COMMAND SECURITY CORP Form 10-Q August 01, 2018

#### **UNITED STATES**

#### SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

# [X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF

## THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 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 001-33525

## COMMAND SECURITY CORPORATION

(Exact name of registrant as specified in its charter)

New York14-1626307(State or other jurisdiction of(I.R.S. Employer)

incorporation or organization) Identification No.)

512 Herndon Parkway, Suite A, Herndon, VA20170(Address of principal executive offices)(Zip Code)

#### (703) 464-4735

(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 [X] No []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No []

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

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] Smaller reporting company [X] 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. []

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [] No [X]

The number of outstanding shares of the registrant's common stock as of July 24, 2018 was 10,134,662.

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# PART I. FINANCIAL INFORMATION

#### **Item 1. Financial Statements**

#### **COMMAND SECURITY CORPORATION**

#### CONDENSED CONSOLIDATED STATEMENTS OF INCOME

### (Unaudited)

	Three Months June 30, 2018	s Ended June 30, 2017
Revenues Cost of revenues	\$44,089,348 38,579,995	\$43,802,721 38,749,550
Gross profit	5,509,353	5,053,171
Operating expenses General and administrative Provision for doubtful accounts, net	4,268,786 24,160 4,292,946	4,778,205 2,488 4,780,693
Operating income	1,216,407	272,478
Other expenses Interest expense	167,572	91,927
Income before income taxes and equity loss in minority investment of unconsolidated affiliate	1,048,835	180,551
Equity loss in minority investment of unconsolidated affiliate	-	(25,200)
Income before income taxes	1,048,835	155,351
Provision for income taxes	319,000	84,000
Net income	\$729,835	\$71,351

Income per share of common stock

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Basic	\$0.07	\$0.01
Diluted	\$0.07	\$0.01
Weighted average number of common shares outstanding Basic Diluted	10,200,936 10,392,384	9,848,186 10,264,096

See accompanying notes to condensed consolidated financial statements

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### COMMAND SECURITY CORPORATION

## CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2018 (Unaudited)	March 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents		\$1,211,915
Accounts receivable, net of allowance for doubtful accounts of \$363,944 and \$335,192, respectively	35,075,913	36,831,394
Prepaid expenses	961,015	1,933,500
Other assets	2,047,926	3,321,345
Total current assets	39,443,957	43,298,154
Furniture and equipment at cost, net	626,617	559,976
Other assets:		
Intangible assets, net	907,661	921,902
Other assets	3,202,007	3,508,469
Total other assets	4,109,668	4,430,371
Total assets	\$44,180,242	\$48,288,501

# LIABILITIES AND STOCKHOLDERS' EQUITY