\$ 67,934
Accrued expenses	16,373	14,587
Accrued compensation	6,997	8,597
Income tax payable	4,295	
Layaway deposits	1,928	444
Total current liabilities	88,581	91,562
Other long-term liabilities	10,778	10,036
Total liabilities	99,359	101,598
Stockholders' equity:		
Common stock, \$0.01 par value. Authorized 32,000,000 shares; 15,144,801 shares issued as of April 30, 2011 and 14,989,535 shares issued as of January 29, 2011; 14,979,051 shares outstanding as of April 30, 2011 and 14,823,785 outstanding as of January 29, 2011	148	147

Edgar Filing: Citi Trends Inc - Form 10-Q

Paid-in-capital	77,905	76,976
Retained earnings	139,939	127,846
Treasury stock, at cost; 165,750 shares as of April 30, 2011 and January 29, 2011	(165)	(165)
Total stockholders' equity	217,827	204,804
Commitments and contingencies (note 8)		
Total liabilities and stockholders' equity	\$ 317,186	\$ 306,402

See accompanying notes to the condensed consolidated financial statements (unaudited).

Table of Contents

Citi Trends, Inc.

Condensed Consolidated Statements of Income

Thirteen Weeks Ended April 30, 2011 and May 1, 2010

(Unaudited)

(in thousands, except per share data)

	Thirteen Weeks Ended	
	April 30, 2011	May 1, 2010
Net sales	\$ 189,168	\$ 181,406
Cost of sales	114,099	109,016
Gross profit	75,069	72,390
Selling, general and administrative expenses	51,072	48,450
Depreciation and amortization	5,584	4,750
Income from operations	18,413	19,190
Interest income	54	55
Interest expense	(4)	(4)
Income before income tax expense	18,463	19,241
Income tax expense	6,370	6,792
Net income	\$ 12,093	