

Clearfield, Inc.  
Form 10-Q  
July 29, 2014

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 June 30, 2014

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 0-16106

Clearfield, Inc.  
(Exact name of Registrant as specified in its charter)

Minnesota  
(State or other jurisdiction of incorporation or organization)

41-1347235  
(I.R.S. Employer Identification No.)

5480 Nathan Lane North, Suite 120, Plymouth, Minnesota 55442  
(Address of principal executive offices and zip code)

(763) 476-6866  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) 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" (as defined 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).

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YES     NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class:	Outstanding at July 24, 2014
Common stock, par value \$.01	13,443,184

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

CLEARFIELD, INC.  
CONDENSED BALANCE SHEETS

	(Unaudited) June 30, 2014	(Audited) September 30, 2013
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 18,240,523	\$ 9,807,957
Short-term investments	7,027,000	5,992,000
Accounts receivables	4,771,397	7,837,543
Inventories	5,298,570	5,626,764
Deferred taxes	3,292,140	4,615,110
Other current assets	534,575	317,829
<b>Total Current Assets</b>	<b>39,164,205</b>	<b>34,197,203</b>
Property, plant and equipment, net	2,332,882	1,796,812
<b>Other Assets</b>		
Long-term investments	8,643,000	6,770,000
Goodwill	2,570,511	2,570,511
Deferred taxes –long term	-	810,573
Other	297,197	268,240
<b>Total other assets</b>	<b>11,510,708</b>	<b>10,419,324</b>
<b>Total Assets</b>	<b>\$ 53,007,795</b>	<b>\$ 46,413,339</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,956,237	\$ 2,627,764
Accrued compensation	2,503,133	3,522,907
Accrued expenses	87,753	163,531
Accrued rebates	2,560,998	-
<b>Total Current Liabilities</b>	<b>7,108,121</b>	<b>6,314,202</b>
<b>Other Liabilities</b>		
Deferred taxes	210,342	-
Deferred rent	-	21,101
<b>Total other liabilities</b>	<b>210,342</b>	<b>21,101</b>
<b>Total Liabilities</b>	<b>7,318,463</b>	<b>6,335,303</b>
Commitment and Contingencies	-	-
<b>Shareholders' Equity</b>		
Preferred stock, \$.01 par value; authorized 500 shares; no shares outstanding	-	-
Common stock, authorized 50,000,000, \$.01 par value; 13,443,184 and 12,974,263, shares issued and outstanding as of June 30, 2014 and September 30, 2013	134,432	129,743
Additional paid-in capital	56,032,065	54,808,929

Accumulated deficit	(10,477,165)	(14,860,636 )
Total Shareholders' Equity	45,689,332	40,078,036
Total Liabilities and Shareholders' Equity	\$53,007,795	\$ 46,413,339

SEE ACCOMPANYING NOTES TO CONDENSED FINANCIAL STATEMENTS

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CLEARFIELD, INC.  
 CONDENSED STATEMENTS OF OPERATIONS  
 UNAUDITED

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2014	2013	2014	2013
Net sales	\$14,362,934	\$13,534,769	\$43,724,411	\$34,314,499
Cost of sales	8,319,481	7,905,646	25,022,750	20,545,791
Gross profit	6,043,453	5,629,123	18,701,661	13,768,708
Operating expenses				
Selling, general and administrative	4,185,157	3,832,889	11,855,187	10,137,283
Income from operations	1,858,296	1,796,234	6,846,474	3,631,425
Interest income	25,544			