

PSYCHEMEDICS CORP
Form 10-Q
May 06, 2011

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 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: 1-13738

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

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

58-1701987
(I.R.S. Employer Identification No.)

125 Nagog Park
Acton, MA
(Address of Principal Executive Offices)

01720
(Zip Code)

Registrant's telephone number including area code: (978) 206-8220

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, or a non-accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Large accelerated filer “ Accelerated filer “ Non-accelerated filer “ Smaller Reporting Company
(Do not check if 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 Securities Exchange Act of 1934). Yes No

The number of shares of Common Stock of the Registrant, par value \$0.005 per share, outstanding at May 6, 2011 was 5,230,568.

PSYCHEMEDICS CORPORATION
FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2011

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PSYCHEMEDICS CORPORATION
CONDENSED BALANCE SHEETS
(UNAUDITED)

	March 31, 2011	December 31, 2010
ASSETS		
Current Assets:		
Cash and cash equivalents	\$2,719,179	\$ 3,720,488
Short-term investments	2,019,350	2,018,452
Accounts receivable, net of allowance for doubtful accounts of \$134,694 in 2011 and \$119,295 in 2010	4,495,666	3,905,821
Prepaid expenses and other current assets	922,306	700,822
Deferred tax assets	277,846	239,831
Total Current Assets	10,434,347	10,585,414
Fixed Assets:		
Equipment & leasehold improvements	11,959,096	11,730,866
Less accumulated depreciation	(10,747,076)	(10,663,996)
Net Fixed Assets	1,212,020	1,066,870
Other Assets	169,084	114,037
Total Assets	\$ 11,815,451	\$ 11,766,321
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$463,992	\$ 699,833
Accrued expenses	1,262,488	1,302,370
Deferred revenue	13,372	16,605
Total Current Liabilities	1,739,852	2,018,808
Shareholders' Equity:		
Preferred-stock, \$0.005 par value, 872,521 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.005 par value; 50,000,000 shares authorized 5,877,358 shares issued in 2011 and 2010	29,387	29,387
Paid-in capital	27,860,031	27,764,992
Accumulated deficit	(7,754,421)	(7,987,468)
Less - Treasury stock, at cost, 665,345 shares in 2011 and 2010	(10,059,398)	(10,059,398)
Total Shareholders' Equity	10,075,599	9,747,513
Total Liabilities and Shareholders' Equity	\$ 11,815,451	\$ 11,766,321

See accompanying notes to condensed financial statements

PSYCHEMEDICS CORPORATION
CONDENSED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended March 31,	
	2011	2010
Revenues	\$5,999,739	\$4,464,243
Cost of revenues	2,383,026	1,910,654
Gross profit	3,616,713	2,553,589
Operating Expenses:		
General & administrative	970,064	971,614
Marketing & selling	1,014,117	623,631
Research & development	142,451	122,481
Total Operating Expenses	2,126,632	1,717,726
Operating income	1,490,081	835,863
Interest income	2,205	8,176
Net income before provision for income taxes	1,492,286	844,039
Provision for income taxes	633,798	337,615
Net income	\$858,488	\$506,424
Basic net income per share	\$0.16	\$0.10
Diluted net income per share	\$0.16	\$0.10
Dividends declared per share	\$0.12	\$0.12
Weighted average common shares outstanding, basic		