

ADVANTAGE TECHNOLOGIES GROUP INC  
Form 10-Q  
August 11, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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 1-10799

ADDvantage Technologies Group, Inc.  
(Exact name of registrant as specified in its charter)

OKLAHOMA 73-1351610  
(State or other jurisdiction of incorporation or (I.R.S. Employer Identification No.)  
organization)

1221 E. Houston  
Broken Arrow, Oklahoma 74012  
(Address of principal executive office)  
(918) 251-9121

(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 (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  No

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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 the definitions 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  (do not check if a smaller reporting  
company) 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

Shares outstanding of the issuer's \$.01 par value common stock as of July 31, 2015 were 10,073,121.

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ADVANTAGE TECHNOLOGIES GROUP, INC.  
Form 10-Q  
For the Period Ended June 30, 2015

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements.

ADVANTAGE TECHNOLOGIES GROUP, INC.  
CONSOLIDATED CONDENSED BALANCE SHEETS  
(UNAUDITED)

	June 30, 2015	September 30, 2014
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$4,638,741	\$5,286,097
Accounts receivable, net of allowance for doubtful accounts of \$200,000	5,799,626	6,393,580
Income tax refund receivable	7,180	220,104
Inventories, net of allowance for excess and obsolete inventory of \$2,606,628 and \$2,156,628, respectively	24,497,418	22,780,523
Prepaid expenses	153,823	174,873
Deferred income taxes	1,581,000	1,416,000
<b>Total current assets</b>	<b>36,677,788</b>	<b>36,271,177</b>
<b>Property and equipment, at cost:</b>		
Land and buildings	7,264,753	7,208,679
Machinery and equipment	3,394,996	3,244,153
Leasehold improvements	145,737	206,393
<b>Total property and equipment, at cost</b>	<b>10,805,486</b>	<b>10,659,225</b>
Less accumulated depreciation	(4,491,107 )	(4,191,516 )
<b>Net property and equipment</b>	<b>6,314,379</b>	<b>6,467,709</b>
<b>Intangibles, net of accumulated amortization</b>	<b>6,005,924</b>	<b>6,625,278</b>
Goodwill	3,910,089	3,910,089
Other assets	131,428	131,428
<b>Total assets</b>	<b>\$53,039,608</b>	<b>\$53,405,681</b>

See notes to unaudited consolidated condensed financial statements.

ADVANTAGE TECHNOLOGIES GROUP, INC.  
CONSOLIDATED CONDENSED BALANCE SHEETS  
(UNAUDITED)

	June 30, 2015	September 30, 2014
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$2,755,394	\$2,880,761
Accrued expenses	1,660,203	1,809,878
Notes payable – current portion	866,507	845,845
Other current liabilities	971,350	983,269
<b>Total current liabilities</b>	<b>6,253,454</b>	<b>6,519,753</b>
Notes payable, less current portion	4,587,138	5,240,066
Deferred income taxes	252,000	267,000
Other liabilities	1,042,480	1,942,889
<b>Shareholders' equity:</b>		
Common stock, \$.01 par value; 30,000,000 shares authorized; 10,573,779 and 10,541,864 shares issued, respectively; and 10,073,121 and 10,041,206 shares outstanding, respectively	105,738	105,419
Paid in capital	(5,131,949 )	(5,312,881 )
Retained earnings	46,930,761	45,643,449
<b>Total shareholders' equity before treasury stock</b>	<b>41,904,550</b>	<b>40,435,987</b>
Less: Treasury stock, 500,658 shares, at cost	(1,000,014 )	(1,000,014 )
<b>Total shareholders' equity</b>	<b>40,904,536</b>	<b>39,435,973</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$53,039,608</b>	<b>\$53,405,681</b>

See notes to unaudited consolidated condensed financial statements.

ADVANTAGE TECHNOLOGIES GROUP, INC.  
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS  
(UNAUDITED)

	Three Months Ended June		Nine Months Ended June	
	30,		30,	
	2015	2014	2015	2014
Sales	\$11,902,391	\$9,323,158	\$34,106,088	\$23,756,707
Cost of sales	7,757,784			