

KOPIN CORP
 Form 10-Q
 November 06, 2014
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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 September 27, 2014

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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

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

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

Class	Outstanding as of October 31, 2014
Common Stock, par value \$.01	65,907,855

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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)

	September 27, 2014	December 28, 2013
ASSETS		
Current assets:		
Cash and equivalents	\$17,049,083	\$16,756,666
Marketable debt securities, at fair value	76,955,910	95,972,535
Accounts receivable, net of allowance of \$266,000 and \$202,000 in 2014 and 2013, respectively	3,621,055	2,388,461
Inventory	3,922,395	3,078,055
Prepaid taxes	262,282	233,642
Prepaid expenses and other current assets	1,365,118	1,178,643
Total current assets	103,175,843	119,608,002
Property, plant and equipment, net	5,157,660	6,034,963
Goodwill	1,005,788	1,016,132
Intangible assets, net	854,286	1,581,502
Other assets	1,614,286	3,024,458
Notes receivable	14,916,667	14,866,666
Total assets	\$126,724,530	\$146,131,723
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$4,560,754	\$3,868,865
Accrued payroll and expenses	1,612,161	1,436,391
Accrued warranty	716,000	716,000
Billings in excess of revenue earned	345,496	547,681
Other accrued liabilities	2,769,194	3,157,394
Deferred tax liabilities	1,409,764	1,512,771
Total current liabilities	11,413,369	11,239,102
Asset retirement obligations	325,892	329,435
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 78,110,113 shares in 2014 and 77,567,631 shares in 2013; outstanding 62,648,707 shares in 2014 and 62,560,946 shares in 2013	747,510	745,935
Additional paid-in capital	324,315,282	320,511,458
Treasury stock (12,102,258 and 12,032,537 shares in 2014 and 2013, respectively, at cost)	(42,741,551)	(42,442,932)
Accumulated other comprehensive income	3,508,858	3,441,997
Accumulated deficit	(170,613,010)	(147,703,211)
Total Kopin Corporation stockholders' equity	115,217,089	134,553,247
Noncontrolling interest	(231,820)	9,939
Total stockholders' equity	114,985,269	134,563,186
Total liabilities and stockholders' equity	\$126,724,530	\$146,131,723

See notes to unaudited condensed consolidated financial statements

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KOPIN CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 27, 2014	September 28, 2013	September 27, 2014	September 28, 2013
Revenues:				
Net component revenues	\$9,066,028	\$4,888,791	\$18,200,451	\$16,065,593
Research and development revenues	465,995	61,257	2,969,629	1,282,185
	9,532,023	4,950,048	21,170,080	17,347,778
Expenses:				
Cost of component revenues	5,204,125	4,622,252	13,583,313	16,790,618
Research and development	4,832,469	5,586,745	15,055,723	13,492,253
Selling, general and administration	5,015,367	5,049,936	14,933,424	15,651,581
	15,051,961	15,258,933	43,572,460	45,934,452
Loss from operations	(5,519,938) (10,308,885) (22,402,380) (28,586,674
Other income and expense:				
Interest income	237,957			