

IsoRay, Inc.
Form 10-Q
November 16, 2009

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, 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 No. 001-33407

ISORAY, INC.

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of incorporation or organization)

41-1458152
(I.R.S. Employer Identification No.)

350 Hills St., Suite 106, Richland, Washington
(Address of principal executive offices)

99354
(Zip Code)

Registrant's telephone number, including area code: (509) 375-1202

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 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 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

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

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Number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date:

Class	Outstanding as of November 13, 2009
Common stock, \$0.001 par value	22,942,088

ISORAY, INC.

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PART I – FINANCIAL INFORMATION

IsoRay, Inc. and Subsidiaries
Consolidated Balance Sheets

	(Unaudited) September 30, 2009	June 30, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,169,376	\$ 2,990,744
Short-term investments	959,811	1,679,820
Accounts receivable, net of allowance for doubtful accounts of \$115,594 and \$86,931, respectively	799,436	746,568
Inventory	720,986	789,246
Prepaid expenses and other current assets	175,245	151,077
Total current assets	5,824,854	6,357,455
Fixed assets, net of accumulated depreciation and amortization	4,656,580	4,891,484
Deferred financing costs, net of accumulated amortization	18,111	28,186
Licenses, net of accumulated amortization	8,827	11,867
Restricted cash	179,151	178,615
Other assets, net of accumulated amortization	269,898	273,959
Total assets	\$ 10,957,421	\$ 11,741,566
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 709,757	\$ 698,882
Accrued payroll and related taxes	247,152	188,703
Notes payable, due within one year	155,867	161,437
Total current liabilities	1,112,776	1,049,022
Notes payable, due after one year	164,358	176,023
Asset retirement obligation	566,018	553,471
Total liabilities	1,843,152	1,778,516
Shareholders' equity:		
Preferred stock, \$.001 par value; 6,000,000 shares authorized:		
Series A: 1,000,000 shares allocated; no shares issued and outstanding	-	-
Series B: 5,000,000 shares allocated; 59,065 shares issued and outstanding	59	59
Common stock, \$.001 par value; 194,000,000 shares authorized;		
22,942,088 shares issued and outstanding	22,942	22,942

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Treasury stock, at cost, 13,200 shares	(8,390)	(8,390)
Additional paid-in capital	47,876,130	47,818,203
Accumulated deficit	(38,776,472)	(37,869,764)
