SILICON LABORATORIES INC
Form 4
August 09, 2005

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Rabinovitsj Daniel A

(Last) (First) (Middle)

4635 BOSTON LANE

(Street)

AUSTIN, TX 78735

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
SILICON LABORATORIES INC [SLAB]

3. Date of Earliest Transaction (Month/Day/Year)
08/05/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, $0.0001 par value	08/05/2005		M		350 (1)	A	$ 1.75	39,992	D	
Common Stock, $0.0001 par value	08/05/2005		S		350 (2)	D	$ 28.68	39,642	D	
Common Stock, $0.0001 par value								775	I	D. Rabinovitsj GRAT

Common Stock, $0.0001 par value	775	I	E. Rabinovitsj GRAT
Common Stock, $0.0001 par value	409	I	by Spouse

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Incentive Stock Option (right to buy)	$ 1.75	08/05/2005		M			350 (1)	07/20/1999 (3)	07/20/2009	Common Stock, $0.0001 par value	350

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Rabinovitsj Daniel A 4635 BOSTON LANE AUSTIN, TX 78735			Vice President	

Signatures

Daniel A. Rabinovitsj	08/08/2005
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Stock option exercise pursuant to reporting person's 10(b)5-1 plan.

(2) Shares sold pursuant to reporting person's 10(b)5-1 plan.

(3) This option is immediately exercisable and vests in a series of thirty-six (36) successive equal monthly installments beginning December 14, 2003.

(4) Not applicable per instruction 4(c)(iii).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. FONT STYLE="font-family: Times New Roman, Times, Serif">Earned or
Paid in
Cash
($) Stock
Awards
($) Option
Awards
($) Non-Equity
Incentive Plan
Compensation
($) Nonqualified
Deferred
Compensation
Earnings
($) All Other
Compensation
($) Total
($) Arnold Tinter 37,500 52,500[1] 90,000 Steven Lang 37,500 37,500 Alice
Elliot 37,500 37,500

1. Represents consulting fees paid to Mr. Tinter.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding our shares of common stock beneficially owned as of March 16, 2016 for (i) each shareholder known to be the beneficial owner of 5% or more of our outstanding shares of common stock, (ii) each Named Executive Officer and director, and (iii) all executive officers and directors as a group. A person is considered to beneficially own any shares: (i) over which such person, directly or indirectly, exercises sole or shared voting or investment power, or (ii) of which such person has the right to acquire beneficial ownership at any time within 60 days through an exercise of stock options or warrants or otherwise. Unless otherwise indicated, voting and investment power relating to the shares shown in the table for our directors and executive officers is exercised solely by the beneficial owner or shared by the owner and the owner's spouse or children.

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For purposes of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares of common stock that such person has the right to acquire within 60 days of March 16, 2016. For purposes of computing the percentage of outstanding shares of our common stock held by each person or group of persons named above, any shares that such person or persons has the right to acquire within 60 days of March 16, 2016 is deemed to be outstanding, but is not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. The inclusion herein of any shares listed as beneficially owned does not constitute an admission of beneficial ownership. Unless otherwise specified, the address of each of the persons set forth below is in care of Barfresh Food Group Inc., 8530 Wilshire Blvd., Suite 450, Beverly Hills, CA 90211.

Name and address of beneficial owner [1]	Amount and nature of beneficial ownership	Percent of class o/s
Riccardo Delle Coste [2] [3] [4] [5] [6] [7] [8]	20,480,909	21.58 %
R.D. Capital Holdings Pty Ltd. [3] [5] [6] [7]	19,780,909	20.91 %
Steven Lang [9] [10] [11] [12]	20,399,311	21.41 %
Sidra Pty Limited [7] [9]	19,249,310	20.41 %
Joseph Tesoriero [13] [14]	121,291	0.13 %
Arnold Tinter [15] [16]	950,000	1.01 %
Joe Cugine [17] [18] [19]	1,714,100	1.82 %
Alice Elliot [20] [21] [22]	490,000	0.52 %
All directors and officers as a group (5 persons)	44,155,611	45.78 %
Lazarus Investment Partners LLLP,3200 Cherry Creek South Drive, Suite 670, Denver, CO 80209	17,237,548	17.52 %
Wolverine Asset Management, LLC ("WAM")175 West Jackson Blvd., Suite 340 Chicago, IL 60604 [23]	6,451,528	6.72 %

1 Unless otherwise specified, the address of each of the persons set forth below is in care of Barfresh Food Group Inc., 8530 Wilshire Blvd., Suite 450, Beverly Hills, CA 90211.

2 Mr. Delle Coste is the Chief Executive Officer, President and a Director of the Company

3 Includes 18,966,664 shares owned by R.D. Capital Holdings PTY Ltd. and of which Riccardo Delle Coste is deemed to be a beneficial owner.

4 Includes 300,000 shares underlying options granted.

5 Includes 200,000 shares underlying warrants related to the convertible debt owned by R.D. Capital Holdings PTY Ltd. and of which Riccardo Delle Coste is deemed to be a beneficial owner.

6 Includes 282,647 shares underlying warrants issued in connection with a promissory note the holder of which was R.D. Capital Holdings PTY Ltd. And of which Riccardo Delle Coste is deemed to be a beneficial owner.

7 Includes 75,000 shares underlying warrants issued in connection with a promissory note the holder of which was R.D. Capital Holdings PTY Ltd. and of which Riccardo Delle Coste is deemed to be a beneficial owner.

8 Includes 96,278 shares underlying warrants issued in connection with a promissory note the holder of which was R.D. Capital Holdings PTY Ltd. and of which Riccardo Delle Coste is deemed to be a beneficial owner.

9 Mr. Lang is a Director of the Company

10 Includes 18,966,664 shares owned by Sidra Pty Limited of which Steven Lang is deemed to be a beneficial owner

11 Includes 950,000 shares underlying options granted

12 Includes 282,6469shares underlying warrants issued in connection with a promissory note the holder of which is Sidra PTY Limited

13 Mr. Tesoriero is the Chief Financial Officer of the Company

14 Includes 57,097 shares underlying warrants issued in connection with a promissory note and conversion thereof.

15 Mr. Tinter is the Secretary and a Director of the Company

16 Includes 150,000 shares underlying options granted

17 Mr. Cugine is a Director of the Company

18 Includes 500,000 shares owned by Restaurant Consulting Group LLC of which Joe Cugine is deemed to be a beneficial owner.

19 Includes 50,000 shares underlying warrants issued in connection with purchase of common shares

20 Ms. Elliot is a Director of the Company

21 Includes 160,000 shares owned by Elliot-Herbst LP of which Alice Elliot is deemed to be a beneficial owner

22 Includes 30,000 shares underlying warrants issued in connection with purchase of common shares

23 Wolverine Asset Management, LLC (“WAM”) is the investment manager of Wolverine Flagship Fund Trading Limited and has voting and dispositive power over these securities. The sole member and manager of WAM is Wolverine Holdings, L.P. (“Wolverine Holdings”). Robert R. Bellick and Christopher L. Gust may be deemed to control Wolverine Trading Partners, Inc., the general partner of Wolverine Holdings.

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Changes in control.

None

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Certain Relationships and Related Transactions

The following includes a summary of transactions since the beginning of fiscal 2015, or any currently proposed transaction, in which we were or are to be a participant and the amount involved exceeded or exceeds the lesser of $120,000 or one percent of the average of our total assets at year end for the last two completed fiscal years and in which any related person had or will have a direct or indirect material interest (other than compensation described under "Executive Compensation"). We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to or better than terms available or the amounts that would be paid or received, as applicable, in arm's-length transactions.

On January 29, 2016, we closed a private placement to accredited investors of $2,670,000 in promissory notes and warrants to purchase up to 1,335,000 shares of common stock of the Company for aggregate gross proceeds to the Company of $2,670,000. Of the aggregate offering amount, $635,000 of the notes and warrants to purchase up to 317,500 shares of common stock were placed with members of the Company's management, including officers and directors of the Company, and family members of certain officers and directors.

Our principal executive offices were located at 90 Madison Street, Suite 701, Denver, Colorado 80206 through March 2015. The executive office was co-located with the office of Corporate Finance Group, a company that is owned by Arnold Tinter, a director and former Chief Financial Officer. We used this property free of charge. We no longer occupy those premises.

The Company's policy with regard to related party transactions requires any related party loans that are (i) non-interest bearing and in excess of $100,000 or (ii) interest bearing, irrespective of amount, must be approved by the Company's board of directors. All issuances of securities by the Company must be approved by the board of directors, irrespective of whether the recipient is a related party. Each of the foregoing transactions, if required by its terms, was approved in this manner.

Director Independence

We use the definition of "independence" standards as defined in the NASDAQ Stock Market Rule 5605(a)(2) provides that an "independent director" is a person other than an officer or employee of the company or any other individual having a relationship, which, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. We have determined that only one of our directors is independent, which constitutes less than a majority.

Item 14. Principal Accounting Fees and Services.

Aggregate fees for professional services rendered to the Company by Eide Bailly LLP for the Transition Period ending December 31, 2015 and fiscal year ended March 31, 2015 were as follows.

	Nine month Transition Period ending December 31, 2015	Fiscal year ended March 31, 2015
Audit fees	$ 39,920	$34,588
Audit related fees	-	-
Tax fees	-	-
All other fees	-	-
Total	$ 39,920	$34,588

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As defined by the SEC, (i) “audit fees” are fees for professional services rendered by our principal accountant for the audit of our annual financial statements and review of financial statements included in our Form 10-K, or for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years; (ii) “audit-related fees” are fees for assurance and related services by our principal accountant that are reasonably related to the performance of the audit or review of our financial statements and are not reported under “audit fees;” (iii) “tax fees” are fees for professional services rendered by our principal accountant for tax compliance, tax advice, and tax planning; and (iv) “all other fees” are fees for products and services provided by our principal accountant, other than the services reported under “audit fees,” “audit-related fees,” and “tax fees.”

Audit Fees. The aggregate fees billed for the Transition Period ending December 31, 2015 and the fiscal year ended March 31, 2015 were for the audits of our financial statements and reviews of our interim financial statements included in our annual and quarterly reports.

Audit Related Fees. The aggregate fees billed for the Transition Period ending December 31, 2015 and the fiscal year ended March 31, 2015 were for the audit or review of our financial statements that are not reported under Audit Fees.

Tax Fees. Eide Bailly LLP did not provide us with professional services related to tax compliance, tax advice and tax planning for the Transition Period ending December 31, 2015 and the fiscal year ended March 31, 2015.

All Other Fees. Eide Bailly LLP did not provide us with professional services related to “Other Fees” for the Transition Period ending December 31, 2015 and the fiscal year ended March 31, 2015.

Audit Committee Pre-Approval Policies and Procedures

Under the SEC’s rules, an audit committee is required to pre-approve the audit and non-audit services performed by the independent registered public accounting firm in order to ensure that they do not impair the auditors’ independence. The SEC’s rules specify the types of non-audit services that an independent auditor may not provide to its audit client and establish the audit committee’s responsibility for administration of the engagement of the independent registered public accounting firm. The Company has established an Audit Committee. Accordingly, audit services and non-audit services described in this Item 14 were pre-approved by an Audit Committee.

There were no hours expended on the principal accountant’s engagement to audit the registrant’s financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant’s full-time, permanent employees.

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Explanation of Responses:

PART IV

Item 15. Exhibits and Financial Statements

(a) 1. Financial Statements

See Index to Financial Statements in Item 8 of this Transition Report on Form 10-K, which is incorporated herein by reference.

2. Financial Statement Schedules

All other financial statement schedules have been omitted because they are either not applicable or the required information is shown in the financial statements or notes thereto.

3. Exhibits

See the Exhibit Index, which follows the signature page of this Transition Report on Form 10-K, which is incorporated herein by reference.

(b) Exhibits

See Item 15(a) (3) above.

(c) Financial Statement Schedules

See Item 15(a) (2) above.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	BARFRESH FOOD GROUP INC.	
Date: March 30, 2016	By:	*/s/ Riccardo Delle Coste* Riccardo Delle Coste Chief Executive Officer (Principal Executive Officer)

Date: March 30, 2016	By: */s/ Joseph S. Tesoriero* Joseph S. Tesoriero Chief Financial Officer (Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	**Capacity**	**Date**
/s/ Riccardo Delle Coste Riccardo Delle Coste	President, Chief Executive Officer and Director (Principal Executive Officer)	March 30, 2016
/s/ Arnold Tinter Arnold Tinter	Secretary and Director	March 30, 2016
/s/ Steven Lang Steven Lang	Director	March 30, 2016
/s/ Joseph M. Cugine Joseph M. Cugine	Director	March 30, 2016

/s/ Alice Elliot Director March 30, 2016

Alice Elliot

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Barfresh Food Group Inc.

Index to Consolidated Financial Statements

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and
Stockholders of Barfresh Food Group, Inc.

Beverly Hills, California

We have audited the accompanying consolidated balance sheets of Barfresh Food Group, Inc. as of December 31, 2015 and March 31, 2015 and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the nine-months ended December 31, 2015 and the year ended March 31, 2015. Barfresh Food Group, Inc.'s management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Barfresh Food Group, Inc. as of December 31, 2015 and March 31, 2015, and the results of its operations and its cash flows for the nine-months ended December 31, 2015 and for the year ended March 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the Company has adopted the Financial Accounting Standards Board Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which changes the presentation of debt issuance costs.

/s/ Eide Bailly LLP

Greenwood Village, Colorado

March 30, 2016

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Barfresh Food Group Inc.

Consolidated Balance Sheets

	December 31, 2015	March 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$1,986,004	$5,364,657
Accounts Receivable	28,596	46,096
Inventory	327,961	165,847
Prepaid expenses and other current assets	30,524	6,386
Total current assets	2,373,085	5,582,986
Property, plant and equipment, net of depreciation	688,772	545,454
Intangible assets, net of amortization	617,257	651,433
Deposits	16,451	16,451
Total Assets	$3,695,565	$6,796,324
Liabilities and Stockholders’ Equity		
Current liabilities:		
Accounts payable	$131,804	$133,254
Accrued expenses	236,312	424,262
Deferred rent liability	1,855	1,484
Short-term notes payable - related party, net of discount	50,000	157,393
Short-term notes payable	50,000	539,631
Convertible note - related party, net of discount	119,993	-
Convertible note, net of discount	1,975,878	325114
Current portion of long term debt	14,039	7,551
Total current liabilities	2,579,881	1,588,689
Long Term Debt, net of current portion	45,992	28,916
Total liabilities	2,625,873	1,617,605
Commitments and contingencies (Note 8)		
Stockholders’ equity:		
Preferred stock, $0.000001 par value, 5,000,000 shares authorized, none issued or outstanding	-	-
Common stock, $0.000001 par value; 300,000,000 shares authorized; 86,186,453 and 77,720,828 shares issued and outstanding at December 31, 2015 and March 31, 2015, respectively	86	78
Additional paid in capital	15,798,338	14,034,623
Accumulated (deficit)	(14,728,732)	(8,808,640)
Unearned services	-	(47,342)
Total stockholders’ equity	1,069,692	5,178,719
Total Liabilities and Stockholders’ Equity	$3,695,565	$6,796,324

See the accompanying notes to the consolidated financial statements

Explanation of Responses:

Barfresh Food Group Inc.

Consolidated Statements of Operations

	For the nine months ended December 31, 2015	For the year ended March 31, 2015
Revenue	$437,272	$211,467
Cost of revenue	251,300	126,804
Gross profit	185,972	84,663
Operating expenses:		
General and administrative	5,666,204	3,211,908
Depreciation and Amortization	135,494	134,221
Total operating expenses	5,801,698	3,346,129
Operating loss	(5,615,726)	(3,261,466)
Other expenses		
Interest	296,509	517,015
Loss on extinguishment of debt	7,857	-
Net (loss)	$(5,920,092)	$(3,778,481)
Per share information - basic and fully diluted:		
Weighted average shares outstanding	79,149,995	66,651,993
Net (loss) per share	$(0.07)	$(0.06)

See the accompanying notes to the consolidated financial statements

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Barfresh Food Group, Inc.

Statement of Stockholders' Equity

For the Period from April 1, 2014 to December 31, 2015

	Common Stock		Additional paid in	Accumulated	Unearned	
	Shares	Amount	Capital	(Deficit)	services	Total
Balance, April 1, 2014	65,247,660	$ 65	$ 7,739,117	$ (5,030,159)	$ -	$ 2,709,023
Issuance of common stock and warrants for cash, net of expenses of $238,212	11,044,000	11	5,283,777	-	-	5,283,788
Effect of issuance of warrants in relation to debt (debt discount)	-	-	164,638	-	-	164,638
Issuance of stock for services to non-employees	155,000	-	113,845	-	-	113,845
Issuance of stock for services to employee and directors	964,100	1	496,457	-	(41,665)	454,793
Stock based compensation	-	-	236,790	-	(57,209)	179,581
Amortization of unearned services	-	-	-	-	51,532	51,532
Conversion of warrants	310,068	1	(1)	-	-	0
Net loss for the year ended March 31, 2015	-			(3,778,481)	-	(3,778,481)
Balance March 31, 2015	77,720,828	78	14,034,623	(8,808,640)	(47,342)	5,178,719
Conversion of warrants	6,695,352	7	2,493	-	-	2,500
Issuance of stock for services	141,477	-	83,000	-	-	83,000
Conversion of debt into stock	1,628,796	2	447,197	-	-	447,199
Effect of issuance of warrants in relation to debt	-	-	600,629	-	-	600,629
Stock based compensation	-	-	630,395	-	-	630,395
Amortization of unearned services	-	-	-	-	47,342	47,342
Net loss for the nine months ended December 31, 2015	-	-	-	(5,920,092)	-	(5,920,092)
	86,186,453	$ 87	$ 15,798,337	$ (14,728,732)	$ 0	$ 1,069,692

See the accompanying notes to the consolidated financial statements

Barfresh Food Group Inc.

Consolidated Statements of Cash Flows

	For the nine month ended December 31, 2015	For the year ended March 31, 2015
Cash flow from operating activities:		
Net (loss)	$(5,920,092)	$(3,778,481)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:		
Depreciation	89,648	72,842
Equity based compensation	630,395	748,219
Amortization of intellectual property	45,846	61,379
Amortization of debt discount	225,363	448,971
Amortization of unearned services	47,342	51,532
Reserve for bad debt	-	(65,000)
Purchase of assets for long term debt	-	37,751
Stock issuance for service	83,000	-
Change in operating assets and liabilities		
Accounts receivable	17,500	87,544
Inventory	(162,114)	(88,934)
Prepaid expenses	(24,138)	5,621
Deposits	-	(1,990)
Accounts payable	(1,450)	(42,597)
Accrued expenses	(160,656)	181,442
Deferred rent	371	(382)
Net cash (used in) operations	(5,128,985)	(2,282,083)
Cash flow from investing activities:		
Purchase of fixed assets	(236,014)	(271,927)
Disposition of fixed assets	2,951	15,709
Purchase of patent	(11,669)	(12,158)
Net cash (used in) investing activities	(244,732)	(268,376)
Cash flow from financing activities:		
Issuance of common stock and warrants for cash	-	5,283,788
Issuance of convertible notes	2,670,000	-
Borrowing from long term debt	33,000	(1,284)
Exercise of warrant	2,500	-
Debt issuance costs	(76,000)	-
Repayment of short term notes payable	(75,000)	-
Repayment of short term notes payable -related party	(550,000)	-
Repayment of long term debt	(9,436)	-
Net cash provided by financing activities	1,995,064	5,282,504

Net increase (decrease) in cash	(3,378,653)	2,732,045
Cash and cash equivalents at beginning of period	5,364,657	2,632,612
Cash and cash equivalents at end of period	$1,986,004	$5,364,657
Supplemental disclosure of cash flow information:		
Cash paid for interest	$57,710	$81,185
Cash paid for income taxes	$-	$-
Non-cash financing activities:		
Common stock issued for services, stock based Compensation, and conversion of debt	$1,160,592	$847,092
Fair value of warrants issued with notes payable	$600,629	$164,638

See the accompanying notes to the financial statements

Barfresh Food Group Inc.

Notes to Consolidated Financial Statements

December 31, 2015 and March 31, 2015

Note 1. Summary of Significant Accounting Policies

Barfresh Food Group Inc., ("we," "us," "our," and the "Company") was incorporated on February 25, 2010 in the State of Delaware. We are engaged in the manufacturing and distribution of ready to blend beverages, particularly, smoothies, shakes and frappes.

On December 15, 2015 the Company changed its fiscal year end from March 31 to December 31 with immediate effect. As a result the Company is filing a Transition Report on Form 10-K for the nine-month period ending December 31, 2015.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and our wholly owned subsidiaries Barfresh Inc. and Barfresh Corporation Inc. All inter-company balances and transactions among the companies have been eliminated upon consolidation.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheets and revenues and expenses during the years reported. Actual results may differ from these estimates.

Cash and Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less, at the time of purchase, to be cash equivalents.

Concentration of Credit Risk

The amount of cash on deposit with financial institutions exceeds the $250,000 federally insured limit at December 31, 2015. However, we believe that cash on deposit that exceeds $250,000 in the financial institutions is financially sound and the risk of loss is minimal.

Fair Value Measurement

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), provides a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. Specifically, ASC 820 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs. ASC 820 defines the hierarchy as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reported date. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted prices, such as equities listed on the New York Stock Exchange.

Level 2 - Pricing inputs are other than quoted prices in active markets, but are either directly or indirectly observable as of the reported date. The types of assets and liabilities in Level 2 are typically either comparable to actively traded securities or contracts or priced with models using highly observable inputs.

Level 3 - Significant inputs to pricing that are unobservable as of the reporting date. The types of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation, such as complex and subjective models and forecasts used to determine the fair value of financial transmission rights.

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Our financial instruments consist of accounts receivable, accounts payable, accrued expenses, notes payable, and convertible notes. The carrying value of our financial instruments approximates their fair value due to their relative short maturities.

Accounts Receivable

Accounts receivable are typically unsecured. Our credit policy calls for payment generally within 30 days. The credit worthiness of a customer is evaluated prior to a sale. As of December 31, 2015, and March 31, 2015 there is an Allowance for Doubtful Accounts of approximately $65,000. Bad Debt Expense for the period ended March 31, 2015 was $65,000, and there was no Bad Debt Expense for the period ended December 31, 2015.

Inventory

Inventory consists of finished goods and is carried at the lower of cost or market on a first in first out basis.

Intangible Assets

Intangible assets are comprised of patents, net of amortization. The patent costs are being amortized over the life of the patent, which is twenty years from the date of filing the patent application. In accordance with ASC Topic 350 *Intangibles - Goodwill and Other* (“ASC 350”), the costs of internally developing other intangible assets, such as patents, are expensed as incurred. However, as allowed by ASC 350, costs associated with the acquisition of patents from third parties, legal fees and similar costs relating to patents have been capitalized.

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation is calculated on a straight line basis over the estimated useful lives of the assets. Leasehold improvements are being amortized over the shorter of the useful life of the asset or the lease term that includes any expected renewal periods that are deemed to be reasonably assured. The estimated useful lives used for financial statement purposes are:

Furniture and fixtures: 5 years

Manufacturing Equipment: 7 years

Leasehold improvements: 2 years

Vehicles 5 years

Revenue Recognition

We recognize revenue when there is persuasive evidence of an arrangement, delivery has occurred or services have been rendered, the sales price is determinable, and collection is reasonably assured. Revenue is recorded net of provisions for discounts, slotting fees, and promotion allowances. Our products are sold on various terms. Our credit terms, which are established in accordance with local and industry practices, typically require payment within 30 days of delivery. We recognize revenue upon receipt of our products by our distributors and retail accounts, in accordance with written sales terms, net of provisions for discounts or allowances. Allowances for returns and discounts are made on a case-by-case basis. Historically, neither returns nor discounts have been material.

Research and Development

Expenditures for research activities relating to product development and improvement are charged to expense as incurred. We incurred $67,341 and $51,465, in research and development expenses for the nine months ended December 31, 2015 and the year ended March 31, 2015, respectively.

Rent Expense

We recognize rent expense on a straight-line basis over the reasonably assured lease term as defined in ASC Topic 840, *Leases* (“ASC 840”). In addition, our lease agreement provides for rental payments commencing at a date other than the date of initial occupancy. We include the rent holidays in determination of straight-line rent expense. Therefore, rent expense is charged to expense beginning with the occupancy date. Deferred rent was $1,855 and $1,484 at December 31, 2015 and March 31, 2015, respectively, and will be charged to rent expense over the life of the lease.

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Barfresh Food Group Inc.

Notes to Consolidated Financial Statements

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Income Taxes

The provision for income taxes is determined in accordance with the provisions of ASC Topic 740, *Accounting for Income Taxes* ("ASC 740"). Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Any effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements, uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

For the nine months ended December 31, 2015 and for the year ended March 31, 2015 we did not have any interest and penalties or any significant unrecognized uncertain tax positions.

Earnings per Share

We calculate net loss per share in accordance with ASC Topic 260, *Earnings per Share*. Basic net loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding for the period, and diluted earnings per share is computed by including common stock equivalents outstanding for the period in the denominator. At December 31, 2015 and March 31, 2015 any equivalents would have been anti-dilutive as we had losses for the years then ended.

Stock Based Compensation

We calculate stock compensation in accordance with ASC Topic 718, *Compensation-Stock Based Compensation* ("ASC 718"). ASC 718 requires that the cost resulting from all share-based payment transactions be recognized in the financial statements and establishes fair value as the measurement objective in accounting for share-based payment arrangements and requires all entities to apply a fair-value-based measurement method in accounting for share-based payment transactions with employees except for equity instruments held by employee stock ownership plans

Recent pronouncements

From time to time, new accounting pronouncements are issued that we adopt as of the specified effective date. We believe that the impact of recently issued standards that are not yet effective may have an impact on our results of operations and financial position.

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Barfresh Food Group Inc.

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ASU Update 2014-09 Revenue from Contracts with Customers (Topic 606) issued May 28, 2014 by FASB and IASB converged guidance on recognizing revenue in contracts with customers on an effective date after December 31, 2017 will be evaluated as to impact and implemented accordingly.

ASU Update 2014-15 Presentation of Financial Statements-Going Concern (Sub Topic 205-40) issued August 27, 2014 by FASB defines managements responsibility to evaluate whether there is a substantial doubt about an organizations ability to continue as a going concern. The additional disclosure required is effective after December 31, 2015 and will be evaluated as to impact and implemented accordingly.

In April 2015, the FASB issued ASU 2015-03, *Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance Cost*. The guidance requires an entity to present debt issuance costs in the balance sheet as a direct reduction from the carrying amount of the debt liability, consistent with debt discounts, rather than as an asset. Amortization of debt issuance costs will continue to be reported as interest expense. Debt issuance costs related to revolving credit arrangements, however, will continue to be presented as an asset and amortized ratably over the term of the arrangement. ASU 2015-03 is effective for reporting periods beginning after December 15, 2015 including interim periods within those annual periods. Early application is permitted, and upon adoption, ASU 2015-03 should be applied on a retrospective basis. We have adopted ASU 2015-03 and it has not had a material impact on our Consolidated Financial Statements.

In July 2015, the FASB issued ASU 2015-11, *Inventory*, which simplifies the measurement principle of inventories valued under the First-In, First-Out (“FIFO”) or weighted average methods from the lower of cost or market to the lower of cost and net realizable value. ASU 2015-11 is effective for reporting periods beginning after December 15, 2016 including interim periods within those annual periods. We do not expect the standard to have a material impact on our Consolidated Financial Statements.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes*, which requires that deferred tax assets and liabilities be classified as noncurrent on the consolidated balance sheet. ASU 2015-17 is effective for annual periods beginning after December 15, 2016, including interim periods within those annual periods. Early adoption is permitted as of the beginning of an interim or annual reporting period. Upon adoption, ASU 2015-17 may be applied either prospectively or retrospectively. We do not expect the adoption of this guidance to have a material impact on our Consolidated Financial Statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, to improve financial reporting about leasing transactions. This ASU will require organizations that lease assets ("lessees") to recognize a lease liability and a right-of-use asset on its balance sheet for all leases with terms of more than twelve months. A lease liability is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset represents the lessee's right to use, or control use of, a specified asset for the lease term. The amendments in this ASU simplify the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. This ASU leaves the accounting for the organizations that own the assets leased to the lessee ("lessor") largely unchanged except for targeted improvements to align it with the lessee accounting model and Topic 606, Revenue from Contracts with Customers.

The amendments in ASU 2016-02 are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees and lessors may not apply a full retrospective transition approach. The Company is evaluating the potential impact of ASU 2016-02 on its Consolidated Financial Statements.

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Note 2. Property Plant and Equipment

Major classes of property and equipment at December 31, 2015 and March 31, 2015 consist of the following:

	December 31, 2015	March 31, 2015
Furniture and fixtures	$13,604	$10,794
Manufacturing Equipment	705,782	632,596
Leasehold Improvements	3,300	3,300
Vehicles	116,752	58,752
	839,438	705,442
Less: accumulated depreciation	(249,732)	(159,988)
	589,706	545,454
Equipment not yet placed in service	99,066	-
Property and equipment, net of depreciation	$688,772	$545,454

We recorded depreciation expense related to these assets of $89,648 and $72,103 for the nine months ended December 31, 2015 and the year ended March 31, 2015, respectively.

Note 3. Intangible Assets

During the year ended March 31, 2014, we acquired at a cost of $672,157, all of the international patent rights for a pre-portioned, ready to blend packet for beverages, particularly, smoothies, shakes and frappes.

As of December 31, 2015 and March 31, 2015, intangible assets primarily consists of patent costs of $760,475 and $748,806, less accumulated amortization of $143,218 and $97,373, respectively.

The amounts carried on the balance sheet represent cost to acquire, legal fees and similar costs relating to the patents incurred by the Company. Amortization is calculated through the expiration date of the patent, which is December, 2025. The amount charged to expenses for amortization of the patent costs was $45,846 and $61,378 for the nine months ended December 31, 2015 and the year ended March 31, 2015, respectively.

Estimated future amortization expense related to intangible property as of December 31, 2015 is as follows:

Years ending December 31,	Total Amortization
2016	$ 61,328
2017	$ 61,328
2018	$ 61,328
2019	$ 61,328
2020	$ 61,328
Later years	$ 310,617
	$ 617,257

Note 4. Related Parties

As disclosed below in Note 5, there remains outstanding $50,000 in Short-Term Notes Payable to related parties, a significant shareholder and a company controlled by a director and significant shareholder.

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Barfresh Food Group Inc.

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December 31, 2015 and March 31, 2015

As disclosed below in Note 6, members of management, directors, and members of their families, participated in $635,000 of the total $2,670,000 convertible notes offering.

As disclosed below in Note 9, members of management and directors have received shares of stock and options in exchange for services.

Note 5. Short-Term Notes Payable (Related and Unrelated)

In December 2013, we closed an offering of $775,000 in short-term notes payable ("Short-Term Notes"), $500,000 of which was purchased by a significant shareholder and $100,000 was purchased by a company controlled by a director and significant shareholder. The Short-Term Notes bear interest at a rate of 2% per annum and were due and payable on December 20, 2014. We also issued 1,291,667 warrants to the Short-Term Note holders for the right to purchase shares of our common stock. Each warrant entitles the holder to purchase one share of our common stock at a price of $0.45 per share, may be exercised on a cashless basis and are exercisable for a period of five years.

In accordance with the guidance in ASC Topic 470-20 *Debt with Conversion and Other Options* ("ASC 470"), we first calculated the fair value of the warrants issued and then determined the relative value of the Short-Term Notes.

The relative value of the warrants was $298,232, which was the amount recorded as debt discount to the short term notes. The amounts recorded as debt discount were amortized over the one year term, and accreted to interest expense. We estimated the effective interest rate as calculated to be approximately 52% but paid cash at a rate of 2% per annum.

We exercised our right to extend the due date of the Short-Term Notes to June 20, 2015. The extended Short-Term Notes bear at the rate of 3% per annum and required us to issue additional warrants ("Extension Warrants"). We issued 898,842 Extension Warrants to the Short-Term Note holders for the right to purchase shares of our common stock. Each Extension Warrant entitles the holder to purchase one share of our common stock at a price of $0.485 per share, may be exercised on a cashless basis and are exercisable for a period of three years.

As discussed above, we accounted for the warrants as per the guidance in ASC 470. The relative value of the Extension Warrants, $164,638, was the amount recorded as the new debt discount. The amounts recorded as debt discount were being amortized over the six-month term of the note, and accreted to interest expense. We estimated the effective interest rate as calculated to be approximately 53% but pay cash at a rate of 3% per annum.

The fair value of the Extension Warrant, $0.23 per share, was calculated using the Black-Sholes option pricing model using the following assumptions:

Expected life (in years)	3	
Volatility (based on a comparable company)	76.88	%
Risk Free interest rate	1.10	%
Dividend yield (on common stock)	-	%

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Barfresh Food Group Inc.

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On June 20, 2015, some of the Short-Term Notes were amended again, and some of the Short-Term Notes were redeemed. Short-Term Notes totaling $700,000 were amended to provide for repayment on June 20, 2015 of 50% of the face value, plus accrued interest to that date ($10,500), and extension of the remaining balance until September 20, 2015, and the interest rate on the notes that were extended was adjusted to 10%. The remaining Short-Term Notes were fully redeemed on June 20, 2015. One such note in the amount of $25,000 was redeemed for cash, and one such note in the amount of $50,000 was redeemed for 71,429 shares of our common stock. As a result of the above described amendments and redemptions of the Short-Term Notes, all remaining unamortized debt discount was expensed as of June 20, 2015.

Of the balance of the notes due that were payable on September 20, 2015, one note for $250,000 was repaid on October 1, 2015, and one note to related parties totaling $50,000 were extended until June 30, 2016, with 10% interest.

Interest expenses includes direct interest of $15,068 and $17,644 and amortization of debt discounts of $77,976 and $316,917 for the nine months ended December 31, 2015, and for the year ended March 31, 2015, respectively, for this note.

Note 6. Convertible Notes (Related and Unrelated)

In August 2012, we closed an offering of $440,000 of convertible notes. The notes bear interest at a rate of 12% per annum and were due and payable on September 6, 2013. In addition, the notes were convertible, at any time after the original issue date until the notes are no longer outstanding, into our common stock at a conversion price of $0.372 per share. We also issued 956,519 warrants to the note holders for the right to purchase shares of our common stock. Each warrant entitled the holder to purchase one share of our common stock at a price of $0.46 per share for a term of seven years.

When the convertible notes were due, we settled the notes by repaying $40,000 of the notes in cash, issuing new convertible notes in the amount of $400,000 and received payment for another note in the amount of $20,000. The new notes bear interest at a rate of 12% per annum and were due and payable on September 6, 2015. In addition, the new notes were convertible at any time after the original issue date until the new notes are no longer outstanding, into our common stock at a conversion price of $0.25 per share. We also issued warrants to the new note holders for the right to purchase shares of our common stock. Each warrant entitles the holder to purchase one share of our common stock at a price of $0.25 per share. There were 1,680,000 warrants issued. The warrants issued with the original notes were cancelled.

In accordance with the guidance in ASC 470, we first calculated the fair value of the warrants issued and then determined the relative value of the notes and determined that there was a beneficial conversion feature.

The fair value of the warrants, $0.13 per share ($216,531 in the aggregate), was calculated using the Black-Sholes option pricing model using the following assumptions:

Expected life (in years)	3	
Volatility (based on a comparable company)	85	%
Risk Free interest rate	0.91	%
Dividend yield (on common stock)	-	

The relative value of the warrants to the notes was $142,873, which was the amount recorded as a portion of the debt discount. We also recorded a beneficial conversion feature on the convertible notes of $125,905. The amounts recorded as debt discount are being amortized over the two year term, and accreted to interest expense. We estimated the effective interest rate as calculated to be approximately 74% but will be paying cash at a rate of 12% per annum.

As of December 31, 2015, all debt discount has been amortized.

During September 2015, all of the holders of the convertible notes elected to convert the then outstanding $420,000 of notes, and accumulated interest of $21,955 to our common stock. We issued 1,557,367 shares of our common stock prior to December 31, 2015, and have issued the remaining 210,455 shares after December 31, 2015.

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Interest expenses include direct interest of $21,955 and $50,400 and amortization of debt discount of $95,249 and $132,054 for nine month ended December 31, 2015 and for the year ended March 31, 2015 respectively for this note.

During the nine months ended December 31, 2015, we raised $2,670,000 through the issuance of convertible promissory notes. The notes bear interest at a rate of 10% and mature in one year. In the event we complete an equity financing prior to the maturity date of the notes, the holders shall have the right to convert all outstanding principal and accrued and unpaid interest under the notes into the class of equity issued in such financing on the same terms as the other investors concurrently with the closing of such financing. We also issued 1,335,000 warrants to the note holders for the right to purchase shares of our common stock. Each warrant entitled the holder to purchase one share of our common stock at a price of $1.00 per share for a term of five years. Of the aggregate offering amount, $635,000 of the notes and warrants to purchase up to 317,500 shares of common stock were placed with members of the Company's management, including officers and directors of the Company, and family members of certain officers and directors.

We elected early adoption of ASU 2015-03, accordingly issuance cost paid has been recorded as debt discount. The following is a breakdown of the convertible promissory note

	December 31, 2015	March 31, 2015
Convertible notes (including related party)	$2,720,000	$420,000
Less: Debt discount (warrant value)	(554,462)	(94,886)
Less: Debt discount (issuance costs paid)	(69,667)	-
	$2,095,871	$325,114

We did not record any discount for beneficial conversion as the conversion terms were unknown at December 31, 2015.

Interest expenses includes direct interest of $26,671 and amortization of debt discount of $52,500 for nine month ended December 31, 2015 for this note.

The fair value of the warrants, $0.586 per share ($782,863 in the aggregate), was calculated using the Black-Sholes option pricing model using the following assumptions:

Expected life (in years)	3
Volatility (based on a comparable company)	77.5%
Risk Free interest rate	1.73%
Dividend yield (on common stock)	-

The relative value of the warrants to the notes was $600,629, which was the amount recorded as a portion of the debt discount. The amount recorded as debt discount are being amortized over the one year term of the notes, one years, and accreted to interest expense. We estimated the effective interest rate as calculated to be approximately 34% but will be paying cash at a rate of 10% per annum.

Subsequent to December 31, 2015, we had an equity financing and holders of all of the convertible notes except for $100,000 exercised their right to convert. See Note 14 for additional disclosure.

Note 7. Long term Debt

Long term debt at December 31, 2015 consists of installment agreements on four vehicles maturing on different dates through June 2020. The installment agreements, are with one financial institution and bear no interest. Monthly payments are $1,171 per month.

The annual maturities of long term debt as of December 31, 2015 are as follows:

For years ending December 31,	
2016	$14,039
2017	14,051
2018	14,051
2019	14,051
2020	3,839
	$60,031

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Note 8. Commitments and Contingencies

We lease office space under a non-cancelable operating lease, which expires on November 7, 2016. The aggregate minimum requirements through December 31, 2016 total $79,587

Note 9. Stockholders' Equity

During the year ended March 31, 2015, we completed two offerings of common stock units at a price of $0.50 per unit. Each unit consists of one share of common stock and a five-year warrant to purchase one-half (1/2) share of our common stock at an exercise price of $0.60 per share ("Unit" or "Units"). We sold a total of 11,044,000 units representing 11,044,000 shares and warrants to purchase 5,522,000 shares for total consideration of $5,522,000.

The fair value of the warrants, $1,842,613, was estimated at the date of grant using the Black-Scholes option pricing model, with an allocation of the proceeds applied to the warrants. The difference between the warrant allocation and the proceeds was allocated to the shares of common stock issued. The fair value of the warrants has been included in the total additional paid in capital. The following assumptions were used in the Black-Scholes option pricing model:

Expected life (in years)	5
Volatility (based on a comparable company)	100 %
Risk Free interest rate	0.36%
Dividend yield (on common stock)	-

During the year ended March 31, 2015, we issued 900,000 shares of common stock to an officer and two employees of the Company for services rendered. In accordance with ASC Topic 718, Compensation - Stock Compensation ("ASC 718"), compensation expense in the amount of $446,460 was recognized in the statement of operations.

Also during the year ended March 31, 2015, we issued 155,000 shares of our restricted common stock to legal counsel and a consultant to the Company. In accordance with ASC Topic 505, Equity-Based Payments to Non-Employees (“ASC 505”), expense in the amount of $113,845 was recognized in the statement of operations.

Additionally, during the year ended March 31, 2015, we issued 64,100 shares of our Common Stock to a Director. The fair value of the stock was based on the trading value of the shares on the date of grant. The shares vest over a one-year period and are being amortized over that period. The unamortized balance is shown as Unearned Services in the equity section of the Balance Sheet.

We also issued options to purchase 600,000 shares of our common stock at an exercise price of $0.45 per share to two officers and directors and a director of the Company. The options vested immediately and are exercisable for a period of 5 years from the date of issuance, January 21, 2014. The fair value of the options, $179,581, which was charged to expenses, was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Expected life (in years)	5	
Volatility (based on a comparable company)	91	%
Risk Free interest rate	1.35	%
Dividend yield (on common stock)	-	

During the year ended March 31, 2015, we issued 150,000 options to a director of the Company. The exercise price of the options is $0.54 per share, which was the fair market value of the option on the date of grant and is exercisable for a period of 5 years. The options vest on the first anniversary of the issuance, October 14, 2015. The unamortized balance is shown as Unearned Services in the equity section of the Balance Sheet.

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The fair value of the option, $0.3814 per share, ($57,209 in the aggregate) was calculated using the Black-Sholes option pricing model using the following assumptions and is being written off over a one-year period:

Expected life (in years)	5
Volatility (based on a comparable company)	91.8%
Risk Free interest rate	1.45%
Dividend yield (on common stock)	-

During the nine months ended December 31, 2015, we increased our authorized capitalization to 300,000,000 shares of stock, consisting of 295,000,000 shares of common stock, par value $0.000001per share, and 5,000,000 shares of blank check preferred stock, par value $0.000001. During the nine-months ended December 31, 2015, our Board of Directors also unanimously approved and adopted the Barfresh Food Group, Inc. 2015 Equity Incentive Plan (the “Plan”). The maximum number of shares that may be issued pursuant to awards under the Plan is 15,000,000 shares.

During the nine months ended December 31, 2015, we issued 141,477 shares of common stock, valued at $83,000, for services.

During the nine-months ended December 31, 2015 we granted the right to 1,000,000 shares of restricted common stock to a director of the Company who during the period became an officer of the Company. The stock vests 50% on each of the second and third anniversary of the issuance. In accordance with ASC Topic 718, Compensation - Stock Compensation (“ASC 718”), compensation expense in the amount of $166,667 for the nine months ended December 31, 2015, was recognized in the statement of operations. In addition, we granted the right to 450,000 shares of restricted stock to two other officers in connection with employment agreements entered into during the nine months ended December 31, 2015. In accordance with ASC Topic 718, Compensation - Stock Compensation (“ASC 718”), compensation expense in the amount of $78,467 for the nine months ended December 31, 2015 was recognized in the statement of operations.

During the nine months ended December 31, 2015, we issued 1,985,000 options to purchase our common stock to officers and employees of the Company. In addition, we cancelled 10,000 options to purchase our common stock. The exercise price of the options ranged from $0.50 to $0.82 per share, and are exercisable for periods of between 5 and 8 years. The options vest under a variety of vesting schedules. Seventy thousand (70,000) of the options vest on the first anniversary of issuance, 850,000 of the options vest on the second anniversary of issuance, and 870,000 of the options vest on the third anniversary of issuance.

The fair value of the options ($1,345,317 in the aggregate) was calculated using the Black-Sholes option pricing model, based on the criteria shown below, and are being written off the life of each option.

Expected life (in years)	4.5 to 8	
Volatility (based on a comparable company)	78% to 99	%
Risk Free interest rate	1.38% to 2.11	%
Dividend yield (on common stock)	-	

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The following is a summary of outstanding stock options issued to employees and directors as of December 31, 2015:

	Number of Options	Exercise price per share $	Average remaining term in years	Aggregate intrinsic value at date of grant $
Outstanding April 1, 2014	800,000	0.50	-	-
Issued	800,000	.45-.54	4.25	-
Cancelled	-	-	-	-
Outstanding March 31, 2015	1,600,000	.45 -.54	4.25	-
Issued	1,985,000	.47 -.87	6.42	
Cancelled	(10,000)	.50	7.25	
Outstanding December 31, 2015	3,575,000		4.84	
Exercisable	1,600,000	.45 - .54	2.53	-

Note 10. Outstanding Warrants

The following is a summary of all outstanding warrants as of December 31, 2015:

	Number of Warrants	Exercise price per share $	Average remaining term in years	Aggregate intrinsic value at date of grant
Warrants issued in connection with private placements of common stock	11,213,332	0.25 - 1.50	1.69	$ 262,700
Warrants issued in connection with private placement of convertible notes	1,680,000	0.25	1.45	$ -

Warrants issued in connection with short-term notes payable	2,190,509	.45	3.23	$ 64,583
Warrants issued in connection with convertible short-term notes payable	1,310,000	1.00	5	$

Note 11. Income Taxes

Income tax provision (benefit) for the nine months ended December 31, 2015 and the year ended March 31, 2015 is summarized below:

	December 31, 2015	March 31, 2015
Current:		
Federal	$ -	$ -
State	-	-
Total current	-	-
Deferred:		
Federal	(1,712,000)	(1,015,700)
State	(167,000)	(98,600)
Total deferred	(1,888,000)	(1,114,300)
Increase in valuation allowance	1,888,000	1,114,300

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The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate before provision for income taxes. The sources and tax effect of the differences are as follows:

	December 31, 2015		March 31, 2015	
Income tax provision at the federal statutory rate	34.0	%	34.0	%
State income taxes, net of federal benefit	3.3	%	3.3	%
Effect of net operating loss	(37.3	%)	(37.3	%)
	-	%	-	%

Components of the net deferred income tax assets at December 31, 2015 and March 31, 2015 were as follows:

	December 31, 2015	March 31, 2015
Net operating loss carryover	$4,708,800	$2,820,800
Valuation allowance	(4,708,800)	(2,820,800)
	$-	$-

ASC 740 requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of evidence, it is more than likely than not that some portion or all of the deferred tax assets will not be recognized. After consideration of all the evidence, both positive and negative, management has determined that a $4,708,800 and $2,820,800 allowance at December 31, 2015 and March 31, 2015, respectively, is necessary to reduce the deferred tax assets to the amount that will more likely than not be realized. The change in the valuation allowance for the current period is $1,888,000.

As of December 31, 2015, we have a net operating loss carry forward of approximately $12,624,100. The loss will be available to offset future taxable income. If not used, this carry forward will expire as follows:

2030	$1,000

2031	$63,800
2032	$345,900
2033	$1,840,300
2034	$2,324,100
2035	$2,987,300
2036	$5,061,700

As of December 31, 2015 we did not have any significant unrecognized uncertain tax positions.

Note 12. Business Segments

During the nine months ended December 31, 2015 and the year ended March 31, 2015, we operate in only one segment and sold to two geographic locations as follows:

	December 31, 2015	March 31, 2015
Australia	$	$6,968
United States	437,272	204,499
	$437,272	$211,467

All of our assets are located in the United States.

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Barfresh Food Group Inc.

Notes to Consolidated Financial Statements

December 31, 2015 and March 31, 2015

The following is a breakdown of customers representing more than 10% of sales for the nine months ended December 31, 2015:

	Revenue from customer	Percentage of total revenue	
Customer A	$373,190	85.3	%
Customer B	37,276	8.5	%
Customer C	18,144	4.1	%
	$428,610	98.0	%

The following is a breakdown of customers representing more than 10% of sales for the year ended March 31, 2015:

	Revenue from customer	Percentage of total revenue	
Customer A	$58,911	28.0	%
Customer B	52,195	24.8	%
Customer C	24,234	11.5	%
	$135,340	64.3	%

Note 13. Transitional Reporting Year – Comparison of audited results for the nine months ended December 31, 2015 to the unaudited results for the nine months ended December 31, 2014.

	2015	2014 (unaudited)
Revenue	$437,272	$157,834
Cost of revenue	251,300	97,456
Gross profit	185,972	60,378
Operating expenses:		
General and administrative	5,666,204	2,058,929

Depreciation and Amortization	135,494	94,823
Total operating expenses	5,801,698	2,153,752
Operating loss	(5,615,726)	(2,093,374)
Other expenses		
Interest	296,509	379,279
Loss on extinguishment of debt	7,857	-
Net (loss)	$(5,920,092)	$(2,472,653)
Per share information - basic and fully diluted:		
Weighted average shares outstanding	79,149,995	66,281,522
Net (loss) per share	$(0.07)	$(0.04)

Note 14. Subsequent Events

Management has evaluated all activity and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements except as for the following:

On February 26, 2016 the Company, pursuant to a securities purchase agreement between the Company and certain accredited investors, sold 7,379,371 shares of its common stock (“Shares”) and warrants to purchase up to 3,689,686 Shares (“Warrants”) for aggregate gross proceeds to the Company of $5,903,498. The financing consists of two components: a new equity raise in the amount of $3,270,000 and the conversion into common equity of $2,633,498 of principal and interest of convertible promissory notes previously issued. See discussion in Note 6. The Warrants are exercisable for a term of five-years at a per Share price of $1.00.

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Exhibit Index

Exhibit Number	Description
2.1	Share Exchange Agreement dated January 10, 2012 by and among Moving Box Inc., Andreas Wilcken, Jr., Barfresh Inc. and the shareholders of Barfresh Inc. (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K as filed January 17, 2012
3.1	Certificate of Incorporation of Moving Box Inc. dated February 25, 2010 (incorporated by reference to Exhibit 3.1 to Form S-1 (Registration No. 333-168738) as filed August 11, 2010)
3.2	Amended and Restated Bylaws of Barfresh Food Group Inc. (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K as filed August 4, 2014)
3.3	Certificate of Amendment of Certificate of Incorporation of Moving Box Inc. dated February 13, 2012 (incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K as filed February 17, 2012)
3.4	Certificate of Amendment of Certificate of Incorporation of Smoothie Holdings Inc. dated February 16, 2012 (incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K as filed February 17, 2012)
4.1	Form of Series A Warrant (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K as filed January 17, 2012)
4.2	Form of Series B Warrant (incorporated by reference to Exhibit 4.2 to Form 10K for the period ending March 31, 2014, as filed June 30, 2014)
4.3	Form of Series C Warrant (incorporated by reference to Exhibit 4.3 to Form 10K for the period ending March 31, 2014, as filed June 30, 2014)
4.4	Form of Series D Warrant (incorporated by reference to Exhibit 4.4 to Form 10K for the period ending March 31, 2014, as filed June 30, 2014)
4.5	Form of Series PA Warrant (incorporated by reference to Exhibit 4.5 to Form 10K for the period ending March 31, 2014, as filed June 30, 2014)
4.6	Form of Series CN Warrant (incorporated by reference to Exhibit 4.6 to Form 10K for the period ending March 31, 2014, as filed June 30, 2014)
4.7	Form of Series N Warrant**
4.8	Form of Series E Warrant**
4.9	Form of Series G Warrant (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K as filed February 16, 2015)

4.10	Form of Note dated December 20, 2013 by Barfresh Food Group Inc. in favor of certain investors (incorporated by reference to Exhibit 4.1 to Form 10Q for the period ending December 31, 2013, as filed February 13, 2014)
5.1	Opinion and Consent of Libertas Law Group, Inc. *
10.1	Form of Registration Rights Agreement dated December 20, 2013 (incorporated by reference to Exhibit 4.2 to Form 10Q for the period ending December 31, 2013, as filed February 13, 2014)
10.2	Intellectual Property Sale Deed by and between National Australia Bank Limited and Barfresh Inc. dated October 15, 2013 (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q as filed November 20, 2013)
10.3	Agreement of Sale, dated January 10, 2012, by and among Moving Box Inc. and Andreas Wilcken, Jr. (incorporated by reference to Exhibit 10.1 of Current Report on Form 8-K as filed January 17, 2012)
10.4	Form of Subscription Agreement dated January 10, 2012 by and between Moving Box, Inc. and certain investors. (incorporated by reference to Exhibit 10.2 of Current Report on Form 8-K as filed January 17, 2012)
10.5	Form of Lock Up Agreement dated January 10, 2012 (incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K as filed January 17, 2012)

10.6	Amendment No. 2, dated January 10, 2012 to Agreement dated March 21, 2010, by and among Moving Box Inc., Moving Box Entertainment LLC, Garrett LLC, Ian McKinnon, Brad Miller, Andreas Wilckin, Jr. and Uptone Pictures, Inc. (incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K, as filed January 17, 2012)
10.7	Investor Release dated January 10, 2012, by and among Moving Box Inc., Andreas Wilcken, Jr., Garrett LLC, Ian McKinnon and Brad Miller (incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K as filed January 17, 2012)
10.8	Form of Registration Rights Agreement dated March 13, 2015 (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K as filed February 16, 2015)
10.9	Barfresh Food Group, Inc. 2014 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to Annual Report Form 10-K filed June 30, 2014)+
10.10	Barfresh Food Group, Inc. 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to Annual Report Form 10-K filed July 7, 2015)+
10.11	Executive Employment Agreement by and between Smoothie, Inc. and Riccardo Delle Coste dated April 27, 2015 (incorporated by reference to Exhibit 10.11 to Annual Report Form 10-K filed July 7, 2015)+
10.12	Executive Employment Agreement by and between Smoothie, Inc. and Joseph M. Cugine dated April 27, 2015 (incorporated by reference to Exhibit 10.12 to Annual Report Form 10-K filed July 7, 2015)+
10.13	Executive Employment Agreement by and between Barfresh Food Group, Inc. and Joseph S. Tesoriero dated May 18, 2015 (incorporated by reference to Exhibit 10.13 to Annual Report Form 10-K filed July 7, 2015)+
21.0	Subsidiaries*
31.1	Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Principal Executive Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*	Filed herewith
+	Compensatory plan

In accordance with SEC Release 33-8238, Exhibit 32.1 and 32.2 are being furnished and not filed.

Furnished herewith. XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

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Explanation of Responses: