

RETRACTABLE TECHNOLOGIES INC
Form 10-Q
November 14, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2007**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **000-30885**

Retractable Technologies, Inc.

(Exact name of registrant as specified in its charter)

Edgar Filing: RETRACTABLE TECHNOLOGIES INC - Form 10-Q

Texas
(State or other jurisdiction of incorporation or organization)

75-2599762
(I.R.S. Employer Identification No.)

511 Lobo Lane
Little Elm, Texas
(Address of principal executive offices)

75068-0009
(zip code)

(972) 294-1010

(Registrant's telephone number, including area code)

(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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. Yes No

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: 23,755,414 shares of Common Stock, no par value, issued and outstanding on November 1, 2007.

RETRACTABLE TECHNOLOGIES, INC.

FORM 10-Q

For the quarterly period ended September 30, 2007

TABLE OF CONTENTS

	Page
<u>PART I - FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	
<u>Financial Statements</u>	3
<u>CONDENSED BALANCE SHEETS</u>	3
<u>CONDENSED STATEMENTS OF OPERATIONS</u>	4
<u>CONDENSED STATEMENTS OF CASH FLOWS</u>	5
<u>NOTES TO CONDENSED FINANCIAL STATEMENTS</u>	6
<u>Item 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	10
<u>Item 3.</u>	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	15
<u>Item 4.</u>	
<u>Controls and Procedures</u>	15
<u>PART II - OTHER INFORMATION</u>	
<u>Item 1.</u>	
<u>Legal Proceedings</u>	15
<u>Item 1A.</u>	
<u>Risk Factors</u>	15
<u>Item 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	15
<u>Item 3.</u>	
<u>Defaults Upon Senior Securities</u>	16
<u>Item 4.</u>	
<u>Submission of Matters to a Vote of Security Holders</u>	16
<u>Item 6.</u>	
<u>Exhibits</u>	17
<u>SIGNATURES</u>	17

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements.

RETRACTABLE TECHNOLOGIES, INC.

CONDENSED BALANCE SHEETS

September 30, 2007

December 31, 2006

(unaudited)

ASSETS

Current assets:

Cash and cash equivalents	\$38,592,760	\$46,814,689
Accounts receivable, net	3,238,764	1,956,756
Inventories, net	7,170,482	6,385,780
Income taxes receivable	3,850,144	2,355,732
Other current assets	761,934	267,707
Total current assets	53,614,084	57,780,664
Property, plant, and equipment, net	11,637,647	12,212,140
Intangible assets, net	378,656	279,846
Other assets	506,897	522,294
Total assets	\$66,137,284	\$70,794,944

LIABILITIES AND STOCKHOLDERS EQUITY

Current liabilities:

Accounts payable	\$4,522,151	\$4,247,630
Current portion of long-term debt	347,303	261,905
Accrued compensation	616,786	472,573
Marketing fees payable	1,419,760	1,419,760
Accrued royalties to shareholders	624,967	2,755
Other accrued liabilities	443,331	440,253
Current deferred tax liability	26,619	45,697
Total current liabilities	8,000,917	6,890,573

Long-term debt, net of current maturities

Long-term debt, net of current maturities	3,865,245	4,137,231
Long-term deferred tax liability	40,972	56,828
Total liabilities	11,907,134	11,084,632

Stockholders' equity:

Preferred stock \$1 par value:		
Series I, Class B	144,000	164,000
Series II, Class B	224,700	224,700
Series III, Class B	130,245	135,245
Series IV, Class B	553,500	553,500
Series V, Class B	1,282,471	1,363,721
Common stock, no par value		

Edgar Filing: RETRACTABLE TECHNOLOGIES INC - Form 10-Q

Additional paid-in capital	53,803,223	54,709,108
Retained earnings (deficit)	(1,907,989)	2,560,038
Total stockholders' equity	54,230,150	59,710,312
Total liabilities and stockholders' equity	\$66,137,284	\$70,794,944

See accompanying notes to condensed financial statements

RETRACTABLE TECHNOLOGIES, INC.

CONDENSED STATEMENTS OF OPERATIONS

(unaudited)

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006
Sales, net	\$8,040,127	\$5,331,748	\$19,088,932	\$14,514,997
Reimbursed discounts		651,225		4,427,312
Total sales	8,040,127	5,982,973	19,088,932	18,942,309
Cost of sales				
Cost of manufactured product	5,228,549	3,989,549	12,031,550	11,471,875