ROTONICS MANUFACTURING INC/DE
Form 10-K
September 25, 2006

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended June 30, 2006

Commission file number 1-9429

ROTONICS MANUFACTURING INC.

(Exact name of registrant as specified in its charter)

Delaware	**36-2467474**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
17022 South Figueroa Street **Gardena, California**	**90248**
(Address of principal offices)	(Zip Code)

Registrant s telephone number, including area code: **(310) 538-4932**

Securities registered pursuant to Section 12(b) of the Act:

Common Stock ($.01 stated par value)	**American Stock Exchange**
Titles of each class	Name of each Exchange on which registered

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes o No x

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) for 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 x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer, as defined in Rule 12b-2 of the Exchange Act.

Large accelerated filer	o	Accelerated filer	o	Non-accelerated filer	x

IIndicate by check mark whether the registrant is as shell company (as defined in Rule 12b-2 of the Act).

Yes o No x

The aggregate market value of the voting stock held by non-affiliates of the registrant, as of December 31, 2005, was $12,816,400 (1).

The number of shares of common stock outstanding at September 15, 2006 was 11,752,265.

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(1) Excludes 6,995,408 shares held by directors, officers, and stockholders, whose ownership exceeded 5% of the outstanding shares at December 31, 2005. Exclusion of such shares should not be construed to indicate that the holders thereof possess the power, direct or indirect, to direct the management or policies of registrant, or that such persons are controlled by or under common control with the registrant.

DOCUMENTS INCORPORATED BY REFERENCE

None

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PART I

Forward-Looking Statements

To the extent that this 10-K Annual Report discusses matters which are not historical, including statements regarding future financial results, information, or expectation about products or markets, or otherwise makes statements about future events, such statements are forward-looking and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the statements made. These include, among others, fluctuations in costs of raw materials and other expenses, costs associated with plant closures, downturns in the markets served by the Company, the costs associated with new product introductions, as well as other factors described under the heading: Item 1, Business , Item 3, Legal Proceedings , under Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations , and Footnote 1 to Financial Statements. When used in this report, the words expects, anticipates, intends, plans, believes, seeks, estim similar expressions are generally intended to identify forward-looking statements. You should not place undue reliance on these forward-looking statements, which reflect our opinion only as of the date of the Annual Report. We do not intend to publicly release any revisions to the forward-looking statements after the date of this document. You should carefully review the risk factors described in other documents we file from time to time with the Securities and Exchange Commission, including the Quarterly Reports on Form 10-Q to be filed by us in fiscal year 2007.

Item 1. Business

Introduction

Rotonics Manufacturing Inc. (the Company) was founded as an Illinois Corporation, and was reincorporated in Delaware in December 1986. Effective July 1, 1991, the Company merged with Rotonics Molding, Inc.-Chicago (Rotonics), with the Company being the surviving entity. Rotonics had operations in Itasca, Illinois; Deerfield, Wisconsin; Denver, Colorado; and Bartow, Florida. Three of these operations currently conduct business as divisions of the Company using the trade names RMI-C, RMI-D, and RMI-F, respectively. Rotonics was a privately held California Corporation, which was 52% owned by Mr. Sherman McKinniss. Mr. McKinniss became president and chief executive officer of the Company on August 12, 1991, and currently presides as the Company s president, CEO and chairman of the board.

In September 1991, the Company s wholly owned subsidiary, Rotational Molding, Inc. (RMI), was merged into the Company and now operates as two divisions using the trade names RMI-G and RMI-I with manufacturing operations in Gardena, California and Caldwell, Idaho, respectively.

Effective January 1, 1992, the Company acquired Plastech Holdings, Inc. (Plastech), and its wholly owned subsidiary, Plastech International, Inc., for $1,777,070 in cash. Plastech was headquartered in Warminster, Pennsylvania, with an additional operation in Gainesville, Texas. In July 1992, Plastech was merged with the Company and now operates as a division of the Company using the trade name RMI-T.

Effective April 1, 1995, the Company purchased certain assets and assumed certain liabilities of Custom Rotational Molding, Inc. (CRM) for 300,000 shares of the Company s common stock. The Company assumed CRM s operations in Arleta, California.

In September 1994, the Company purchased a larger manufacturing facility in Bensenville, Illinois and subsequently relocated its Itasca, Illinois operations into this new facility. In December 1995, the Company discontinued its operations at its Deerfield, Wisconsin location and combined these operations into its newly purchased Bensenville, Illinois operation.

In February 1997, the Company purchased a 9.73-acre facility consisting of 63,000 square feet of manufacturing and office building space in Commerce City, Colorado. The Company has since expended significant resources to refurbish the facility to house its Colorado operations. The facility is also located within an enterprise zone, which continues to provide additional benefits.

Effective April 1, 1998, the Company merged with Rotocast International, Inc. and its wholly owned subsidiaries (Rotocast), with the Company being the surviving entity. In accordance with the Merger Agreement, the Company issued 2,072,539 shares of its common stock and a $2,000,000 note payable secured by a stand-by letter of credit, in exchange for all the outstanding voting stock of Rotocast. In January 2000, the Company repurchased these shares for $2.8 million. Upon consummation of the repurchase, the shares were retired.

Rotocast had operations in Miami, Florida; Knoxville, Tennessee; Brownwood, Texas; Las Vegas, Nevada; and Bossier City, Louisiana. These operations currently conduct business as divisions of the Company using the trade names Nutron, Rotocast of Tennessee, RMI-B and RMI-Nevada. Prior to the merger, the operations in Bossier City, Louisiana were substantially discontinued. Rotocast was a privately held Florida corporation, owned by GSC Industries, Inc. (GSC). The Company leases the remaining Rotocast facilities from GSC, and other affiliated parties, under long-term lease arrangements.

In conjunction with the Rotocast merger, the Company initiated the consolidation of its Warminster, Pennsylvania and Arleta, California facilities into its remaining operations. The consolidation of these facilities was completed in fiscal 1999 and enhanced the operations of the Company s remaining facilities, reduced its overall manufacturing overhead costs, and allowed the Company to take greater advantage of its marketing and distribution channels. In fiscal 1999, the Company consolidated its Miami operations into the remaining operating facilities and in fiscal 2006; the Company consolidated its Nutron (Miami, Florida) injection molding operations into its Bartow, Florida operations. The two Miami facility buildings are currently being sub-leased on a long-term basis at $4,800 per month and a portion of the Nutron office building at $2,800 per month. The Company is will also be pursuing a third tenant to sub-lease the remaining 23,000 square feet that the Company was utilizing for its injection molding operations.

On August 29, 2006, the Company entered into an Agreement and Plan of Merger (the Merger) with a subsidiary of Spell Capital Partners, LLC (Buyer). As part of the Merger, Mr. Sherman McKinniss, President and CEO of the Company, and the Buyer entered into a Share Exchange and Voting Agreement that requires Mr. McKinniss to contribute 25% of the outstanding capital shares of the Company in exchange for 25% of the outstanding capital stock of the Buyer s subsidiary. The Buyer will then acquire the remaining 75%, including public shares, of the currently outstanding capital stock of the Company for $3.00 per share cash. A Special Meeting of the Shareholders will be held to consider and vote upon the proposed merger.

The Corporate office of the Company is located at the same site as the RMI-G (Gardena, California) facility and our telephone number is (310) 538-4932. We maintain a website at www.rotonics.com that contains additional information about Rotonics Manufacturing Inc. Our Form 10K, Form 10Q, Forms 8K and other filings with the Securities and Exchange Commission are on our corporate website www.rotonics.com as soon as reasonably possible after we file them with or furnish them to the SEC. The reference to our Internet website does not constitute incorporation by reference of the information contained on or hyperlinked from our Internet website. They are also available online at the Securities and Exchange Commission (SEC) website on the Internet. The address of that site is www.sec.gov.

Description of Business

The Company currently has nine manufacturing locations and was again listed by a plastics industry periodical as one of the top ten rotational molders in North America. These operating divisions manufacture a variety of plastic products for commercial, agricultural, pharmaceutical, governmental, building, medical waste, refuse, retail, recreation, marine, healthcare and residential use, as well as a vast number of custom plastic products for a variety of industries, utilizing the rotonically molding process and, on a smaller scale; injection molding and dip molding processes. In April 1998, the injection molding process was added to the Company s manufacturing operations as part of the Rotocast merger. Utilizing this process, the Company markets a variety of parts for commercial, promotional, and residential uses, under the trade name Nutron. Rotonically molding is a process for molding plastic resin by rotating a mold in a heated environment, while the plastic resin powder placed inside the mold melts and evenly coats the inner wall of the mold. The injection molding process varies in that the plastic resin is first heated to a molten state and then injected under pressure into a mold. The rotonically molding process has been used for many years and continues to be recognized as a growth industry in recent years, as a result of numerous ongoing business consolidations and the development of new resins. These new resins allow rotonically molded items to compete with more traditional materials such as carbon, fiberglass, and stainless steel, especially in the fabrication of large, lightweight, one-piece molded items, such as storage tanks and polysteel light poles. Rotonically molding is a particularly advantageous process for users of molded plastic products who may want to test different prototypes, or who do not require sufficient numbers of such products to justify a more expensive manufacturing process. The Company s products include various types of storage tanks, bin lids, refuse containers for automated removal, medical waste containers, agricultural/livestock products, kayaks, outdoor polysteel lamp posts, furniture, planters, and other rotonically molded items.

The Company purchases resin from nine major suppliers in the U.S. and Canada. There are fourteen additional suppliers of lesser significance. Since the majority of the resin used in the manufacturing process is a polyethylene derived from natural gas, resin price is not directly related to the price for petrochemicals, and until recent years, has not generally been subject to volatile fluctuations that are often experienced by the petroleum industry. The Company also incorporates the use of recycled plastic materials, blended with virgin materials in the manufacturing of products, whenever appropriate.

The Company holds several patents on storage containers used for pharmaceutical, commercial and residential applications that expire through the year 2010. Although the Company has been able to capture its share of these niche markets, no one patent or groups of patents is considered material to the business as a whole.

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Competition for the Company s products is governed by geography and region, since large capacity tanks and bulky hollow products are expensive to ship long distances and, as such, any prospective competitor is constrained by shipping costs. There are numerous single-location, as well as a growing trend to structure multi-location, rotonically molding businesses throughout the United States. However, each of these businesses still competes in a geographic region, which is determined by customer demand within that region, a constraint inherent to the industry. Due to its nationwide presence, the Company has substantially alleviated this constraint. The Company s sales are usually not subject to large seasonal fluctuations as the business typically operates on significant backlogs with a diverse product mix. Peak season is usually experienced in the period from April through June. Historically, the quarter from January through March is the slowest production period of the year. The Company s backlog was $4,368,900 and $4,421,100 as of June 30, 2006 and 2005, respectively. All of the backlog orders as of June 30, 2006 are expected to be filled during fiscal 2007.

The Company s products are marketed through the in-house sales and engineering staff, various distributors and outside commission-based sales representatives. The Company has a diverse customer base, which covers a multitude of industries. Since fiscal 1991, no sales to any one single customer represented a material part of the Company s business.

Research and development expenditures for the Company were insignificant for the last three fiscal years.

Regulation

The Company believes it is in compliance with all applicable federal, state and local laws relating to the protection of the environment, and does not anticipate any such laws will have material effect on its financial position, capital expenditures, or competitive position.

Employees

As of June 30, 2006, the Company employed a total of 429 individuals. The Company maintains, for its respective employees who are eligible, a medical insurance plan (some of which is contributory), a group life insurance plan, an annual bonus plan and a semi-annual attendance bonus plan. We consider our relationship with our employees to be good. No employees are represented by a labor union or covered by a collective bargaining agreement.

Item 1A. Risk Factors

Factors That May Affect Our Future Results or the Market Price of Our Stock

We operate in a rapidly changing economic environment that presents numerous risks. Many of these risks are beyond our control and are driven by factors that we cannot predict. The following discussion highlights some of these risks.

Economic, political and market conditions can adversely affect our revenue growth.

Our revenue growth and profitability depends on the overall demand for plastic products for commercial, recreational and residential uses. Because our sales are primarily to corporate and government customers, our business depends on general economic and business conditions. In the past, the general weakening of the global economy, the weakening of business conditions in the manufacturing industry, and governmental budgetary constraints have resulted in a decreased demand for our products. If demand for our products weakens again, our revenue growth rates will be adversely affected. In addition, our country s ongoing war on terrorism as well as federal and state budgetary concerns, have contributed to economic, political and other uncertainties that could adversely affect our revenue growth and results of operations. If economic and market conditions do not remain healthy, our business will be adversely affected.

Management has no comparative advantage in forecasting macroeconomic trends and developments relating to general business conditions. Our management is, however, required to make such forecasts in order to develop budgets, plan research and development strategies and perform a wide variety of general management functions. To the extent that our forecasts are in error, because we are either overly optimistic or overly pessimistic about the performance of an economy or of a sector, our performance can suffer because of a failure properly to match corporate strategy with economic conditions.

If we do not successfully manage our operating margins, our business can be negatively impacted.

Our future operating results will depend on our ability to forecast revenues accurately and control expenses. While we can control certain internal factors, our future operating results can be adversely impacted by external factors, such as a slowing in demand for certain of our products. If there is an unexpected decline in revenues, which is not offset by a decrease in expenses, our business and operating results will be adversely affected.

We may be required to change our business practices if there are changes in accounting regulations and related interpretations and policies.

Policies, guidelines and interpretations related to revenue recognition, income taxes, facilities consolidation, accounting for acquisitions, allowances for doubtful accounts and other financial reporting matters require difficult judgments as to complex matters that are often subject to multiple sources of authoritative guidance. Some of these matters are also among topics currently under re-examination by accounting standards groups and regulators. These standard groups and regulators could promulgate interpretations and guidance that could result in material and potentially adverse, changes to our accounting policies.

Business disruptions could affect our future operating results.

Our operating results and financial condition could be materially and adversely affected in the event of a major earthquake, fire or other catastrophic event, such as terrorist attacks upon the United States. Our corporate headquarters, a significant portion of our research and development activities and certain other critical business operations are located in California, near major earthquake faults. A catastrophic event that results in the destruction of any of our critical business or information technology systems could severely affect our ability to conduct normal business operations and as a result our future operating results could be adversely affected. Such disruptions, particularly at the end of a quarter, could also adversely affect quarterly revenues and net income.

Our stock price could remain volatile and your investment could lose value.

Our stock price has fluctuated widely in the past and could continue to do so in the future. Your investment in our stock could lose value. Some of the factors that could significantly affect the market price of our stock include:

- quarterly variations in our results of operations or those of our competitors;
- changes in our or our competitors prices;
- changes in our revenue and revenue growth rates as a whole or for specific geographic areas, business units, products or product categories;
- announcements of new products or product enhancements by us or our competitors;
- changes in management;
- changes in our accounting policies;
- changes in recommendations or earnings estimates by financial analysts;
- speculation in the press or analyst community;
- changes in economic and market conditions either generally or specifically to particular industries;
- changes in plastic resin and natural gas costs;
- changes in interest rates; and
- changes in investors beliefs as to the appropriate price-earnings ratios for us and our competitors.

A significant drop in our stock price could expose us to the risk of securities class action lawsuits. Defending against such lawsuits could result in substantial costs and divert management s attention and resources. Furthermore, any settlement or adverse determination of these lawsuits could adversely affect us.

Risks related to the proposed merger.

There are several risks associated with the potential merger of the Company further described in Item 9B below, including without limitation:

- the per share cash consideration of $3.00 will not change even if the market price of the Company s stock changes before the merger is completed;

- if the merger is completed, public stockholders of the Company will not participate in any future earnings, losses, growth or decline of the Company;

- the risk that the Merger Agreement could be terminated under circumstances that would require the Company to pay a fee of $1.5 million or reimburse the buyer s expenses up to a maximum of $500,000;

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- the Company s costs and expenses related to the merger, which are substantial, must be paid even if the merger is not completed;

- if the merger is not completed, our stock price could fluctuate dramatically;

- if the merger is not completed, the Company will be required to comply with Section 404 of the Sarbanes-Oxley Act of 2002 that will result in significant additional expense.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Company s corporate office occupies a separate building that uses approximately 5,800 square feet of the facilities of RMI-G in Gardena, California.

The operating divisions lease warehouse, production and office space as follows:

Property Location	**Building Square Footage**	**Total Facility Square Footage**	**Annual Base Rent**		**Expiration Date(2)**
Gardena, California (1)	43,000	183,300	$	341,400	October 2011
Caldwell, Idaho	21,250	71,200	$	105,600	Month-to-Month
Bartow, Florida	46,200	174,600	$	136,000	September 2009
Miami, Florida (3)	50,000	86,000	$	188,300	March 2013
Gainesville, Texas (4)		108,900	$	1,000	April 2011
Brownwood, Texas	42,800	136,120	$	81,700	March 2013
Las Vegas, Nevada	30,000	90,000	$	150,600	March 2013
Knoxville, Tennessee	44,000	174,240	$	164,600	March 2013

(1) The Company has a first right to purchase option on this facility.

(2) Does not give effect to any renewal options.

(3) The Company is currently sub-leasing one of the Miami buildings (18,000 sq. ft.) for $4,800 per month, is sub-leasing 7,000 sq. ft. of the other building s office space for $2,800 per month and will be pursuing a third tenant for the remaining 23,000 sq. ft. of this building.

(4) Represents a 2.5 acre ground lease adjacent to owned, Gainsville, Texas facility.

The Company owns 2.1 acres (including 38,000 square feet of warehouse, production and office space) in Gainesville, Texas. In September 1994, the Company purchased 3.1 acres (including 63,300 square feet of warehouse, production and office space) in Bensenville, Illinois, for the Company s Illinois manufacturing operations. In February 1997, the Company purchased for cash 9.73 acres (including 63,000 square feet of warehouse, production and office space) in Commerce City, Colorado, for the Company s Colorado manufacturing operations. All Company owned real property was still unencumbered as of June 30, 2006. The Company also owned approximately 1.59 unencumbered acres (including 35,100 square feet of warehouse, production, and office space) in Deerfield, Wisconsin, which was vacated in December 1995 by the Company, and its operations were incorporated into the Illinois facility. The Wisconsin facility was sold in November 2004 for $425,000.

We believe that our existing facilities are adequate for our current needs and that suitable additional or alternative space will be available at such time as it becomes needed on commercially reasonable terms.

Item 3. Legal Proceedings

In the normal course of business, the Company encounters certain litigation matters, which in the opinion of management will not have a significant adverse effect on the financial position or the results of operations of the Company.

On September 13, 2006, following the announcement of the Merger Agreement on August 30, 2006, a person alleging that he is a stockholder of RMI filed a putative class action lawsuit challenging aspects of the proposed Merger. The lawsuit, filed in the Superior Court of California, County of Los Angeles, names RMI and eight officers and directors of the Company, together with Rotonics Holding Corporation and Spell Capital Partners Fund III LP, as defendants. The complaint was served on the Company on September 19, 2006. Plaintiff asserts a single cause of action for breach of fiduciary duty and self-dealing. In the complaint, plaintiff alleges generally that the proposed Merger resulted from unfair dealing and the merger consideration of $3.00 was an inadequate purchase price.

The complaint seeks certification as a class action and various forms of declaratory, injunctive and monetary relief, including an injunction against consummation of the merger or, in the alternative, rescission of the transaction and imposition of a constructive trust.

The defendants deny any wrongdoing, believe that the action is without merit and intend to defend the claims vigorously.

Item 4. Submission of Matters to a Vote of Security Holders

None.

PART II

Item 5. Market for Registrant s Common Stock and Related Stockholder Matters

The Company s Common Stock ($.01 stated value) is traded on the American Stock Exchange (AMEX) under the symbol RMI . The number of stockholders of record of the Company s Common Stock was approximately 4,200 at September 14, 2006.

Price Range of Common Stock

The following table sets forth the quarterly price ranges of the Company s Common Stock in Fiscal 2006 and 2005, as reported on the composite transactions reporting system for AMEX listed stocks.

Fiscal Period	High	Low
Fiscal 2005:		
First Quarter Ended September 30, 2004	$ 2.62	$ 1.60
Second Quarter Ended December 31, 2004	3.50	1.85
Third Quarter Ended March 31, 2005	5.49	2.99
Fourth Quarter Ended June 30, 2005	5.30	2.41
Fiscal 2006:		
First Quarter Ended September 30, 2005	$ 3.67	$ 2.30
Second Quarter Ended December 31, 2005	2.94	2.40
Third Quarter Ended March 31, 2006	3.26	2.69
Fourth Quarter Ended June 30, 2006	3.50	2.34

Since fiscal 1996 the Company has paid nine regular cash dividends on its Common Stock. However, in June 2006, the Board of Directors determined not to declare a regular cash dividend based on a number of events that transpired during fiscal 2006, including but not limited to the relocation of its injection molding operations and that the Company s overall debt structure had not declined since the beginning of fiscal 2006. Any future cash dividends or other distributions of stock will be determined solely by the Board of Directors (the Board) and will be based on the Company s future financial ability to declare and pay such dividends. Certain lending agreements also restrict the Company from declaring or paying dividends beyond set limits on its Common Stock (see Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations: Liquidity and Capital Resources). According to the lending agreement with its bank, the Company may declare or pay any dividend or distribution in a maximum aggregate of $700,000 and may redeem, retire, repurchase or otherwise acquire shares of any class of the Company s stock in a maximum aggregate or $1,000,000 in any fiscal year. Transactions that would exceed these limits would require prior bank authorization and the appropriate waivers. In addition, in compliance with a merger agreement entered into on August 29, 2006 (see Item 9B), the Company is currently prohibited from declaring any future dividends.

The table below discloses the following information with respect to the Company s equity compensation plans that have been approved by stockholders and plans that have not been approved by stockholders as of June 30, 2006.

Equity Compensation Plan Information

Plan category	**(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**(b) Weighted-average exercise price of outstanding options, warrants and rights**	**(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Equity compensation plans approved by stockholders		$	850,000
Equity compensation plans not approved by stockholders		$	
Total		$	850,000

The table below discloses the following information with respect to purchases of the Company s common stock during the fourth quarter of fiscal 2006.

Issuer Purchases of Common Stock

Period	(a) Total number of shares (or units) purchased	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (1)
Month #1 April 1, 2006 - April 30, 2006	2,500	$ 3.05	2,500	$ 587,800
Month #2 May 1, 2006 - May 31, 2006	15,500	$ 2.89	15,500	$ 542,900
Month #3 June 1, 2006 - June 30, 2006	18,600	$ 2.96	15,500	$ 487,900
Total	36,600	$ 2.94	33,500	$ 487,900

(1) In June 2005, the Board of Directors approved a common stock buyback program to purchase up to $1,000,000 of the Company s common stock. At June 30, 2006, the Company had $487,900 available for additional purchases under the program. The buyback program does not have an expiration date. However, in compliance with a merger agreement entered into on August 29, 2006 (see Item 9B), the Company is currently prohibited from repurchasing any additional shares under this program.

Item 6. Selected Financial Data

	Year ended June 30, 2006	**2005**	**2004**	**2003**	**2002**
Income Statement Data					
Net sales	$ 48,051,200	$ 45,131,600	$ 40,332,900	$ 35,972,100	$ 37,973,300
Cost of goods sold	37,730,700	35,190,100	31,140,600	26,927,300	27,765,900
Gross margin	10,320,500	9,941,500	9,192,300	9,044,800	10,207,400
Selling, general, and administrative expenses (B)	7,171,900	7,088,500	6,888,600	7,068,700	7,540,900
Interest expense	138,400	196,900	211,800	266,000	464,100
Net income from operations	$ 2,079,000	$ 1,769,900	$ 1,304,200	$ 1,156,600	$ 1,408,700
Basic/diluted income per common share from operations	$ 0.18	$ 0.15	$ 0.11	$ 0.09	$ 0.11
Avg. common shares outstanding (A)	11,831,900	11,965,200	12,155,500	12,486,000	12,758,800
Other Financial Data					
Net income from operations as a percent of sales	4.3				