

KOSS CORP  
Form 10-Q  
October 28, 2016  
Index

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, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
Commission File Number 0-3295

KOSS CORPORATION  
(Exact Name of Registrant as Specified in its Charter)

DELAWARE 39-1168275  
(State or other jurisdiction of (I.R.S. Employer Identification No.)  
incorporation or organization)

4129 North Port Washington Avenue, Milwaukee, Wisconsin 53212  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (414) 964-5000

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  Smaller reporting company

(Do not check if a smaller reporting company)

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

At October 21, 2016, there were 7,382,706 shares outstanding of the registrant's common stock.

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IndexPART I  
FINANCIAL INFORMATION

## Item 1. Financial Statements

## KOSS CORPORATION

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended	
	September 30	
	2016	2015
Net sales	\$6,348,706	\$5,531,262
Cost of goods sold	4,406,447	3,884,927
Gross profit	1,942,259	1,646,335
Selling, general and administrative expenses	1,775,771	1,765,746
Unauthorized transaction related costs (recoveries), net	37,500	37,475
Interest expense	846	5,318
Income (loss) before income tax provision	128,142	(162,204 )
Income tax provision (benefit)	43,931	(61,400 )
Net income (loss)	\$84,211	\$(100,804 )
Income (loss) per common share:		
Basic	\$0.01	\$(0.01 )
Diluted	\$0.01	\$(0.01 )

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

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CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
	September 30,	June 30,
	2016	2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 459,921	\$ 735,393
Accounts receivable, less allowance for doubtful accounts of \$54,689 and \$55,175, respectively	3,259,979	3,530,854
Inventories	7,387,693	8,595,485
Prepaid expenses and other current assets	507,414	281,099
Income taxes receivable	606,566	583,507
Total current assets	12,221,573	13,726,338
 Equipment and leasehold improvements, net	 1,596,944	 1,514,472
Other assets:		
Deferred income taxes	3,145,566	3,212,556
Cash surrender value of life insurance	5,979,889	5,667,105
Total other assets	9,125,455	8,879,661
 Total assets	 \$ 22,943,972	 \$ 24,120,471
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 634,245	\$ 1,966,656
Accrued liabilities	1,590,053	1,601,652
Total current liabilities	2,224,298	3,568,308