

MECHANICAL TECHNOLOGY INC  
Form 10-Q  
November 07, 2014

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 September 30, 2014

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Mechanical Technology, Incorporated

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction

- 000-06890

(Commission File Number)

- 14-1462255

(I.R.S. Employer

of incorporation or organization)

Identification No.)

325 Washington Avenue Extension, Albany, New York 12205

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(Address of principal executive offices)

(Zip Code)

**(518) 218-2550**

(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  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

The number of shares of common stock, par value of \$0.01 per share, outstanding as of November 1, 2014 was 5,258,883.

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MECHANICAL TECHNOLOGY, INCORPORATED AND SUBSIDIARIES

INDEX

<u>PART I. FINANCIAL INFORMATION</u>	2
<u>Item 1. Financial Statements</u>	2
<u>Condensed Consolidated Balance Sheets as of September 30, 2014 (Unaudited) and December 31, 2013</u>	2
<u>Condensed Consolidated Statements of Operations (Unaudited)</u> <u>For the Three and Nine Months Ended September 30, 2014 and 2013</u>	3
<u>Condensed Consolidated Statements of Changes in Equity</u> <u>For the Year Ended December 31, 2013 and Nine Months Ended September 30, 2014 (Unaudited)</u>	4
<u>Condensed Consolidated Statements of Cash Flows (Unaudited)</u> <u>For the Nine Months Ended September 30, 2014 and 2013</u>	5
<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	14
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	20
<u>Item 4. Controls and Procedures</u>	20
<u>PART II. OTHER INFORMATION</u>	20
<u>Item 1. Legal Proceedings</u>	20
<u>Item 1A. Risk Factors</u>	20
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	20
<u>Item 3. Defaults Upon Senior Securities</u>	20
<u>Item 4. Mine Safety Disclosures</u>	21
<u>Item 5. Other Information</u>	21
<u>Item 6. Exhibits</u>	21

**SIGNATURES**

1

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**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****Mechanical Technology, Incorporated and Subsidiaries****Condensed Consolidated Balance Sheets as of September 30, 2014 (Unaudited) and December 31, 2013**

(Dollars in thousands, except per share)

	September 30, 2014	December 31, 2013
<b>Assets</b>		
<b>Current Assets:</b>		
Cash	\$ 910	\$ 1,211
Accounts receivable	978	824
Inventories	851	742
Deferred income taxes, net	26	25
Prepaid expenses and other current assets	84	111
Total Current Assets	2,849	2,913
<b>Deferred income taxes, net</b>	1,474	1,475
<b>Property, plant and equipment, net</b>	137	146
<b>Total Assets</b>	<b>\$ 4,460</b>	<b>\$ 4,534</b>
<b>Liabilities and Stockholders Equity</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 243	\$ 149
Accrued liabilities	1,072	993
Total Current Liabilities	1,315	1,142
<b>Commitments and Contingencies (Note 9)</b>		
<b>Stockholders Equity:</b>		
Common stock, par value \$0.01 per share, authorized 75,000,000; 6,261,975 issued in both 2014 and 2013	63	63
Additional paid-in capital	135,672	135,612
Accumulated deficit	(118,836 )	(118,529 )
Common stock in treasury, at cost, 1,005,092 shares in both 2014 and 2013	(13,754 )	(13,754 )
Total stockholders equity	3,145	3,392
<b>Total Liabilities and Stockholders Equity</b>	<b>\$ 4,460</b>	<b>\$ 4,534</b>

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

2

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## Mechanical Technology, Incorporated and Subsidiaries

## Condensed Consolidated Statements of Operations (Unaudited)

For the Three and Nine Months Ended September 30, 2014 and 2013

(Dollars in thousands, except per share)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Product revenue	\$ 1,940	\$ 2,311	\$ 5,800	\$ 6,778
Operating costs and expenses:				
Cost of product revenue	781	875	2,356	2,651
Unfunded research and product development expenses	309	301	1,041	948
Selling, general and administrative expenses	899	880	2,705	2,626
Operating (loss) income	(49 )	255	(302 )	553
Other income, net		4		13
(Loss) income before income taxes and non-controlling interest	(49 )	259	(302 )	566
Income tax expense	(4 )	(113 )	(5 )	(268 )
Net (loss) income	(53 )	146	(307 )	298
Plus: Net loss attributed to non-controlling interest		18		52
Net (loss) income attributed to MTI	\$ (53 )	\$ 164	\$ (307 )	\$ 350
(Loss) income per share attributable to MTI (Basic)	\$ (.01 )	\$ .03	\$ (.06 )	\$ .07
(Loss) income per share attributable to MTI (Diluted)	\$ (.01 )	\$ .03	\$ (.06 )	\$ .07
Weighted average shares outstanding (Basic)	5,256,883	5,256,883	5,256,883	5,256,883
Weighted average shares outstanding (Diluted)	5,256,883	5,387,660	5,256,883	5,275,971

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







**MECHANICAL TECHNOLOGY, INCORPORATED AND SUBSIDIARIES****Condensed Consolidated Statements of Changes in Equity****For the Year Ended December 31, 2013****and the Nine Months Ended September 30, 2014 (Unaudited)**(Dollars in thousands,  
except per share)**Common Stock****Treasury Stock**

	<b>Common Stock</b>			<b>Treasury Stock</b>		<b>Total MTI</b>		<b>Non-Controlling</b>	<b>Total</b>
	<b>Shares</b>	<b>Amount in Capital</b>	<b>Additional Paid- Accumulated Deficit</b>	<b>Shares</b>	<b>Amount</b>	<b>Stockholders Equity (Deficit)</b>	<b>Interest (NCI)</b>		
<b>January 1, 2013</b>	6,261,975	\$ 63	\$ 135,561	\$ (122,183 )	1,005,092	\$ (13,754 )	\$ (313 )	\$ 3,311	\$2,998
Net income attributed to MTI	-	-	-	3,654	-	-	3,654	-	3,654
Stock based compensation	-	-	51	-	-	-	51	-	51
Net loss attributed to NCI	-	-	-	-	-	-	-	(75 )	(75 )
Equity contribution to NCI	-	-	-	-	-	-	-	25	25
Variable interest entity deconsolidation	-	-	-	-	-	-	-	(3,261 )	(3,261 )
<b>December 31, 2013</b>	6,261,975	\$ 63	\$ 135,612	\$ (118,529 )	1,005,092	\$ (13,754 )	\$ 3,392	\$ -	\$3,392
Net loss attributed to MTI	-	-	-	(307 )	-	-	(307 )	-	(307 )