

GREYSTONE LOGISTICS, INC.

Form 10-Q

April 19, 2010

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 February 28, 2010

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number 000-26331

GREYSTONE LOGISTICS, INC.

(Exact name of registrant as specified in its charter)

Oklahoma

(State or other jurisdiction of incorporation or organization)

75-2954680

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

1613 East 15th Street, Tulsa, Oklahoma 74120

(Address of principal executive offices) (Zip Code)

(918) 583-7441

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the 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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to post and submit 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 Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by checkmark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act). 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: April 12, 2010 - 26,111,201

GREYSTONE LOGISTICS, INC.
FORM 10-Q
For the Period Ended February 28, 2010

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ITEM 1. FINANCIAL STATEMENTS.

Greystone Logistics, Inc. and Subsidiaries
Consolidated Balance Sheets

Assets	February 28, 2010 (Unaudited)	May 31, 2009
Current Assets:		
Cash	\$ 435,199	\$ 274,765
Accounts receivable, net of allowance for doubtful accounts of \$-0- and \$60,578 at February 28, 2010 and May 31, 2009, respectively	996,778	952,352
Inventory	860,695	1,061,569
Prepaid expenses and other	88,217	67,382
Total Current Assets	2,380,889	2,356,068
Property, Plant and Equipment, net of accumulated depreciation of \$4,927,550 and \$4,657,485 at February 28, 2010 and May 31, 2009, respectively	7,695,642	8,208,888
Other Assets, net	98,818	103,655
Total Assets	\$ 10,175,349	\$ 10,668,611
Liabilities and Deficit		
Current Liabilities:		
Current portion of long-term debt	\$ 8,823,714	\$ 9,339,343
Advances payable - related party	873,143	1,010,081
Accounts payable and accrued expenses	1,584,451	1,158,513
Accounts payable and accrued expenses - related parties	1,969,952	1,834,352
Preferred dividends payable	2,201,094	1,958,012
Total Current Liabilities	15,452,354	15,300,301
Long-Term Debt, net of current portion	2,853,012	3,249,953
Deferred Income	—	32,000
Deficit:		
Preferred stock, \$0.0001 par value, 20,750,000 shares authorized, 50,000 shares issued and outstanding, liquidation preference of \$5,000,000	5	5
Common stock, \$0.0001 par value, 5,000,000,000 shares authorized, 26,111,201 shares issued and outstanding	2,611	2,611
Additional paid-in capital	52,993,325	52,921,349
Accumulated deficit	(61,932,325)	(61,625,637)
Total Greystone Stockholders' Deficit	(8,936,384)	(8,701,672)
Noncontrolling interest	806,367	788,029
Total Deficit	(8,130,017)	(7,913,643)
Total Liabilities and Deficit	\$ 10,175,349	\$ 10,668,611

The accompanying notes are an integral part of these consolidated financial statements.

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Greystone Logistics, Inc. and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

	Nine Months Ended February 28,	
	2010	2009
Sales	\$11,170,768	\$12,118,476
Cost of Sales	9,136,907	10,043,569
Gross Profit	2,033,861	2,074,907
General, Selling and Administration Expenses	1,446,358	1,328,565
Operating Income	587,503	746,342