

COMMAND SECURITY CORP
Form 10-Q
February 12, 2013

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 December 31, 2012

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 York

(State or other jurisdiction of incorporation or organization)

14-1626307

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

1133 Route 55, Suite D, Lagrangeville, New York

(Address of principal executive offices)

12540

(Zip Code)

(845) 454-3703

(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 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

1 company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of outstanding shares of the registrant's common stock as of February 1, 2013 was 8,989,298.

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****COMMAND SECURITY CORPORATION****CONDENSED STATEMENTS OF INCOME****(Unaudited)**

	Three Months Ended		Three Months Ended	
	December	December	December 31,	December 31,
	31,	31,	December 31,	December 31,
	2012	2011	2012	2011
Revenues	\$38,930,273	\$35,784,511	\$112,736,873	\$106,678,724
Cost of revenues	33,922,021	31,256,017	97,815,567	92,411,427
Gross profit	5,008,252	4,528,494	14,921,306	14,267,297
Operating expenses				
General and administrative	4,188,517	3,983,518	12,748,838	11,982,515
Provision for doubtful accounts, net	74,434	75,112	221,448	152,757
	4,262,951	4,058,630	12,970,286	12,135,272
Operating income	745,301	469,864	1,951,020	2,132,025
Interest income	35	31	120	91
Interest expense	(36,688)	(53,561)	(99,149)	(196,636)
Loss on sale of investment	--	(2,137)	--	(2,015)
Equipment dispositions	--	--	7,203	4,915
Income before provision for income taxes	708,648	414,197	1,859,194	1,938,380
Provision for income taxes	355,000	197,000	945,000	992,000
Net income	353,648	217,197	914,194	946,380

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Other comprehensive income (loss):				
Unrealized gain (loss) on available for sale securities	--	23,590	--	(43,494)
Net gain (loss) recognized in other comprehensive income	--	23,590	--	(43,494)
Total comprehensive income	\$353,648	\$240,787	\$914,194	\$902,886
Net income per common share				
Basic	\$.04	\$.02	\$.10	\$.09
Diluted	\$.04	\$.02	\$.10	\$.09
Weighted average number of common shares outstanding				
Basic	9,475,702	10,855,331	9,602,899	10,870,509
Diluted	9,582,022	10,952,424	9,638,339	10,966,603

See accompanying notes to condensed financial statements

COMMAND SECURITY CORPORATION

CONDENSED BALANCE SHEETS

ASSETS

	December 31, 2012 (Unaudited)	March 31, 2012
Current assets:		
Cash and cash equivalents	\$9,544	\$1,175,809
Accounts receivable, net of allowance for doubtful accounts of \$684,866 and \$582,510, respectively	25,544,662	20,608,677
Prepaid expenses	1,210,290	1,744,425
Other assets		