

ALANCO TECHNOLOGIES INC
Form 10-Q
May 15, 2014

ALANCO TECHNOLOGIES, INC.

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, 2014

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number 0-9347

ALANCO TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Arizona

(State or other jurisdiction of incorporation or organization)

86-0220694

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

7950 E. Acoma Drive, Suite 111, Scottsdale, Arizona 85260

(Address of principal executive offices) (Zip Code)

(480) 607-1010

(Registrant's telephone number)

(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 in 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. (Check one):

Accelerated filer

Large
accelerated filer

Non-accelerated Smaller X
filer 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

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

As of May 7, 2014 there were 4,962,500 shares of common stock outstanding.

ALANCO TECHNOLOGIES, INC.

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Except for historical information, the statements contained herein are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “could,” “target,” “potential,” “is likely,” “will,” “expect,” and other similar expressions, as they relate to the Company are intended to identify forward-looking statements within the meaning of the “safe harbor” provisions of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. From time to time, the Company may publish or otherwise make available forward-looking statements of this nature. All such forward-looking statements are based on the expectations of management when made and are subject to, and are qualified by, risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. These risks and uncertainties include, but are not limited to, the following factors, among others, that could affect the outcome of the Company's forward-looking statements: general economic and market conditions; the inability to attract, hire and retain key personnel; failure of a future acquired business to further the Company's strategies; the difficulty of integrating an acquired business; unforeseen litigation; unfavorable result of potential litigation; the ability to maintain sufficient liquidity in order to support operations; the ability to maintain satisfactory relationships with lenders; the ability to maintain satisfactory relationships with current and future suppliers; federal and/or state regulatory and legislative action; the ability to implement or adjust to new technologies and the ability to secure and maintain key contracts and relationships. New risk factors emerge from time to time and it is not possible to accurately predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any risk factor, or combination of risk factors, may cause results to differ materially from those contained in any forward-looking statements. Except as otherwise required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements or the risk factors described in this Annual Report or in the documents we incorporate by reference, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Quarterly Report on Form 10-Q.

ALANCO TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2014 AND JUNE 30, 2013

	March 31, 2014 (unaudited)	June 30, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,275,500	\$ 696,400
Accounts receivable - trade	53,300	9,600
Other receivables	5,400	32,800
Note receivable	434,000	375,000
Marketable securities	650,800	1,562,600
Prepaid expenses and other current assets	93,500	121,000
Total current assets	2,512,500	2,797,400
LAND, PROPERTY AND EQUIPMENT, NET	4,296,500	4,339,900
OTHER ASSETS		
Trust account - asset retirement obligation	44,000	30,000
Prepaid royalties, long-term	50,000	50,000
TOTAL ASSETS	\$ 6,903,000	\$ 7,217,300
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 151,700	\$ 220,900
Contingent payments, current	50,000	50,000
Total current liabilities	201,700	270,900
LONG-TERM LIABILITIES		

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Contingent payments, long-term	1,129,800	1,104,600
Asset retirement obligation, long-term	417,400	417,400
TOTAL LIABILITIES	1,748,900	1,792,900

SHAREHOLDERS' EQUITY

Preferred Stock	-	-
Common Stock		
Class A - 75,000,000 no par shares authorized, 4,962,500 and 4,989,300 shares issued and outstanding at March 31, 2014 and June 30, 2013, respectively	109,106,800	109,121,200
Class B - 25,000,000 no par shares authorized, none issued or outstanding	-	-
Accumulated Other Comprehensive Income	160,100	549,900
Accumulated Deficit	(104,112,800)	(104,246,700)
Total shareholders' equity	5,154,100	5,424,400
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 6,903,000	\$ 7,217,300

See accompanying notes to the condensed consolidated financial statements

ALANCO TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF
OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, (unaudited)

	2014	2013
NET REVENUES	\$ 180,200	\$ 92,100
Cost of revenues	137,400	131,400
GROSS PROFIT (LOSS)	42,800	(39,300)
 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		
Corporate expenses		