

MISONIX INC  
Form 10-Q  
May 10, 2011

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**FORM 10-Q  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**(Mark One)**

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

**For the quarterly period ended March 31, 2011**

**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: 1-10986  
MISONIX, INC.**

(Exact name of registrant as specified in its charter)

New York

11-2148932

(State or other jurisdiction of incorporation or organization)

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

1938 New Highway, Farmingdale, NY

11735

(Address of principal executive offices)

(Zip Code)

(631) 694-9555

(Registrant's telephone number, including area code)

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. (Check one):

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

(Do not check if a 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

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

Class of Common Stock	Outstanding at May 10, 2011
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Common Stock, \$.01 par value

7,001,369

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Consolidated Balance Sheets**

	<b>March 31, 2011</b>	June 30, 2010
	<b>(Unaudited)</b>	(Derived from Audited Financial Statements)
Current Assets:		
Cash	\$ 7,584,475	\$ 9,900,605
Accounts receivable, less allowance for doubtful accounts of \$109,070 and \$123,346, respectively	1,859,026	2,335,653
Inventories, net	3,909,943	2,699,717
Prepaid expenses and other current assets	501,622	515,427
Notes receivable	210,000	1,075,105
Total current assets	14,065,066	16,526,507
Property, plant and equipment, net	922,285	500,215
Goodwill	1,701,094	1,701,094
Other assets	2,189,232	1,730,339
Total assets	\$ 18,877,677	\$ 20,458,155
<b>Liabilities and stockholders equity</b>		
Current liabilities:		
Notes payable	\$	\$ 177,679
Accounts payable	1,293,455	888,654
Accrued expenses and other current liabilities	1,132,039	1,000,523
Total current liabilities	2,425,494	2,066,856
Capital lease obligations	2,666	14,274
Deferred lease liability	9,830	
Deferred income	192,314	250,739
Total liabilities	2,630,304	2,331,869
Commitments and contingencies		
Stockholders equity:		
Common stock, \$.01 par value-shares authorized 20,000,000; 7,079,169 issued, and 7,001,369 outstanding	70,792	70,792
Additional paid-in capital	25,709,294	25,502,717

Accululated deficit	<b>(9,120,289)</b>	(7,034,799)
Treasury stock, 77,800 shares	<b>(412,424)</b>	(412,424)
Stockholders equity	<b>16,247,373</b>	18,126,286
Total liabilities and stockholders equity	<b>\$ 18,877,677</b>	<b>\$ 20,458,155</b>

*See Accompanying Notes to Consolidated Financial Statements.*

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**MISONIX INC. and Subsidiaries**  
**Consolidated Statements of Operations**  
**(Unaudited)**

	<b>For the nine months ended</b>	
	<b>March 31,</b>	
	<b>2011</b>	<b>2010</b>
Net sales	<b>\$ 10,274,831</b>	\$ 9,092,322
Cost of goods sold	<b>4,877,847</b>	4,860,539
Gross profit	<b>5,396,984</b>	4,231,783
Operating expenses:		
Selling expenses	<b>3,098,967</b>	2,649,699
General and administrative expenses	<b>3,334,338</b>	3,824,640
Research and development expenses	<b>1,303,121</b>	1,387,133
Total operating expenses	<b>7,736,426</b>	7,861,472
Loss from operations	<b>(2,339,442)</b>	(3,629,689)
Other income (expense):		
Interest income	<b>93</b>	28,178
Interest expense	<b>(5,494)</b>	(48,176)
Royalty income and license fees	<b>487,622</b>	481,417
Royalty expense	<b>(51,324)</b>	(83,926)
Recovery of Focus Surgery, Inc. investment		693,044
Other	<b>146,796</b>	(20,320)
Total other income	<b>577,693</b>	1,050,217
Loss from continuing operations before income taxes	<b>(1,761,749)</b>	(2,579,472)
Income tax (benefit)	<b>46,100</b>	(976,435)
Net loss from continuing operations	<b>(1,807,849)</b>	(1,603,037)
Discontinued operations:		
Net (loss) income from discontinued operations net of \$0 and tax of \$358,634	<b>(277,641)</b>	506,367
Net loss from sale of discontinued operations net of tax of \$0 and \$957,937		(369,848)
Noncontrolling interest in discontinued operations, net of income tax		66,201
Total net (loss) income from discontinued operations	<b>(277,641)</b>	<b>202,720</b>
Net loss attributable to Misonix, Inc. shareholders	<b>(2,085,490)</b>	\$ (1,400,317)

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Net loss per share from continuing operations attributable to Misonix, Inc. shareholders Basic	\$	<b>(0.26)</b>	\$	(0.23)
Net (loss) income per share from discontinued operations Basic		<b>(0.04)</b>		0.03
Net loss per share attributable to Misonix, Inc. shareholders Basic	\$	<b>(0.30)</b>	\$	(0.20)
Net loss per share from continuing operations attributable to Misonix, Inc. shareholders Diluted	\$	<b>(0.26)</b>	\$	(0.23)
Net (loss) income per share from discontinued operations Diluted		<b>(0.04)</b>		0.03
Net loss per share attributable to Misonix, Inc. shareholders Diluted	\$	<b>(0.30)</b>	\$	(0.20)
Weighted Average Shares Basic		<b>7,001,369</b>		7,001,369
Weighted Average Shares Diluted		<b>7,001,369</b>		7,001,369
<i>See Accompanying Notes to Consolidated Financial Statements.</i>				



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**MISONIX INC. and Subsidiaries  
Consolidated Statements of Operations  
(Unaudited)**