

KOSS CORP
Form 10-Q
May 08, 2009
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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, 2009

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)

A DELAWARE CORPORATION
(State or other jurisdiction of
incorporation or organization)

39-1168275
(I.R.S. Employer Identification No.)

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

53212
(Zip Code)

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

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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)

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

At May 01, 2009, there were 3,691,353 shares outstanding of the registrant's common stock, \$0.005 par value per share.

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KOSS CORPORATION AND SUBSIDIARIES

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements.

KOSS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited)		
	March 31, 2009		June 30, 2008
ASSETS			
Current assets:			
Cash	\$	2,627,275	\$ 3,322,873
Accounts receivable		7,539,157	10,148,646
Inventories		10,571,212	9,374,344
Deferred income taxes		783,995	783,995
Other current assets		508,382	504,806
Total current assets		22,030,021	24,134,664
Property and equipment, net		3,899,537	2,746,367
Deferred income taxes		1,066,853	1,066,853
Other assets		1,954,124	2,029,123
Total Assets	\$	28,950,535	\$ 29,977,007
LIABILITIES AND STOCKHOLDERS INVESTMENT			
Current liabilities:			
Accounts payable	\$	2,801,506	\$ 2,950,721
Accrued liabilities		1,077,326	1,808,467
Dividends payable		479,876	480,395
Income tax payable		11,896	347,507
Total current liabilities		4,370,604	5,587,090
Deferred compensation		1,047,482	1,047,482
Derivative liability		125,000	125,000
Stockholders investment		23,407,449	23,217,435
Total Liabilities & Stockholders Investments	\$	28,950,535	\$ 29,977,007

See accompanying notes to the condensed consolidated financial statements.

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KOSS CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

Period Ended March 31	Three Months		Nine Months	
	2009	2008	2009	2008
Net sales	\$ 8,145,930	\$ 10,003,648	\$ 29,919,559	\$ 34,740,651
Cost of goods sold	5,531,938	6,438,524	19,422,223	22,059,172
Gross profit	2,613,992	3,565,124	10,497,336	12,681,479
Selling, general and administrative expense	2,388,169	2,602,122	8,342,795	7,757,424
Income from operations	225,823	963,002	2,154,541	4,924,055
Other income				
Royalty income		87,501	58,333	262,501
Interest income	2	11,929	15,501	109,120
Income before income tax provision	225,825	1,062,432	2,228,375	5,295,676
Provision for income taxes	88,058	414,435	854,390	2,065,453
Net income	\$ 137,767	\$ 647,997	\$ 1,373,985	\$ 3,230,223