

DIGITAL POWER CORP

Form 10-Q

November 14, 2016

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, 2016**

**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 1-12711

DIGITAL POWER CORPORATION

(Exact name of registrant as specified in its charter)

California

(State or other jurisdiction of incorporation or organization)

94-1721931

(I.R.S. Employer Identification Number)

48430 Lakeview Blvd

Fremont, CA 94538-3158

(Address of principal executive offices)

(510) 657-2635

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(Registrant's telephone number, including area code)

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.

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 12(b)-2 of the Exchange Act). Yes No

At November 11, 2016, the registrant had outstanding 6,775,971 shares of common stock.

DIGITAL POWER CORPORATION

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PART I – FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****DIGITAL POWER CORPORATION AND ITS SUBSIDIARY****CONSOLIDATED BALANCE SHEETS**

U.S. dollars in thousands

	September 30, 2016	December 31, 2015
	Unaudited	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,292	\$ 1,241
Trade receivables	1,110	1,240
Related parties – trade receivables	-	77
Prepaid expenses and other accounts receivable	239	187
Inventories (Note 3)	1,186	1,542
<u>Total current assets</u>	3,827	4,287
PROPERTY AND EQUIPMENT, NET	615	709
INVESTMENT IN TELKOOR	-	90
LONG-TERM DEPOSITS	13	13
<u>Total Non- current assets</u>	628	812
<u>Total assets</u>	\$ 4,455	\$ 5,099

The accompanying notes are an integral part of the interim consolidated financial statements.

DIGITAL POWER CORPORATION AND ITS SUBSIDIARY**CONSOLIDATED BALANCE SHEETS****U.S. dollars in thousands**

	September 30, 2016 Unaudited	December 31, 2015
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 757	\$ 937
Advances from customers and deferred revenue	94	211
Other current liabilities	434	480
<u>Total current liabilities</u>	1,285	1,628
SHAREHOLDERS' EQUITY:		
Share capital -		
Series A Redeemable Convertible Preferred shares, no par value - 500,000 shares authorized; 0 shares issued and outstanding at September 30, 2016 and December 31, 2015	-	-
Preferred shares, no par value - 1,500,000 shares authorized; 0 shares issued and outstanding at September 30, 2016 and December 31, 2015	-	-
Common shares, no par value - 30,000,000 shares authorized; 6,775,971 shares issued and outstanding as of September 30, 2016 and December 31, 2015	-	-
Additional paid-in capital	15,094	14,965
Accumulated deficit	(11,201)	(11,036)
Accumulated other comprehensive loss	(723)	(458)