

LIGHTPATH TECHNOLOGIES INC
Form 10-Q
February 09, 2012

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

FORM 10-Q

(Mark One)

x QUARTERLY REPORT UNDER SECTION
13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF
1934

For the quarterly period ended December 31,
2011

OR

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

For the transition period from _____ to

Commission file number 000-27548

LIGHTPATH TECHNOLOGIES, INC.
(Exact name of registrant as specified in its
charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

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

<http://www.lightpath.com>

2603 Challenger Tech Ct. Suite 100
Orlando, Florida 32826

(Address of principal executive offices)
(ZIP Code)

(407) 382-4003

(Registrant's telephone number, including area code)

N/A

(Former name, former address, and former fiscal year, if changed since last report)

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 and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the proceeding 12 months (or such shorter period that the registrant was required to submit and post such files).

YES NO

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

9,768,071 shares of common stock, Class A, \$.01 par value, outstanding as of February 6, 2012.

LIGHTPATH TECHNOLOGIES, INC.

Form 10-Q

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Item 1. Financial Statements

LIGHTPATH TECHNOLOGIES, INC.
Consolidated Balance Sheets

Assets	(unaudited) December 31, 2011	June 30, 2011
Current assets:		
Cash and cash equivalents	\$595,388	\$928,900
Trade accounts receivable, net of allowance of \$15,802 and \$7,245	1,833,358	1,833,044
Inventories, net	1,792,696	1,622,637
Other receivables	-	30,943
Prepaid interest expense	50,750	7,250
Prepaid expenses and other assets	340,421	189,630
Total current assets	4,612,613	4,612,404
Property and equipment, net	2,360,346	2,373,022
Intangible assets, net	84,699	101,133
Debt costs, net	5,564	7,180
Other assets	27,737	27,737
Total assets	\$7,090,959	\$7,121,476
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$1,315,944	\$928,790
Accrued liabilities	74,238	123,705
Accrued payroll and benefits	460,738	481,318
Total current liabilities	1,850,920	1,533,813
Deferred rent	404,403	464,262
8% convertible debentures to related parties	1,012,500	1,012,500
8% convertible debentures	75,000	75,000
Total liabilities	3,342,823	3,085,575
Stockholders' equity:		
Preferred stock: Series D, \$.01 par value, voting; 5,000,000 shares authorized; none issued and outstanding	—	—
Common stock: Class A, \$.01 par value, voting; 40,000,000 shares authorized; 9,761,129 and 9,713,099 shares issued and outstanding, respectively	97,611	97,131
Additional paid-in capital	207,868,807	207,636,440
Accumulated other comprehensive income	71,727	50,593
Accumulated deficit	(204,290,009)	(203,748,263)
Total stockholders' equity	3,748,136	4,035,901
Total liabilities and stockholders' equity	\$7,090,959	\$7,121,476

The accompanying notes are an integral part of these consolidated statements.

LIGHTPATH TECHNOLOGIES, INC.
Consolidated Statements of Operations and Comprehensive Income
(unaudited)

	Three months ended		Six months ended	
	December 31,		December 31,	
	2011	2010	2011	2010
Product sales, net	\$2,672,138	\$2,528,074	5,405,263	\$4,781,996
Cost of sales	1,828,368	1,527,941	3,478,869	2,955,415
Gross margin	843,770	1,000,133	1,926,394	1,826,581
Operating expenses:				
Selling, general and administrative	883,882	997,329	1,879,503	2,068,527
New product development	271,532	248,507	559,251	471,092
Amortization of intangibles	8,217	8,217	16,434	16,434
Gain on sale of property and equipment	—	—	—	(540)
Total costs and expenses	1,163,631	1,254,053	2,455,188	2,555,513
Operating loss	(319,861)	(253,920)	(528,794)	(728,932)
Other income (expense):				
Interest expense	(21,750)	(28,977)	(45,170)	(116,299)
Interest expense - debt discount	—	(60,178)	—	(269,844)
Interest expense - debt costs	(816)	(23,972)	(1,616)	(107,494)
Other income (expense), net	(872)	(6,667)	33,834	(4,095)
Total other income (expense), net	(23,438)	(119,794)	(12,952)	(497,732)
Net loss	\$(343,299)	\$(373,714)	\$(541,746)	\$(1,226,664)
Loss per common share (basic and diluted)	\$(0.04)	\$(0.04)	\$(0.06)	\$(0.13)
Number of shares used in per share calculation (basic and diluted)	9,761,129	9,705,890	9,753,618	9,359,068
Foreign currency translation adjustment	9,278	(5,476)	21,134	(28,316)
Comprehensive loss	\$(334,021)	\$(379,190)	\$(520,612)	\$(1,254,980)

The accompanying notes are an integral part of these unaudited consolidated statements.

LIGHTPATH TECHNOLOGIES, INC.
Consolidated Statement of Stockholders' Equity
Six months ended December 31, 2011
(Unaudited) (unaudited)

	Class A Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at June 30, 2011	9,713,099	\$97,131	\$207,636,440	\$ 50,593	\$(203,748,263)	\$ 4,035,901
Issuance of common stock for:						
Employee stock purchase plan	6,198	62	7,809	—	—	7,871
Interest payment on convertible debentures	41,832	418	86,582	—	—	87,000
Stock based compensation on stock options and restricted stock units	—	—	137,976	—	—	137,976
Net loss	—	—	—	—	(541,746)	(541,746)
Foreign currency translation adjustment	—	—	—	21,134	—	21,134
Balance at December 31, 2011	9,761,129	\$97,611	\$207,868,807	\$ 71,727	\$(204,290,009)	\$ 3,748,136

The accompanying notes are an integral part of these consolidated statements.

LIGHTPATH TECHNOLOGIES, INC.
Consolidated Statements of Cash Flows
(unaudited)

	Six Months ended December 31,	
	2011	2010
Cash flows from operating activities		
Net loss	\$(541,746)	\$(1,226,664)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	571,707	427,270
Interest from amortization of debt discount	—	269,844
Interest from amortization of debt costs	1,616	107,494
Gain on sale of property and equipment	—	(540)
Stock based compensation	137,976	103,900
Change in provision for doubtful accounts receivable	8,557	(2,903)
Deferred rent	(59,859)	(48,447)
Changes in operating assets and liabilities:		
Trade accounts receivables	(8,871)	147,584
Other receivables	30,943	—
Inventories		