



Edgar Filing: TSR INC - Form 10-Q

400 Oser Avenue, Hauppauge, NY 11788

(Address of principal executive offices)

631-231-0333

(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 for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer  
Non-Accelerated filer (Do not check if a smaller reporting company) 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

As of September 30, 2014, there were 1,962,062 shares of common stock, par value \$.01 per share, issued and outstanding.

TSR, INC. AND SUBSIDIARIES

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## Part I. Financial Information

## Item 1. Financial Statements

## TSR, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

	August 31, 2014 (UNAUDITED)	May 31, 2014 (see Note 1)
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 4,210,713	\$2,841,967
Certificates of deposit and marketable securities	1,518,936	1,514,856
Accounts receivable, net of allowance for doubtful accounts of \$193,000	7,829,021	8,790,338
Other receivables	6,505	9,330
Prepaid expenses	37,680	74,188
Prepaid and recoverable income taxes	38,357	32,159
Deferred income taxes	86,000	86,000
<b>Total Current Assets</b>	<b>13,727,212</b>	<b>13,348,838</b>
Equipment and leasehold improvements, net of accumulated depreciation and amortization of \$250,291 and \$245,482	36,627	34,095
Other assets	49,653	49,653
Deferred income taxes	106,000	130,000
<b>Total Assets</b>	<b>\$ 13,919,492</b>	<b>\$ 13,562,586</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Accounts and other payables	\$ 1,284,409	\$929,404
Accrued expenses and other current liabilities	2,193,744	2,221,158
Advances from customers	1,476,657	1,491,946
<b>Total Liabilities</b>	<b>4,954,810</b>	<b>4,642,508</b>
Commitments and contingencies		
Equity:		
TSR, Inc.:		
Preferred stock, \$1 par value, authorized 500,000 shares; none issued	-	-
	31,142	31,142

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Common stock, \$.01 par value, authorized 12,500,000 shares; issued 3,114,163 shares, 1,962,062 outstanding		
Additional paid-in capital	5,102,868	5,102,868
Retained earnings	17,244,539	17,219,947
	22,378,549	22,353,957
Less: Treasury stock, 1,152,101 shares, at cost	13,514,003	13,514,003
Total TSR, Inc. Equity	8,864,546	8,839,954
Noncontrolling Interest	100,136	80,124
Total Equity	8,964,682	8,920,078
Total Liabilities and Equity	\$ 13,919,492	\$ 13,562,586

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

## TSR, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

For The Three Months Ended August 31, 2014 and 2013

(UNAUDITED)

	Three Months Ended	
	August 31,	
	2014	2013
Revenue, net	\$ 13,685,813	\$ 12,086,697
Cost of sales	11,386,634	9,988,849
Selling, general and administrative expenses	2,226,412	2,039,429
	13,613,046	12,028,278
Income from operations	72,767	58,419
Other income (expense):		
Interest and dividend income	1,654	1,704
Unrealized gain (loss) on marketable securities, net.	6,080	(1,840 )
Income before income taxes	80,501	58,283
Provision for income taxes	34,000	20,000
Consolidated net income	46,501	38,283
Less: Net income attributable to noncontrolling interest	(21,909 )	(27,365 )
Net income attributable to TSR, Inc.	\$24,592	\$10,918
Net income per TSR, Inc. common share	\$0.01	\$0.01
Weighted average number of common shares outstanding	1,962,062	1,962,062

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

## TSR, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

For The Three Months Ended August 31, 2014 and 2013

(UNAUDITED)

	Shares of common stock	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	TSR, Inc equity	Non- controlling Interest	Total equity
Balance at May 31, 2013	3,114,163	\$31,142	\$5,102,868	\$17,305,883	\$(13,514,003)	\$8,925,890	\$3,447	\$8,929,337
Net income attributable to noncontrolling interest	-	-	-	-	-	-	27,365	27,365
Distribution to noncontrolling interest	-	-	-	-	-	-	(3,212 )	(3,212 )
Net income attributable to TSR, Inc.	-	-	-	10,918	-	10,918	-	10,918
Balance at August 31, 2013	3,114,163	\$31,142	\$5,102,868	\$17,316,801	\$(13,514,003)	\$8,936,808	\$27,600	\$8,964,408