

ELECTRIC CITY CORP
Form 10QSB
August 14, 2003

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-QSB

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**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2003**

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**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from

to

ELECTRIC CITY CORP.

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

Delaware

(State or other jurisdiction of incorporation or organization)

36-4197337

(I.R.S. Employer Identification No.)

1280 Landmeier Road, Elk Grove Village, Illinois 60007-2410

(Address of principal executive offices)

(847) 437-1666

(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer: (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

34,148,022 shares of the registrant's common stock, \$.0001 par value per share, were outstanding as of July 31, 2003.

Transitional Small Business Disclosure Format: Yes No

ELECTRIC CITY CORP.
FORM 10-QSB
For The Quarter Ended June 30, 2003

INDEX

Part I

Financial Information

ITEM 1.

Financial Statements:

Condensed Consolidated Balance Sheets
June 30, 2003 (unaudited) and December 31, 2002

Condensed Consolidated Statement of Operations
Three Months Ended June 30, 2003 and 2002 (unaudited)

Condensed Consolidated Statement of Operations
Six Months Ended June 30, 2003 and 2002 (unaudited)

Condensed Consolidated Statement of Stockholders' Equity
Six Months Ended June 30, 2003 (unaudited)

Condensed Consolidated Statement of Cash Flows
Six Months Ended June 30, 2003 and 2002 (unaudited)

Notes to Condensed Consolidated Financial Statements

ITEM 2.

Management's Discussion and Analysis of Financial Condition or Plan of Operations

ITEM 3.

Control and Procedures

Part II.

Other Information:

ITEM 2.

Changes in Securities

ITEM 6.

Exhibits and Reports on Form 8-K

Signatures

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

ELECTRIC CITY CORP.
CONDENSED CONSOLIDATED BALANCE SHEET

	June 30, 2003 (unaudited)	December 31, 2002 (1)
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,782,808	\$ 1,555,904
Accounts receivable, net	2,825,490	2,681,772
Inventories	1,309,505	2,596,218
Prepaid expenses and other	146,009	116,210
Total Current Assets	6,063,812	6,950,104
Net Property and Equipment	1,146,238	1,539,919
Cost in Excess of Assets Acquired	416,573	416,573
Other Assets		1,955
	\$ 7,626,623	\$ 8,908,551

ELECTRIC CITY CORP.
CONDENSED CONSOLIDATED BALANCE SHEET

	June 30, 2003 (unaudited)	December 31, 2002 (1)
Liabilities and Stockholders Equity		
Current Liabilities		
Line of credit	\$	\$ 500,000
Current maturities of long-term debt	699,040	148,531
Accounts payable	1,442,195	1,732,719
Accrued expenses	733,315	972,584
Deferred revenue	50,000	50,000
Total Current Liabilities	2,924,550	3,403,834
Deferred Revenue	326,714	279,166
Long-Term Debt, less current maturities	6,960	941,260
Stockholders Equity		
Preferred stock, \$.01 par value; 5,000,000 shares authorized		
Series A 2,281,110 and 2,171,192 shares issued and outstanding as of June 30, 2003 and December 31, 2002, respectively (liquidation value of \$45,622,000 and \$43,424,000 at June 30, 2003 and December 31, 2002, respectively)	22,811	21,712
Series C 222,357 and 211,643 issued and outstanding as of June 30, 2003 and December 31, 2002, respectively (liquidation value of \$4,447,000 and \$4,233,000 at June 30, 2003 and December 31, 2002, respectively)	2,223	2,116
Series D 150,166 issued and outstanding as of June 30, 2003 (liquidation value of \$3,003,000)	1,502	
Common stock, \$.0001 par value; 120,000,000 shares authorized, 34,148,022 and 32,283,335 issued as of June 30, 2003 and December 31, 2002, respectively	3,415	3,229
Additional paid-in capital	50,242,943	47,150,313
Accumulated deficit	(45,895,995)	(42,884,579)
	4,376,899	4,292,791
Less treasury stock, at cost, 1,000 shares as of June 30, 2003 and December 31, 2002	(8,500)	(8,500)
Total Stockholders Equity	4,368,399	4,284,291
	\$ 7,626,623	\$ 8,908,551

See accompanying notes to condensed consolidated financial statements

(1) *Derived from audited financial statements in the Company's annual report on Form 10-KSB for the year ended December 31, 2002*

ELECTRIC CITY CORP.
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

Three months ended, June 30	2003	2002
Revenue	\$ 1,668,721	\$ 1,830,038
Expenses		
Cost of sales	1,499,940	1,385,029
Selling, general and administrative	1,103,011	1,651,795
	2,602,951	3,036,824
Operating loss	(934,230)	(1,206,786)
Other Income (Expense)		
Interest income	1,320	6,163
Interest expense	(12,338)	(15,243)
Total other income (expense)	(11,018)	