

Citi Trends Inc  
Form 10-Q  
May 26, 2006

## UNITED STATES

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### Form 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 29, 2006

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 333-123028

### **CITI TRENDS, INC.**

(Exact name of registrant as specified in its charter)

**DELAWARE**

(State or other jurisdiction of  
incorporation or organization)

**102 Fahm Street  
Savannah, Georgia**

(Address of principal executive offices)

**52-2150697**

(I.R.S. Employer  
Identification No.)

**31401**

(Zip Code)

Registrant's telephone number, including area code **912-236-1561**

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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 or a non-accelerated filer see definition of accelerated filer and large accelerated filer as defined in Rule 12b-2 of the Exchange Act.

(Check one) Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer

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 May 11, 2006
Common Stock, \$.01 par value	13,487,227 shares

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**FORM 10-Q**  
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## Item 1. Financial Statements.

## Citi Trends, Inc.

**Condensed Balance Sheets**  
**April 29, 2006 and January 28, 2006**  
(unaudited)

	April 29, 2006	January 28, 2006
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 9,403,595	\$ 9,079,388
Marketable securities, available for sale	50,633,984	54,458,146
Inventory	58,894,074	54,020,879
Prepaid and other current assets	4,127,065	3,099,919
Income tax receivable	2,886,737	
Deferred tax asset	1,677,969	1,620,400
Total current assets	127,623,424	122,278,732
Property and equipment, net	26,217,097	23,425,601
Goodwill	1,371,404	1,371,404
Other assets	226,449	213,800
Total assets	\$ 155,438,374	\$ 147,289,537
<b>Liabilities and Stockholders Equity</b>		
Current liabilities:		
Borrowings under revolving lines of credit	\$	\$
Accounts payable	39,720,147	45,789,220
Accrued expenses	7,220,292	6,896,442
Accrued compensation	3,917,669	4,980,434
Current portion of capital lease obligations	588,219	662,196
Income taxes payable		1,047,968
Layaway deposits	963,134	317,647
Total current liabilities	52,409,461	59,693,907
Long-term debt, less current portion	110,538	108,936
Capital lease obligations, less current portion	315,286	422,128
Other long-term liabilities	4,571,053	3,315,265
Total liabilities	57,406,338	63,540,236
Commitments and contingencies (note 6)		
Stockholders equity:		
Common stock, \$0.01 par value. Authorized 20,000,000; 13,652,977 shares issued at April 29, 2006 and 13,179,765 shares issued at January 28, 2006; 13,487,227 shares outstanding at April 29, 2006 and 13,014,015 outstanding at January 28, 2006	136,530	130,140
Additional paid-in-capital	57,137,687	49,755,567
Retained earnings	40,922,369	34,028,144
Treasury stock, at cost; 165,750 shares as of April 29, 2006 and January 28, 2006	(164,550)	(164,550)
Total stockholders equity	98,032,036	83,749,301
Total liabilities and stockholders equity	\$ 155,438,374	\$ 147,289,537

See accompanying notes to the condensed financial statements.

**Citi Trends, Inc.**

**Condensed Statements of Operations**  
**Thirteen Weeks Ended April 29, 2006 and April 30, 2005**  
**(unaudited)**

	<b>April 29, 2006</b>	<b>April 30, 2005</b>
Net sales	\$ 91,681,225	\$ 63,616,469
Cost of sales	55,371,718	