

Enservco Corp
Form 10-Q
November 14, 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 September 30, 2014

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 **0-9494**

ENSERVCO CORPORATION

(Exact Name of registrant as Specified in its Charter)

Delaware **84-0811316**
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

501 South Cherry St., Ste. 320

Denver, CO **80246**
(Address of principal executive offices) (Zip Code)

Registrant's telephone number: **(303) 333-3678**

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 Enservco 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.

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

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

Class	Outstanding at November 07, 2014
Common stock, \$.005 par value	37,056,215

1

TABLE OF CONTENTS

	Page
<u>Part I – Financial Information</u>	
Item 1. Financial Statements	
Condensed Consolidated Balance Sheets	3
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)	4
Condensed Consolidated Statements of Cash Flows	5
Notes to Condensed Consolidated Financial Statements	6
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	18
Item 3. Quantitative and Qualitative Disclosures about Market Risk	30
Item 4. Controls and Procedures	30
<u>Part II</u>	
Item 1. Legal Proceedings	30
Item 1A. Risk Factors	31
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	31
Item 3. Defaults Upon Senior Securities	31
Item 4. Mine Safety Disclosures	31
Item 5. Other Information	32
Item 6. Exhibits	32

Part I. FINANCIAL INFORMATION**Item 1. FINANCIAL STATEMENTS****ENSERVCO CORPORATION****Condensed Consolidated Balance Sheets**

	September 30, 2014	December 31, 2013
	(Unaudited)	
ASSETS		
Current Assets		
Cash and cash equivalents	\$1,848,435	\$1,868,190
Accounts receivable, net	3,704,780	11,685,866
Prepaid expenses and other current assets	1,325,390	923,758
Inventories	376,618	315,004
Income tax receivable	278,268	-
Deferred tax asset	285,777	336,561
Total current assets	7,819,268	15,129,379
Property and Equipment, net	27,856,726	17,425,828
Goodwill	301,087	301,087
Long-Term Portion of Interest Rate Swap	2,407	18,616
Other Assets	717,274	547,338
TOTAL ASSETS	\$36,696,762	\$33,422,248
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$3,832,833	\$3,102,912
Income taxes payable	-	1,278,599
Current portion of long-term debt	469,786	2,562,141
Current portion of interest rate swap	7,272	11,966
Total current liabilities	4,309,891	6,955,618
Long-Term Liabilities		
Senior revolving credit facility	13,763,001	-
Long-term debt, less current portion	810,727	11,200,048
Deferred income taxes, net	2,430,451	2,421,466
Total long-term liabilities	17,004,179	13,621,514

Total liabilities	21,314,070	20,577,132
Commitments and Contingencies (Note 7)		
Stockholders' Equity		
Preferred stock. \$.005 par value, 10,000,000 shares authorized, no shares issued or outstanding	-	-
Common stock. \$.005 par value, 100,000,000 shares authorized, 37,018,920 and 34,926,136 shares issued, respectively; 103,600 shares of treasury stock; and 36,915,320 and 34,822,536 shares outstanding, respectively	184,577	174,113
Additional paid-in-capital	12,615,260	11,568,033
Accumulated earnings	2,585,810	1,098,900
Accumulated other comprehensive income	(2,955)	4,070
Total stockholders' equity	15,382,692	12,845,116
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$36,696,762	\$33,422,248

See notes to condensed consolidated financial statements.

ENSERVCO CORPORATION

Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income

(Unaudited)

	For the Three Months Ended September 30, 2014		For the Nine Months Ended September 30, 2014		2013	
Revenues	\$5,748,754	\$4,803,503	\$38,285,655	\$31,318,304		
Cost of Revenue	6,270,499	4,687,536	29,208,287	21,061,888		