

FREQUENCY ELECTRONICS INC
Form 10-Q
March 18, 2019

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 January 31, 2019

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 No. 1-8061

FREQUENCY ELECTRONICS, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

11-1986657

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

55 CHARLES LINDBERGH BLVD., MITCHEL FIELD, N.Y. 11553

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **516-794-4500**

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller Reporting Company
Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of Registrant's Common Stock, par value \$1.00 as of March 12, 2019 – 8,729,682

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FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

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Condensed Consolidated Balance Sheets

(In thousands except par value)

	January 31, 2019	April 30, 2018
	(UNAUDITED)	
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 2,418	\$7,869
Marketable securities	8,442	6,149
Accounts receivable, net of allowance for doubtful accounts	7,312	4,268
of \$173 at January 31, 2019 and \$181 at April 30, 2018		
Costs and estimated earnings in excess of billings, net	7,282	5,094
Inventories, net	25,065	26,186
Prepaid income taxes	417	1,459
Prepaid expenses and other	877	1,050
Total current assets	51,813	52,075
Property, plant and equipment, at cost, net of		
accumulated depreciation and amortization	13,783	14,127
Goodwill and other intangible assets	617	617
Cash surrender value of life insurance and cash held in trust	14,419	13,915
Other assets	3,616	2,850
Total assets	\$ 84,248	\$83,584
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable - trade	\$ 1,120	\$1,841
Accrued liabilities	3,444	3,416
Total current liabilities	4,564	5,257
Deferred compensation	13,779	13,541
Deferred rent and other liabilities	1,314	1,524

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Total liabilities	19,657	20,322
Commitments and contingencies		
Stockholders' equity:		
Preferred stock - \$1.00 par value authorized 600 shares, no shares issued	-	-
Common stock - \$1.00 par value; authorized 20,000 shares, 9,164 shares issued,	9,164	9,164
8,955 shares outstanding at January 31, 2019; 8,867 shares outstanding at April 30, 2018		
Additional paid-in capital	56,696	56,439
Retained earnings (Accumulated deficit)	251	(65)
	66,111	65,538
Common stock reacquired and held in treasury -		
	(960) (1,361)
at cost (209 shares at January 31, 2019 and 297 shares at April 30, 2018)		
Accumulated other comprehensive income	(560) (915)
Total stockholders' equity	64,591	63,262
Total liabilities and stockholders' equity	\$ 84,248	\$83,584

See accompanying notes to condensed consolidated financial statements.

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Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

Nine Months Ended January 31,

(In thousands except per share data)

(Unaudited)

	2019	2018
Condensed Consolidated Statements of Operations		
Revenues	\$36,345	\$31,932
Cost of revenues	23,953	28,060
Gross margin	12,392	3,872
Selling and administrative expenses	7,838	7,796
Research and development expense	5,094	5,071
Operating loss	(540)	(8,995)
Other income (expense):		
Investment income	242	1,236
Interest expense	(57)	(61)
Other income, net	225	4
Loss before provision (benefit) for income taxes	(130)	(7,816)
Provision for income taxes	38	2,750
Net loss from continuing operations	(168)	(10,566)
Loss from discontinued operations, net of tax	-	(697)
Net loss	\$(168)	\$(11,263)
Net loss per common share:		
Basic and diluted loss from continued operations	\$(0.02)	\$(1.20)
Basic and diluted loss from discontinued operations	-	(0.07)
Basic and diluted loss per share	(0.02)	(1.27)
Weighted average shares outstanding:		
Basic	8,899	8,836
Diluted	8,899	8,836
<u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u>		
Net loss	\$(168)	\$(11,263)
Other comprehensive loss:		
Foreign currency translation adjustment	261	623
Unrealized gain (loss) on marketable securities:		
Change in market value of marketable securities before	95	(54)
reclassification, net of tax of \$8 in 2018		

Reclassification adjustment for realized gains included in		
net income, net of tax of \$355 in 2018	(1)	(688)
Total unrealized gain (loss) on marketable securities, net of tax	94	(742)
Total other comprehensive income (loss)	355	(119)
Comprehensive income (loss)	\$187	\$(11,382)

See accompanying notes to condensed consolidated financial statements.

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Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

Three Months Ended January 31,

(In thousands except per share data)

(Unaudited)

	2019	2018
Condensed Consolidated Statements of Operations		
Revenues	\$13,193	\$10,572
Cost of revenues	9,093	13,424
Gross margin (loss)	4,100	(2,852)
Selling and administrative expenses	2,657	2,749
Research and development expense	1,837	1,708
Operating loss	(394)	(7,309)
Other expense:		
Investment income	52	68
Interest expense	(23)	(19)
Other income, net	104	1
Loss before provision for income taxes	(261)	(7,259)
Provision for income taxes	60	2,848
Net loss from continuing operations	(321)	(10,107)
Loss from discontinued operations, net of tax	-	(289)
Net loss	\$(321)	\$(10,396)
Net loss per common share:		
Basic (loss) income from continued operations	\$(0.04)	\$(1.15)
Basic loss from discontinued operations	-	(0.03)
Basic (loss) income per share	(0.04)	(1.18)
Weighted average shares outstanding:		
Basic	8,928	8,846
Diluted	8,928	8,846
<u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u>		
Net loss	\$(321)	\$(10,396)
Other comprehensive income:		
Foreign currency translation adjustment	343	48
Unrealized (loss) gain on marketable securities:		
Change in market value of marketable securities before	150	(76)
reclassification, net of tax of \$39 in 2018		

Reclassification adjustment for realized gains included in	1	-
net income		
Total unrealized gain (loss) on marketable securities, net of tax	151	(76)
Total other comprehensive income (loss)	494	(28)
Comprehensive income (loss)	\$ 173	\$(10,424)

See accompanying notes to condensed consolidated financial statements.

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Condensed Consolidated Statements of Cash Flows

Nine Months Ended January 31,

(In thousands)

(Unaudited)

	2019	2018
Cash flows from operating activities:		
Net loss from continuing operations	\$(168)	\$(10,566)
Net loss from discontinued operations	-	(697)
Net loss	(168)	(11,263)
Non-cash charges to earnings	3,303	8,285
Net changes in operating assets and liabilities	(4,420)	5,771
Cash provided by operating activities – continuing operations	(1,285)	2,793
Cash provided by operating activities – discontinued operations	-	1,217
Net cash (used in) provided by operating activities	(1,285)	4,010
Cash flows from investing activities:		
Proceeds on redemption of marketable securities	987	6,477
Purchase of marketable securities	(3,200)	(4,961)
Purchase of fixed assets and other assets	(2,175)	(1,032)
Cash (used in) provided by investing activities – continuing operations	(4,388)	484
Cash used in investing activities – discontinued operations	-	(44)
Net (used in) cash provided by investing activities	(4,388)	440
Cash flows from financing activities:		
Tax benefit from exercise of stock-based compensation	-	1
Net cash provided by financing activities	-	1
Net (decrease) increase in cash and cash equivalents before effect of exchange rate changes	(5,673)	4,451
Effect of exchange rate changes on cash and cash equivalents	222	738
Net (decrease) increase in cash and cash equivalents	(5,451)	5,189
Cash and cash equivalents at beginning of period	7,869	2,738
Cash and cash equivalents at end of period	2,418	7,927
Less cash and equivalents of discontinued operations at end of period	-	943
Cash and cash equivalents of continuing operations at end of period	\$2,418	\$6,984

Supplemental disclosures of cash flow information:

Cash paid during the period for:

Interest	\$57	\$61
Income taxes	\$2	\$325

See accompanying notes to condensed consolidated financial statements.

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Condensed Consolidated Statements of Changes in Stockholders' Equity

Nine Months Ended January 31,

(In thousands except per share data)

(Unaudited)

	Common Stock		Additional paid in capital	(Accumulated Deficit) Retained earnings	Treasury stock (at cost) Shares	Amount	Accumulated other comprehensive Income (loss)	Total
	Shares	Amount						
Balance at April 30, 2018	9,163,940	\$9,164	\$56,439	\$ (65)	297,083	\$(1,361)	\$ (915)	\$63,262
Opening adjustment for adoption of ASU 2014-09				484				484
Adjusted balance at May 1, 2018	9,163,940	9,164	56,439	419	297,083	(1,361)	(915)	63,746
Contribution of stock to 401(k) plan			50		(14,339)	66		116
Stock-based compensation expense			121					121
Exercise of stock options and stock appreciation rights - net of shares tendered for exercise price								
Other comprehensive income, net of tax							(44)	(44)
Net income				31				31
Balance at July 31, 2018	9,163,940	\$9,164	\$56,610	\$ 450	282,744	\$(1,295)	\$ (959)	\$63,970
Contribution of stock to 401(k) plan			58		(10,089)	46		104
Stock-based compensation expense			123					123
Exercise of stock options and stock appreciation rights - net of shares tendered for exercise price			(81)		(17,708)	81		-
Other comprehensive loss, net of tax							(95)	(95)

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Net income				122				122
Balance at October 31, 2018	9,163,940	\$9,164	\$56,710	\$572	254,947	\$(1,168)	\$(1,054)	\$64,224
Contribution of stock to 401(k) plan			35		(5,829)	27		62
Stock-based compensation expense			128		(1,100)	4		132
Exercise of stock options and stock appreciation rights - net of shares tendered for exercise price			(177)		(38,536)	177		-
Other comprehensive income, net of tax							494	494
Net loss				(321)				(321)
Balance at January 31, 2019	9,163,940	\$9,164	\$56,696	\$251	209,482	\$(960)	\$(560)	\$64,591

See accompanying notes to condensed consolidated financial statements.

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Condensed Consolidated Statements of Changes in Stockholders' Equity

Nine Months Ended January 31,

(In thousands except per share data)

(Unaudited)

	Common Stock		Additional paid in capital	(Accumulated Deficit) Retained earnings	Treasury stock (at cost)		Accumulated other comprehensive Income (loss) Total	
	Shares	Amount		Shares	Amount			
Balance at April 30, 2017	9,163,940	\$ 9,164	\$ 55,767	\$ 23,712	347,422	\$(1,592)	\$ 2,281	\$ 89,332
Contribution of stock to 401(k) plan			68		(13,740)	63		131
Stock-based compensation expense			153		(100)	1		154
Exercise of stock options and stock appreciation rights - net of shares tendered for exercise price			(3)		(744)	3		-
Other comprehensive loss, net of tax							(340)	(340)
Net income				614				614
Balance at July 31, 2017	9,163,940	\$ 9,164	\$ 55,985	\$ 24,326	332,838	\$(1,525)	\$ 1,941	\$ 89,891
Contribution of stock to 401(k) plan			57		(11,530)	53		110
Stock-based compensation expense			97					97
Exercise of stock options and stock appreciation rights - net of shares tendered for exercise price								
Other comprehensive income, net of tax							261	261
Net loss				(1,481)				(1,481)
Balance at October 31, 2017	9,163,940	\$ 9,164	\$ 56,139	\$ 22,845	321,308	\$(1,472)	\$ 2,202	\$ 88,878

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Contribution of stock to 401(k) plan	36	(7,487)	34	70				
Stock-based compensation expense	115	(2,750)	12	127				
Exercise of stock options and stock appreciation rights - net of shares tendered for exercise price	(1)	(117)	1	-				
Other comprehensive loss, net of tax			(28)	(28)				
Net loss		(10,396)		(10,396)				
Balance at January 31, 2018	9,163,940	\$ 9,164	\$ 56,289	\$ 12,449	310,954	\$(1,425)	\$ 2,174	\$ 78,651

See accompanying notes to condensed consolidated financial statements.

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FREQUENCY ELECTRONICS, INC. and SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(Unaudited)

NOTE A – CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

In the opinion of management of Frequency Electronics, Inc. (the “Company”), the accompanying unaudited condensed consolidated interim financial statements reflect all adjustments (which include only normal recurring adjustments) necessary to present fairly, in all material respects, the consolidated financial position of the Company as of January 31, 2019 and the results of its operations and cash flows for the nine and three months ended January 31, 2019 and January 31, 2018. The April 30, 2018 condensed consolidated balance sheet was derived from audited financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended April 30, 2018, filed on July 30, 2018, and the financial statements and notes thereto. The results of operations for such interim periods are not necessarily indicative of the operating results for the full fiscal year.

NOTE B – DISCONTINUED OPERATIONS

In April 2017, the Company decided to sell Gillam and determined that the assets and liabilities of this reportable segment met the discontinued operations criteria as defined in U. S. GAAP in the quarter ended April 30, 2017. On April 26, 2018, the Company sold Gillam to a European entity in a stock purchase agreement for \$1.0 million in cash, which was received on April 27, 2018, and a note payable in three years for an additional \$1.0 million. The loss recorded due to the sale of Gillam was approximately \$359,000, which represented the carrying amount of the investment on FEI-NY’s books less the retained earnings and remaining Gillam equity value reduced by the cash received and the value of the note receivable which is recorded in the caption other assets in the accompanying Condensed Consolidated Balance Sheets. As such Gillam’s results have been classified as discontinued operations in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for fiscal 2018.

Summarized operating results for the Gillam discontinued operations, for the nine and three months ended January 31, 2018, were as follows:

	Nine months	Three months
	(UNAUDITED)	
	(In thousands except par value)	
Revenues	\$3,018	\$ 1,063
Cost of Revenues	2,089	699
Gross Margin	929	364
Selling and administrative expenses	1,285	582
Research and development expenses	334	66
Operating Loss	(690)	(284)
Other income (expense):		
Investment (loss) income		
Other income (expense), net	(7)	(4)
Loss before provision for income taxes	(697)	(288)
Provision for income taxes	-	1
Net Loss	\$(697)	\$ (289)

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Notes to Condensed Consolidated Financial Statements

(Unaudited)

NOTE C – EARNINGS PER SHARE

Reconciliation of the weighted average shares outstanding for basic and diluted Earnings Per Share were as follows:

	Nine months		Three months	
	Periods ended January 31,			
	2019	2018	2019	2018
Weighted average shares outstanding:				
Basic	8,899,110	8,835,685	8,927,710	8,846,083
Effect of dilutive securities	**	**	**	**
Diluted	8,899,110	8,835,685	8,927,710	8,846,083

** For the nine and three month periods ended January 31, 2019, dilutive securities are excluded since the inclusion of such shares would be antidilutive due to the net loss for the periods. The exercisable shares excluded as of January 31, 2019 are 1,207,750 options. The effect of dilutive securities for the periods would have been 204,071 options and 289,322 options, for the nine and three month periods ended January 31, 2019, respectively. For the nine and three month periods ended January 31, 2018, dilutive securities are excluded since the inclusion of such shares would be antidilutive due to the net loss for the periods. The exercisable shares excluded as of January 31, 2018 are 1,260,250 options. The effect of dilutive securities for the periods would have been 131,638 options and 136,424 options for the nine and three month periods ended January 31, 2018, respectively.

NOTE D – COSTS AND ESTIMATED EARNINGS IN EXCESS OF BILLINGS, NET

At January 31, 2019 and April 30, 2018, costs and estimated earnings in excess of billings, net, consisted of the following:

January	April
31,	30,
2019	2018

	(In thousands)	
Costs and estimated earnings in excess of billings	\$8,962	\$5,266
Billings in excess of costs and estimated earnings	(1,680)	(172)
Net asset	\$7,282	\$5,094

Such amounts represent revenue recognized on long-term contracts that had not been billed at the balance sheet dates or represent a liability for amounts billed in excess of the revenue recognized. Amounts are billed to customers pursuant to contract terms, whereas the related revenue is recognized on the percentage of completion basis at the measurement date. In general, the recorded amounts will be billed and collected or revenue recognized within twelve months of the balance sheet date. Revenue on these long-term contracts is accounted for on the percentage of completion basis. During the nine and three months ended January 31, 2019, revenue recognized under percentage of completion contracts was approximately \$33.3 million and \$12.9 million, respectively. During the nine and three months ended January 31, 2018, revenue recognized under percentage of completion contracts was approximately \$13.7 million and \$2.8 million, respectively. If contract losses are anticipated, costs and estimated earnings in excess of billings are reduced for the full amount of such losses when they are determinable.

NOTE E – TREASURY STOCK TRANSACTIONS

During the nine and three months period ended January 31, 2019, the Company made contributions of 30,257 shares and 5,829 shares, respectively, of its common stock held in treasury to the Company's profit sharing plan and trust under Section 401(k) of the Internal Revenue Code. Such contributions are in accordance with the Company's discretionary match of employee voluntary contributions to this plan.

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Notes to Condensed Consolidated Financial Statements

(Unaudited)

NOTE F – INVENTORIES

Inventories, which are reported at the lower of cost or market, consisted of the following:

	January 31, 2019	April 30, 2018
	(In thousands)	
Raw Materials and Component Parts	\$13,135	\$16,206
Work in Progress	8,884	8,216
Finished Goods	3,046	1,764
	\$25,065	\$26,186

As of January 31, 2019 and April 30, 2018, approximately \$24.2 million and \$25.2 million, respectively, of total inventory was located in the United States and \$0.9 million and \$1.0 million, respectively, was located in China.

NOTE G – SEGMENT INFORMATION

The Company operates under two reportable segments based on the geographic locations of its subsidiaries:

- FEI-NY – operates out of New York and its operations consist principally of precision time and frequency control products used in three principal markets: satellites (both commercial and U.S. Government-funded); terrestrial cellular telephone or other ground-based telecommunication stations; and other components and systems for the U.S. military. The FEI-NY segment also includes the operations of the Company's wholly-owned subsidiaries, (1) FEI-Elcom and FEI-Asia. FEI-Asia functions as a manufacturing facility for the FEI-NY segment with historically minimal sales to outside customers. In fiscal 2015 and 2016, they had higher sales to outside customers, producing product for third parties as a contract manufacturer. FEI-Elcom, in addition to its own product line, provides design and technical support the FEI-NY segment's satellite business.

- (2) FEI-Zyfer – operates out of California and its products incorporate timing synchronization and distribution technologies into systems and subsystems for secure communications, both government and commercial.

The Company's management measures segment performance based on total revenues and profits generated by each geographic location rather than on the specific types of customers or end-users. Consequently, the Company determined that the segments indicated above most appropriately reflect the way the Company's management views the business.

The tables below present information about reported segments with reconciliation of segment amounts to consolidated amounts as reported in the statement of operations or the balance sheet for each of the periods (in thousands):

	Nine months		Three months	
	Periods ended January 31,			
	2019	2018	2019	2018
Revenues:				
FEI-NY	\$28,076	\$22,184	\$9,754	\$6,444
FEI-Zyfer	8,746	12,378	3,644	4,514
less intersegment revenues	(477)	(2,630)	(205)	(386)
Consolidated revenues	\$36,345	\$31,932	\$13,193	\$10,572
Operating loss:				
FEI-NY	\$(1,745)	\$(11,312)	\$(939)	\$(8,554)
FEI-Zyfer	1,305	2,629	847	1,354
Corporate	(100)	(312)	(302)	(109)
Consolidated operating loss	\$(540)	\$(8,995)	\$(394)	\$(7,309)

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Notes to Condensed Consolidated Financial Statements

(Unaudited)

	January 31, 2019	April 30, 2018
Identifiable assets:		
FEI-NY (approximately \$1.4 and \$1.7 million, respectively in China)	\$56,969	\$55,181
FEI-Zyfer	9,998	8,168
less intersegment balances	(11,577)	(11,888)
Corporate	28,858	32,123
Consolidated identifiable assets	\$84,248	\$83,584

NOTE H – INVESTMENT IN MORION, INC.

The Company has an investment in Morion, Inc. (“Morion”), a privately-held Russian company, which manufactures high precision quartz resonators and crystal oscillators. The Company’s investment consists of 4.6% of Morion’s outstanding shares, accordingly, the Company accounts for its investment in Morion on the cost basis. This investment is included in other assets in the accompanying balance sheets. During the nine months ended January 31, 2019 and 2018, the Company acquired product from Morion in the aggregate amount of approximately \$291,000 and \$279,000, respectively, and the Company sold product and training services to Morion in the aggregate amount of approximately \$2,000 and \$192,000, respectively, included in revenues in the statement of operations as part of the FEI-NY segment. During the three months ended January 31, 2019 and 2018, the Company acquired product from Morion in the aggregate amount of approximately \$145,000 and \$108,000, respectively, and the Company sold product and training services to Morion in the aggregate amount of approximately \$9,000 for the same period in 2018, included in revenues in the statement of operations as part of the FEI-NY segment. At January 31, 2019 there was no payable nor receivable related to Morion. During the nine months ended January 31, 2019 and 2018, the Company received a dividend from Morion in the amount of approximately \$105,000 and \$85,000, respectively, included in other income, net in the statement of operations as part of the FEI-NY segment.

Morion operates as a subsidiary of Gazprombank, a state-owned Russian bank. On July 16, 2014, after the Company’s investment in Morion, Gazprombank became subject to the U. S. Department of Treasury’s prohibition against U. S. persons from providing it with new financing.

NOTE I – FAIR VALUE OF FINANCIAL INSTRUMENTS

The cost, gross unrealized gains, gross unrealized losses, and fair market value of available-for-sale securities at January 31, 2019 and April 30, 2018, respectively, were as follows (in thousands):

January 31, 2019				
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Fixed income securities	\$8,473	\$ 42	\$ (73) \$ 8,442

April 30, 2018				
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Fixed income securities	\$6,274	\$ 10	\$ (135) \$ 6,149

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Notes to Condensed Consolidated Financial Statements

(Unaudited)

The following table presents the fair value and unrealized losses, aggregated by investment type and length of time that individual securities have been in a continuous unrealized loss position (in thousands):

	Less than 12 months		12 Months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
January 31, 2019						
Fixed Income Securities	\$1,695	\$ (15)	\$4,546	\$ (58)	\$6,241	\$ (73)
April 30, 2018						
Fixed Income Securities	\$5,334	\$ (135)	\$-	\$ -	\$5,334	\$ (135)

The Company regularly reviews its investment portfolio to identify and evaluate investments that have indications of possible impairment. The Company does not believe that its investments in marketable securities with unrealized losses at January 31, 2019 were other-than-temporary due to market volatility of the security's fair value, analysts' expectations, and the Company's ability to hold the securities for a period of time sufficient to allow for any anticipated recoveries in market value.

During the nine months ended January 31, 2019, the Company sold or redeemed available-for-sale securities of approximately \$987,000, realizing