

SMITH MIDLAND CORP
Form 10QSB
November 20, 2006

U. S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

Quarterly Report under Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the quarterly period ended
September 30, 2006

Commission File Number
1-13752

SMITH-MIDLAND CORPORATION
(Exact Name of Small Business
Issuer as Specified in Its Charter)

Delaware
(State of Incorporation)

54-1727060
(I.R.S. Employer I.D. No.)

5119 Catlett Road, P.O. Box 300, Midland, Virginia 22728
(Address of Principal Executive Offices)

(540) 439-3266
(Issuer's Telephone Number, Including Area Code)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Exchange Act during the past 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 shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of November 14, 2006, the Company had outstanding 4,628,482 shares of Common Stock, \$.01 par value per share.

Transitional Small Business Disclosure Format: Yes No

SMITH-MIDLAND CORPORATION

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PART I - Financial Information**Item 1. Financial Statements**

SMITH-MIDLAND CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets

	September 30, 2006 Unaudited	December 31, 2005 Audited
Assets		
Current assets		
Cash	\$ 251,040	\$ 1,003,790
Accounts receivable		
Trade - billed (less allowance for doubtful accounts of \$176,300 and \$239,300)	6,392,849	4,761,718
Trade - unbilled	387,870	134,075
Inventories		
Raw materials	903,182	861,872
Finished goods	2,388,605	1,755,388
Prepaid expenses and other assets	161,677	144,945
Deferred Taxes	313,909	195,000
Total currents assets	10,799,132	8,856,788
Property and equipment, net	3,493,541	3,443,273
Other assets		
Notes receivable, officer	54,003	143,730
Other	308,265	163,603
Total other assets	362,268	307,333
Total assets	\$ 14,654,941	\$ 12,607,394
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable - trade	\$ 2,380,010	\$ 1,248,751
Accrued expenses and other liabilities	986,098	765,447
Accrued Income Taxes	277,058	327,825
Current maturities of notes payable	660,270	411,635
Customer deposits	602,382	476,478
Total current liabilities	4,905,818	3,230,136
Notes payable - less current maturities	3,751,517	3,829,212
Deferred taxes	221,056	215,000

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Total liabilities	8,878,391	7,274,348
Stockholders' equity		
Preferred stock, \$.01 par value; authorized 1,000,000 shares, none outstanding		
Common stock, \$.01 par value; authorized 8,000,000 shares; 4,627,149 and 4,610,191 issued and outstanding, respectively	46,271	46,102
Additional paid-in capital	4,396,870	4,326,548
Retained earnings	1,435,709	1,062,696
Treasury stock, at cost, 40,920 shares	(102,300)	(102,300)
Total stockholders' equity	5,776,550	5,333,046
Total liabilities and stockholders' equity	\$ 14,654,941	\$ 12,607,394

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

SMITH-MIDLAND CORPORATION AND SUBSIDIARIES
 Consolidated Statements of Income
 (Unaudited)

	Three Months Ended September 30,	
	2006	2005
Revenue		
Product sales and leasing	\$ 7,836,113	\$ 6,219,804
Royalties	151,271	309,101
Total Revenue	7,987,384	6,528,905
Cost of goods sold	6,102,078	5,059,418
Gross profit	1,885,306	1,469,487
Operating expenses:		
General and administrative expenses	860,093	681,515
Selling expenses	464,697	326,863
Total operating expenses	1,324,790	1,008,378
Operating income	560,516	