

SMITH MIDLAND CORP
Form 10-Q/A
January 08, 2016

STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A
(Amendment No. 1)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended June 30, 2015

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 1-13752
Smith-Midland Corporation
(Exact name of Registrant as specified in its charter)
Delaware
(State or other jurisdiction of
incorporation or organization)

54-1727060
(I.R.S. Employer
Identification No.)

5119 Catlett Road, P.O. Box 300
Midland, VA 22728
(Address, zip code of principal executive offices)

(540) 439-3266
(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 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 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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$.01 par value, outstanding as of August 5, 2015 : 4,852,628 shares, net of treasury shares

1

EXPLANATORY NOTE

The Company has prepared this Amendment No. 1 (“Amendment”) on Form 10-Q/A to amend its Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 (the “Original Form 10-Q”), which was originally filed on August 14, 2015. This Amendment is being filed solely to correct an inadvertent misstatement of the periodic report referenced in the first paragraph of the certifications on Exhibits 31.1 and 31.2 and the certifying period contained in the certifications on Exhibit 32. These revised certifications are currently dated, refer to this Form 10-Q/A and the correct certifying period and are included as exhibits to this Amendment.

Except as described above, the Company has not modified or updated disclosures made in the Original Form 10-Q in this Amendment. Accordingly, this Amendment does not reflect events occurring after the filing of the Original Form 10-Q or modify or update any disclosures affected by subsequent events.

SMITH-MIDLAND CORPORATION

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PART I — FINANCIAL INFORMATION

ITEM 1. Financial Statements

SMITH-MIDLAND CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS	June 30, 2015	December 31, 2014
Current assets		
Cash and cash equivalents	\$1,941,740	\$3,572,405
Investment securities, available-for-sale, at fair value	1,011,853	1,013,417
Accounts receivable, net		
Trade - billed (less allowance for doubtful accounts of \$295,246 and \$267,985)	6,394,261	4,092,924
Trade - unbilled	95,896	240,635
Inventories		
Raw materials	738,119	353,089
Finished goods	1,144,443	1,373,455
Prepaid expenses and other assets	212,797	126,047
Refundable income taxes	754,753	722,948
Deferred taxes	576,000	441,000
Total current assets	12,869,862	11,935,920
Property and equipment, net	4,283,280	4,106,611
Other assets	261,040	255,385
Total assets	\$17,414,182	\$16,297,916

The accompanying notes are an integral part of the condensed consolidated financial statements.

SMITH-MIDLAND CORPORATION
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY	June 30, 2015	December 31, 2014
Current liabilities		
Accounts payable - trade	\$1,833,230	\$1,152,506
Accrued expenses and other liabilities	732,854	539,549
Accrued compensation	589,555	442,651
Current maturities of notes payable	361,514	363,821
Customer deposits	1,012,509	432,274
 Total current liabilities	 4,529,662	 2,930,801
Notes payable - less current maturities	2,048,692	2,230,364
Deferred tax liability	640,000	663,000
 Total liabilities	 7,218,354	 5,824,165
 Commitments and contingencies	 —	 —
Stockholders' equity		
Preferred stock, \$.01 par value; authorized 1,000,000 shares, none outstanding	—	—
Common stock, \$.01 par value; authorized 8,000,000 shares; 4,893,548 and 4,881,548 issued and outstanding	48,935	48,815
Additional paid-in capital	5,062,418	5,041,438
Accumulated other comprehensive loss, net	(26,139	) (6,629)
Retained earnings	5,212,914	5,492,427
	10,298,128	10,576,051
Treasury stock, at cost, 40,920 shares	(102,300	) (102,300)
 Total stockholders' equity	 10,195,828	 10,473,751
 Total liabilities and stockholders' equity	 \$17,414,182	 \$16,297,916

The accompanying notes are an integral part of the condensed consolidated financial statements.

SMITH-MIDLAND CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,	
	2015	2014
Revenue		
Products sales and leasing	\$5,600,996	\$4,666,367
Shipping and installation revenue	813,894	1,393,336
Royalties	482,675	368,613
Total revenue	6,897,565	6,428,316
Cost of goods sold	5,229,992	5,022,910
Gross profit	1,667,573	1,405,406
Operating expenses		
General and administrative expenses	746,357	806,931
Selling expenses	514,760	546,889
Total operating expenses	1,261,117	1,353,820
Gain on sale of assets	6,373	22,102
Other income	3,949	22,596
Operating income	416,778	96,284
Interest income (expense)		
Interest expense	(23,737)	(29,847)
Interest income	816	1,544
Total other expense	(22,921)	(28,303)
Income before income tax expense	393,857	67,981
Income tax expense	149,000	38,000
Net income	\$244,857	\$29,981
Basic earnings per share	\$0.05	\$0.01
Diluted earnings per share	\$0.05	\$0.01
Weighted average number of common shares outstanding:		
Basic	4,892,686	4,881,548
Diluted	4,938,234	4,928,652

The accompanying notes are an integral part of the condensed consolidated financial statements.

SMITH-MIDLAND CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited)

	Three Months Ended June 30,	
	2015	2014
Net income	\$244,857	\$29,981
Other comprehensive gain (loss), net of tax:		
Net unrealized holding gain (loss) (1)	(10,438	) 11,631
Comprehensive income	\$234,419	\$41,612

(1) Unrealized gains (losses) on available for sale securities are shown net of income tax benefit of \$6,000 for June 30, 2015 and an income tax expense of \$8,000 for June 30, 2014.

The accompanying notes are an integral part of the condensed consolidated financial statements.

SMITH-MIDLAND CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Six Months Ended June 30,	
	2015	2014
Revenue		
Products sales and leasing	\$8,869,733	\$8,736,705
Shipping and installation revenue	1,413,147	2,508,240
Royalties	814,810	820,779
Total revenue	11,097,690	12,065,724
Cost of goods sold	8,900,125	9,930,312
Gross profit	2,197,565	2,135,412
Operating expenses		
General and administrative expenses	1,621,064	1,576,002
Selling expenses	1,018,774	1,086,369
Total operating expenses	2,639,838	2,662,371
Gain on sale of assets	11,627	34,079
Other income (expense)	14,556	52,673
Operating loss	(416,090	) (440,207
Interest income (expense)		
Interest expense	(50,730	) (58,604
Interest income	1,308	7,256
Total other expense	(49,422	) (51,348
Loss before income tax benefit	(465,512	) (491,555
Income tax benefit	(186,000	) (193,000
Net loss	\$(279,512	) \$(298,555
Basic loss per share	\$(0.06	) \$(0.06
Diluted loss per share	\$(0.06	) \$(0.06
Weighted average number of common shares outstanding:		
Basic	4,892,686	4,881,548
Diluted	4,892,686	4,881,548

The accompanying notes are an integral part of the condensed consolidated financial statements.

SMITH-MIDLAND CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
 (Unaudited)

	Six Months Ended	
	June 30,	
	2015	2014
Net loss	\$(279,512	) \$(298,555)
Other comprehensive gain (loss), net of tax:		
Net unrealized holding gain (loss) (1)	(16,206	) 28,513
Comprehensive loss	\$(295,718	) \$(270,042)

(1) Unrealized gains (losses) on available for sale securities are shown net of income tax benefit of \$10,000 for June 30, 2015 and an income tax expense of \$19,000 for June 30, 2014.

The accompanying notes are an integral part of the condensed consolidated financial statements.

SMITH-MIDLAND CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited)

	Six Months Ended	
	June 30,	
	2015	2014
Reconciliation of net loss to cash provided (absorbed) by operating activities		
Net loss	\$(279,512	) \$(298,555
Adjustments to reconcile net loss to net cash provided (absorbed) by operating activities:		
Depreciation and amortization	333,931	