

KATY INDUSTRIES INC
Form 10-Q
May 13, 2008

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, 2008

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.)

2461 South Clark Street, Suite 630, Arlington, Virginia 22202
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (703) 236-4300

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

Accelerated filer
Smaller reporting
company

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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 April 30, 2008
Common Stock, \$1 Par Value	7,951,176 Shares

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

KATY INDUSTRIES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 AS OF MARCH 31, 2008 (UNAUDITED) AND DECEMBER 31, 2007
 (Amounts in Thousands)

ASSETS

	March 31, 2008	December 31, 2007
CURRENT ASSETS:		
Cash and cash equivalents	\$ 618	\$ 2,015
Accounts receivable, net	19,868	18,077
Inventories, net	25,150	26,160
Receivable from disposition	3,553	6,799
Other current assets	2,064	2,520
Total current assets	51,253	55,571
OTHER ASSETS:		
Goodwill	665	665
Intangibles, net	4,733	4,853
Other	2,959	3,470
Total other assets	8,357	8,988
PROPERTY AND EQUIPMENT:		
Land and improvements	336	336
Buildings and improvements	9,697	9,666
Machinery and equipment	95,801	96,650
	105,834	106,652
Less - Accumulated depreciation	(73,090)	(72,647)
Property and equipment, net	32,744	34,005
Total assets	\$ 92,354	\$ 98,564

See Notes to Condensed Consolidated Financial Statements.

KATY INDUSTRIES, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 AS OF MARCH 31, 2008 (UNAUDITED) AND DECEMBER 31, 2007
 (Amounts in Thousands, Except Share Data)

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 2008	December 31, 2007
CURRENT LIABILITIES:		
Accounts payable	\$ 11,340	\$ 14,995
Accrued compensation	2,725	2,629
Accrued expenses	21,159	22,325
Current maturities of long-term debt	1,500	1,500
Revolving credit agreement	5,794	2,853
Total current liabilities	42,518	44,302