

SHARPS COMPLIANCE CORP
Form 10QSB
November 06, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-QSB

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

For the quarterly period ended September 30, 2007

o TRANSITION REPORT UNDER SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number: 0-22390

SHARPS COMPLIANCE CORP.

(Exact name of small business issuer as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

74-2657168

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

9220 Kirby Drive, Suite 500, Houston, Texas

(Address of principal executive offices)

77054

(Zip Code)

(713) 432-0300

(Issuer's telephone number)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

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

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12,155,183 shares of Common Stock, \$0.01 par value as of November 2, 2007.

Transitional Small Business Disclosure Format (check one): Yes No

SHARPS COMPLIANCE CORP. AND SUBSIDIARIES

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PART I FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

SHARPS COMPLIANCE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2007 (Unaudited)	June 30, 2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,238,197	\$ 2,134,152
Restricted cash	10,010	10,010
Accounts receivable, net of allowance for doubtful accounts of \$15,661 and \$15,793, respectively	1,509,320	1,330,731
Inventory	544,016	364,005
Prepaid and other assets	171,861	186,101
TOTAL CURRENT ASSETS	4,473,404	4,024,999
PROPERTY AND EQUIPMENT , net of accumulated depreciation of \$932,536 and \$878,248, respectively	612,250	590,567
INTANGIBLE ASSETS , net of accumulated amortization of \$123,736 and \$120,327, respectively	80,496	75,002
TOTAL ASSETS	\$ 5,166,150	\$ 4,690,568
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 813,346	\$ 557,302
Accrued liabilities	321,290	613,851
Deferred revenue	1,005,063	883,678
Current maturities of capital lease obligations	465	1,809
TOTAL CURRENT LIABILITIES	2,140,164	2,056,640
LONG-TERM DEFERRED REVENUE	392,307	392,803
RENT ABATEMENT	71,250	72,000
TOTAL LIABILITIES	2,603,721	2,521,443
COMMITMENTS	-	-
STOCKHOLDERS' EQUITY		
Common stock, \$0.01 par value per share; 20,000,000 shares authorized; 12,155,183 and 11,998,453 shares issued and outstanding, respectively	121,552	119,985
Additional paid-in capital	8,746,454	8,596,321
Accumulated deficit	(6,305,577)	(6,547,181)
TOTAL STOCKHOLDERS' EQUITY	2,562,429	2,169,125

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	5,166,150	\$	4,690,568
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The accompanying notes are an integral part of these condensed consolidated financial statements.

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SHARPS COMPLIANCE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30, 2007 2006 (Unaudited)	
REVENUES		
Product	\$ 3,289,503	\$ 2,921,298
Environmental services	101,609	69,586
TOTAL REVENUES	3,391,112	2,990,884
COSTS AND EXPENSES		
Cost of revenues	1,957,735	1,693,588
Selling, general and administrative	1,155,381	954,422
Depreciation and amortization	57,697	44,212
TOTAL COSTS AND EXPENSES	3,170,813	2,692,222
OPERATING INCOME	220,299	298,662
OTHER INCOME (EXPENSE)		
Interest income	26,340	3,549
Interest expense	(38)	(1,909)
TOTAL OTHER INCOME	26,302	1,640
INCOME BEFORE INCOME TAXES	246,601	300,302
INCOME TAXES	(4,997)	