

IRIDEX CORP  
Form 10-Q  
May 09, 2016  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended April 2, 2016

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 number: 0-27598

IRIDEX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	77-0210467
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification Number)

1212 Terra Bella Avenue

Mountain View, California	94043-1824
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (650) 940-4700

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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 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  (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

The number of shares of common stock, \$0.01 par value, issued and outstanding as of April 25, 2016 was 10,067,339.

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## PART I. FINANCIAL INFORMATION

## Item 1. Condensed Consolidated Financial Statements (Unaudited)

## IRIDEX Corporation

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited, in thousands except share and per share data)

	April 2, 2016	January 2, 2016 (1)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$10,514	\$9,995
Accounts receivable, net of allowance for doubtful accounts of \$143 as of April 2, 2016 and \$140 as of January 2, 2016	9,297	9,282
Inventories	11,142	11,106
Prepaid expenses and other current assets	425	386
Total current assets	31,378	30,769
Property and equipment, net	1,055	1,104
Intangible assets, net	264	268
Goodwill	533	533
Deferred income taxes	8,985	8,985
Other long-term assets	148	164
Total assets	\$42,363	\$41,823
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$2,696	\$2,223
Accrued compensation	1,283	1,572
Accrued expenses	1,635	1,722
Accrued warranty	610	603
Deferred revenue	1,311	1,311
Total current liabilities	7,535	7,431
Long-term liabilities:		
Other long-term liabilities	639	704
Total liabilities	8,174	8,135
Stockholders' equity:		
Common stock, \$0.01 par value:		
Authorized: 30,000,000 shares;		
Issued and outstanding 10,061,089 and 10,009,408 shares as of April 2, 2016 and as of January 2, 2016, respectively	111	111
Additional paid-in capital	38,386	37,986

Accumulated deficit	(4,308 )	(4,409 )
Total stockholders' equity	34,189	33,688
Total liabilities and stockholders' equity	\$42,363	\$41,823

(1) Derived from the audited consolidated financial statements included in the Annual Report on Form 10-K filed with the SEC for the year ended January 2, 2016.

The accompanying notes are an integral part of these condensed consolidated financial statements.

## IRIDEX Corporation

## Condensed Consolidated Statements of Operations

(Unaudited, in thousands except per share data)

	Three Months Ended	
	April 2,	April 4,
	2016	2015
Total revenues	\$ 11,931	\$ 10,796
Cost of revenues	6,634	5,386
Gross profit	5,297	5,410
Operating expenses:		
Research and development	1,359	1,281
Sales and marketing	2,429	2,071
General and administrative	1,357	1,655
Total operating expenses	5,145	5,007
Income from operations	152	403
Other expense, net	11	7
Income from operations before provision for income taxes	141	396
Provision for income taxes	40	150
Net income	\$ 101	\$ 246
Net income per share:		
Basic	\$ 0.01	\$ 0.02
Diluted	\$ 0.01	\$ 0.02
Weighted average shares used in computing net income per common share:		
Basic	10,034	9,868
Diluted	10,140	10,108

The accompanying notes are an integral part of these condensed consolidated financial statements.





IRIDEX Corporation

Condensed Consolidated Statements of Comprehensive Income

(Unaudited, in thousands)

	Three Months Ended	
	April 2,	April 4,
	2016	2015
Net income	\$ 101	\$ 246
Other comprehensive income, net of tax	—	—
Comprehensive income	\$ 101	\$ 246

The accompanying notes are an integral part of these condensed consolidated financial statements.

## IRIDEX Corporation

## Condensed Consolidated Statements of Cash Flows

(Unaudited, in thousands)

	Three Months Ended	
	April 2,	April 4,
	2016	2015
<b>Operating activities:</b>		
Net income	\$ 101	246
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	142	120
Change in fair value of earn-out liability	11	8
Stock-based compensation	222	333
Provision for doubtful accounts	—	22
Deferred income taxes	—	150
Changes in operating assets and liabilities:		
Accounts receivable	(15 )	295
Inventories	(36 )	(735 )
Prepaid expenses and other current assets	(39 )	(79 )
Other long-term assets	16	11
Accounts payable	473	766
Accrued compensation	(289 )	(464 )
Accrued expenses	(70 )	(123 )
Accrued warranty	7	42
Deferred revenue	—	18
Other long-term liabilities	3	7
Net cash provided by operating activities	526	617
<b>Investing activities:</b>		
Acquisition of property and equipment	(89 )	(397 )
Payment on earn-out liability	(96 )	(96 )
Net cash used in investing activities	(185 )	(493 )
<b>Financing activities:</b>		
Proceeds from stock option exercises	245	487
Repurchase of common stock	(59 )	(192 )
Taxes paid related to net share settlements of equity awards	(8 )	(600 )
Net cash provided by (used in) financing activities	178	(305 )
Net increase (decrease) in cash and cash equivalents	519	(181 )
Cash and cash equivalents, beginning of period	9,995	13,303
Cash and cash equivalents, end of period	\$ 10,514	\$ 13,122
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the period for:		

Income taxes	\$1	\$2
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The accompanying notes are an integral part of these condensed consolidated financial statements.

IRIDEX Corporation

Notes to Unaudited Condensed Consolidated Financial Statements

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of IRIDEX Corporation (“IRIDEX”, the “Company”, “we”, “our”, or “us”) have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information and pursuant to the instructions to Form 10-Q and Article 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation of the financial statements have been included.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto, together with management’s discussion and analysis of the Company’s financial condition and results of operations, contained in our Annual Report on Form 10-K for the fiscal year ended January 2, 2016, which was filed with the Securities and Exchange Commission (“SEC”) on March 31, 2016. The results of operations for the three months ended April 2, 2016 are not necessarily indicative of the results for the fiscal year ending December 31, 2016 or any future interim period. The three month periods ended April 2, 2016 and April 4, 2015, each had 13 weeks. For purposes of reporting the financial results, the Company’s fiscal years end on the Saturday closest to the end of December. Periodically, the Company includes a 53rd week to a year in order to end that year on the Saturday closest to the end of December.

2. Summary of Significant Accounting Policies

The Company’s significant accounting policies are disclosed in our Annual Report on Form 10-K for the year ended January 2, 2016, which was filed with the SEC on March 31, 2016.

Financial Statement Presentation.

The unaudited condensed consolidated financial statements include the accounts of the Company and our wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates.

The preparation of unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses and the related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In addition, any change in these estimates or their related assumptions

could have an adverse effect on our operating results.

#### Revenue Recognition.

Our revenues arise from the sale of laser consoles, delivery devices, consumables and service and support activities. Revenue from product sales is recognized upon receipt of a purchase order and product shipment provided that no significant obligations remain and collectibility is reasonably assured. Shipments are generally made with Free-On-Board (“FOB”) shipping point terms, whereby title passes upon shipment from our dock. Any shipments with FOB receiving point terms are recorded as revenue when the shipment arrives at the receiving point. Cost is recognized as product sales revenue is recognized. The Company’s sales may include post-sales obligations for training or other deliverables. For revenue arrangements such as these, we recognize revenue in accordance with Accounting Standards Codification (“ASC”) 605, “Revenue Recognition, Multiple-Element Arrangements”. The Company allocates revenue among deliverables in multiple-element arrangements using the relative selling price method. Revenue allocated to each element is recognized when the basic revenue recognition criteria is met for each element. The Company is required to apply a hierarchy to determine the selling price to be used for allocating revenue to deliverables: (i) vendor-specific objective evidence of selling price (“VSOE”), (ii) third-party evidence of selling price (“TPE”) and (iii) best estimate of the selling price (“ESP”). In general, the Company is unable to establish VSOE or TPE for all of the elements in the arrangement; therefore, revenue is allocated to these elements based on the Company’s ESP, which the Company determines after considering multiple factors such as management approved pricing guidelines, geographic differences, market conditions, competitor pricing strategies, internal costs and gross margin objectives. These factors may vary over time depending upon the unique facts and circumstances related to each deliverable. As a result, the Company’s ESP for products and services could change. Revenues for post-sales obligations are recognized as the obligations are fulfilled.

In international regions, we utilize distributors to market and sell our products. We recognize revenue upon shipment for sales to these independent, third-party distributors as we have no continuing obligations subsequent to shipment. Generally our distributors are responsible for all marketing, sales, installation, training and warranty labor coverage for our products. Our standard terms and conditions do not provide price protection or stock retention rights to any of our distributors.

Royalty revenues are typically based on licensees' net sales of products that utilize our technology and are recognized as earned in accordance with the contract terms when royalties from licensees can be reliably measured and collectibility is reasonably assured, such as upon the earlier of the receipt of a royalty statement from the licensee or upon payment by the licensee.

#### Concentration of Credit Risk.

Our cash and cash equivalents are deposited in demand and money market accounts. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally these deposits may be redeemed upon demand and therefore, bear minimal risk.

We market our products to distributors and end-users throughout the world. Sales to international distributors are generally made on open credit terms and letters of credit. Management performs ongoing credit evaluations of our customers and maintains an allowance for potential credit losses. Historically, we have not experienced any significant losses related to individual customers or a group of customers in any particular geographic area. For the three month periods ended April 2, 2016 and April 4, 2015, one single customer accounted for 15% of total revenues. As of April 2, 2016, one customer accounted for approximately 19% of our accounts receivable and as of January 2, 2016, no customer accounted for more than 10% of our accounts receivable.

#### Taxes Collected from Customers and Remitted to Governmental Authorities.

Taxes collected from customers and remitted to governmental authorities are recognized on a net basis in the accompanying condensed consolidated statements of operations.

#### Shipping and Handling Costs.

Our shipping and handling costs billed to customers are included in revenues and the associated expense is recorded in cost of revenues for all periods presented.

#### Deferred Revenue.

Revenue related to extended service contracts is deferred and recognized on a straight line basis over the period of the applicable service contract. Costs associated with these service arrangements are recognized as incurred.

A reconciliation of the changes in the Company's deferred revenue balance for the three months ended April 2, 2016 and April 4, 2015 is as follows:

	Three Months	
	Ended	
(in thousands)	April	April
	2,	4,

	2016	2015
Balance, beginning of period	\$1,311	\$1,179
Additions to deferral	336	323
Revenue recognized	(336 )	(305 )
Balance, end of period	\$1,311	\$1,197

#### Warranty.

The Company generally provides a one to two year warranty on its products, which is accrued for upon shipment of products. Actual warranty costs incurred have not materially differed from those accrued. The Company's warranty policy is applicable to products which are considered defective in their performance or fail to meet the product specifications. Warranty costs are reflected in the statement of operations as cost of revenues.

A reconciliation of the changes in the Company's warranty liability for the three months ended April 2, 2016 and April 4, 2015 is as follows:

	Three Months Ended	
	April 2,	April 4,
(in thousands)	2016	2015
Balance, beginning of period	\$603	\$469
Accruals for product warranties	126	112
Cost of warranty claims and adjustments	(119)	(70)
Balance, end of period	\$610	\$511

#### Recently Issued and Adopted Accounting Standards.

In May 2014, as part of its ongoing efforts to assist in the convergence of U.S. GAAP and International Financial Reporting Standards ("IFRS"), the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers." The new guidance sets forth a new five-step revenue recognition model which replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in U.S. GAAP. The underlying principle of the new standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects what it expects in exchange for the goods or services. The standard also requires more detailed disclosures and provides additional guidance for transactions that were not addressed completely in the prior accounting guidance. In August 2015, the FASB issued ASU 2015-14, "Revenue from Contracts with Customers, Deferral of the Effective Date". The amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. Early adoption is permitted for annual periods beginning after December 15, 2016. We are currently evaluating the impact that this standard will have on the Company's consolidated financial statements.

In June 2014, the FASB issued ASU 2014-12, "Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period (a consensus of the FASB Emerging Issues Task Force)". The ASU clarifies that entities should treat performance targets that can be met after the requisite service period of a share-based payment award as performance conditions that affect vesting. Therefore, an entity would not record compensation expense (measured as of the grant date without taking into account the effect of the performance target) related to an award for which transfer to the employee is contingent on the entity's satisfaction of a performance target until it becomes probable that the performance target will be met. The ASU does not contain any new disclosure requirements. The ASU is effective for reporting periods beginning after December 15, 2015. We adopted this standard at the beginning of fiscal 2016 and it did not have a material impact on the Company's consolidated financial statements.

In July 2015, the FASB issued ASU 2015-11, "Simplifying the Measurement of Inventory." Under this ASU, inventory will be measured at the "lower of cost and net realizable value" and options that currently exist for "market value" will be eliminated. The ASU defines net realizable value as the "estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation." No other changes were made to the



current guidance on inventory measurement. ASU 2015-11 is effective for interim and annual periods beginning after December 15, 2016. Early application is permitted and should be applied prospectively. Management is evaluating the provisions of this statement, including which period to adopt, and has not determined what impact the adoption of this standard will have on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases," amending ASC 842. This ASU requires the Company to recognize on the balance sheet the assets and liabilities for the rights and obligations created by leases with terms of more than twelve months. This ASU also requires disclosures enabling the users of financial statements to understand the amount, timing and uncertainty of cash flows arising from leases. This new standard will become effective for the Company for annual periods beginning after December 15, 2018 (including interim reporting periods within those periods). Early adoption is permitted as of the beginning of an interim or annual reporting period. We are currently evaluating the impact of this new standard on the Company's consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update ASU 2016-09, "Improvements to Employee Share-Based Payment Accounting." This ASU affects entities that issue share-based payment awards to their employees. The ASU is designed to simplify several aspects of accounting for share-based payment award transactions, which include the income tax consequences, classification of awards as either equity or liabilities, classification on the statement of cash flows and forfeiture rate calculations. This ASU will become effective for the Company on December 15, 2016 (including interim reporting periods within those periods). Early adoption is permitted in any interim or annual period. If an entity early adopts the amendments in an interim period, any adjustments

should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. We are currently evaluating the impact of this new standard on the Company's consolidated financial statements.

### 3. Inventories

The components of the Company's inventories as of April 2, 2016 and January 2, 2016 are as follows:

	April 2,	January 2,
(in thousands)	2016	2016
Raw materials	\$4,631	\$4,578
Work in process	2,146	1,791
Finished goods	4,365	4,737
Total inventories	\$11,142	\$11,106

### 4. Goodwill and Intangible Assets

#### Goodwill.

The carrying value of goodwill was \$0.5 million as of April 2, 2016 and January 2, 2016.

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in a business combination. The Company reviews goodwill for impairment on an annual basis or whenever events or changes in circumstances indicate the carrying value may not be recoverable. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step quantitative goodwill impairment test. If, after assessing the totality of circumstances, an entity determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then it is required to perform the two-step impairment test. An entity is not required to calculate the fair value of a reporting unit unless the entity determines that it is more likely than not that its fair value is less than its carrying value. However, an entity also has the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test. The Company has determined that it has a single reporting unit for purposes of performing its goodwill impairment test. As the Company uses the market approach to assess impairment, its common stock price is an important component of the fair value calculation. If the Company's stock price continues to experience significant price and volume fluctuations, this will impact the fair value of the reporting unit and can lead to potential impairment in future periods. The Company performed its annual impairment test during the second quarter of fiscal 2015 and determined that its goodwill was not impaired. As of April 2, 2016, the Company had not identified any factors that indicated there was an impairment of its goodwill and determined that no

additional impairment analysis was then required.

Intangible Assets.

The following table summarizes the components of gross and net intangible asset balances:

	April 2, 2016				January 2, 2016			
	Gross		Net		Gross		Net	
(in thousands)	Carrying Amount	Accumulated Amortization	Carrying Amount	Remaining Life	Carrying Amount	Accumulated Amortization	Carrying Amount	
Patents	\$720	\$ 600	\$ 120	Varies	\$720	\$ 600	\$ 120	
Customer relations	240	96	144	9.0 Years	240	92	148	
<b>Total</b>	<b>\$960</b>	<b>\$ 696</b>	<b>\$ 264</b>		<b>\$960</b>	<b>\$ 692</b>	<b>\$ 268</b>	

For the three months ended April 2, 2016 and April 4, 2015, amortization expense totaled \$4 thousand for each period.

The amortization of customer relations was charged to sales and marketing expense and the amortization of patents was charged to cost of revenues.

Future estimated amortization expense (in thousands):	
2016 (nine months)	\$ 12
2017	78
2018	74
2019	16
2020	16
Thereafter	68
Total	\$264

## 5. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.
  - Level 2: Directly or indirectly observable inputs as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data from actively quoted markets for substantially the full term of the financial instrument.
- Level 3: Unobservable inputs that are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value.

The carrying amounts of the Company's financial assets and liabilities, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses as of April 2, 2016 and January 2, 2016, approximate fair value because of the short maturity of these instruments.

As of April 2, 2016 and January 2, 2016, financial assets and liabilities measured and recognized at fair value on a recurring basis and classified under the appropriate level of the fair value hierarchy as described above were as

follows:

(in thousands)	April 2, 2016				January 2, 2016			
	Fair Value Measurements				Fair Value Measurements			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets:</b>								
Money market funds	\$9,263	—	—	\$9,263	\$9,212	—	—	\$9,212
<b>Liabilities:</b>								
Earn-out liability	—	—	\$920	\$920	\$—	—	\$1,005	\$1,005

The Company's Level 1 financial assets are money market funds whose fair values are based on quoted market prices. The Company does not have any Level 2 financial assets or liabilities. The fair value of the earn-out liability arising from the acquisitions of RetinaLabs, Inc. and Ocunetics, Inc. is classified within Level 3 of the fair value hierarchy since it is based on significant unobservable inputs. The significant unobservable inputs include projected royalties and discount rates to present value the payments. A significant increase (decrease) in the projected royalty payments in isolation could result in a significantly higher (lower) fair value

measurement and a significant increase (decrease) in the discount rate in isolation could result in a significantly lower (higher) fair value measurement. The fair value of the earn-out liability is calculated on a quarterly basis by the Company based on a collaborative effort of the Company's operations, finance and accounting groups as additional information becomes available. Any change in the fair value adjustment is recorded in the statement of operations of that period.

The following table presents quantitative information about the inputs and valuation methodologies used for our fair value measurements classified in Level 3 of the fair value hierarchy as of April 2, 2016.

	Fair Value	Valuation	Significant Unobservable	Weighted Average
As of April 2, 2016	(in thousands)	Technique	Input	(range)
			Projected royalties	\$2,804
Earn-out liability	\$ 920	Discounted cash flow	(in thousands)	(\$134 - \$3,017)
			Discount rate	11.47%
				(10.23% - 27.00%)

A reconciliation of the changes in the Company's earn-out liability (Level 3 liability) for the three months ended April 2, 2016 and April 4, 2015 is as follows:

	Three Months Ended	
	April 2, 2016	April 4, 2015
(in thousands)	2016	2015
Balance as of beginning of the period	\$1,005	\$1,423
Payments against earn-out	(96 )	