

CHEMBIO DIAGNOSTICS, INC.

Form 10-Q

May 08, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10 - Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended March 31, 2009

000-30379
(Commission File Number)

Chembio Diagnostics, Inc.
(Exact name of registrant as specified in its charter)

Nevada 88-0425691
(State or other (IRS
jurisdiction of Employer
incorporation) Identification
Number)

3661 Horseblock Road
Medford, New York 11763
(Address of principal executive offices including zip code)
(631) 924-1135
(Registrant's telephone number, including area code)

(Former Name or Former Address, 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 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

As of May 6, 2009, the Registrant had 61,944,901 shares outstanding of its \$.01 par value common stock.

Quarterly Report on FORM 10-Q For The Period Ended

March 31, 2009

Table of Contents

Chembio Diagnostics, Inc.

	Page
Part I. FINANCIAL INFORMATION:	
Item 1. Financial Statements:	
Condensed Consolidated Balance Sheets as of March 31, 2009 (unaudited) and December 31, 2008.	F-2
Condensed Consolidated Statements of Operations (unaudited) for the Three months ended March 31, 2009 and 2008.	F-3
Condensed Consolidated Statements of Cash Flows (unaudited) for the Three months ended March 31, 2009 and 2008.	F-4
Notes to Condensed Consolidated Financial Statements (unaudited)	F-5 to F-11
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	1
Item 4. Controls and Procedures	6
Part II. OTHER INFORMATION:	
Item 2. Unregistered Sales Of Equity Securities And Use Of Proceeds	7
Item 5. Other Information	7
Item 6. Exhibits	9
SIGNATURES	10
EXHIBITS	

PART I

Item 1. FINANCIAL STATEMENTS

CHEMBIO DIAGNOSTICS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF

- ASSETS -	March 31, 2009 (UNAUDITED)	December 31, 2008
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,292,390	\$ 1,212,222
Accounts receivable, net of allowance for doubtful accounts of \$10,301 for 2009 and 2008	622,324	809,303
Inventories	1,680,424	1,819,037
Prepaid expenses and other current assets	236,592	225,153
TOTAL CURRENT ASSETS	3,831,730	4,065,715
FIXED ASSETS, net of accumulated depreciation	783,198	881,406
OTHER ASSETS:		
License agreements, net of current portion	901,875	940,000
Deposits and other assets	179,900	27,820
	\$ 5,696,703	\$ 5,914,941
- LIABILITIES AND STOCKHOLDERS' EQUITY -		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 2,110,946	\$ 2,383,021
Deferred research and development revenue	367,591	-
Current portion of obligations under capital leases	19,433	18,780
TOTAL CURRENT LIABILITIES	2,497,970	2,401,801
OTHER LIABILITIES:		
Obligations under capital leases - net of current portion	55,697	60,808
License fee payable - net of current portion	875,000	875,000
TOTAL LIABILITIES	3,428,667	3,337,609
COMMITMENTS AND CONTINGENCIES		

STOCKHOLDERS' EQUITY:

Preferred stock – 10,000,000 shares authorized, none outstanding	-	-
Common stock - \$.01 par value; 100,000,000 shares authorized 61,944,901 shares issued and outstanding as of 2009 and 2008	619,449	619,449
Additional paid-in capital	39,268,286	39,252,350
Accumulated deficit	(37,619,699)	(37,294,467)
TOTAL STOCKHOLDERS' EQUITY	2,268,036	2,577,332
	\$ 5,696,703	\$ 5,914,941

See accompanying notes

CHEMBIO DIAGNOSTICS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE THREE MONTHS ENDED
 (UNAUDITED)

	March 31, 2009	March 31, 2008
REVENUES:		
Net sales	\$ 2,269,417	\$ 2,237,971
Research grant income	276,181	126,757
TOTAL REVENUES	2,545,598	2,364,728
Cost of sales	1,546,908	1,531,560
GROSS PROFIT	998,690	