

CHASE CORP  
Form 10-Q  
July 12, 2010  
Table of Contents

**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 May 31, 2010

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)

Edgar Filing: CHASE CORP - Form 10-Q

(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 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, 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 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 June 30, 2010 was 8,825,147.

---

Table of Contents

**CHASE CORPORATION**

**INDEX TO FORM 10-Q**

**For the Quarter Ended May 31, 2010**

**Part I FINANCIAL INFORMATION**

Item 1 Unaudited Financial Statements

<u>Consolidated Balance Sheets as of May 31, 2010 and August 31, 2009</u>	3
<u>Consolidated Statements of Operations for the three and nine months ended May 31, 2010 and 2009</u>	4
<u>Consolidated Statement of Stockholders' Equity for the nine months ended May 31, 2010</u>	5
<u>Consolidated Statements of Cash Flows for the nine months ended May 31, 2010 and 2009</u>	6
<u>Notes to Consolidated Financial Statements</u>	7

<u>Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	19
---	----

<u>Item 3 Quantitative and Qualitative Disclosures About Market Risk</u>	27
--	----

<u>Item 4 Controls and Procedures</u>	27
---------------------------------------	----

**Part II OTHER INFORMATION**

<u>Item 1 Legal Proceedings</u>	28
---------------------------------	----

<u>Item 1A Risk Factors</u>	28
-----------------------------	----

<u>Item 5 Other Information</u>	28
---------------------------------	----

<u>Item 6 Exhibits</u>	28
------------------------	----

<b><u>SIGNATURES</u></b>	29
--------------------------	----

Table of Contents**Part 1 FINANCIAL INFORMATION****Item 1 Unaudited Financial Statements**

**CHASE CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(UNAUDITED)

*In thousands, except share and per share amounts*

	May 31, 2010	August 31, 2009
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 4,321	\$ 11,643
Accounts receivable, less allowance for doubtful accounts of \$474 and \$350	21,805	14,536
Inventories	18,476	13,941
Prepaid expenses and other current assets	1,002	607
Deferred income taxes	368	471
Total current assets	45,972	41,198
Property, plant and equipment, net	28,082	23,219
Other Assets:		
Goodwill	22,973	14,606
Intangible assets, less accumulated amortization of \$6,637 and \$4,869	18,145	4,497
Cash surrender value of life insurance	5,827	5,684
Restricted investments	635	573
Deferred income taxes		1,264
Other assets	85	25
	\$ 121,719	\$ 91,066
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 8,175	\$ 6,319
Accrued payroll and other compensation	2,479	2,561
Accrued stock based and deferred compensation	150	302
Accrued expenses	3,427	2,555
Accrued income taxes	1,952	1,346
Current portion of long-term debt	4,400	
Total current liabilities	20,583	13,083
Long-term debt, less current portion	13,683	
Deferred compensation	1,549	1,525
Accumulated pension obligation	6,162	5,690

Edgar Filing: CHASE CORP - Form 10-Q

Other liabilities	580	555
Deferred income taxes	2,167	
Commitments and Contingencies (Note 9)		
Stockholders' Equity:		
First Serial Preferred Stock, \$1.00 par value: Authorized 100,000 shares; none issued		
Common stock, \$.10 par value: Authorized 20,000,000 shares; 8,827,279 shares at May 31, 2010 and 8,714,431 shares at August 31, 2009 issued and outstanding		
	883	871
Additional paid-in capital	9,478	7,489
Accumulated other comprehensive loss	(5,171)	(3,563)
Retained earnings	71,805	65,416
Total stockholders' equity	76,995	70,213
Total liabilities and stockholders' equity	\$ 121,719	\$ 91,066

See accompanying notes to the consolidated financial statements

Table of Contents

**CHASE CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(UNAUDITED)

*In thousands, except share and per share amounts*

	<b>Three Months Ended May 31,</b>		<b>Nine Months Ended May 31,</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Revenues</b>				
Sales	\$ 39,199	\$ 25,012	\$ 98,570	\$ 78,370
Royalties and commissions	427	77	1,176	792
	39,626	25,089		