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, 2020
OR

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

For the transition period from Not Applicable to Not Applicable
Commission file number: 000-000147

CRAWFORD UNITED CORPORATION
(Exact name of registrant as specified in its charter)

Ohio	**34-0288470**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10514 Dupont Avenue, Suite 200, Cleveland, Ohio	**44108**
(Address of principal executive offices)	(Zip Code)

(216) 541-8060
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None.

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 (232.405 of this chapter) 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.

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 provided 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** ☒

As of October 31, 2020, 2,552,902 shares of Class A Common Stock and 771,478 shares of Class B Common Stock were outstanding.

PART I

ITEM 1. FINANCIAL STATEMENTS

CRAWFORD UNITED CORPORATION
CONSOLIDATED BALANCE SHEET

	(Unaudited) September 30, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,730,900	$ 2,232,499
Accounts receivable less allowance for doubtful accounts	15,695,978	14,001,795
Contract assets	4,475,330	2,422,379
Inventory less allowance for obsolete inventory	10,229,023	7,678,690
Investments, net	921,200	-
Prepaid expenses and other current assets	565,173	703,002
Total Current Assets	38,617,604	27,038,365
PROPERTY, PLANT AND EQUIPMENT:		
Land and improvements	228,872	228,872
Buildings and leasehold improvements	1,962,341	1,837,009
Machinery and equipment	14,166,363	13,950,444
Total property, plant and equipment	16,357,576	16,016,325
Less accumulated depreciation	4,898,007	3,622,153
Property, Plant and Equipment, Net	11,459,569	12,394,172
Operating right of use asset, net	8,548,483	9,224,840
OTHER ASSETS:		
Goodwill	11,505,852	9,791,745
Intangibles, net of accumulated amortization	7,736,441	3,950,838
Other non-current assets	106,804	88,046
Total Non-Current Other Assets	19,349,097	13,830,629
Total Assets	$ 77,974,753	$ 62,488,006

See accompanying notes to consolidated financial statements

CRAWFORD UNITED CORPORATION
CONSOLIDATED BALANCE SHEET

	(Unaudited) September 30, 2020	December 31, 2019
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable – current	$ 3,336,787	$ 2,749,459
Bank debt – current	1,333,333	1,333,333
Leases payable - current	704,423	850,664
Accounts payable	9,838,637	6,071,522
Unearned revenue	1,948,090	1,998,578
Accrued expenses	3,201,195	3,281,445
Total Current Liabilities	20,362,465	16,285,001
LONG-TERM LIABILITIES:		
Notes payable – long-term	7,608,286	7,676,697
Bank debt – long-term	14,380,220	6,376,594
Leases payable – long term	8,012,267	8,513,448
Deferred income taxes	2,207,735	2,207,734
Total Long-Term Liabilities	32,208,508	24,774,473
STOCKHOLDERS' EQUITY		
Preferred shares, no par value - 1,000,000 shares authorized, no shares issued and outstanding	-	-
Common shares, no par value		
Class A common shares - 10,000,000 shares authorized, 2,591,837 and 2,576,837 shares issued at September 30, 2020 and December 31, 2019, respectively	3,873,589	3,599,806
Class B common shares - 2,500,000 shares authorized, 954,283 shares issued at September 30, 2020 and December 31, 2019, respectively	1,465,522	1,465,522
Contributed capital	1,741,901	1,741,901
Treasury shares	(1,934,812)	(1,905,780)
Class A common shares – 39,305 and 37,208 shares held at September 30, 2020 and December 31, 2019		
Class B common shares – 182,435 shares held at September 30, 2020 and December 31, 2019		
Retained earnings	20,257,580	16,527,083
Total Stockholders' Equity	25,403,780	21,428,532
Total Liabilities and Stockholders' Equity	$ 77,974,753	$ 62,488,006

See accompanying notes to consolidated financial statements

CRAWFORD UNITED CORPORATION
CONSOLIDATED STATEMENT OF INCOME (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Total Sales	$ 21,277,797	$ 22,244,681	$ 65,135,959	$ 68,595,404
Cost of Sales	16,425,380	17,257,118	50,576,360	53,551,020
Gross Profit	4,852,417	4,987,563	14,559,599	15,044,384
Operating Expenses:				
Selling, general and administrative expenses	2,726,000	2,428,784	8,764,513	7,122,981
Operating Income	2,126,417	2,558,779	5,795,086	7,921,403
Other (Income) and Expenses:				
Interest charges	208,030	321,994	740,740	872,646
Other (income) expense, net	13,966	3	72,933	1,664
Total Other (Income) and Expenses	221,996	321,997	813,673	874,310
Income before Provision for Income Taxes	1,904,421	2,236,782	4,981,413	7,047,093
Provision for Income Taxes	478,331	541,914	1,250,916	1,775,288
Net Income	$ 1,426,090	$ 1,694,868	$ 3,730,497	$ 5,271,805
Net Income Per Common Share - Basic	$ 0.43	$ 0.59	$ 1.12	$ 1.89
Net Income Per Common Share - Diluted	$ 0.43	$ 0.52	$ 1.12	$ 1.64
Weighted Average Shares of Common Stock Outstanding				
Basic	3,324,380	2,850,958	3,317,864	2,787,845
Diluted	3,326,003	3,249,233	3,319,501	3,223,004

See accompanying notes to consolidated financial statements

CRAWFORD UNITED CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)

Three Months Ended September 30, 2020 and 2019

	COMMON SHARES - NO PAR VALUE					
	CLASS A	CLASS B	CONTRIBUTED CAPITAL	TREASURY SHARES	RETAINED EARNINGS	TOTAL
Balance at June 30, 2020	$ 3,866,614	$ 1,465,522	$ 1,741,901	$ (1,934,032)	$ 18,831,490	$ 23,970,715
Share-based compensation expense	6,975	-	-	-	-	6,975
Stock awards	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	-	-
Net Income	-	-	-	-	1,426,090	1,426,090
Balance at September 30, 2020	$ 3,873,589	$ 1,465,522	$ 1,741,901	$ (1,934,812)	$ 20,257,580	$ 25,403,780

	COMMON SHARES ISSUED		TREASURY SHARES		COMMON SHARES OUTSTANDING	
	CLASS A	CLASS B	CLASS A	CLASS B	CLASS A	CLASS B
Balance at June 30, 2020	2,591,837	954,283	39,305	182,435	2,552,532	771,848
Stock awards	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	-	-
Balance at September 30, 2020	2,591,837	954,283	39,305	182,435	2,552,532	771,848

	COMMON SHARES - NO PAR VALUE					
	CLASS A	CLASS B	CONTRIBUTED CAPITAL	TREASURY SHARES	RETAINED EARNINGS	TOTAL
Balance at June 30, 2019	$ 2,907,342	$ 710,272	$ 1,741,901	$ (1,905,780)	$ 13,081,603	$ 16,535,338
Share-based compensation expense	38,300	-	-	-	-	38,300
Stock awards	-	-	-	-	-	-
Note conversion	-	648,000	-	-		648,000
Repurchase of shares	-	-	-	-	-	-
Net Income	-	-	-	-	1,694,868	1,694,868
Balance at September 30, 2019	$ 2,945,642	$ 1,358,272	$ 1,741,901	$ (1,905,780)	$ 14,776,471	$ 18,916,506

	COMMON SHARES ISSUED		TREASURY SHARES		COMMON SHARES OUTSTANDING	
	CLASS A	CLASS B	CLASS A	CLASS B	CLASS A	CLASS B
Balance at June 30, 2019	2,200,014	779,283	37,208	182,435	2,162,806	596,848
Stock awards	-	-	-	-	-	-
Note conversion	-	100,000	-	-	-	100,000
Repurchase of shares	-	-	-	-	-	-
Balance at September 30, 2019	2,200,014	879,283	37,208	182,435	2,162,806	696,848

CRAWFORD UNITED CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)

Nine Months Ended September 30, 2020 and 2019

	COMMON SHARES - NO PAR VALUE CLASS A	COMMON SHARES - NO PAR VALUE CLASS B	CONTRIBUTED CAPITAL	TREASURY SHARES	RETAINED EARNINGS	TOTAL
Balance at December 31, 2019	$ 3,599,806	$ 1,465,522	$ 1,741,901	$ (1,905,780)	$ 16,527,083	$ 21,428,532
Share-based compensation expense	62,733	-	-	-	-	62,733
Stock awards	211,050	-	-	-	-	211,050
Repurchase of shares	-	-	-	(29,032)	-	(29,032)
Net Income	-	-	-	-	3,730,497	3,730,497
Balance at September 30, 2020	$ 3,873,589	$ 1,465,522	$ 1,741,901	$ (1,934,812)	$ 20,257,580	$ 25,403,780

	COMMON SHARES ISSUED CLASS A	COMMON SHARES ISSUED CLASS B	TREASURY SHARES CLASS A	TREASURY SHARES CLASS B	COMMON SHARES OUTSTANDING CLASS A	COMMON SHARES OUTSTANDING CLASS B
Balance at December 31, 2019	2,576,837	954,283	37,208	182,435	2,539,629	771,848
Stock awards	15,000	-	-	-	15,000	-
Repurchase of shares	-	-	2,097	-	(2,097)	-
Balance at September 30, 2020	2,591,837	954,283	39,305	182,435	2,552,532	771,848

	COMMON SHARES - NO PAR VALUE CLASS A	COMMON SHARES - NO PAR VALUE CLASS B	CONTRIBUTED CAPITAL	TREASURY SHARES	RETAINED EARNINGS	TOTAL
Balance at December 31, 2018	$ 2,641,300	$ 710,272	$ 1,741,901	$ (1,905,780)	$ 9,577,792	$ 12,765,485
Share-based compensation expense	99,642	-	-	-	-	99,642
Stock awards	204,700	-	-	-	-	204,700
Note conversion	-	648,000	-	-	-	648,000
Cumulative effect of accounting change	-	-	-	-	(73,126)	(73,126)
Net Income	-	-	-	-	5,271,805	5,271,805
Balance at September 30, 2019	$ 2,945,642	$ 1,358,272	$ 1,741,901	$ (1,905,780)	$ 14,776,471	$ 18,916,506

	COMMON SHARES ISSUED CLASS A	COMMON SHARES ISSUED CLASS B	TREASURY SHARES CLASS A	TREASURY SHARES CLASS B	COMMON SHARES OUTSTANDING CLASS A	COMMON SHARES OUTSTANDING CLASS B
Balance at December 31, 2018	2,161,014	779,283	37,208	182,435	2,123,806	596,848
Stock awards	39,000	-	-	-	39,000	-
Note conversion	-	100,000	-	-	-	100,000
Repurchase of shares	-	-		-		-
Balance at September 30, 2019	2,200,014	879,283	37,208	182,435	2,162,806	696,848

CRAWFORD UNITED CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOW (Unaudited)

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Cash Flows from Operating Activities		
Net Income	$ 3,730,497	$ 5,271,805
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,839,082	1,482,784
Loss (gain) on disposal of assets	-	4,294
Non-cash share-based compensation expense and stock awards	273,783	304,342
Changes in assets and liabilities:		
Decrease (Increase) in accounts receivable	(923,095)	(3,314,197)
Decrease (Increase) in inventory	367,922	(1,601,691)
Decrease (Increase) in contract assets	(2,052,951)	(526,024)
Decrease (Increase) in prepaid expenses & other assets	172,468	196,359
Increase (Decrease) in accounts payable	3,360,686	1,288,002
Increase (Decrease) in accrued expenses	(23,221)	1,008,682
Increase (Decrease) in unearned revenue	(50,488)	(3,383,550)
Total adjustments	2,964,186	(4,540,999)
Net Cash Provided by Operating Activities	$ 6,694,683	$ 730,806
Cash Flows from Investing Activities		
Cash paid for acquisition	(9,400,000)	(50,001)
Capital expenditures	(311,669)	(595,227)
Purchase of equity securities	(949,293)	-
Net Cash (Used in) Investing Activities	$ (10,660,962)	$ (645,228)
Cash Flows from Financing Activities		
Payments on notes	(4,614,303)	(909,457)
Borrowings on notes	5,133,220	-
Payments on bank debt	(3,760,415)	(2,870,999)
Borrowings on bank debt	11,735,210	1,898,542
Share repurchase	(29,032)	-
Payments on finance lease	-	(11,203)
Net Cash Provided by (Used in) Financing Activities	$ 8,464,680	$ (1,893,117)
Net Increase (decrease) in cash and cash equivalents	4,498,401	(1,807,539)
Cash and cash equivalents at beginning of period	2,232,499	5,057,626
Cash and cash equivalents at end of period	$ 6,730,900	$ 3,250,087
Supplemental disclosures of cash flow information		
Interest paid	$ 600,178	$ 884,103
Income Taxes paid	$ 1,175,300	$ 1,507,700
Note Conversion	$ -	$ 648,000

See accompanying notes to consolidated financial statements

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. The consolidated financial statements include the accounts of Crawford United Corporation and its wholly-owned subsidiaries (the "Company"). Significant intercompany transactions and balances have been eliminated in the financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2020 are not necessarily indicative of the results that may be expected for the fiscal year ended December 31, 2020. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

During the three and nine months ended September 30, 2020, there have been no changes to our significant accounting policies.

Reclassifications
In Certain prior year amounts were reclassified to conform to the current year presentation. The reclassifications have no effect on the financial position or results of operations reported as of and for the periods presented.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's Summary of Significant Accounting Policies is provided with the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Recently Adopted Accounting Standards
In January 2017, FASB issued ASU 2017-04, "Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment." ASU 2017-04 eliminates the second step in the goodwill impairment test which requires an entity to determine the implied fair value of the reporting unit's goodwill. Instead, an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying value and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to the reporting unit. The standard, which should be applied prospectively, is effective for fiscal years and interim periods within those years beginning on or after December 31, 2022, as deferred. Early adoption is permitted. The Company adopted this standard on January 1, 2019. The adoption of this standard did not have a material impact on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the income statement will reflect the measurement of credit losses for newly-recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard is effective for fiscal years and interim periods within those fiscal years beginning on or after December 31, 2022, as deferred, with early adoption permitted. The Company adopted this standard on January 1, 2019. The adoption of this standard did not have a material impact on our consolidated financial statements.

3. ACCOUNTS RECEIVABLE

The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information. The reserve for doubtful accounts was $20,283 and $18,325 at September 30, 2020 and December 31, 2019, respectively.

4. INVENTORY

Inventory is valued at the lower of cost (first-in, first-out) or net realizable value and consists of:

	September 30, 2020	December 31, 2019
Raw materials and component parts	$ 3,038,993	$ 2,945,427
Work-in-process	3,403,158	2,800,699
Finished products	4,037,811	2,183,170
Total inventory	$ 10,479,962	7,929,296
Less: inventory reserves	250,939	250,606
Net inventory	$ 10,229,023	$ 7,678,690

5. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Intangible assets relate to the purchase of businesses. Goodwill represents the excess of cost over the fair value of identifiable assets acquired. Goodwill is not amortized but is reviewed on an annual basis for impairment. Amortization of intangibles is being amortized on a straight-line basis over period ranging from one year to 15 years. Intangible assets are as follows:

	September 30, 2020	December 31, 2019
Customer list intangibles	$ 7,700,000	$ 4,970,000
Non-compete agreements	200,000	200,000
Trademarks	1,930,000	340,000
Total intangible assets	9,830,000	5,510,000
Less: accumulated amortization	2,093,559	1,559,162
Intangible assets, net	$ 7,736,441	$ 3,950,838

Amortization of intangibles assets was: $175,715 and $93,592 for the three months ended September 30, 2020 and 2019, respectively, and $534,397 and $280,774 for the nine months ended September 30, 2020 and 2019, respectively.

6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment are recorded at cost and depreciated over their useful lives. Maintenance and repair costs are expenses as incurred. Property, plant and equipment are as follows:

	September 30, 2020	December 31, 2019
Land	$ 228,872	$ 228,872
Buildings and improvements	1,962,341	1,837,009
Machinery & equipment	14,166,363	13,950,444
Total property, plant & equipment	16,357,576	16,016,325
Less: accumulated depreciation	4,898,007	3,622,153
Property plant & equipment, net	$ 11,459,569	$ 12,394,172

Depreciation expense was $415,101 and $378,111 for the three months ended September 30, 2020 and 2019, respectively, $1,275,854 and $1,182,876 for the nine months ended September 30, 2020 and 2019, respectively.

7. INVESTMENTS IN EQUITY SECURITIES

Investments in equity securities as of September 30, 2020 are summarized in the table below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Cost basis	$ 949,293	$ -	$ 949,293	$ -
Unrealized gain (loss) on equity securities	(28,093)	-	(28,093)	-
Fair value of equity securities	$ 921,200	$ -	$ 921,200	$ -

During the three months ended September 30, 2020, the Company invested a total of $949,293 to purchase 280,000 common shares of Ampco-Pittsburgh Corporation.

8. BANK DEBT

The Company entered into a Credit Agreement on June 1, 2017 with JPMorgan Chase Bank, N.A. as lender, which was subsequently amended in connection with funding the acquisition of CAD Enterprises, Inc. ("CAD") on July 5, 2018 (as amended, the "Credit Agreement"). The Credit Agreement was amended on September 30, 2019 to expand the revolving loan amount from $12,000,000 to $20,000,000, subject to a borrowing base, and to extend the maturity of revolving facility from June 1, 2021 to June 1, 2024. The Credit Agreement was further amended on December 30, 2019 to eliminate the borrowing base. As amended, the Credit Agreement is comprised of a revolving facility in the amount of $20,000,000 and a term A loan in the amount of $6,000,000. Outstanding borrowings on the term A loan are payable in consecutive monthly installments, which amount to installments of $111,111 per month as of September 30, 2020.

The revolving facility under the Credit Agreement includes a $3 million sublimit for the issuance of letters of credit thereunder. Interest for borrowings under the revolving facility accrues at a per annum rate equal to Prime Rate or LIBOR plus applicable margins of (i) 0.25% for Prime Rate loans and (ii) 1.75% for LIBOR loans. The maturity date of the revolving facility is June 1, 2024. Interest for borrowings under the term A loan accrues at a per annum rate equal to Prime Rate or LIBOR plus applicable margins of (i) 0.25% for Prime Rate loans and (ii) 2.25% for LIBOR loans. The maturity date of the term A loan is December 1, 2022. The Credit Agreement includes a commitment fee on the unused portion of the revolving facility of 0.25% per annum payable quarterly. The obligations of the Company and other borrowers under the Credit Agreement are secured by a blanket lien on all the assets of the Company and its subsidiaries. The Credit Agreement also includes customary representations and warranties and applicable reporting requirements and covenants. The financial covenants under the Credit Agreement include a minimum fixed charge coverage ratio, a maximum senior funded debt to EBITDA ratio and a maximum total funded debt to EBITDA ratio.

Bank debt balances consist of the following:

		September 30, 2020		December 31, 2019
Term debt	$	3,111,111	$	4,111,111
Revolving debt		12,708,205		3,722,995
Total Bank debt		15,819,316		7,834,106
Less: current portion		1,333,333		1,333,333
Non-current bank debt		14,485,983		6,500,773
Less: unamortized debt costs		105,763		124,179
Net non-current bank debt	$	14,380,220	$	6,376,594

The Company had $7.3 million and $16.3 million available to borrow on the revolving credit facility at September 30, 2020 and December 31, 2019, respectively.

9. NOTES PAYABLE

Convertible Notes Payable
The Company converted all convertible notes payable in fiscal year 2019 and no longer is party to any agreements of this nature.

Notes Payable – Related Party
The Company has two separate outstanding promissory notes with First Francis Company Inc. ("First Francis"), which were originally issued in July 2016 in connection with the acquisition of Federal Hose Manufacturing ("Federal Hose") and which were amended in July 2018 in connection with acquisition of CAD. The first promissory note was issued with original principal in the amount of $2,000,000, and the second was issued with original principal in the amount of $2,768,662. The promissory notes each have an interest rate of 6.25% per annum, which was increased from 4.0% per annum as part of the July 2018 amendments to the Credit Agreement. In addition, the promissory note with original principal amount of $2,768,662 was amended in July 2018 to provide for a conversion option commencing July 5, 2019 which allows First Francis to convert the promissory note, in whole in part with respect to a maximum amount of $648,000, into shares of the Company's Class B common stock at the price of $6.48 per share (subject to adjustment), subject to shareholder approval which was obtained on May 10, 2019. On July 9, 2019, First Francis exercised its option to convert $648,000 of existing indebtedness into 100,000 Class B Common Shares of the Company. First Francis is owned by Matthew Crawford, who serves on the Board of Directors of the Company, and Edward Crawford, who served on the Board of Directors of the Company until June 17, 2019.

Notes Payable – Seller Note
Effective July 1, 2018, the Company completed the acquisition of all of the issued and outstanding shares of capital stock of CAD. Upon the closing of the transaction, the CAD shares were transferred and assigned to the Company in consideration of the payment by the Company of an aggregate purchase price of $21 million, $12 million of which was payable in cash at closing, with the remainder paid in the form of a subordinated promissory note issued by the Company in favor of a Seller (the "Seller Note), which is subject to certain post-closing adjustments based on working capital, indebtedness and selling expenses, as specified in the Share Purchase Agreement entered into in connection with the acquisition (the "Share Purchase Agreement"). The Seller Note bears interest at a rate of four percent (4%) per annum and is payable in full no later than June 30, 2023 (the "Maturity Date"). The Maturity Date, with respect to any then-outstanding portion of the original principal amount which is subject to an indemnification claim by the Company (asserted in accordance with the terms of the Share Purchase Agreement) pending as of the date thereof, will be automatically extended until such time as any claim relating to such disputed amount is no longer pending, pursuant to the terms of the Seller Note and subject to additional conditions set forth therein and in the Share Purchase Agreement. The Company is not permitted to prepay any amounts due and owing under the Seller Note. Payment of the Seller Note is secured by a second-priority security interest in the assets of CAD. Interest accrued on the original principal amount becomes due and payable in arrears beginning September 30, 2018, and subsequent interest is due on the first day of each calendar quarter thereafter up to and including June 30, 2023. The Company is required to make quarterly principal payments, the amount of which will be calculated based on a four (4) year amortization schedule, beginning on September 30, 2019 and continuing on the last day of each calendar quarter thereafter up to and including the Maturity Date. The holders of the Seller Note and the Company agreed to defer the quarterly principal payment due June 30, 2020 until June 30, 2023; quarterly interest was paid on the Seller Note.

Paycheck Protection Program Notes
On June 4, 2020, Federal Hose and CAD each entered into unsecured loans with First Federal Savings and Loan Association of Lakewood, pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), in the amounts of $253,071 and $1,200,766, respectively (the "PPP Loans").

The PPP Loans each have a two-year term and bear interest at a rate of 1.00% per annum. Monthly principal and interest payments are deferred until seven months after the date of the loan, and will begin January 4, 2021, in monthly installments based on the principal balance of the PPP Loan outstanding following the deferral period and taking into consideration any remaining unforgiven portion of the PPP Loan. The PPP Loans may be prepaid at any time prior to maturity with no prepayment penalties. The loans contain events of default and other provisions customary for a loan of this type. The PPP Loans may be partially or wholly forgiven if the funds are used for certain qualifying expenses as described in the CARES Act. Federal Hose and CAD each intend to use their entire respective PPP Loan amounts for qualifying expenses and to apply for forgiveness of the loans in accordance with the terms of the CARES Act. The PPP Loans may be forgivable, partially or in full, if certain conditions are met, principally based on having been disbursed for permissible purposes and on maintaining certain average levels of employment and payroll as required by the CARES Act. Federal Hose and CAD intend to use the loan proceeds only for permissible purposes, and as of September 30, 2020 have used all proceeds from the PPP Loans to retain employees and maintain payroll; however, the Company can provide no assurances that the amounts borrowed by Federal Hose and CAD under the PPP Loans will be eligible for forgiveness, in whole or in part. The PPP Loans are unsecured and guaranteed by the U.S. Small Business Administration.

Notes payable consists of the following:

	September 30, 2020	December 31, 2019
In connection with the Federal Hose acquisition, the Company entered into a promissory note on July 1, 2016 for a $2,000,000 loan due to First Francis Company, payable in quarterly installments beginning October 31, 2016	$ 1,158,449	$ 1,302,776
In connection with the Federal Hose acquisition, the Company entered into a promissory note on July 1, 2016 for a $2,768,662 loan due to First Francis Company, payable in quarterly installments beginning October 31, 2016.	1,020,287	1,248,380
In connection with the CARES Act, Federal Hose entered into a promissory note on June 4, 2020 for a $253,071 loan due to First Federal Savings and Loan Association of Lakewood, with monthly principal and interest installments to begin January 4, 2021. Any unforgiven portion of the note is payable on or before June 4, 2022.	253,071	-
In connection with the CARES Act, CAD entered into a promissory note on June 4, 2020 for a $1,200,766 loan due to First Federal Savings and Loan Association of Lakewood, with monthly principal and interest installment to begin January 4, 2021. Any unforgiven portion of the note is payable on or before June 4, 2022.	1,200,766	-
In connection with the CAD acquisition, the Company entered into a promissory note on July 1, 2018 for a $9,000,000 loan due to the Loudermilks, payable in quarterly installments beginning September 30, 2018.	7,312,500	7,875,000
Total notes payable	11,073,053	10,426,156
Less current portion	3,336,787	2,749,459
Notes payable – non-current portion	$ 7,608,286	$ 7,676,697

10. LEASES

On January 1, 2019, the Company adopted ASU 2016-02 "Leases (Topic 842)," a new standard related to leases to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheet. Most prominent among the amendments is the recognition of assets and liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP.

The Company has operating and finance leases for facilities, vehicles and equipment. These leases have remaining terms of 2 years to 15 years, some of which include options to extend the leases for up to 10 years.

Supplemental balance sheet information related to leases:

	September 30, 2020	December 31, 2019
Operating leases:		
Operating lease right-of-use assets, net	$ 8,548,483	$ 9,224,840
Other current liabilities	704,423	850,664
Operating lease liabilities	8,012,267	8,513,448
Total operating lease liabilities	$ 8,716,690	$ 9,364,112
Weighted Average Remaining Lease Term		
Operating Leases (in years)	11.0	11.0
Weighted Average Discount Rate		
Operating Leases	5.0%	5.0%

11. EARNINGS PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings per share.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Earnings Per Share - Basic				
Net Income	$ 1,426,090	$ 1,694,868	$ 3,730,497	$ 5,271,805
Weighted average shares of common stock outstanding - Basic	3,324,380	2,850,958	3,317,864	2,787,845
Earnings Per Share - Basic	$ 0.43	$ 0.59	$ 1.12	$ 1.89
Earnings Per Share - Diluted				
Weighted average shares of common stock outstanding - Basic	3,324,380	2,850,958	3,317,864	2,787,845
Warrants, Options and Convertible Notes	1,623	398,275	1,637	435,159
Weighted average shares of common stock -Diluted	3,326,003	3,249,233	3,319,501	3,223,004
Earnings Per Share - Diluted	$ 0.43	$ 0.52	$ 1.12	$ 1.64

12. ACQUISITIONS

Effective January 2, 2020, the Company completed the acquisition of substantially all of the assets of MPI Products, Inc. (dba Marine Products International) ("MPI"), pursuant to the Asset Purchase Agreement entered into by and between Crawford United Acquisition Company LLC, an Ohio limited liability company and wholly-owned subsidiary of the Company, and MPI. Upon closing of the agreement, the assets were transferred to the Company in consideration of a purchase price of $9.4 million in cash, which was subject to post-closing adjustments based on working capital.

MPI manufactures and distributes industrial hoses used by the recreational boating industry and has one operating location in Cleveland, Ohio. Purchase price was assigned to the book value of the net assets acquired with the excess over the book value assigned to intangible assets and goodwill and has been allocated to the following accounts:

Accounts Receivable	$	771,088
Inventory		2,918,255
Fixed Assets		29,581
Prepaid and Other Assets		53,397
Intangibles Assets		4,320,000
Goodwill		1,714,108
Total Assets Acquired	$	9,806,429
Accrued Expense		406,429
Total Liabilities Assumed	$	406,429
Net Assets Acquired	$	9,400,000

On April 19, 2019, the Company, completed the acquisition of substantially all of the assets of Data Genomix, Inc., an Ohio corporation ("DG"), pursuant to the terms of an Asset Purchase Agreement entered into by and between Hickok Operating LLC, an Ohio limited liability company and wholly-owned subsidiary of the Company, and DG on the date thereof. DG is in the business of developing and commercializing marketing and data analytic technology applications.

13. SEGMENT AND RELATED INFORMATION

The Company operates three reportable business segments: (1) Aerospace Components, (2) Commercial Air Handling, (3) and Industrial Hose. The Company's management evaluates segment performance based primarily on operating income. Certain corporate costs are allocated to the segments and interest expense directly related to financing the acquisition of a business is allocated to that segment, respectively. Intangible assets are allocated to each segment and the related amortization of these assets are recorded in selling, general and administrative expenses.

Aerospace Components:
The Aerospace Components segment was added July 1, 2018, when the Company purchased all of the issued and outstanding shares of capital stock of CAD Enterprises, Inc. in Phoenix, Arizona. This segment manufactures precision components primarily for customers in the aerospace industry. This segment provides complete end-to-end engineering, machining, grinding, welding, brazing, heat treat and assembly solutions. Utilizing state-of-the-art machining and welding technologies, this segment is an industry leader in providing complex components produced from nickel-based superalloys and stainless steels. Our quality certifications include ISO 9001:2015/AS9100D, as well as Nadcap accreditation for Fluorescent Penetrant Inspection (FPI), Heat Treating/Braze, Non-Conventional Machining EDM, TIG/E-Beam welding.

Commercial Air Handling:
The Commercial Air Handling segment was added June 1, 2017, when the Company purchased certain assets and assumed certain liabilities of Air Enterprises Acquisition LLC in Akron, Ohio. The acquired business, which operates under the name Air Enterprises, is an industry leader in designing, manufacturing and installing large-scale commercial, institutional, and industrial custom air handling solutions. Its customers are typically in the health care, education, pharmaceutical and industrial manufacturing markets in the United States. This segment also sells to select international markets. The custom air handling units are constructed of non-corrosive aluminum, resulting in sustainable, long-lasting, and energy efficient solutions with life expectancies of 50 years or more. These products are distributed through a network of sales representatives, based on relationships with health care networks, building contractors and engineering firms. The custom air handling equipment is designed, manufactured and installed under the brand names FactoryBilt® and SiteBilt®. FactoryBilt® air handling solutions are designed, fabricated and assembled in a vertically integrated process entirely within the Akron, Ohio facility. SiteBilt® air handling solutions are designed and fabricated in Akron, but are then crated and shipped to the field and assembled on-site.

Industrial Hose:
The Industrial Hose segment was added July 1, 2016, when the Company purchased the assets of the Federal Hose Manufacturing, LLC of Painesville, Ohio. This business segment includes the manufacture of flexible interlocking metal hoses and the distribution of silicone and hydraulic hoses. Metal hoses are sold primarily to major heavy-duty truck manufacturers and major aftermarket suppliers in North America. Metal hoses are also sold into the agricultural, industrial and petrochemical markets. Silicone hoses are distributed to a number of industries in North America, including agriculture and general industrial markets. The Company added the distribution of marine hose for recreational boating to this segment through the acquisition of the assets of MPI Products on January 2, 2020.

Corporate and Other:
Corporate costs not allocated to the three primary business segments are aggregated with the results of DG, acquired on April 19, 2019.

Information by industry segment is set forth below:

	Three Months Ended September 30, 2020				
	Commercial Air Handling	Aerospace Components	Industrial Hose	Corporate and Other	Consolidated
Sales	$ 10,331,592	$ 4,468,253	$ 6,137,905	$ 340,047	$ 21,277,797
Gross Profit	$ 2,488,067	$ 389,624	$ 1,842,287	$ 132,439	$ 4,852,417
Operating Income	$ 1,350,939	$ (146,903)	$ 860,076	$ 62,305	$ 2,126,417
Pretax Income	$ 1,350,939	$ (254,600)	$ 764,130	$ 43,952	$ 1,904,421
Net Income	$ 1,013,204	$ (190,950)	$ 571,747	$ 32,089	$ 1,426,090

	Three Months Ended September 30, 2019				
	Commercial Air Handling	Aerospace Components	Industrial Hose	Corporate and Other	Consolidated
Sales	$ 12,878,988	$ 7,386,930	$ 1,823,950	$ 154,813	$ 22,244,681
Gross Profit	$ 2,915,768	$ 1,611,656	$ 403,158	$ 56,981	$ 4,987,563
Operating Income	$ 1,509,078	$ 1,073,389	$ 137,640	$ (161,328)	$ 2,558,779
Pretax Income	$ 1,508,945	$ 830,866	$ 69,698	$ (172,727)	$ 2,236,782
Net Income	$ 1,131,709	$ 623,151	$ 50,135	$ (110,127)	$ 1,694,868

	Nine Months Ended September 30, 2020				
	Commercial Air Handling	Aerospace Components	Industrial Hose	Corporate and Other	Consolidated
Sales	$ 33,634,182	$ 14,311,500	$ 16,434,440	$ 755,837	$ 65,135,959
Gross Profit	$ 8,429,409	$ 1,160,815	$ 4,693,465	$ 275,910	$ 14,559,599
Operating Income	$ 4,536,190	$ (398,608)	$ 1,753,157	$ (95,653)	$ 5,795,086
Pretax Income	$ 4,511,225	$ (802,865)	$ 1,378,946	$ (105,893)	$ 4,981,413
Net Income	$ 3,383,419	$ (602,149)	$ 1,027,299	$ (78,072)	$ 3,730,497

	Nine Months Ended September 30, 2019				
	Commercial Air Handling	Aerospace Components	Industrial Hose	Corporate and Other	Consolidated
Sales	$ 39,504,053	$ 22,864,710	$ 5,554,766	$ 671,875	$ 68,595,404
Gross Profit	$ 9,466,810	$ 3,907,056	$ 1,521,137	$ 149,381	$ 15,044,384
Operating Income	$ 5,536,744	$ 2,247,461	$ 681,632	$ (544,434)	$ 7,921,403
Pretax Income	$ 5,536,121	$ 1,625,117	$ 476,711	$ (590,856)	$ 7,047,093
Net Income	$ 4,152,092	$ 1,216,260	$ 352,593	$ (449,140)	$ 5,271,805

14. UNCERTAINTIES

The coronavirus (COVID-19) pandemic had a material adverse effect on the Company's reported results for the three and nine months ended September 30, 2020. The Company will continue to actively monitor the impact of the coronavirus pandemic, which is expected to negatively impact the Company's business and results of operations for the remainder of fiscal year 2020 and possibly beyond. The extent to which the Company's business and operations will be impacted by the pandemic will depend largely on future developments, which are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the outbreak and actions by government authorities to contain the outbreak or treat its impact, among other things.

15. SUBSEQUENT EVENTS

None

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following "Management's Discussion and Analysis of Financial Condition" ("MD&A") is intended to assist in the understanding of the Company's financial position at September 30, 2020 and December 31, 2019, results of operations for the three and nine months ended September 30, 2020 and 2019, and cash flows for the nine months ended September 30, 2020 and 2019, and should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019. The coronavirus (COVID-19) pandemic had a material adverse effect on the Company's reported results for the three and nine months ended September 30, 2020. The Company will continue to actively monitor the impact of the coronavirus pandemic, which is expected to negatively impact the Company's business and results of operations for the remainder of fiscal year 2020 and possibly beyond. Many of our customers are considered "essential" and have remained operational during the pandemic, although in some cases in a limited capacity. This, together with the overall economic downturn that has resulted from the pandemic, slowed demand in the third quarter and into the fourth of 2020. Nearly all of the Company's facilities have remained operational. While there are some restrictions to the supply of materials and products and those restrictions may continue or expand, our supply chain has remained largely intact. The extent to which the Company's business and operations will continue to be impacted by the pandemic will depend largely on future developments, which are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of the pandemic and actions by government authorities to contain the pandemic or treat its impact, among other things.

Items Affecting the Comparability of our Financial Results

Effective January 2, 2020, the Company completed the acquisition of certain assets of MPI Products, Inc., ("MPI"). The results of this acquisition are reported under the Industrial Hose segment.

Effective April 19, 2019, the Company, completed the acquisition of substantially all of the assets of Data Genomix, Inc., an Ohio corporation ("DG"). DG is in the business of developing and commercializing marketing and data analytic technology applications. The results of this acquisition are reported under the Corporate and Other segment.

Accordingly, in light of the timing of these transactions, the Company's results for the quarter ended on September 30, 2020 include the added results of operations of MPI in the Industrial Hose segment. Conversely, our results for the quarter ended September 30, 2019 do not include the results of operation of MPI in the Industrial Hose segment.

Results of Operations – Three Months Ended September 30, 2020 and 2019

Sales for the quarter ended September 30, 2020 ("current quarter") were $21.3 million, a decrease of approximately $0.9 million or 4% from sales of $22.2 million during the same quarter of the prior year. This decrease in sales was primarily attributable to lower demand resulting from the impact of the COVID-19 pandemic, including temporary closures by certain customers. For the current quarter, sales increased 14.5% compared to the prior second quarter of 2020, as demand recovered somewhat from the pandemic that began in the first quarter.

Cost of sales for the current quarter was $16.4 million compared to $17.3 million, a decrease of $0.9 million or 5% from the same quarter of the prior year. Gross profit was $4.9 million in the current quarter compared to $5.0 million, a decrease of $0.1 million from the same quarter of the prior year. The decrease in cost of sales and gross profit was attributable to lower sales resulting from decreased demand due to the COVID-19 pandemic. The Company continues to take steps to reduce costs during the quarter in response to lower sales levels, including staff reductions, shortened work weeks, and compensation decreases for certain salaried employees.

Selling, general and administrative expenses (SG&A) in the current quarter were $2.7 million, compared to $2.4 million, in the same quarter of the prior year. Selling, general and administrative expenses increased by $0.3 million due to the acquisition of MPI, which includes approximately $0.1 million of intangible amortization expense. These expense increases were partially offset by the cost reduction actions taken during the quarter, as described above.

Interest charges in the current quarter were approximately $0.2 million compared to $0.3 million in the same quarter of the prior year. The interest expense decreased due to lower average interest rates on the Company's floating rate bank debt. Average total debt (including notes) and average interest rates for the current quarter were $26.8 million and 2.9%, compared to $20.5 million and 4.5% in the same quarter of the prior year.

Other expense, net was $14 thousand in the current quarter compared to $0 thousand in other expense, net in the same quarter of the prior year. Other (income) expense, net was comprised of rental income, gains and losses on the disposal of assets, legal settlements, acquisition expenditures, unrealized gains and losses on equity securities and other miscellaneous charges.

Income tax expense in the current quarter was $0.5 million compared to $0.5 million in the same quarter of the prior year. Tax expense in the current quarter was recorded at the Company's expected effective tax rate of 25%.

Net income in the current quarter was $1.4 million or $0.43 per diluted share as compared to the net income of $1.7 million or $0.52 per diluted share for the same quarter of the prior year. Net income in the current quarter increased 520.8% compared to the prior second quarter of 2020, as demand continued to recover somewhat from the COVID-19 pandemic, which began late in the first quarter.

Results of Operations – Nine Months Ended September 30, 2020 and 2019

Sales for the nine months ended September 30, 2020 ("current year to date") were $65.1 million, a decrease of approximately $3.5 million or 5% from sales of $68.6 million during the same period of the prior year. This decrease in sales was primarily attributable to lower demand resulting from the impact of the COVID-19 pandemic, including temporary closures by certain customers.

Cost of sales for the current year to date was $50.6 million compared to $53.6 million, a decrease of $3.0 million or 6% from the same period of the prior year. Gross profit was $14.6 million in the current year to date compared to $15.0 million, a decrease of $0.4 million from the same period of the prior year. The decrease in cost of sales and gross profit was attributable lower sales resulting from decreased demand due to the COVID-19 pandemic. The Company took a number of steps since the onset of the pandemic to reduce costs in response to lower sales levels, including staff reductions, shortened work weeks, and compensation decreases for certain salaried employees.

Selling, general and administrative expenses (SG&A) in the current year to date were $8.8 million, compared to $7.1 million, in the same period of the prior year. Selling, general and administrative expenses increased by $1.7 million due the acquisition of MPI, which includes approximately $0.3 million of intangible amortization expense. These expense increases were partially offset by the cost reduction actions since the onset of the pandemic, as described above.

Interest charges in the current year to date were approximately $0.7 million compared to $0.9 million in the same period of the prior year. The interest expense decreased due to lower average interest rates on the Company's floating rate bank debt. Average total debt (including notes) and average interest rates for the current year to date were $26.7 million and 3.2%, compared to $21.1 million and 4.4% in the same period of the prior year.

Other expense, net was $73 thousand in the current year to date compared to $2 thousand other expense, net in the same period of the prior year. Other (income) expense, net was comprised of rental income, gains and losses on the disposal of assets, legal settlements, acquisition expenditures, unrealized gains and losses on equity securities and other miscellaneous charges.

Income tax expense in the current year to date was $1.3 million compared to $1.8 million in the same period of the prior year. Tax expense in the current year to date is recorded at the Company's expected effective tax rate of 25%.

Net income in the current year to date was $3.7 million or $1.12 per diluted share as compared to the net income of $5.3 million or $1.64 per diluted share for the same period of the prior year.

Liquidity and Capital Resources

As described further in Note 12 to the Company’s consolidated financial statements, effective January 2, 2020, the Company completed the MPI acquisition for a purchase price of $9.4 million cash, which is subject to certain post-closing adjustments based on working capital.

The Company’s credit agreement, dated as of June 1, 2017, by and between the Company and JPMorgan Chase Bank, N.A. as lender (as amended, the “Credit Agreement”), provides availability under our revolving credit facility of $20 million, which matures June 1, 2024, of which approximately $12.7 million was outstanding at September 30, 2020. Management believes the amount of the revolving credit facility and the terms of the loan agreement provide the flexibility to fund acquisitions, working capital and other strategic initiatives.

Total current assets at September 30, 2020 increased to $38.6 million from $27.0 million at December 31, 2019, an increase of $11.6 million. The increase in current assets is comprised of the following: an increase in cash of $4.5 million; an increase in inventory of $2.5 million; an increase in accounts receivable of $1.7 million; and an increase in contract assets of $2.1 million, offset by a decrease in prepaid expenses and other of $0.1 million. Fluctuations in contract assets related to the Commercial Air Handling division are dependent upon progress billing milestones for contracts. Growth in accounts receivable is attributable to large billings at the Corporate and Other segment. The increase in inventory is related to the expansion of our Industrial Hose division through the acquisition of MPI. The increase in investments is related to the purchase of equity securities as described further in Note 7 to the Company’s consolidated financial statements. The Company is carrying higher cash balances due to the uncertainty of future economic conditions directly related to the COVID-19 pandemic.

Total current liabilities at September 30, 2020 increased to $20.4 million from $16.3 million at December 31, 2019, an increase of $4.1 million. The increase in current liabilities is comprised of the following: the increase in accounts payable of $3.8 million and the increase in notes payable of $0.6 million partially offset by the decrease in leases payable of $0.1 million, the decrease in accrued expenses of $0.1 million and the decrease in unearned revenue of $0.1 million. The increase in accounts payable is primarily attributable to the Company’s extension of payment timeframes for certain payables and expenses.

Cash provided by operating activities for the nine months ended September 30, 2020 was approximately $6.7 million, compared to cash provided by operating activities of $0.7 million in the same period a year ago. Cash provided by operating activities for the current year is comprised of the following: net income of $3.7 million; adjustments for non-cash items of $2.1 million; and cash provided by working capital adjustments of $0.9 million. The primary drivers of increased working capital during the current year were the increase in accounts receivable of $0.9 million and the increase in accounts payable of $3.4 million.

Cash used in investing activities for the nine months ended September 30, 2020 of $10.7 million, compared to cash used in investing activities of $0.6 million in the same period a year ago. The increase in cash used in investing activities was largely due to the acquisition of MPI in the Industrial Hose segment and capital expenditures in the normal course of business. The Company also invested $0.9 million to purchase 280,000 shares of Ampco-Pittsburgh Corporation (“AP”), as further described in the schedule 13D/A relating to AP filed with the SEC on October 1, 2020.

Cash provided by financing activities was approximately $8.5 million for the nine months ended September 30, 2020, compared to cash used by financing activities of $1.9 million in the same period a year ago. Cash provided by financing activities for the current year was primarily related to: $11.7 million borrowings on the revolving credit facility related to the acquisition of MPI and $1.5 million of borrowings under the PPP Loans described below; offset by cash used for $3.8 million in payments on bank debt; and $0.9 in payments on notes.

The Company is actively managing its business to maintain cash flow and liquidity. As discussed elsewhere in this MD&A section, the Company has taken a number of defensive measures to enhance liquidity in response to the COVID-19 pandemic, including various expense reduction steps and PPP loans by Federal Hose and CAD. We believe that our cash flow from operations, cash balances and availability on our revolving credit facility to be sufficient to fund working capital needs and service principal and interest payments due related to the bank debt and notes payable for at least the next 12 months. The Company had $7.3 million available to borrow on the revolving credit facility at September 30, 2020. Notwithstanding the Company's expectations, if the Company's operating results decrease as the result of pressures on the business due to, for example, the impact of the COVID-19 pandemic, currency fluctuations, regulatory issues, or the Company's failure to execute its business plans, the Company may require additional financing, or may be unable to comply with its obligations under the credit facility, and its lenders could demand repayment of any amounts outstanding under the Company’s credit facility. As the company cannot predict the duration or scope of the COVID-19 pandemic and its impact on the Company’s customers and suppliers, the negative financial impact to the Company’s results cannot be reasonably estimated, but could be material.

The Company applied for and was approved for a loan in the amount of $3,679,383 on April 10, 2020 pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”); however, on May 5, 2020, the Company opted to return all of the proceeds and repay the loan in full. On June 4, 2020, each of Federal Hose and CAD entered into unsecured loans with First Federal Savings and Loan Association of Lakewood, pursuant to the Paycheck Protection Program under the CARES Act, in the amounts of $253,071 and $1,200,766, respectively (the “PPP Loans”).

The PPP Loans each have a two-year term and bear interest at a rate of 1.00% per annum. Monthly principal and interest payments are deferred for six months after the date of disbursement, and will begin in January 4, 2021, in monthly installments based on the principal balance of the PPP Loan outstanding following the deferral period and taking into consideration any portion of the PPP Loan that may be forgiven prior to that time. The PPP Loans may be partially or wholly forgiven if the funds are used for certain qualifying expenses as described in the CARES Act. Federal Hose and CAD each intend to use their entire respective PPP Loan amounts for qualifying expenses and to apply for forgiveness of the loans in accordance with the terms of the CARES Act. The PPP Loans may be forgivable, partially or in full, if certain conditions are met, principally based on having been disbursed for permissible purposes and on maintaining certain average levels of employment and payroll as required by the CARES Act. Federal Hose and CAD each intend to use the loan proceeds only for permissible purposes, and to date have used all proceeds from the PPP Loans to retain employees and maintain payroll; however, the Company can provide no assurances that the amounts borrowed by Federal Hose and CAD under the PPP Loans will be eligible for forgiveness, in whole or in part. The PPP Loans are unsecured and guaranteed by the U.S. Small Business Administration. See Note 9 of the notes to the consolidated financial statements for a further description of the PPP Loans.

Due to the uncertainty of future economic conditions directly related to the COVID-19 pandemic, management has decided to carry higher cash balances and levels of liquidity, rather than focus on debt reduction goals. Management believes the Company has adequate liquidity for debt service, working capital, capital expenditures and other strategic initiatives. However, because the Company cannot predict the duration or scope of the COVID-19 pandemic and its impact on the Company, the pandemic may adversely impact the Company’s available liquidity for debt service, working capital, or cause delay or curtailment of the Company’s planned capital expenditures or other strategic initiatives.

Off-Balance Sheet Arrangements

The Company has secured performance and payment bonds in the amount of $8.2 million as surety on completion of the requirements of certain commercial air handling contracts. The Company has no other off-balance sheet arrangements (as defined in Regulation S-K Item 303 paragraph (a)(4)(ii)) that have or are reasonably likely to have a material current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies

The Company’s critical accounting policies are as presented in Notes to Consolidated Financial Statements and Management’s Discuss and Analysis of Financial Condition and Results of Operations in our Annual Report Form 10-K for the year ended December 31, 2019.

Forward-Looking Statements

The foregoing discussion includes forward-looking statements relating to the business of the Company. Generally, these statements can be identified by the use of words such as “guidance,” “outlook,” “believes,” “estimates,” “anticipates,” “expects,” “forecasts,” “seeks,” “projects,” “intends,” “plans,” “may,” “will,” “should,” “could,” “would” and similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements, or other statements made by the Company, are made based on management's expectations and beliefs concerning future events impacting the Company and are subject to uncertainties and factors (including, but not limited to, those specified below) which are difficult to predict and, in many instances, are beyond the control of the Company. As a result, actual results of the Company could differ materially from those expressed in or implied by any such forward-looking statements. These uncertainties and factors include (a) the Company's ability to effectively integrate acquisitions, including the acquisition of MPI Products, Inc. (dba Marine Products International), and manage the larger operations of the combined businesses, (b) the Company's dependence upon a limited number of customers and the aerospace industry, (c) the highly competitive industry in which the Company operates, which includes several competitors with greater financial resources and larger sales organizations, (d) the Company's ability to capitalize on market opportunities in certain sectors, (e) the Company's ability to obtain cost effective financing (f) the Company's ability to satisfy obligations under its financing arrangements, (g) statements related to the expected effects on the Company’s business of the COVID-19 pandemic, (h) the duration and scope of the COVID-19 pandemic and impact on the demand for the Company’s products, (i) actions that governments, businesses and individuals take in response to the pandemic, including mandatory business closures and restrictions on onsite commercial interactions, (j) the impact of the pandemic and actions taken in response to the pandemic on global and regional economies and economic activity, (k) the restoration of operations of the Company’s customers and suppliers, the lifting of public health measures and the pace of recovery when the COVID-19 pandemic subsides, (l) general economic uncertainty in key global markets and a worsening of global economic conditions or low levels of economic growth, and the other risks described in “Item 1A. Risk Factors” in this Annual Report on Form 10-K and the Company’s subsequent filings with the SEC.

ITEM 3. MARKET RISK

This item is not applicable to the Company as a smaller reporting company.

ITEM 4. CONTROLS AND PROCEDURES

As of September 30, 2020, an evaluation was performed, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer along with the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon that evaluation, the Company's management, including the Chief Executive Officer along with the Company's Chief Financial Officer, concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act") were effective as of September 30, 2020 to ensure that information required to be disclosed by the Company in reports that it files and submits under the Exchange Act is (1) recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and (2) is accumulated and communicated to the Company's management, including its principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2020 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

At the time of filing this Quarterly Report on Form 10-Q, there were no material legal proceedings pending or threatened against the Company.

ITEM 1A. RISK FACTORS.

The COVID-19 pandemic has disrupted the company's operations and could have a material adverse effect on the company's business, financial condition and liquidity.

The Company's business could be further materially and adversely affected by the outbreak of a widespread health epidemic. The present coronavirus (or COVID-19) pandemic has affected the Company's operations including government authorities imposing mandatory closures, work-from-home orders and social distancing protocols, and imposing other restrictions that could materially adversely affect the Company's ability to maintain its operations. Specifically, the Company may experience, in the future, temporary facility closures in response to government mandates in certain jurisdictions in which the Company operates and in response to positive diagnoses for COVID-19 in certain facilities for the safety of the Company's employees. The COVID-19 outbreak could also disrupt the Company's supply chain and may materially adversely impact its ability to secure supplies for its facilities, which could materially adversely affect the Company's operations. There may also be long-term effects on the Company's customers in and the economies of affected countries.

New and changing government actions to address the COVID-19 pandemic continue to occur on a regular basis. As a result, the jurisdictions in which the Company's products are manufactured and distributed are in varying stages of restrictions. Certain jurisdictions have had to re-establish restrictions due to a resurgence in COVID-19 cases. Additionally, although the operations of many of the company's customers have begun to be restored or increased, such operations may be forced to be limited or closed as any new COVID-19 outbreaks occur. Even as government restrictions are lifted and economies gradually reopen, the shape of the economic recovery is uncertain and may continue to negatively impact the Company's results of operations, cash flows and financial position in subsequent quarters. Given this current level of economic and operational uncertainty over the impacts of COVID-19, the ultimate financial impact cannot be reasonably estimated at this time.

The COVID-19 pandemic and similar issues in the future could have a material adverse effect on the Company's ability to operate, results of operations, financial condition and liquidity. In addition, preventive measures the Company may voluntarily put in place, may have a material adverse effect on its business for an indefinite period of time, such as the potential shut down of certain locations, decreased employee availability, potential border closures and others. The Company's suppliers and customers may also face these and other challenges, which could lead to disruption in the company's supply chain, as well as decreased customer demand for the company's products. These issues may also materially affect the Company's future access to its sources of liquidity, particularly its cash flows from operations, financial condition and capitalization. Although these disruptions may continue to occur, the long-term economic impact and near-term financial impacts of such issues, may not be reasonably estimated due to the uncertainty of future developments.

In addition to the foregoing risk factor and the other information set forth in this report, you should carefully consider the risk factors disclosed in Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and Part II, Item 1A of the Company's Quarterly Report on Form 10-Q for the fiscal quarters ended March 31, 2020 and June 30, 2020.

ITEM 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 3 DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

31.1	Rule 13a-14(a)/15d-14(a) Certification by the Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification by the Chief Financial Officer.
32.1	Certification by the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation
101.DEF*	XBRL Extension Definition
101.LAB*	XBRL Taxonomy Extension Labels
101.PRE*	XBRL Taxonomy Extension Presentation

*XBRL information is furnished and not filed or a part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned as of the 10th day of November 2020, thereunto duly authorized.

SIGNATURE:	TITLE
/s/ Brian E. Powers Brian E. Powers	Chairman, President and Chief Executive Officer (Principal Executive Officer)
/s/ John P. Daly John P. Daly	Chief Financial Officer (Principal Accounting and Financial Officer)

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Brian E. Powers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crawford United Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By:

/s/ Brian E. Powers

Brian E. Powers

President and Chief Executive Officer

November 10, 2020

Exhibit 31.2

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, John P. Daly, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crawford United Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By:

/s/ John P. Daly

John P. Daly

Chief Financial Officer

November 10, 2020

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Crawford United Corporation (the "Company") on Form 10-Q for the period ending September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian Powers, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brian E. Powers

Brian E. Powers

President and Chief Executive Officer

November 10, 2020

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Crawford United Corporation (the "Company") on Form 10-Q for the period ending September 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Daly, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John P. Daly

John P. Daly

Chief Financial Officer

November 10, 2020