

BUTLER NATIONAL CORP
Form 10-Q
March 15, 2019

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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 **January 31, 2019**

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 **0-1678**

BUTLER NATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Kansas

(State or other jurisdiction of incorporation or organization)

41-0834293

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

19920 West 161st Street, Olathe, Kansas 66062

(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: **(913) 780-9595**

Former name, former address and former fiscal year if changed since last report:

Not Applicable

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 twelve 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 (§232.405 of this chapter) 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, 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

The number of shares outstanding of the Registrant's Common Stock, \$0.01 par value, as of March 15, 2019 was 64,050,508 shares.

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BUTLER NATIONAL CORPORATION AND SUBSIDIARIES

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****BUTLER NATIONAL CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****As of January 31, 2019 and April 30, 2018****(in thousands except per share data)**

	January 31, 2019 (unaudited)	April 30, 2018
ASSETS		
CURRENT ASSETS:		
Cash	\$ 8,803	\$7,353
Accounts receivable	3,775	3,107
Income tax receivable, net	-	219
Inventories		
Parts and raw materials	6,766	5,858
Work in process	1,824	1,234
Finished goods	73	27
Total inventory net of allowances	8,663	7,119
Prepaid expenses and other current assets	1,407	978
Total current assets	22,648	18,776
PROPERTY, PLANT AND EQUIPMENT:		
Land and building	6,917	5,232
Aircraft	6,157	6,157
Machinery and equipment	4,001	3,922
Office furniture and fixtures	7,365	6,658
Leasehold improvements	4,032	4,032
	28,472	26,001
Accumulated depreciation	(16,485)	(15,725)
Total property, plant and equipment	11,987	10,276
SUPPLEMENTAL TYPE CERTIFICATES (net of accumulated amortization of \$5,808 at January 31, 2019 and \$5,164 at April 30, 2018)	6,510	6,597
OTHER ASSETS:		
Deferred tax asset	193	193
Other assets (net of accumulated amortization of \$9,136 at January 31, 2019 and \$8,213 at April 30, 2018)	4,788	5,589
Total other assets	4,981	5,782
Total assets	\$ 46,126	\$41,431

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Promissory notes	\$ -	\$2,387
Current maturities of long-term debt	1,441	1,612
Current maturities of capital lease obligation	8	-
Accounts payable	1,695	2,215
Customer deposits	3,260	1,396
Gaming facility mandated payment	975	1,219
Compensation and compensated absences	1,695	1,439
Income taxes payable	996	-
Other current liabilities	310	162
Total current liabilities	10,380	10,430
Long-term debt, net of current maturities	686	1,735
Capital lease obligation, net of current maturities	1,691	-
Total long-term liabilities	2,377	1,735
Total liabilities	12,757	12,165

COMMITMENTS AND CONTINGENCIES STOCKHOLDERS' EQUITY:

Butler National Corporation's stockholders' equity

Preferred stock, par value \$5:

Authorized 50,000,000 shares, all classes

Designated Classes A and B 200,000 shares

\$100 Class A, 9.8%, cumulative if earned liquidation and redemption value \$100, no shares issued and outstanding

-

-

\$1,000 Class B, 6%, convertible cumulative, liquidation and redemption value \$1,000, no shares issued and outstanding

-

-

Common stock, par value \$.01: authorized 100,000,000 shares issued 66,196,854 and outstanding 64,050,508 shares at January 31, 2019 and issued 66,196,854 and outstanding 64,743,317 shares at April 30, 2018

662

662

Capital contributed in excess of par

14,231

14,231

Treasury stock at cost, 2,146,346 shares at January 31, 2019 and 1,453,537 shares at April 30, 2018

(1,165)

(951)

Retained earnings

13,630

10,060

Total stockholders' equity Butler National Corporation

27,358

24,002

Noncontrolling interest in BHCMC, LLC

6,011

5,264

Total stockholders' equity

33,369

29,266

Total liabilities and stockholders' equity