

LIME ENERGY CO.  
Form 10-Q  
August 09, 2013  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form 10-Q**

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

For the quarterly period ended March 31, 2013

**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 001-16265

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**LIME ENERGY CO.**

(Exact name of registrant as specified in its charter)

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**Delaware**

(State or other jurisdiction of incorporation or organization)

**36-4197337**

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

**16810 Kenton Drive, Suite 240, Huntersville, NC 28078**

(Address of principal executive offices, including zip code)

**(704) 892-4442**

(Registrant's telephone number, including area code)

(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 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 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 definition 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

25,152,693 shares of the registrant's common stock, \$.0001 par value per share, were outstanding as of August 7, 2013.

Table of Contents

**LIME ENERGY CO.**

**FORM 10-Q**

For The Quarter Ended March 31, 2013

INDEX

	<b>Page Number</b>	
<u>Part I</u>	<u>Financial Information</u>	
<u>ITEM 1.</u>	<u>Financial Statements:</u>	
	<u>Condensed Consolidated Balance Sheets</u> <u>March 31, 2013 (unaudited) and December 31, 2012</u>	2
	<u>Unaudited Condensed Consolidated Statements of Operations</u> <u>Three Months Ended March 31, 2013 and 2012</u>	4
	<u>Unaudited Condensed Consolidated Statement of Stockholders' Equity</u> <u>Three Months Ended March 31, 2013</u>	5
	<u>Unaudited Condensed Consolidated Statements of Cash Flows</u> <u>Three Months Ended March 31, 2013 and 2012</u>	6
	<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	8
<u>ITEM 2.</u>	<u>Management's Discussion and Analysis of</u> <u>Financial Condition and Results of Operations</u>	19
<u>ITEM 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	29
<u>ITEM 4.</u>	<u>Controls and Procedures</u>	29
<u>Part II.</u>	<u>Other Information</u>	
<u>ITEM 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	30
<u>ITEM 6.</u>	<u>Exhibits</u>	31
	<u>Signatures</u>	32

Table of Contents

## PART I - FINANCIAL INFORMATION

## ITEM 1. Financial Statements

**Lime Energy Co.****Condensed Consolidated Balance Sheets**

(in thousands)

	March 31, 2013 (Unaudited)	December 31, 2012 (1)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,437	\$ 2,392
Restricted cash	500	500
Accounts receivable, net	9,245	9,917
Inventories	17	17
Costs and estimated earnings in excess of billings on uncompleted contracts	4,446	3,685
Prepaid expenses and other	509	504
Current assets of discontinued operations	3,312	10,891
<b>Total Current Assets</b>	<b>20,466</b>	<b>27,906</b>
<b>Net Property and Equipment</b>	<b>5,328</b>	<b>5,224</b>
<b>Long-Term Receivables</b>	<b>311</b>	<b>214</b>
<b>Deferred Financing Costs, Net</b>	<b>199</b>	<b>212</b>
<b>Long-term Assets of Discontinued Operations</b>	<b>40</b>	<b>5,581</b>
<b>Intangibles, Net</b>	<b>4</b>	<b>10</b>
<b>Goodwill</b>	<b>6,009</b>	<b>6,009</b>
	<b>\$ 32,357</b>	<b>\$ 45,156</b>

Table of Contents**Lime Energy Co.****Condensed Consolidated Balance Sheets**

(in thousands, except share data)

	March 31, 2013 (Unaudited)	December 31, 2012 (1)
<b>Liabilities and Stockholders Equity</b>		
<b>Current Liabilities</b>		
Current maturities of long-term debt	\$ 3,360	\$ 3,405
Accounts payable	7,516	5,100
Accrued expenses	3,701	3,243
Billings in excess of costs and estimated earnings on uncompleted contracts	1,894	1,506
Customer deposits	71	41
Other current liabilities	2,618	2,029
Current liabilities of discontinued operations	3,191	12,517
<b>Total Current Liabilities</b>	<b>22,351</b>	<b>27,841</b>
<b>Long-Term Debt, less current maturities</b>	<b>4,814</b>	<b>4,748</b>
<b>Other Long-Term Liabilities</b>	<b>2,395</b>	<b>3,241</b>
<b>Long-Term Liabilities of Discontinued Operations</b>		<b>5</b>
<b>Total Liabilities</b>	<b>29,560</b>	<b>35,835</b>
<b>Stockholders Equity</b>		
Common stock, \$.0001 par value; 50,000,000 shares authorized 25,152,693 and 25,036,719 issued and outstanding as of March 31, 2013 and December 31, 2012, respectively	2	2
Additional paid-in capital	191,593	191,411
Accumulated deficit	(188,798)	(182,092)
<b>Total Stockholders Equity</b>	<b>2,797</b>	<b>9,321</b>
	<b>\$ 32,357</b>	<b>\$ 45,156</b>

*See accompanying notes to condensed consolidated financial statements*


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(1) *Derived from audited financial statements in the Company's annual report on Form 10-K for the year ended December 31, 2012*

Table of Contents**Lime Energy Co.****Unaudited Condensed Consolidated Statements of Operations**

(in thousands, except per share data)

Three Months Ended March 31,	2013	2012
<b>Revenue</b>	\$ 11,999	\$ 11,525
Cost of sales	9,377	9,475
Gross Profit	2,622	2,050
Selling, general and administrative	6,241	5,321
Amortization of intangibles	6	70
<b>Operating loss</b>	(3,625)	(3,341)
<b>Other Income (Expense)</b>		
Interest income	14	25
Interest expense	(318)	(77)
Total other (expense) income	(304)	(52)
Loss from continuing operations	(3,929)	(3,393)
<b>Discontinued Operations:</b>		
Loss from operation of discontinued business (Note 8)	(2,777)	(795)
<b>Net loss</b>	(6,706)	(4,188)
Basic and diluted loss per common share from Continuing operations	\$ (0.16)	\$ (0.14)
Discontinued operations	(0.11)	(0.03)
Basic and Diluted Loss Per Common Share	\$ (0.27)	\$ (0.17)
<b>Weighted Average Common Shares Outstanding</b>	25,161	23,971

*See accompanying notes to condensed consolidated financial statements*

Table of Contents**Lime Energy Co.****Unaudited Condensed Consolidated Statement of Stockholders' Equity**

(in thousands)

	Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders Equity
<b>Balance, December 31, 2012</b>	<b>25,037</b>	<b>\$ 2</b>	<b>\$ 191,411</b>	<b>\$ (182,092)</b>	<b>\$ 9,321</b>
Share based compensation			182		182
Shares issued for benefit plans and option exercises	116				
Net loss				(6,706)	(6,706)
<b>Balance, March 31, 2013</b>	<b>25,153</b>	<b>\$ 2</b>	<b>\$ 191,593</b>	<b>\$ (188,798)</b>	<b>\$ 2,797</b>

*See accompanying notes to condensed consolidated financial statements.*

Table of Contents**Lime Energy Co.****Unaudited Condensed Consolidated Statements of Cash Flows****(in thousands)**

<b>Three Months Ended March 31,</b>	<b>2013</b>	<b>2012</b>
<b>Cash Flows From Operating Activities</b>		
Net Loss	\$ (6,706)	\$ (4,188)
Adjustments to reconcile net loss to net cash used in operating activities:		
Provision for bad debt		40
Share-based compensation	182	553
Depreciation and amortization	268	450
Amortization of deferred financing costs	26	17
Amortization of original issue discount	66	
Issuance of stock in exchange for services received		20
Loss on disposition of property and equipment	13	
Changes in assets and liabilities:		
Accounts receivable	575	9,918
Inventories		(11)
Costs and estimated earnings in excess of billings on uncompleted contracts	(761)	(750)
Prepaid expenses and other	(5)	183
Assets of discontinued operations	1,252	(206)
Accounts payable	2,416	(6,810)
Accrued expenses	457	(1,607)
Billings in excess of costs and estimated earnings on uncompleted contracts	388	(1,213)
Other current liabilities	(227)	(8)
Liabilities of discontinued operations	475	(784)
Net cash used in operating activities	(1,581)	(4,396)
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of ESCO business	1,860	
Purchases of property and equipment	(187)	