

KOSS CORP
Form 10-Q
January 26, 2017
Index

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 December 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission File Number 0-3295

KOSS CORPORATION
(Exact Name of Registrant as Specified in its Charter)

DELAWARE 39-1168275
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

4129 North Port Washington Avenue, Milwaukee, Wisconsin 53212
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (414) 964-5000

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 the 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

(Do not check if a smaller reporting company)

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

At January 23, 2017, there were 7,382,706 shares outstanding of the registrant's common stock.

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FINANCIAL INFORMATION

Item 1. Financial Statements

KOSS CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Three Months Ended		Six Months Ended	
	December 31		December 31	
	2016	2015	2016	2015
Net sales	\$6,687,797	\$7,229,341	\$13,036,503	\$12,760,603
Cost of goods sold	4,481,086	4,566,518	8,887,533	8,451,445
Gross profit	2,206,711	2,662,823	4,148,970	4,309,158
Selling, general and administrative expenses	1,987,391	1,989,114	3,763,162	3,754,860
Unauthorized transaction related (recoveries) costs, net	(3,404) 37,475	34,096	74,950
Interest expense	118	757	964	6,075
Income before income tax provision	222,606	635,477	350,748	473,273
Income tax provision	82,494	248,845	126,425	187,445
Net income	\$140,112	\$386,632	\$224,323	\$285,828
Income per common share:				
Basic	\$0.02	\$0.05	\$0.03	\$0.04
Diluted	\$0.02	\$0.05	\$0.03	\$0.04

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

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CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
	December 31, 2016	June 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 807,909	\$ 735,393
Accounts receivable, less allowance for doubtful accounts of \$54,237 and \$55,175, respectively	3,678,523	3,530,854
Inventories	7,980,299	8,595,485
Prepaid expenses and other current assets	407,367	281,099
Income taxes receivable	533,134	583,507
Total current assets	13,407,232	13,726,338