

NOCOPI TECHNOLOGIES INC/MD/
Form 10-Q
September 11, 2015

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 June 30, 2015

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 August 15, 2015

NOCOPI TECHNOLOGIES, INC.

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

	Three Months ended		Six Months ended	
	June 30		June 30	
	2015	2014	2015	2014
Revenues				
Licenses, royalties and fees	\$ 78,800	\$ 77,500	\$ 156,900	\$ 157,500
Product and other sales	237,900	158,600	348,200	263,500
	316,700	236,100	505,100	421,000
Cost of revenues				
Licenses, royalties and fees	23,800	19,300	42,000	36,500
Product and other sales	88,200	65,200	143,800	120,500
	112,000	84,500	185,800	157,000
Gross profit	204,700	151,600	319,300	264,000
Operating expenses				
Research and development	31,100	30,400	64,000	61,000
Sales and marketing	55,300	46,600	105,200	94,200
General and administrative	67,900	59,200	151,400	113,600
	154,300	136,200	320,600	268,800
Net income (loss) from operations	50,400	15,400	(1,300)	(4,800)
Other income (expenses)				
Interest income				300
Interest expense, bank charges and financing cost	(5,100)	(5,300)	(10,300)	(10,600)
	(5,100)	(5,300)	(10,300)	(10,300)
Net income (loss)	\$ 45,300	\$ 10,100	\$ (11,600)	\$ (15,100)

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		58,600,367		58,600,830		58,599,016		58,599,016

*See accompanying notes to these financial statements.

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

	June 30 2015 (unaudited)	December 31 2014 (audited)
<i>Assets</i>		
Current assets		
Cash	\$ 103,400	\$ 28,000
Accounts receivable less \$5,000 allowance for doubtful accounts	225,800	287,800
Inventory	36,300	43,500
Prepaid and other	21,700	18,800
Total current assets	387,200	378,100
Fixed assets		
Leasehold improvements	19,700	19,700
Furniture, fixtures and equipment	177,600	176,800
	197,300	196,500
Less: accumulated depreciation and amortization	180,800	178,400
	16,500	18,100
Total assets	\$ 403,700	\$ 396,200
<i>Liabilities and Stockholders' Deficiency</i>		
Current liabilities		
Demand loans	\$ 46,000	\$ 63,000
Convertible debentures	105,000	102,900
Accounts payable	167,300	160,300
Accrued expenses	429,400	383,000
Deferred revenue	73,500	93,400
Total current liabilities	821,200	802,600
Convertible debentures, net of unaccreted discount of \$900 at June 30, 2015 and \$1,400 at December 31, 2014	32,300	31,800
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	12,408,500	12,408,500
Accumulated deficit	(13,444,300)	(13,432,700)
Total stockholders' deficiency	(449,800)	(438,200)
Total liabilities and stockholders' deficiency	\$ 403,700	\$ 396,200

*See accompanying notes to these financial statements.

Nocopi Technologies, Inc.

*Statements of Cash Flows**

(unaudited)

Six Months ended

June 30