

Edgar Filing: CADIZ INC - Form 10-Q

CADIZ INC
Form 10-Q
August 10, 2009

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, 2009

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 0-12114

Cadiz Inc.

(Exact name of registrant specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

77-0313235
(I.R.S. Employer
Identification No.)

550 South Hope Street, Suite 2850
Los Angeles, California
(Address of principal executive offices)

90071
(Zip Code)

Registrant's telephone number, including area code: (213) 271-1600

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 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 ___

Edgar Filing: CADIZ INC - Form 10-Q

Indicate by check mark whether the Registrant is a shell company (as defined in Exchange Act Rule 12b-2).

Yes___ No

As of June 30, 2009, the Registrant had 12,600,236 shares of common stock, par value \$0.01 per share, outstanding.

Index

For the Three and Six Months ended June 30, 2009	Page
PART I – FINANCIAL INFORMATION	
ITEM 1. Financial Statements	
Cadiz Inc. Consolidated Financial Statements	
Unaudited Statements of Operations for the three months ended June 30, 2009 and 2008	1
Unaudited Statements of Operations for the six months ended June 30, 2009 and 2008	2
Unaudited Balance Sheets as of June 30, 2009 and December 31, 2008	3
Unaudited Statements of Cash Flows for the six months ended June 30, 2009 and 2008	4
Unaudited Statement of Stockholders' Equity for the six months ended June 30, 2009	5
Unaudited Notes to the Consolidated Financial Statements	6
ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operation	18
ITEM 3. Quantitative and Qualitative Disclosures about Market Risk	27
ITEM 4. Controls and Procedures	27
PART II – OTHER INFORMATION	28

Consolidated Statements of Operations (Unaudited)

(\$ in thousands except per share data)	For the Three Months Ended June 30,	
	2009	2008
Revenues	\$ 19	\$ 16
Costs and expenses:		
Cost of sales	-	4
General and administrative	3,179	2,568
Depreciation	85	85
Total costs and expenses	3,264	2,657
Operating loss	(3,245)	(2,641)
Other income (expense)		
Interest expense, net	(1,140)	(1,054)
Other income (expense), net	(1,140)	(1,054)
Loss before income taxes	(4,385)	(3,695)
Income tax provision	1	3
Net loss	\$ (4,386)	\$ (3,698)
Net loss available to common stockholders	\$ (4,386)	\$ (3,698)
Basic and diluted net loss per common share	\$ (0.35)	\$ (0.31)
Basic and diluted weighted average shares outstanding	12,600	11,958

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Operations (Unaudited)

(\$ in thousands except per share data)	For the Six Months Ended June 30,	
	2009	2008
Revenues	\$ 48	\$ 33
Costs and expenses:		
Cost of sales	101	17
General and administrative	5,231	6,496
Depreciation and amortization	171	169
Total costs and expenses	5,503	6,682
Operating loss	(5,455)	(6,649)
Other income (expense)		
Interest expense, net	(2,324)	(2,024)
Other income (expense), net	(2,324)	(2,024)
Loss before income taxes	(7,779)	(8,673)
Income tax provision	2	4
Net loss	\$ (7,781)	\$ (8,677)
Net loss available to common stockholders	\$ (7,781)	\$ (8,677)
Basic and diluted net loss per common share	\$ (0.62)	\$ (0.73)
Basic and diluted weighted average shares outstanding	12,528	11,957

See accompanying notes to the consolidated financial statements.

Consolidated Balance Sheets (Unaudited)

(\$ in thousands)	June 30, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,167	\$ 2,014
Short-term investments	1,500	4,500
Accounts receivable	70	66
Prepaid expenses and other	761	507
Total current assets	3,498	7,087
Property, plant, equipment and water programs, net	35,680	35,784
Goodwill	3,813	3,813
Other assets	592	728
Total Assets	\$ 43,583	\$ 47,412
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 22	\$ 247
Accrued liabilities	1,207	775
Current portion of long term debt	24	9
Total current liabilities	1,253	1,031
Long-term debt, net	34,695	33,975
Total Liabilities	35,948	35,006
Stockholders' equity:		
Common stock - \$.01 par value; 70,000,000 shares authorized; shares issued and outstanding – 12,600,236 at June 30, 2009 and 12,453,210 at December 31, 2008	126	125
Additional paid-in capital	266,542	263,533
Accumulated deficit	(259,033)	(251,252)
Total stockholders' equity	7,635	12,406
Total Liabilities and Stockholders' equity	\$ 43,583	\$ 47,412

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows (Unaudited)

(\$ in thousands except per share data)	For the Six Months Ended June 30,	
	2009	2008
Cash flows from operating activities:		
Net loss		
Adjustments to reconcile net loss to net cash used for operating activities:	\$ (7,781)	\$ (8,677)
Depreciation	171	169
Amortization of debt discount & issuance costs	1,307	1,112
Interest expense added to loan principal	1,047	993
Compensation charge for stock awards and share options	1,392	2,544
Changes in operating assets and liabilities:		
Increase in accounts receivable	(4)	(1)
Increase in prepaid expenses and other	(157)	(660)
Increase (decrease) in accounts payable	(225)	48
Increase (decrease) in accrued liabilities	432	(103)
Net cash used for operating activities	(3,818)	(4,575)
Cash flows from investing activities:		
Proceeds from sale of short-term investments	3,000	-
Additions to property, plant and equipment	(67)	(77)
Other	-	(7)
Net cash provided by (used in) investing activities	2,933	(84)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	47	