

BION ENVIRONMENTAL TECHNOLOGIES INC
Form 10-Q
May 14, 2013

U.S. 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 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 No. **000-19333**

Bion Environmental Technologies, Inc.

(Name of registrant in its charter)

Colorado

(State or other jurisdiction of incorporation or
formation)

84-1176672

(I.R.S. employer identification number)

Box 566 / 1774 Summitview Way

Crestone, Colorado 81131

(Address of principal executive offices)

(212) 758-6622

(Registrant's telephone number, including area code)

Not Applicable

(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 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)

SEC 1296 (03-10) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS: Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. **Not applicable.**

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. On May 10, 2013, there were 17,572,580 Common Shares issued and 16,868,271 Common Shares outstanding.

BION ENVIRONMENTAL TECHNOLOGIES, INC.

FORM 10-Q

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements, within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve substantial risks and uncertainties. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "project," "predict," "plan," "believe" or "continue" or the negative thereof or variations thereon or similar terminology. The expectations reflected in forward-looking statements may prove to be incorrect.

PART I - FINANCIAL INFORMATION
BION ENVIRONMENTAL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2013 (unaudited)	June 30, 2012
ASSETS:		
Current assets:		
Cash	\$ 58,058	\$ 399,992
Restricted cash (Note 8)	57,315	-
Prepaid insurance and expenses	29,738	42,707
Deposits and other receivables	12,038	6,958
Total current assets	157,149	449,657
Restricted cash (Note 8)	-	57,315
Property and equipment, net (Note 3)	7,577,674	8,172,702
Total assets	\$ 7,734,823	\$ 8,679,674
LIABILITIES AND EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,021,918	\$ 711,677
Deferred revenue	1,483	-
Deferred rent (Note 8)	15,195	-
Loans payable - affiliates (Note 4)	128,275	-
Current portion of deferred compensation (Note 5)	1,556,833	83,083
Loan payable (Note 6)	7,754,000	-
Total current liabilities	10,477,704	794,760
Loan payable (Note 6)	-	7,754,000
Deferred compensation, less current portion (Note 5)	-	833,452
Deferred rent (Note 8)	-	27,992
Total liabilities	10,477,704	9,410,204
	20,900	43,650

Series B Redeemable Convertible Preferred stock, \$0.01 par value, 50,000

shares authorized; 200 and 450 shares issued and outstanding,

respectively; liquidation preference of \$23,500 and \$49,500, respectively

Deficit :

Bion's stockholders' equity (deficit):

Series A Preferred stock, \$0.01 par value, 10,000 shares authorized, no

shares issued and outstanding

Series C Convertible Preferred stock, \$0.01 par value, 60,000 shares

authorized; nil and 300 shares issued and outstanding, respectively;

liquidation preference of nil and \$33,000, respectively

Common stock, no par value, 100,000,000 shares authorized, 17,436,618

and 16,814,103 shares issued, respectively; 16,732,309 and 16,109,794

shares outstanding, respectively

Additional paid-in capital

Accumulated deficit

Total Bion s stockholders deficit

Noncontrolling interest

Total deficit

Total liabilities and deficit

	-	-
	-	29,050
	-	-
	93,944,129	91,177,978
	(96,787,540)	(92,065,095)
	(2,843,411)	(858,067)
	79,630	83,887
	(2,763,781)	(774,180)
	\$ 7,734,823	\$ 8,679,674

See notes to consolidated financial statements

BION ENVIRONMENTAL TECHNOLOGIES, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF OPERATIONS****THREE AND NINE MONTHS ENDED MARCH 31, 2013 AND 2012****(UNAUDITED)**

	Three Months Ended		Nine Months Ended	
	2013	March 31, 2012	2013	March 31, 2012
Revenue	\$ 10,379	\$ -	\$ 10,379	\$ -
Operating expenses:				
General and administrative (including stock-based compensation (Note 7))	969,503	861,571	4,390,257	5,649,626
Research and development (including stock-based compensation (Note 7))	53,259	34,810	139,578	133,304
Total operating expenses	1,022,762	896,381	4,529,835	5,782,930
Loss from operations	(1,012,383)	(896,381)	(4,519,456)	(5,782,930)
Other expense (income):				
Interest expense	80,002	35,431	207,386	49,861
Interest income	(44)	(331)		