

KOPIN CORP
Form 10-Q
August 03, 2016
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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 June 25, 2016

or

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

For the transition period from _____ to _____
Commission file number 0-19882

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

Delaware 04-2833935
State or other jurisdiction of (I.R.S. Employer
incorporation or organization Identification No.)

125 North Drive, Westborough, MA 01581-3335
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (508) 870-5959

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 filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer Accelerated filer
Non-accelerated filer 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

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

Class	Outstanding as of July 29, 2016
Common Stock, par value \$.01	66,769,502

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Part 1: FINANCIAL INFORMATION

Item 1: Condensed Consolidated Financial Statements (Unaudited)

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KOPIN CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 25, 2016	December 26, 2015
ASSETS		
Current assets:		
Cash and equivalents	\$25,812,429	\$19,767,889
Marketable debt securities, at fair value	65,709,596	60,942,891
Accounts receivable, net of allowance of \$169,000 and \$153,000 in 2016 and 2015, respectively	1,326,341	1,487,633
Unbilled receivables	82,535	87,340
Inventory	2,935,699	2,512,473
Prepaid taxes	119,543	437,586
Prepaid expenses and other current assets	895,741	920,410
Note receivable	—	15,000,000
Total current assets	96,881,884	101,156,222
Property, plant and equipment, net	2,728,951	2,677,103
Goodwill	887,512	946,082
Other assets	716,679	461,416
Property and plant held for sale	—	819,263
Total assets	\$101,215,026	\$106,060,086
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$4,327,008	\$3,959,704
Accrued payroll and expenses	1,791,883	1,631,292
Accrued warranty	516,000	518,000
Accrued income taxes	721,202	—
Billings in excess of revenue earned	1,254,694	1,407,566
Other accrued liabilities	2,662,518	2,553,282
Deferred tax liabilities	2,570,000	1,207,000
Total current liabilities	13,843,305	11,276,844
Asset retirement obligations	274,034	298,463
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, par value \$.01 per share: authorized, 3,000 shares; none issued	—	—
Common stock, par value \$.01 per share: authorized, 120,000,000 shares; issued 78,875,534 shares in 2016 and 78,271,659 shares in 2015; outstanding 64,039,260 shares in 2016 and 63,977,385 shares in 2015	761,415	760,796
Additional paid-in capital	327,754,462	326,558,527
Treasury stock (12,102,258 shares in 2016 and 2015, respectively, at cost)	(42,741,551)	(42,741,551)
Accumulated other comprehensive income	1,766,202	771,774
Accumulated deficit	(200,655,234)	(190,608,671)
Total Kopin Corporation stockholders' equity	86,885,294	94,740,875
Noncontrolling interest	212,393	(256,096)
Total stockholders' equity	87,097,687	94,484,779
Total liabilities and stockholders' equity	\$101,215,026	\$106,060,086

See notes to unaudited condensed consolidated financial statements

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KOPIN CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended		Six Months Ended	
	June 25, 2016	June 27, 2015	June 25, 2016	June 27, 2015
Revenues:				
Net component revenues	\$4,096,529	\$9,486,723	\$10,074,663	\$16,615,093
Research and development revenues	258,746	1,369,883	399,750	2,826,505
	4,355,275	10,856,606	10,474,413	19,441,598
Expenses:				
Cost of component revenues	4,682,846	6,359,780	9,329,888	11,643,513
Research and development	4,119,401	4,884,010	8,159,352	9,744,202
Selling, general and administration	4,282,264	5,108,229	8,043,113	9,494,442
Gain on sale of property and plant	(7,700,522)	—	(7,700,522)	—
	5,383,989	16,352,019	17,831,831	