

Wayside Technology Group, Inc.
Form 10-Q
May 03, 2011

**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 March 31, 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 No. 000-26408

Wayside Technology Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

13-3136104
(I.R.S. Employer Identification No.)

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incorporation or organization)

1157 Shrewsbury Avenue, Shrewsbury, New Jersey 07702

(Address of principal executive offices)

(732) 389-8950

Registrant's Telephone Number

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 and 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, and 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

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

There were 4,754,952 outstanding shares of common stock, par value \$.01 per share, (Common Stock) as of May 02, 2011, not including 529,548 shares classified as treasury stock.

PART I FINANCIAL INFORMATION

WAYSIDE TECHNOLOGY GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	March 31, 2011 (Unaudited)	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 13,089	\$ 10,955
Marketable securities	2,278	4,528
Accounts receivable, net of allowances of \$1,506 and \$1,473, respectively	34,699	42,486
Inventory, net	1,294	1,164
Prepaid expenses and other current assets	1,290	1,250
Deferred income taxes	494	516
Total current assets	53,144	60,899
Equipment and leasehold improvements, net	586	545
Accounts receivable-long-term	6,513	6,866
Other assets	36	37
Deferred income taxes	336	336
Total assets	\$ 60,615	\$ 68,683
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 33,729	\$ 41,791
Current portion - capital lease obligation	75	75
Total current liabilities	33,804	41,866
Long-term portion- capital lease obligation	117	138
Total liabilities	33,921	42,004
Commitments and contingencies		
Stockholders' equity		
Common Stock, \$.01 par value; 10,000,000 shares authorized, 5,284,500 shares issued; 4,754,952 and 4,770,241 shares outstanding, respectively	53	53
Additional paid-in capital	25,771	25,473
Treasury stock, at cost, 529,548 and 514,259 shares, respectively	(4,067)	(3,570)
Retained earnings	4,357	4,267
Accumulated other comprehensive income	580	456
Total stockholders' equity	26,694	26,679
Total liabilities and stockholders' equity	\$ 60,615	\$ 68,683

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

WAYSIDE TECHNOLOGY GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited)

(In thousands, except per share data)

	Three months ended March 31,	
	2011	2010
Net sales	\$ 51,549	\$ 40,358
Cost of sales	46,724	36,390
Gross profit	4,825	3,968
Selling, general and administrative expenses	3,530	3,030
Income from operations	1,295	938
Interest income, net	86	108
Realized foreign exchange gain		1
Income before income tax provision	1,381	1,047
Provision for income taxes	538	424
Net income	\$ 843	\$ 623
Net income per common share - Basic	\$ 0.19	\$ 0.14
Net income per common share Diluted	\$ 0.18	\$ 0.14
Weighted average common shares outstanding-Basic	4,414	4,371
Weighted average common shares outstanding-Diluted	4,651	4,425
Dividends paid per common share	\$ 0.16	\$ 0.15