

NOCOPI TECHNOLOGIES INC/MD/
Form 10-Q
November 10, 2016

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, 2016

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: 000-20333

NOCOPI TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

87-0406496

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

480 Shoemaker Road, Suite 104, King of Prussia, PA 19406

(Address of principal executive offices) (Zip Code)

(610) 834-9600

(Registrant's telephone number, including area code)

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, 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(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. 58,599,016 shares of common stock, par value \$0.01, as of November 10, 2016.

NOCOPI TECHNOLOGIES, INC.

INDEX

	PAGE
Part I. FINANCIAL INFORMATION	
<u>Item 1.</u>	1
Financial Statements	
<u>Statements of Operations for Three Months and Nine Months ended September 30, 2016 and September 30, 2015</u>	1
<u>Balance Sheets at September 30, 2016 and December 31, 2015</u>	2
<u>Statements of Cash Flows for Nine Months ended September 30, 2016 and September 30, 2015</u>	3
<u>Notes to Financial Statements</u>	4
<u>Item 2.</u>	8
Management's Discussion and Analysis of Financial Condition and Results of Operations	
<u>Item 3.</u>	14
Quantitative and Qualitative Disclosures About Market Risk	
<u>Item 4.</u>	14
Controls and Procedures	
Part II. OTHER INFORMATION	
<u>Item 6.</u>	15
Exhibits	
<u>SIGNATURES</u>	16
<u>EXHIBIT INDEX</u>	17

PART I FINANCIAL INFORMATION**Item 1. Financial Statements***Nocopi Technologies, Inc.**Statements of Operations***(unaudited)*

	Three Months ended September 30		Nine Months ended September 30	
	2016	2015	2016	2015
Revenues				
Licenses, royalties and fees	\$ 170,300	\$ 76,700	\$ 381,800	\$ 233,600
Product and other sales	373,400	159,700	648,100	507,900
	543,700	236,400	1,029,900	741,500
Cost of revenues				
Licenses, royalties and fees	36,500	19,000	73,000	61,000
Product and other sales	156,900	63,300	275,200	207,100
	193,400	82,300	348,200	268,100
Gross profit	350,300	154,100	681,700	473,400
Operating expenses				
Research and development	33,700	31,300	103,700	95,300
Sales and marketing	72,800	49,100	176,700	154,300
General and administrative	69,900	101,600	224,200	253,000
	176,400	182,000	504,600	502,600
Net income (loss) from operations	173,900	(27,900)	177,100	(29,200)
Other income (expenses)				
Interest expense, bank charges and accretion of interest	(3,300)	(21,900)	(10,100)	(32,200)

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Net income (loss)	\$	(3,300) 170,600	\$	(21,900) (49,800)	\$	(10,100) 167,000	\$	(32,200) (61,400)
Basic and diluted net income (loss) per common share	\$.00	\$	(.00)	\$.00	\$	(.00)
Weighted average common shares outstanding								
Basic		58,599,016		58,599,016		58,599,016		58,599,016
Diluted		58,599,655		58,599,016		58,600,384		58,599,016

*See accompanying notes to these financial statements.

*Nocopi Technologies, Inc.**Balance Sheets**

	September 30	December 31
	2016	2015
	(unaudited)	(audited)
<i>Assets</i>		
Current assets		
Cash	\$ 37,100	\$ 11,400
Accounts receivable less \$5,000 allowance for doubtful accounts	413,100	253,300
Inventory	73,300	36,600
Prepaid and other	11,900	22,600
Total current assets	535,400	323,900
Fixed assets		
Leasehold improvements	19,700	19,700
Furniture, fixtures and equipment	178,300	176,900
	198,000	196,600
Less: accumulated depreciation and amortization	181,200	175,700
	16,800	20,900
Total assets	\$ 552,200	\$ 344,800
<i>Liabilities and Stockholders' Deficiency</i>		
Current liabilities		
Demand loans	\$ 10,000	\$ 23,500
Convertible debentures	128,300	32,800
Accounts payable	88,100	76,200
Accrued expenses	506,700	443,000
Deferred revenue	90,200	112,400
Total current liabilities	823,300	687,900
Convertible debentures		95,000
Stockholders' deficiency		
Common stock, \$0.01 par value		
Authorized 75,000,000 shares		
Issued and outstanding 58,599,016 shares	586,000	586,000
Paid-in capital	12,426,600	12,426,600
Accumulated deficit	(13,283,700)	(13,450,700)
Total stockholders' deficiency	(271,100)	(438,100)
Total liabilities and stockholders' deficiency	\$ 552,200	\$ 344,800

*See accompanying notes to these financial statements.

Nocopi Technologies, Inc.

*Statements of Cash Flows**

(unaudited)

	Nine Months ended September 30	
	2016	2015
Operating Activities		
Net income (loss)	\$ 167,000	\$ (61,400)
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation and amortization	5,500	