

BUTLER NATIONAL CORP
Form 10-Q
September 15, 2014

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 July 31, 2014

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 41-0834293
(State or other jurisdiction of incorporation or organization) (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 T No o

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 (§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 T No o

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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 definition of "large accelerated filer," "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

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 September 5, 2014 was 61,493,092 shares.

BUTLER NATIONAL CORPORATION AND SUBSIDIARIES

INDEX

PART I. FINANCIAL INFORMATION

	PAGE NO.
Item 1 Financial Statements	
Condensed Consolidated Balance Sheets – July 31, 2014 and April 30, 2014	3
Condensed Consolidated Statements of Operations - Three Months Ended July 31, 2014 and 2013	4
Condensed Consolidated Statements of Cash Flows - Three Months Ended July 31, 2014 and 2013	5
Notes to Condensed Consolidated Financial Statements	6
Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations	7
Item 3 Quantitative and Qualitative Disclosures about Market Risk	16
Item 4 Controls and Procedures	16

PART II. OTHER INFORMATION

Item 1 Legal Proceedings	17
Item 1A Risk Factors	17
Item 2 Unregistered Sales of Equity Securities and Use of Proceeds	17
Item 3 Defaults Upon Senior Securities	17
Item 4 Mine Safety Disclosures	17
Item 5 Other Information	17
Item 6 Exhibits	18
Signatures	19
Exhibit Index	20

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

BUTLER NATIONAL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

As of July 31, 2014 and April 30, 2014

(in thousands except per share data)

(unaudited)

	July 31, 2014	April 30, 2014
ASSETS		
CURRENT ASSETS:		
Cash	\$5,581	\$6,261
Accounts receivable	2,966	3,109
Inventories		
Raw materials	5,308	5,102
Work in process	1,767	1,090
Finished goods	142	144
Total inventory	7,217	6,336
Prepaid expenses and other current assets	880	825
Total current assets	16,644	16,531
PROPERTY, PLANT AND EQUIPMENT:		
Land and building	4,044	4,044
Aircraft	6,723	6,723
Machinery and equipment	3,549	3,535
Office furniture and fixtures	6,577	6,447
Leasehold improvements	4,081	4,060
	24,974	24,809
Accumulated depreciation	(12,871)	(12,140)
Total property, plant and equipment	12,103	12,669
SUPPLEMENTAL TYPE CERTIFICATES (net of amortization of \$2,849 at July 31, 2014 and \$2,841 at April 30, 2014)	3,943	3,744
OTHER ASSETS:		
Deferred tax asset	1,335	1,335
Other assets (net of accumulated amortization of \$2,849 at July 31, 2014 and \$2,520 at April 30, 2014)	7,515	7,399
Total other assets	8,850	8,734
Total assets	\$41,540	\$41,678
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Promissory notes	\$1,548	\$1,757
Current maturities of long-term debts	3,670	3,908
Accounts payable	1,362	1,375
Customer deposits	1,841	982
Gaming facility mandated payment	924	1,267

BUTLER NATIONAL CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE THREE MONTHS ENDED JULY 31, 2014 AND 2013
 (in thousands, except per share data)
 (unaudited)

	THREE MONTHS ENDED July 31, 2014 2013	
REVENUE:		
Professional Services	\$7,624	\$8,326
Aerospace Products	4,767	2,671
Total revenue	12,391	10,997
COSTS AND EXPENSES:		
Cost of Professional Services	4,561	4,778
Cost of Aerospace Products	3,498	2,510
Marketing and advertising	1,138	1,064
Employee benefits	462	568
Depreciation and amortization	861	885
General, administrative and other	1,065	