

CPI AEROSTRUCTURES INC
Form 10-Q
November 13, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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 September 30, 2018

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: 1-11398

CPI AEROSTRUCTURES, INC.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction
of incorporation or organization)

11-2520310

(IRS Employer Identification Number)

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91 Heartland Blvd., Edgewood, NY 11717
(Address of principal executive offices) (zip code)

(631) 586-5200

(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 (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 has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 12, 2018 the number of shares of common stock, par value \$.001 per share, outstanding was 11,727,784.

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Part I - Financial Information**Item 1 – Condensed Financial Statements****CONDENSED BALANCE SHEETS**

	September 30, 2018 (Unaudited)	December 31, 2017 (Note 1)
ASSETS		
Current Assets:		
Cash	\$ 828,594	\$ 1,430,877
Accounts receivable, net of allowance for doubtful accounts of \$275,000 and \$150,000 as of September 30, 2018 and December 31, 2017, respectively	6,364,186	5,379,821
Contract assets	114,094,962	111,158,551
Prepaid expenses and other current assets	2,330,830	2,413,187
Total current assets	123,618,572	120,382,436
Property and equipment, net	2,696,344	2,046,942
Deferred income taxes, net	500,318	1,566,818
Other assets	286,527	188,303
Total Assets	\$ 127,101,761	\$ 124,184,499
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 10,431,232	\$ 15,129,872
Accrued expenses	1,262,373	1,911,421
Contract liabilities	464,823	246,330
Current portion of long-term debt	2,435,559	2,009,000
Line of credit	27,538,685	22,838,685
Income tax payable	—	109,327
Total current liabilities	42,132,672	42,244,635
Long-term debt, net of current portion	5,667,915	7,019,468
Other liabilities	548,815	607,063
Total Liabilities	48,349,402	49,871,166
Shareholders' Equity:		
Common stock - \$.001 par value; authorized 50,000,000 shares, 8,953,137 and 8,864,319 shares, respectively, issued and outstanding	8,950	8,863
Additional paid-in capital	54,352,614	53,770,618
Retained earnings	24,390,795	20,548,652

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Accumulated other comprehensive loss	—	(14,800)
Total Shareholders' Equity	78,752,359	74,313,333
Total Liabilities and Shareholders' Equity	\$ 127,101,761	\$ 124,184,499

See Notes to Condensed Financial Statements

CONDENSED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	For the Three Months Ended September 30, 2018		For the Nine Months Ended September 30, 2018	
	2017		2017	
	(Unaudited)		(Unaudited)	
Revenue	\$19,944,558			