

NOCOPI TECHNOLOGIES INC/MD/
Form 10QSB
August 18, 2006
[Click here for Index](#)

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the quarterly period ended June 30, 2006.

TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the transition period from _____ to _____

Commission file number 0-20333

NOCOPI TECHNOLOGIES, INC.

(Exact name of small business issuer as
specified in its charter)

MARYLAND

(State or other jurisdiction of
incorporation or organization)

9C Portland Road, West Conshohocken, PA 19428

(Address of principal executive offices)

87-0406496

(IRS Employer Identification No.)

(610) 834-9600

(Issuer's telephone number)

Check whether the issuer has (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

State the number of shares outstanding of each of the issuer's classes of common equity, as of August 1, 2006: Common stock, par value \$.01 per share: 51,134,733 shares.

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Transitional Small Business Disclosure Format (check one): Yes No

NOCOPI TECHNOLOGIES, INC.

INDEX

	PAGE
<hr/>	
Part I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
<u>Statements of Operations for Three and Six Months</u>	
<u>Ended June 30, 2006 and June 30, 2005</u>	1
<u>Balance Sheet at June 30, 2006</u>	2
<u>Statements of Cash Flows for Six Months Ended June 30, 2006 and June 30, 2005</u>	3
<u>Notes to Financial Statements</u>	4-6
Item 2. <u>Management's Discussion and Analysis</u>	
<u>of Financial Condition and Results of Operations</u>	7-13
Item 3. <u>Controls and Procedures</u>	14
Part II. <u>OTHER INFORMATION</u>	15
<u>SIGNATURES</u>	16

[Back to Index](#)

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements*Nocopi Technologies, Inc.**Statements of Operations***(unaudited)*

	Three Months ended June 30		Six Months ended June 30	
	2006	2005	2006	2005
Revenues				
Licenses, royalties and fees	\$71,100	\$82,300	\$115,800	\$161,900
Product and other sales	115,700	53,300	157,900	95,800
	<u>186,800</u>	<u>135,600</u>	<u>273,700</u>	<u>257,700</u>
Cost of sales				
Licenses, royalties and fees	27,700	27,100	44,600	55,900
Product and other sales	70,000	22,900	94,300	46,400
	<u>97,700</u>	<u>50,000</u>	<u>138,900</u>	<u>102,300</u>
Gross profit	89,100	85,600	134,800	155,400
Operating expenses				
Research and development	36,100	35,700	72,400	74,600
Sales and marketing	36,500	26,000	64,400	60,400
General and administrative (exclusive of legal expenses)	57,500	37,500	108,200	100,800
Legal expenses	10,800	27,300	20,800	47,800
	<u>140,900</u>	<u>126,500</u>	<u>265,800</u>	<u>283,600</u>
Loss from operations	(51,800)	(40,900)	(131,000)	(128,200)
Other income (expenses)				
Interest income	200		200	100
Interest expense and bank charges	(1,100)	(500)	(2,200)	(1,100)
	<u>(900)</u>	<u>(500)</u>	<u>(2,000)</u>	<u>(1,000)</u>
Net loss	<u>(\$52,700)</u>	<u>(\$41,400)</u>	<u>(\$133,000)</u>	<u>(\$129,200)</u>
Basic and diluted loss per common share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Weighted average common shares outstanding	51,134,733	50,586,181	50,936,155	50,586,181

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

[Back to Index](#)

Nocopi Technologies, Inc.

*Balance Sheet**

(unaudited)

June 30
2006

Assets

Current assets

Cash and cash equivalents

\$ 2,900

Accounts receivable less \$15,000 allowance

80,200

Arbitration settlement receivable

50,000