

CSP INC /MA/  
Form 10-Q  
August 13, 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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 0-10843

CSP Inc.  
(Exact name of Registrant as specified in its Charter)

Massachusetts  
(State of incorporation)

04-2441294  
(I.R.S. Employer Identification No.)

43 Manning Road  
Billerica, Massachusetts 01821-3901  
(978) 663-7598  
(Address and telephone number of principal executive offices)

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 (§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. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

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Non-accelerated filer  (Do not check if a smaller reporting company)

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

As of August 6, 2014, the registrant had 3,609,648 shares of common stock issued and outstanding.

1

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INDEX

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Balance Sheets (unaudited) as of June 30, 2014 and September 30, 2013</u>	<u>3</u>
<u>Consolidated Statements of Operations (unaudited) for the three and nine months ended June 30, 2014 and 2013</u>	<u>4</u>
<u>Consolidated Statements of Comprehensive Income (unaudited) for the three and nine months ended June 30, 2014 and 2013</u>	<u>5</u>
<u>Consolidated Statement of Shareholders' Equity (unaudited) for the nine months ended June 30, 2014</u>	<u>6</u>
<u>Consolidated Statements of Cash Flows (unaudited) for the nine months ended June 30, 2014 and 2013</u>	<u>7</u>
<u>Notes to Consolidated Financial Statements (unaudited)</u>	<u>8</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>16</u>
<u>Item 4. Controls and Procedures</u>	<u>30</u>
<u>PART II. OTHER INFORMATION</u>	
<u>Item 6. Exhibits</u>	<u>31</u>

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

CSP INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except par value)

	June 30, 2014 (Unaudited)	September 30, 2013
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$16,450	\$18,619
Accounts receivable, net of allowances of \$226 and \$242	15,775	13,529
Inventories, net	6,868	4,791
Refundable income taxes	254	624
Deferred income taxes	1,144	1,313
Other current assets	2,561	2,042
Total current assets	43,052	40,918
Property, equipment and improvements, net	1,446	1,420
Other assets:		
Intangibles, net	578	410
Deferred income taxes	1,674	1,771
Cash surrender value of life insurance	2,763	2,481
Other assets	226	225
Total other assets	5,241	4,887
Total assets	\$49,739	\$47,225
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$11,073	\$10,503
Deferred revenue	5,523	3,816
Pension and retirement plans	768	746
Income taxes payable	—	60
Total current liabilities	17,364	15,125
Pension and retirement plans	8,680	8,660
Other long term liabilities	67	405
Total liabilities	26,111	24,190
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$.01 par value per share; authorized, 7,500 shares; issued and outstanding 3,597 and 3,496 shares, respectively	36	35
Additional paid-in capital	11,402	11,137
Retained earnings	17,993	17,728
Accumulated other comprehensive loss	(5,803)	(5,865)
Total shareholders' equity	23,628	23,035
Total liabilities and shareholders' equity	\$49,739	\$47,225

See accompanying notes to unaudited consolidated financial statements.

3

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CSP INC. AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands, except for per share data)

	For the three months ended		For the nine months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Sales:				
Product	\$15,677	\$14,783	\$44,745	\$49,625
Services	6,959	4,250	20,126	16,101
Total sales	22,636	19,033	64,871	65,726
Cost of sales:				
Product	13,048	12,284	37,270	41,184
Services	3,474	2,914	11,705	10,763
Amortization of inventory step-up and intangibles	10	—	177	—
Total cost of sales	16,532	15,198	49,152	51,947
Gross profit	6,104	3,835	15,719	13,779
Operating expenses:				
Engineering and development	945	437	2,372	1,261
Selling, general and administrative	4,192	4,065	12,169	11,790
Total operating expenses	5,137	4,502	14,541	13,051
Bargain purchase gain on acquisition, net of tax	—	—	462	—
Operating income (loss)	967	(667	) 1,640	728
Other income (expense):				
Foreign exchange gain (loss)	(67	) 13	(120	) 18
Other income (expense), net	(37	) (11	) (58	) 18
Total other income (expense), net	(104	) 2	(178	) 36
Income (loss) before income taxes	863	(665	) 1,462	764
Income tax expense (benefit)	(36	) (187	) 50	387
Net income (loss)	\$899	\$(478	) \$1,412	\$377
Net income (loss) attributable to common stockholders	\$863	\$(468	) \$1,361	\$369
Net income (loss) per share – basic	\$0.25	\$(0.14	) \$0.40	\$0.11
Weighted average shares outstanding – basic	3,451	3,396	3,442	3,378
Net income (loss) per share – diluted	\$0.25	\$(0.14	) \$0.39	\$0.11
Weighted average shares outstanding – diluted	3,499	3,396	3,488	3,432

See accompanying notes to unaudited consolidated financial statements.

CSP INC. AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in thousands)

	For the three months ended		For the nine months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Net income (loss)	\$899	\$(478	) \$1,412	\$377
Other comprehensive income (loss):				
Foreign currency translation gain (loss) adjustments	(92	) 15	62	(1
Other comprehensive income (loss)	(92	) 15	62	(1
Total comprehensive income (loss)	\$807	\$(463	) \$1,474	\$376

See accompanying notes to unaudited consolidated financial statements.

## CSP INC. AND SUBSIDIARIES

## UNAUDITED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

For the nine Months Ended June 30, 2014:

(Amounts in thousands, except per share data)

	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated other comprehensive loss	Total Shareholders' Equity
Balance as of September 30, 2013	3,496	\$35	\$11,137	\$17,728	\$ (5,865 )	\$ 23,035
Net income	—	—	—	1,412	—	1,412
Other comprehensive income	—	—	—	—	62	62
Exercise of stock options	1	—	6	—	—	6
Stock-based compensation	—	—	259	—	—	259
Restricted stock issuance	100	1	—	—	—	1
Cash dividends on common stock (\$0.32 per share)	—	—	—	(1,147 )	—	(1,147 )
Balance as of June 30, 2014	3,597	\$36	\$11,402	\$17,993	\$ (5,803 )	\$ 23,628

See accompanying notes to unaudited consolidated financial statements.



CSP INC. AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands)

	For the nine months ended	
	June 30, 2014	June 30, 2013
Cash flows from operating activities:		
Net income	\$1,412	\$377
Adjustments to reconcile net income to net cash used in operating activities:		
Bargain purchase gain	(462	) —
Depreciation and amortization	364	324
Amortization of intangibles	92	62
Loss (gain) on sale of fixed assets, net	2	(17
Foreign exchange (gain) loss	120	(18
Non-cash changes in accounts receivable	(17	) 27
Non-cash changes in inventory	146	—
Stock-based compensation expense on stock options and restricted stock awards	260	112
Deferred income taxes	273	334
Increase in cash surrender value of life insurance	(114	) (73
Changes in operating assets and liabilities:		
Increase in accounts receivable	(2,110	) (354
Decrease in officer life insurance receivable	—	2,172
(Increase) decrease in inventories	(1,160	) 1,060
(Increase) decrease in refundable income taxes	373	(158
Increase in other current assets	(485	) (276
Increase in other assets	—	(81
Increase (decrease) in accounts payable and accrued expenses	425	(1,955
Increase in deferred revenue	1,662	307
Decrease in pension and retirement plans liability	(168	) (175
Decrease in income taxes payable	(311	) (136
Increase (decrease) in other long term liabilities	(338	) 73
Net cash provided by (used in) operating activities	(36	) 1,605
Cash flows from investing activities:		
Life insurance premiums paid	(167	) (198
Proceeds from the sale of fixed assets	6	17
Cash paid to acquire business	(500	) —
Purchases of property, equipment and improvements	(370	) (675
Net cash used in investing activities	(1,031	) (856
Cash flows from financing activities:		
Dividends paid	(1,148	) (1,034
Proceeds from issuance of shares from exercise of employee stock options	6	114
Net cash used in financing activities	(1,142	) (920
Effects of exchange rate on cash	40	(76
Net decrease in cash and cash equivalents	(2,169	) (247
Cash and cash equivalents, beginning of period	18,619	20,493
Cash and cash equivalents, end of period	\$16,450	\$20,246
Supplementary cash flow information:		
Cash paid for income taxes	\$96	\$383
Cash paid for interest	\$85	\$85

See accompanying notes to unaudited consolidated financial statements.

7

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CSP INC. AND SUBSIDIARIES  
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
THREE AND NINE MONTHS ENDED JUNE 30, 2014 AND 2013

Organization and Business

CSP Inc. was founded in 1968 and is based in Billerica, Massachusetts. To meet the diverse requirements of its industrial, commercial and defense customers worldwide, CSP Inc. and its subsidiaries (collectively "CSPI" or the "Company") develop and market IT integration solutions and high-performance cluster computer systems. The Company operates in two segments, its High Performance Products and Solutions segment and its Information Technology Solutions segment.

1. Basis of Presentation

The accompanying consolidated financial statements have been prepared by the Company, without audit, and reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results of the interim periods presented. All adjustments were of a normal recurring nature. Certain information and footnote disclosures normally included in the annual financial statements, which are prepared in accordance with accounting principles generally accepted in the United States, have been condensed or omitted. Accordingly, the Company believes that although the disclosures are adequate to make the information presented not misleading, the unaudited financial statements should be read in conjunction with the footnotes contained in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2013.

2. Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates under different assumptions or conditions.

3. Acquired Business

On November 4, 2013 the Company acquired substantially all of the assets of Myricom, Inc. ("Myricom"). Myricom has been integrated into the High Performance Products and Solutions business segment. Prior to our acquisition, Myricom was a manufacturer of high performance interconnect computing devices and software. The Company acquired Myricom in order to obtain (i) Myricom's interconnect technology, which is critical to our latest MultiComputer products and (ii) a strong base of new customers in commercial growth markets. The Company also retained key Myricom technical personnel. Myricom was a key supplier to CSPI's MultiComputer Division. Its interconnect technology is an important component of the latest generation MultiComputer products that we currently supply to our customers.

Although Myricom was an established business prior to our acquisition, it had previously sold off a significant portion of its business and was faced with the likelihood of having to shut down operations if it could not find a buyer to purchase its remaining assets. This was because the revenue that Myricom was able to generate from these remaining assets was not sufficient to support its cost structure so as to enable Myricom to operate at a profit. These factors contributed to a purchase price that resulted in the recognition of a bargain purchase gain. The Company paid total cash consideration of approximately \$0.5 million to acquire substantially all of the assets of Myricom and incurred approximately \$0.1 million for the assumption of certain other liabilities. The purchase of Myricom resulted in the

recognition of a bargain purchase gain of approximately \$0.5 million. The bargain purchase gain is shown net of the federal and state tax effect.

The purchase price was allocated as follows:

8

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	(Amounts in Thousands)
Inventory	\$1,030
Property & equipment	17
Intangibles	260
Gross assets acquired	1,307
Product warranty liability assumed	(93 )
Net assets acquired	1,214
Less: asset purchase price	500
Bargain purchase gain before tax	714
Deferred tax on bargain purchase gain	(252 )
Bargain purchase gain, net of tax effect	\$462

The results of operations of Myricom for the the three months ended June 30, 2014 and for the period November 4, 2013 - June 30, 2014 are included in the Company's consolidated statement of operations for the three and nine months ended June 30, 2014, respectively.

The following proforma condensed combined financial information gives effect to the acquisition of Myricom as if it were consummated on October 1, 2012 (the beginning of the comparable prior reporting period), and includes proforma adjustments related to the bargain purchase gain, amortization of inventory step-up and acquired intangible assets. The proforma condensed combined financial information is presented for informational purposes only. The proforma condensed combined financial information is not intended to represent or be indicative of the results of operations that would have been reported had the acquisition occurred on October 1, 2012 and should not be taken as representative of future results of operations of the combined company.

The following table presents the proforma condensed combined financial information (in thousands, except per share amounts):

	For the three months ended		For the nine months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	(Amounts in thousands except per share data)			
Revenue	\$22,636	\$20,942	\$65,489	\$71,166
Net income (loss)	\$903	\$(649 )	\$1,127	\$(1,514 )
Net income (loss) attributable to common stockholders	\$868	\$(636 )	\$1,087	\$(1,484 )
Net income (loss) per share – basic	\$0.25	\$(0.19 )	\$0.32	\$(0.44 )
Net income (loss) per share – diluted	\$0.25	\$(0.19 )	\$0.31	\$(0.44 )

The proforma condensed combined financial information shown above includes proforma adjustments to eliminate certain items directly relating to the business combination which reduced net income by approximately \$0.3 million for the nine month period ended June 30, 2014.

#### 4. Earnings Per Share of Common Stock

Basic net income per common share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted net income per common share reflects the maximum dilution that would have resulted from the assumed exercise and share repurchase related to dilutive stock options and is computed by dividing net income by the assumed weighted average number of common shares outstanding.

We are required to present earnings per share, or EPS, utilizing the two class method because we had outstanding, non-vested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, which are considered participating securities.

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Basic and diluted earnings per share computations for the Company's reported net income attributable to common stockholders are as follows:

	For the three months ended		For the nine months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	(Amounts in thousands except per share data)			
Net income (loss)	\$899	\$(478)	) \$1,412	\$377
Less: net income (loss) attributable to nonvested common stock	36	(10)	) 51	8
Net income (loss) attributable to common stockholders	\$863	\$(468)	) \$1,361	\$369
Weighted average total shares outstanding – basic	3,593	3,468	3,572	3,447
Less: weighted average non-vested shares outstanding	142	72	130	69
Weighted average number of common shares outstanding – basic	3,451	3,396	3,442	3,378
Potential common shares from non-vested stock awards and the assumed exercise of stock options	48	—	46	54
Weighted average common shares outstanding – diluted	3,499	3,396	3,488	3,432
Net income per share – basic	\$0.25	\$(0.14)	) \$0.40	\$0.11
Net income per share – diluted	\$0.25	\$(0.14)	) \$0.39	\$0.11

All anti-dilutive securities, including certain stock options, are excluded from the diluted income per share computation. For the three months ended June 30, 2014 and 2013, 58,000 and 173,000 options, respectively, were excluded from the diluted income per share calculation because their inclusion would have been anti-dilutive as their exercise price exceeded fair value. For the nine months ended June 30, 2014 and 2013, 52,000 and 162,000 options, respectively, were excluded from the diluted income per share calculation because their inclusion would have been anti-dilutive as their exercise price exceeded fair value.

## 5. Inventories

Inventories consist of the following:

	June 30, 2014	September 30, 2013
	(Amounts in thousands)	
Raw materials	\$2,327	\$1,587
Work-in-process	824	404
Finished goods	3,717	2,800
Total	\$6,868	\$4,791

Finished goods includes inventory that has been shipped, but for which all revenue recognition criteria has not been met, of approximately \$0.2 million and \$0.5 million as of June 30, 2014 and September 30, 2013, respectively.

Total inventory balances in the table above are shown net of reserves for obsolescence of approximately \$4.6 million as of June 30, 2014 and September 30, 2013.

6. Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss are as follows:

10

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	June 30, 2014	September 30, 2013
	(Amounts in thousands)	
Cumulative effect of foreign currency translation	\$(2,094 )	\$(2,156 )
Cumulative unrealized loss on pension liability	(3,709 )	(3,709 )
Accumulated other comprehensive loss	\$(5,803 )	\$(5,865 )

## 7. Pension and Retirement Plans

The Company has defined benefit and defined contribution plans in the United Kingdom, Germany and the U.S. In the United Kingdom and Germany, the Company provides defined benefit pension plans and defined contribution plans for the majority of its employees. In the U.S., the Company provides benefits through supplemental retirement plans to certain current and former employees. The domestic supplemental retirement plans have life insurance policies which are not plan assets but were purchased by the Company as a vehicle to fund the costs of the plan. Domestically, the Company also provides for officer death benefits through post-retirement plans to certain officers. All of the Company's defined benefit plans are closed to newly hired employees and have been for the two years ended September 30, 2013 and for the nine months ended June 30, 2014.

The Company funds its pension plans in amounts sufficient to meet the requirements set forth in applicable employee benefits laws and local tax laws. Liabilities for amounts in excess of these funding levels are accrued and reported in the consolidated balance sheets.

Our pension plan in the United Kingdom is the only plan with plan assets. The plan assets consist of an investment in a commingled fund which in turn comprises a diversified mix of assets including corporate equity securities, government securities and corporate debt securities.

The components of net periodic benefit costs related to the U.S. and international plans are as follows:

	For the Three Months Ended June 30, 2014			2013		
	Foreign	U.S.	Total	Foreign	U.S.	Total
	(Amounts in thousands)					
Pension:						
Service cost	\$10	\$—	\$10	\$15	\$—	\$15
Interest cost	196	17	213	163	16	179
Expected return on plan assets	(120 )	—	(120 )	(96 )	—	(96 )
Amortization of:						
Prior service gain	—	—	—	—	—	—
Amortization of net gain	24	(3 )	21	35	6	41
Net periodic benefit cost	\$110	\$14	\$124	\$117	\$22	\$139
Post Retirement:						
Service cost	\$—	\$3	\$3	\$—	\$—	\$—
Interest cost	—	10	10	—	8	8
Amortization of net gain	—	(35 )	(35 )	—	(44 )	(44 )
Net periodic benefit cost	\$—	\$(22 )	\$(22 )	\$—	\$(36 )	\$(36 )



	For the nine Months Ended June 30, 2014			2013			
	Foreign	U.S.	Total	Foreign	U.S.	Total	
	(Amounts in thousands)						
Pension:							
Service cost	\$34	\$—	\$34	\$45	\$—	\$45	
Interest cost	579	51	630	509	48	557	
Expected return on plan assets	(352	) —	(352	) (304	) —	(304	)
Amortization of:							
Prior service gain	—	—	—	—	—	—	
Amortization of net gain	70	(7	) 63	107	18	125	
Net periodic benefit cost	\$331	\$44	\$375	\$357	\$66	\$423	
Post Retirement:							
Service cost	\$—	\$8	\$8	\$—	\$—	\$—	
Interest cost	—	32	32	—	26	26	
Amortization of net gain	—	(107	) (107	) —	(136	) (136	)
Net periodic benefit cost	\$—	\$(67	) \$(67	) \$—	\$(110	) \$(110	)

## 8. Segment Information

Beginning in the period ended March 31, 2014, we have renamed our segments. We have renamed the segment that was formerly known as the Systems segment to the High Performance Products and Solutions segment. We have also renamed the segment that was formerly known as the Service and System Integration segment to the Information Technology Solutions segment.

The following table presents certain operating segment information.

For the Three Months Ended June 30,	Information Technology Solutions Segment					
	High Performance Products and Solutions Segment (Amounts in thousands)	Germany	United Kingdom	U.S.	Total	Consolidated Total
2014						
Sales:						
Product	\$2,697	\$3,323	\$368	\$9,289	\$12,980	\$15,677
Service	2,137	3,546	402	874	4,822	6,959
Total sales	4,834	6,869	770	10,163	17,802	22,636
Income (loss) from operations	999	43	(20 )	(55 )	(32 )	967
Assets	15,932	15,271	3,595	14,941	33,807	49,739
Capital expenditures	57	17	—	1	18	75
Depreciation and amortization	53	46	4	48	98	151
2013						
Sales:						
Product	\$454	\$1,471	\$45	\$12,813	\$14,329	\$14,783
Service	159	3,064	328	699	4,091	4,250
Total sales	613	4,535	373	13,512	18,420	19,033
Income (loss) from operations	(1,093 )	(96 )	(58 )	580	426	(667 )
Assets	15,340	13,046	3,457	17,427	33,930	49,270
Capital expenditures	108	52	1	38	91	199
Depreciation and amortization	40	47	2	43	92	132

## Information Technology Solutions Segment

For the nine Months Ended June 30,	High Performance Products and Solutions Segment (Amounts in thousands)	Germany	United Kingdom	U.S.	Total	Consolidated Total
2014						
Sales:						
Product	\$5,873	\$8,176	\$1,351	\$29,345	\$38,872	\$44,745
Service	4,485	12,220	1,034	2,387	15,641	20,126
Total sales	10,358	20,396	2,385	31,732	54,513	64,871
Income (loss) from operations	1,254	256	(19 )	149	386	1,640
Assets	15,932	15,271	3,595	14,941	33,807	49,739
Capital expenditures	159	118	45	48	211	370
Depreciation and amortization	159	141	12	144	297	456
2013						
Sales:						
Product	\$3,044	\$7,329	\$309	\$38,943	\$46,581	\$49,625
Service	1,259	10,839	1,059	2,944	14,842	16,101
Total sales	4,303	18,168	1,368	41,887	61,423	65,726
Income (loss) from operations	(1,317 )	125	(73 )	1,993	2,045	728
Assets	15,340	13,046	3,457	17,427	33,930	49,270
Capital expenditures	247	179	7	242	428	675
Depreciation and amortization	116	135	9	126	270	386

Income (loss) from operations consists of sales less cost of sales, engineering and development, selling, general and administrative expenses but is not affected by either other income/expense or by income taxes expense/benefit. Non-operating charges/income consists principally of investment income and interest expense. All intercompany transactions have been eliminated.

The following table lists customers from which the Company derived revenues in excess of 10% of total revenues for the three and nine months ended June 30, 2014, and 2013.

	For the three months ended,				For the nine months ended,			
	June 30, 2014		June 30, 2013		June 30, 2014		June 30, 2013	
	Amount	% of Revenues	Amount	% of Revenues	Amount	% of Revenues	Amount	% of Revenues
(dollars in millions)								
Customer A	\$3.7	17 %	\$1.3	7 %	\$11.8	18 %	\$12.2	19 %
Customer B	\$3.6	16 %	\$2.6	14 %	\$12.5	19 %	\$9.9	15 %
Customer C	\$—	— %	\$3.8	20 %	\$—	— %	\$8.0	12 %

Accounts receivable from Customer B totaled approximately \$3.2 million, which comprised 20% of total consolidated accounts receivable as of June 30, 2014, and \$3.5 million, which comprised 26% of total consolidated accounts receivable as of September 30, 2013. We believe that the Company is not exposed to any particular credit risk with respect to the accounts receivable with this customer.



9. Fair Value Measures

Assets and Liabilities measured at fair value on a recurring basis are as follows:

	Fair Value Measurements Using			Total Balance
	Level 1	Level 2	Level 3	
	As of June 30, 2014			
	(Amounts in thousands)			
Assets:				
Money Market funds	\$1,006	\$—	\$—	\$1,006
Total assets measured at fair value	\$1,006			