

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, 2005

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 0-3922

PATRICK INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

INDIANA
(State or other jurisdiction of
incorporation or organization)

35-1057796
(I.R.S. Employer
Identification No.)

1800 South 14th Street, Elkhart, IN 46516
(Address of principal executive offices)
(ZIP Code)

(574) 294-7511
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

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 an accelerated filer. Yes No

Shares of Common Stock Outstanding as of April 29, 2005: 4,748,198

PATRICK INDUSTRIES, INC.

INDEX

	Page No.
PART I. FINANCIAL INFORMATION	
ITEM 1. FINANCIAL STATEMENTS	
Unaudited Condensed Balance Sheets March 31, 2005 (unaudited) & December 31, 2004	3
Unaudited Condensed Statements of Operations Three Months Ended March 31, 2005 & 2004	4
Unaudited Condensed Statements of Cash Flows Three Months Ended March 31, 2005 & 2004	5
Notes to Unaudited Condensed Financial Statements	6-7
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	8-12
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	12
ITEM 4. CONTROLS AND PROCEDURES	12
PART II: OTHER INFORMATION	13
Signatures	14

PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PATRICK INDUSTRIES, INC.
UNAUDITED CONDENSED BALANCE SHEETS

	MARCH 31 2005	DECEMBER 31 2004
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 585,250	\$ 82,787
Trade receivables	21,858,929	16,720,245
Inventories	37,012,083	34,343,558
Prepaid expenses	934,605	951,192
Deferred tax assets	<u>1,658,000</u>	<u>1,658,000</u>
Total current assets	<u>62,048,867</u>	<u>53,755,782</u>
PROPERTY AND EQUIPMENT, at cost	95,567,774	94,161,533
Less accumulated depreciation	<u>59,335,360</u>	<u>58,518,666</u>
	<u>36,232,414</u>	<u>35,642,867</u>
OTHER ASSETS	<u>2,913,649</u>	<u>2,976,026</u>
Total assets	<u>\$101,194,930</u>	<u>\$ 92,374,675</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 3,810,319	\$ 3,671,430
Short-term borrowings	--	7,300,000
Accounts payable	12,495,441	11,389,966
Accrued liabilities	2,698,434	2,624,489
Income taxes payable	<u>61,197</u>	<u>--</u>
Total current liabilities	<u>19,065,391</u>	<u>24,985,885</u>
LONG-TERM DEBT, less current maturities	<u>18,961,111</u>	<u>4,100,000</u>
DEFERRED LIABILITIES	<u>2,549,674</u>	<u>2,548,606</u>
Total liabilities	<u>\$ 40,576,176</u>	<u>\$ 31,634,491</u>
SHAREHOLDERS' EQUITY		
Common stock	19,137,471	19,128,021
Retained earnings	<u>41,481,283</u>	<u>41,612,163</u>
Total shareholders' equity	<u>60,618,754</u>	<u>60,740,184</u>
Total liabilities and shareholders' equity	<u>\$101,194,930</u>	<u>\$ 92,374,675</u>

See accompanying notes to Unaudited Condensed Financial Statements.

PATRICK INDUSTRIES, INC.
UNAUDITED CONDENSED STATEMENTS OF OPERATIONS

THREE MONTHS ENDED
MARCH 31

	2005	2004
Net Sales	\$ 79,730,325	\$ 65,712,355
Cost of goods sold	<u>70,927,595</u>	<u>58,119,215</u>
Gross profit	<u>8,802,730</u>	<u>7,593,140</u>
Operating expenses:		
Warehouse and delivery expenses	3,540,000	3,160,855
Selling, general, and administrative expenses	<u>5,210,540</u>	<u>5,156,545</u>
Total operating expenses	<u>8,750,540</u>	<u>8,317,400</u>
Operating (income) loss	52,190	(724,260)
Interest expense, net	<u>270,370</u>	<u>137,830</u>
Loss before income taxes (credits)	(218,180)	(862,090)
Federal and state income taxes (credits)	<u>(87,300)</u>	<u>(340,500)</u>
Net loss	<u>\$ (130,880)</u>	<u>\$ (521,590)</u>
Basic and diluted loss per common share	<u>\$ (0.03)</u>	<u>\$ (0.11)</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	4,747,181	4,640,741

See accompanying notes to Unaudited Condensed Financial Statements.

PATRICK INDUSTRIES, INC.
UNAUDITED CONDENSED STATEMENTS OF
CASH FLOWS

	THREE MONTHS ENDED MARCH 31	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (130,880)	\$ (521,590)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,164,947	1,399,259
(Gain) on sale of fixed assets	(108,656)	(11,375)
Deferred income taxes	--	(332,566)
Other	76,500	70,500
Change in assets and liabilities:		
Decrease (increase) in:		
Trade receivables	(5,138,684)	(5,664,780)
Inventories	(2,668,525)	(4,590,978)
Prepaid expenses	16,587	(5,516)
Increase (decrease) in:		
Accounts payable and accrued liabilities	1,308,662	7,705,556
Income taxes payable	(68,045)	(12,707)
Net cash (used in) operating activities	<u>(5,548,094)</u>	<u>(1,964,197)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(1,761,600)	(4,027,617)
Proceeds from sale of property and equipment	212,570	17,150
Other	(27,020)	(106,102)
Net cash (used in) investing activities	<u>(1,576,050)</u>	<u>(4,116,569)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings under long term debt	15,000,000	--
Principal payments on debt	(7,300,000)	--
Payments on deferred compensation obligations	(75,432)	(58,812)
Proceeds from exercise of common stock options	9,450	401,730
Other	(7,411)	(2,113)
Net cash provided by financing activities	<u>7,626,607</u>	<u>340,805</u>
Increase (decrease) in cash and cash equivalents	502,463	(5,739,961)
Cash and cash equivalents, beginning	<u>82,787</u>	<u>7,077,390</u>
Cash and cash equivalents, ending	<u>\$ 585,250</u>	<u>\$ 1,337,429</u>
Cash Payments for:		
Interest	\$ 220,173	\$ 228,078
Income taxes	17,764	4,773

See accompanying notes to Unaudited Condensed Financial Statements.

