

OPNET TECHNOLOGIES INC

Form 10-Q

November 09, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended September 30, 2011

OR

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

(Commission file number: 000-30931)

OPNET TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

7372
(Primary Standard Industrial
Classification Code Number)

52-1483235
(I.R.S. Employer
Identification No.)

7255 Woodmont Avenue
Bethesda, MD 20814
(Address of principal executive office)

(240) 497-3000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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", or "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one).

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

The number of shares of the registrant's common stock outstanding on November 1, 2011 was 22,508,049.

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. Condensed Consolidated Financial Statements****OPNET TECHNOLOGIES, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except share data)

(unaudited)

	September 30, 2011	March 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 71,718	\$ 83,296
Marketable securities	39,640	31,432
Accounts receivable, net of \$584 and \$346 in allowance for doubtful accounts at September 30 and March 31, 2011, respectively	36,685	32,597
Unbilled accounts receivable	1,586	1,915
Inventory	893	666
Deferred income taxes, prepaid expenses and other current assets	7,924	4,289
	158,446	154,195
Property and equipment, net	13,805	12,701
Intangible assets, net	3,380	4,507
Goodwill	15,406	15,406
Deferred income taxes and other assets	5,607	5,014
Total assets	\$ 196,644	\$ 191,823
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 2,316	\$ 1,247
Accrued liabilities	13,212	14,698
Other income taxes	157	186
Deferred rent	207	182
Deferred revenue	39,030	42,282
Total current liabilities	54,922	58,595
Accrued liabilities	77	107
Deferred rent	2,731	2,422
Deferred revenue	5,023	5,215
Other income taxes	734	661
Total liabilities	\$ 63,487	\$ 67,000

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Commitments and contingencies (Note 12)

Stockholders' equity:

Common stock-par value \$0.001; 100,000,000 shares authorized; 30,169,153 and 29,883,409 shares issued at September 30 and March 31, 2011, respectively; 22,506,049 and 22,228,504 shares outstanding at September 30 and March 31, 2011, respectively	30	30
Additional paid-in capital	126,499	121,230
Retained earnings	28,944	25,348
Accumulated other comprehensive loss	(871)	(649)
Treasury stock, at cost 7,663,104 and 7,654,905 shares at September 30 and March 31, 2011, respectively	(21,445)	(21,136)
Total stockholders' equity	133,157	124,823
Total liabilities and stockholders' equity	\$ 196,644	\$ 191,823

See accompanying notes to condensed consolidated financial statements.

Table of Contents**OPNET TECHNOLOGIES, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(in thousands, except per share data)

(unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2011	2010	2011	2010
Revenue:				
Product	\$ 20,599	\$ 17,673	\$ 40,028	\$ 30,645
Product updates, technical support and services	15,413	13,050	30,105	25,372
Professional services	5,909	5,395	12,035	11,186
Total revenue	41,921	36,118	82,168	67,203
Cost of revenue:				
Product	3,928	2,487	6,399	3,779
Product updates, technical support and services	1,380	1,270	2,827	2,558
Professional services	3,751	4,195	7,617	8,497
Amortization of acquired technology and customer relationships	537	499	1,076	958
Total cost of revenue	9,596	8,451	17,919	15,792
Gross profit	32,325	27,667	64,249	51,411
Operating expenses:				
Research and development	9,088	8,578	18,330	16,641
Sales and marketing	13,471	11,402	26,070	21,852
General and administrative	2,504	3,035	6,293	5,958
Total operating expenses	25,063	23,015	50,693	44,451
Income from operations	7,262	4,652	13,556	6,960
Interest and other expense, net		(1)	(59)	(31)
Income before provision for income taxes	7,262	4,651	13,497	6,929
Provision for income taxes	2,476	1,735	4,522	2,675
Net income	\$ 4,786	\$ 2,916	\$ 8,975	\$ 4,254
Basic net income per common share	\$ 0.21	\$ 0.14	\$ 0.40	\$ 0.20
Diluted net income per common share	\$ 0.21	\$ 0.13	\$ 0.39	\$ 0.19

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Basic weighted average common shares outstanding	22,240	21,251	22,149	21,090
Diluted weighted average common shares outstanding	22,687	21,788	22,646	21,675

See accompanying notes to condensed consolidated financial statements.

Table of Contents**OPNET TECHNOLOGIES, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in thousands)

(unaudited)

	Six Months Ended September 30,	
	2011	2010
Cash flows from operating activities:		
Net income	\$ 8,975	\$ 4,254
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,099	2,774
Provision for losses on accounts receivable	296	276
Deferred income taxes	(755)	(597)
Non-cash stock-based compensation expense	1,145	791
Non-cash accretion of market discount on marketable securities		Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A:
	56	
5.50%, 05/15/30	350	361,340
5.25%, 05/15/31	300	315,030
5.25%, 05/15/32	380	404,301
5.25%, 05/15/33	415	438,755
5.25%, 05/15/35	945	1,003,212
		3,730,675
Maine 0.6%		
Maine Health & Higher Educational Facilities Authority, RB, Maine General Medical Center, 6.75%, 07/01/41	970	1,031,993
Maryland 1.0%		
Maryland EDC, RB, Transportation Facilities Project, Series A, 5.75%, 06/01/20 ^(b)	970	1,021,623
Maryland EDC, Refunding RB, CNX Marine Terminals, Inc., 5.75%, 09/01/25	645	663,931
		1,685,554
Massachusetts 4.6%		
Massachusetts Development Finance Agency, RB: Emerson College Issue, Series A, 5.00%, 01/01/47	860	921,395
Boston Medical Center, Series D, 5.00%, 07/01/44	1,000	1,059,480
North Hill Communities Issue, Series A, 6.50%, 11/15/23 ^{(a)(b)}	1,000	1,199,600

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UMass Boston Student Housing Project, 5.00%, 10/01/48	945	991,475
Massachusetts Development Finance Agency, Refunding RB, Emmanuel College Issue, Series A, 5.00%, 10/01/35	500	542,285

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Schedule of Investments (unaudited) (continued)

BlackRock Long-Term Municipal Advantage Trust (BTA)

January 31, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
Massachusetts (continued)		
Massachusetts HFA, Refunding RB, Series A, AMT, 4.45%, 12/01/42	\$ 645	\$ 656,288
Massachusetts Housing Finance Agency, Refunding RB, Series A, AMT, 4.50%, 12/01/47	2,135	2,173,323
		7,543,846
Michigan 2.3%		
City of Detroit Michigan, GO:		
5.00%, 04/01/34	140	147,346
5.00%, 04/01/35	140	146,805
5.00%, 04/01/36	95	99,180
5.00%, 04/01/37	155	161,110
5.00%, 04/01/38	70	72,599
City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien, Series A, 5.25%, 07/01/39	1,970	2,122,478
Michigan Finance Authority, Refunding RB, Detroit Water & Sewage Department Project, Senior Lien, Series C-1, 5.00%, 07/01/44	410	437,105
Michigan Strategic Fund, RB, I-75 Improvement Projects, AMT, 5.00%, 06/30/48	500	542,685
		3,729,308
Minnesota 2.3%		
City of Brooklyn Park Minnesota, RB, Athlos Leadership Academy Project, Series A, 5.75%, 07/01/46	180	183,460
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series A, 4.00%, 11/15/48	80	79,858
Duluth Economic Development Authority, Refunding RB, Essentia Health Obligated Group, Series A:		
4.25%, 02/15/48	1,940	1,948,652
5.25%, 02/15/58	655	721,234
Housing & Redevelopment Authority of The City of State Paul Minnesota, Refunding RB, Hmong College Academy Project, Series A, 5.50%, 09/01/36	690	722,126
		3,655,330
Missouri 0.6%		
Bi-State Development Agency of the Missouri-Illinois Metropolitan District, Refunding RB, Combined Lien, Series A, 5.00%, 10/01/44	85	93,413
	<i>Par (000)</i>	<i>Value</i>
Missouri (continued)		
City of St. Louis Missouri IDA, Refunding RB, BallPark Village Development Project, Series A:		
4.38%, 11/15/35	\$ 330	\$ 333,564
4.75%, 11/15/47	365	369,716

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State of Missouri Health & Educational Facilities Authority, Refunding RB, St. Louis College of Pharmacy Project, 5.50%, 05/01/43	115	122,030
		918,723
Nebraska 0.2%		
Central Plains Nebraska Energy Project, RB, Gas Project No. 3, 5.25%, 09/01/37	285	308,287
New Jersey 9.7%		
Casino Reinvestment Development Authority, Refunding RB: 5.25%, 11/01/39	475	505,410
5.25%, 11/01/44	1,160	1,232,430
County of Essex New Jersey Improvement Authority, RB, AMT, 5.25%, 07/01/45 ^(a)	505	506,808
New Jersey EDA, ARB, Continental Airlines, Inc. Project, 5.13%, 09/15/23	1,410	1,520,558
New Jersey EDA, Refunding RB, Series BBB, 5.50%, 06/15/31	1,225	1,380,440
New Jersey EDA, Refunding, Special Assessment Bonds, Kapkowski Road Landfill Project, 5.75%, 04/01/31	785	856,435
New Jersey Transportation Trust Fund Authority, RB: Transportation Program Bonds, Series S, 5.25%, 06/15/43	2,535	2,735,265
Transportation Program, Series AA, 5.00%, 06/15/45	585	606,241
Transportation System, Series B, 5.25%, 06/15/36	845	880,769
New Jersey Turnpike Authority, RB, Series A, 4.00%, 01/01/48 ^(h)	745	757,792
Tobacco Settlement Financing Corp., Refunding RB, Series A: 5.00%, 06/01/35	730	804,234
5.00%, 06/01/46	1,700	1,757,494

Schedule of Investments (unaudited) (continued) **BlackRock Long-Term Municipal Advantage Trust (BTA)**

January 31, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
New Jersey (continued)		
Tobacco Settlement Financing Corp. New Jersey, Refunding RB, Sub-Series B, 5.00%, 06/01/46	\$ 2,250	\$ 2,240,550
		15,784,426
New York 25.4%		
City of New York Water & Sewer System, Refunding RB, 2nd General Resolution, Series HH, 5.00%, 06/15/31	2,830	3,026,374
Counties of New York Tobacco Trust IV, Refunding RB, Settlement Pass-Through Turbo, Series A:		
6.25%, 06/01/41 ^(a)	900	920,673
5.00%, 06/01/42	1,505	1,437,094
5.00%, 06/01/45	555	526,196
Counties of New York Tobacco Trust VI, Refunding RB, Tobacco Settlement Pass-Through, Series A-2B, 5.00%, 06/01/51	1,000	1,009,700
County of Dutchess New York Industrial Development Agency, Refunding RB, Bard College Civic Facility, Series A-1, 5.00%, 08/01/46	730	702,778
Erie Tobacco Asset Securitization Corp., Refunding RB, Asset-Backed, Series A, 5.00%, 06/01/45	910	880,270
Hudson Yards Infrastructure Corp., RB, Senior, Fiscal 2012:		
5.75%, 02/15/21 ^(b)	4,030	4,360,258
5.75%, 02/15/47	2,480	2,663,619
Metropolitan Transportation Authority, RB, Series B:		
5.25%, 11/15/38	1,125	1,248,289
5.25%, 11/15/39	400	443,424
New York Liberty Development Corp., RB, World Trade Center Port Authority Consolidated, 5.25%, 12/15/43	6,140	6,674,671
New York Liberty Development Corp., Refunding RB:		
2nd Priority, Bank of America Tower at One Bryant Park Project, Class 3, 6.38%, 07/15/49	420	436,099
3 World Trade Center Project, Class 1, 5.00%, 11/15/44 ^(a)	2,355	2,438,438
3 World Trade Center Project, Class 2, 5.15%, 11/15/34 ^(a)	160	170,850
3 World Trade Center Project, Class 2, 5.38%, 11/15/40 ^(a)	395	417,744
	<i>Par</i>	<i>Value</i>
<i>Security</i>	<i>(000)</i>	
New York (continued)		
4 World Trade Center Project, 5.75%, 11/15/51	\$ 2,220	\$ 2,433,253
New York Transportation Development Corp., ARB, LaGuardia Airport Terminal B Redevelopment Project, Series A, AMT, 5.25%, 01/01/50	1,000	1,063,210
Port Authority of New York & New Jersey, ARB, Special Project, JFK International Air Terminal LLC Project, Series 8, 6.00%, 12/01/42	730	772,720
State of New York Dormitory Authority, RB, Series B, 5.75%, 03/15/19 ^(b)	7,450	7,485,685

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State of New York Dormitory Authority, Refunding RB, Orange Regional Medical Center, 5.00%, 12/01/33 ^(a)	455	505,287
Westchester New York Tobacco Asset Securitization, Refunding RB, Tobacco Settlement Bonds, Sub-Series C, 4.00%, 06/01/42	1,700	1,580,252
		41,196,884
North Carolina 0.5%		
North Carolina Medical Care Commission, RB, Health Care Facilities, Duke University Health System, Series A, 5.00%, 06/01/19 ^(b)	480	485,237
North Carolina Medical Care Commission, Refunding RB, 1st Mortgage, Retirement Facilities Whitestone Project, Series A, 7.75%, 03/01/21 ^(b)	260	290,685
		775,922
Ohio 4.6%		
Buckeye Tobacco Settlement Financing Authority, RB, Asset-Backed, Senior Turbo Term, Series A-2: 5.75%, 06/01/34	2,295	2,144,700
5.88%, 06/01/47	1,100	1,021,559
County of Allen Ohio Hospital Facilities Revenue, Refunding RB, Catholic Healthcare Partners, Series A, 5.25%, 06/01/20 ^(b)	2,650	2,768,402
Ohio Housing Finance Agency, RB, S/F Housing, Series A (Ginnie Mae, Fannie Mae & Freddie Mac), 4.00%, 09/01/48	315	316,358

Schedule of Investments (unaudited) (continued) **BlackRock Long-Term Municipal Advantage Trust (BTA)**

January 31, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
Ohio (continued)		
State of Ohio, RB, Portsmouth Bypass Project, AMT, 5.00%, 06/30/53	\$ 1,220	\$ 1,279,158
		7,530,177
Oklahoma 3.2%		
Oklahoma Development Finance Authority, RB:		
OU Medicine Project, Series B, 5.00%, 08/15/38	1,450	1,559,185
OU Medicine Project, Series B, 5.25%, 08/15/43	1,305	1,427,787
Provident Oklahoma Education Resources, Inc., Cross Village Student Housing Project, Series A, 5.25%, 08/01/57	1,290	1,202,306
Tulsa County Industrial Authority, Refunding RB, Montereau, Inc. Project, 5.25%, 11/15/45	925	994,949
		5,184,227
Oregon 0.2%		
County of Clackamas Oregon School District No. 12 North Clackamas, GO, CAB, Series A, 0.00%, 06/15/38 ^(c)	625	288,550
Pennsylvania 2.4%		
Allentown Neighborhood Improvement Zone Development Authority, RB, City Center Project, 5.00%, 05/01/42 ^(a)	470	496,606
City of Philadelphia Pennsylvania Hospitals & Higher Education Facilities Authority, RB, Temple University Health System, Series A, 5.63%, 07/01/42	300	318,027
Pennsylvania Economic Development Financing Authority, RB, Pennsylvania Rapid Bridge Replacement, 5.00%, 12/31/38	465	501,019
Pennsylvania Economic Development Financing Authority, Refunding RB, National Gypsum Co., AMT, 5.50%, 11/01/44	720	744,977
Pennsylvania Housing Finance Agency, RB, S/F Housing Mortgage, Series 123-B, 4.00%, 10/01/42	1,190	1,192,285
	<i>Par (000)</i>	<i>Value</i>
Security		
Pennsylvania (continued)		
Pennsylvania Turnpike Commission, RB, Series A, 5.00%, 12/01/44	\$ 520	\$ 564,751
		3,817,665
Puerto Rico 0.5%		
Children s Trust Fund, Refunding RB, Tobacco Settlement Asset-Backed Bonds, 5.63%, 05/15/43	820	829,159
Rhode Island 2.6%		
Rhode Island Student Loan Authority, Refunding RB, Senior-Series A, AMT, 3.50%, 12/01/34	645	650,837
Tobacco Settlement Financing Corp., Refunding RB: Series A, 5.00%, 06/01/40	420	434,461

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Series B, 4.50%, 06/01/45	1,875	1,743,656
Series B, 5.00%, 06/01/50	1,360	1,363,563
		4,192,517
South Carolina 3.0%		
State of South Carolina Jobs EDA, Refunding RB, Prisma Health Obligated Group, Series A, 5.00%, 05/01/43	1,110	1,210,211
State of South Carolina Public Service Authority, RB: Santee Cooper, Series A, 5.50%, 12/01/54	1,840	1,972,903
Series E, 5.00%, 12/01/48	420	438,240
Series E, 5.50%, 12/01/53	750	799,890
State of South Carolina Public Service Authority, Refunding RB, Series E, 5.25%, 12/01/55	430	459,683
		4,880,927
Tennessee 0.7%		
County of Memphis-Shelby Tennessee Industrial Development Board, Refunding, Tax Allocation Bonds, Senior Tax Increment, Graceland Project, Series A: 5.50%, 07/01/37	490	516,597
5.63%, 01/01/46	570	595,776
		1,112,373

Schedule of Investments (unaudited) (continued) **BlackRock Long-Term Municipal Advantage Trust (BTA)**

January 31, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
Texas 7.2%		
Central Texas Regional Mobility Authority, Refunding RB, Senior Lien, 6.25%, 01/01/21 ^(b)	\$ 730	\$ 789,648
County of Harris Texas Cultural Education Facilities Finance Corp., RB, 1st Mortgage, Brazos Presbyterian Homes, Inc. Project, Series B, 7.00%, 01/01/23 ^(b)	210	249,803
County of Matagorda Texas Navigation District No. 1, Refunding RB, Central Power & Light Co., Project, Series A, 6.30%, 11/01/29	700	725,305
County of Midland Texas Fresh Water Supply District No. 1, RB, CAB, City of Midland Projects, Series A, 0.00%, 09/15/37 ^(c)	5,200	2,412,072
County of Tarrant Texas Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare ^(b) :		
6.00%, 08/15/20	105	111,677
6.00%, 08/15/20	1,285	1,366,713
Harris County-Houston Sports Authority, Refunding RB, CAB, Series A (AGM) (NPFGC), 0.00%, 11/15/34 ^(c)	3,000	1,540,530
Mission EDC, Refunding RB, Senior Lien, NatGasoline Project, AMT, 4.63%, 10/01/31 ^(a)	430	438,450
Newark Higher Education Finance Corp., RB, Series A ^(a) :		
5.50%, 08/15/35	135	140,856
5.75%, 08/15/45	275	287,301
North Texas Tollway Authority, Refunding RB, 4.25%, 01/01/49	1,890	1,945,056
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien: Blueridge Transportation Group, AMT, 5.00%, 12/31/55	1,025	1,083,128
	<i>Par (000)</i>	<i>Value</i>
<i>Security</i>		
Texas (continued)		
LBJ Infrastructure Group LLC, 7.00%, 06/30/40	\$ 500	\$ 530,010
		11,620,549
Utah 1.1%		
City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 08/15/19 ^(b)	1,815	1,847,271
Virginia 2.9%		
Ballston Quarter Community Development Authority, Tax Allocation Bonds, Series A:		
5.00%, 03/01/26	260	265,665
5.13%, 03/01/31	510	523,026
Tobacco Settlement Financing Corp., Refunding RB, Senior Series B-1, 5.00%, 06/01/47	1,025	967,200
Virginia College Building Authority, RB, Marymount University Project, Series B, 5.00%, 07/01/45 ^(a)	240	245,534
Virginia HDA, RB, Rental Housing, Series F, 5.00%, 04/01/45	1,000	1,015,400
Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossings OpCo LLC Project, AMT, 6.00%, 01/01/37	1,540	1,682,820
		4,699,645

Washington 0.9%

Port of Seattle Washington, RB, Intermediate Lien, Series C, AMT, 5.00%, 04/01/40	350	383,684
Washington Health Care Facilities Authority, RB, Catholic Health Initiatives, Series A, 5.75%, 01/01/45	1,020	1,109,332
		1,493,016

Wisconsin 1.8%

Public Finance Authority, RB, Series A:		
Alabama Proton Therapy Center,		
6.25%, 10/01/31 ^(a)	290	304,132
Alabama Proton Therapy Center:		
5.00%, 12/01/45	825	831,105
7.00%, 10/01/47 ^(a)	290	303,946
5.15%, 12/01/50	555	560,683
Public Finance Authority, Refunding RB:		
Celanese Project, Series D, 4.05%, 11/01/30 ^(a)	200	199,620

Schedule of Investments (unaudited) (continued) **BlackRock Long-Term Municipal Advantage Trust (BTA)**January 31, 2019 **(Percentages shown are based on Net Assets)**

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
Wisconsin (continued)		
Wingate University, Series A, 5.25%, 10/01/48	\$ 695	\$ 732,085
		2,931,571
Total Municipal Bonds 131.5%		
(Cost \$205,123,187)		213,434,277
Municipal Bonds Transferred to Tender Option Bond Trusts⁽ⁱ⁾ 36.4%		
California 3.2%		
Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 04/01/19 ^(b)	1,090	1,097,551
City of Los Angeles California Department of Airports, ARB, Los Angeles International Airport, Series B, AMT, 5.00%, 05/15/46	2,700	2,973,820
Sacramento Area Flood Control Agency, Refunding, Consolidated Capital Assessment District No. 2 Bonds, 5.00%, 10/01/47	495	555,419
San Diego California Community College District, GO, Election of 2002, 5.25%, 08/01/19 ^(b)	554	563,785
		5,190,575
Colorado 0.5%		
Colorado Health Facilities Authority, Refunding RB, Catholic Health Initiatives, Series A, 5.50%, 07/01/34 ⁽ⁱ⁾	740	747,837
Georgia 0.6%		
County of Dalton Whitfield Joint Development Authority, RB, Hamilton Health Care System Obligation, 4.00%, 08/15/48	1,025	1,046,042
Idaho 1.3%		
Idaho State Building Authority, RB, State Office Campus Project, Series A, 4.00%, 09/01/48	2,120	2,158,510
Illinois 2.6%		
Illinois Finance Authority, RB, The Carle Foundation, Series A (AGM), 6.00%, 08/15/41	2,340	2,541,322
	<i>Par (000)</i>	<i>Value</i>
<i>Security</i>		
Illinois (continued)		
State of Illinois Toll Highway Authority, RB, Series C, 5.00%, 01/01/38	\$ 1,498	\$ 1,669,287
		4,210,609
Iowa 1.1%		
Iowa Finance Authority, Refunding RB, UnityPoint Health, Series E, 4.00%, 08/15/46	1,815	1,816,083

Massachusetts 4.7%

Massachusetts School Building Authority, RB, Senior, Series B, 5.00%, 10/15/41	7,112	7,586,048
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New York 2.7%

City of New York Housing Development Corp., Refunding RB, Sustainable Neighborhood Bonds, Series A, 4.15%, 11/01/38 ^(h)	2,390	2,467,866
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City of New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution, Series FF-2, 5.50%, 06/15/40	495	501,633
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Port Authority of New York & New Jersey, Refunding ARB, 194th Series, 5.25%, 10/15/55	1,215	1,385,635
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4,355,134

North Carolina 1.6%

North Carolina Capital Facilities Finance Agency, Refunding RB, Duke University Project, Series B, 5.00%, 10/01/55	1,180	1,320,137
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North Carolina Housing Finance Agency, RB, S/F Housing, Series 39-B (Ginnie Mae, Fannie Mae & Freddie Mac), 4.00%, 01/01/48	1,232	1,234,611
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2,554,748

Pennsylvania 1.2%

Pennsylvania Turnpike Commission, RB, Sub-Series A, 5.50%, 12/01/42	1,680	1,921,819
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Rhode Island 1.5%

Rhode Island Health & Educational Building Corp., RB, Series A, 4.00%, 09/15/47	2,447	2,466,910
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Texas 9.5%

City of San Antonio Texas Electric and Gas Systems, RB, Junior Lien, 5.00%, 02/01/43	11,000	11,936,072
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County of Harris Texas, RB, Toll Road, Senior Lien, Series A: ⁽ⁱ⁾ 5.00%, 08/15/19 ^(b)	1,202	1,220,768
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Schedule of Investments (unaudited) (continued) **BlackRock Long-Term Municipal Advantage Trust (BTA)**

January 31, 2019

(Percentages shown are based on Net Assets)

<i>Security</i>	<i>Par (000)</i>	<i>Value</i>
Texas (continued)		
5.00%, 08/15/38	\$ 920	\$ 933,782
County of Harris Texas Metropolitan Transit Authority, Refunding RB, Series A, 5.00%, 11/01/41	1,170	1,247,916
		15,338,538
Virginia 3.5%		
Hampton Roads Transportation Accountability Commission, RB, Transportation Fund, Senior Lien, Series A, 5.50%, 07/01/57 ⁽ⁱ⁾	2,224	2,637,601
Virginia Small Business Financing Authority, Refunding RB, Sentara Healthcare, 5.00%, 11/01/40	2,949	3,057,239
		5,694,840
West Virginia 1.2%		
Morgantown Utility Board, Inc., RB, Series B, 4.00%, 12/01/48 ⁽ⁱ⁾	1,891	1,917,330
Wisconsin 1.2%		
State of Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, Inc., Obligated Group, Series C, 5.25%, 04/01/19 ^{(b)(i)}	1,989	2,000,642
Total Municipal Bonds Transferred to Tender Option Bond Trusts 36.4% (Cost \$57,356,559)		59,005,665
Total Long-Term Investments 167.9% (Cost \$262,479,746)		272,439,942
<i>Security</i>	<i>Shares</i>	<i>Value</i>
Short-Term Securities 0.0%		
BlackRock Liquidity Funds, MuniCash, Institutional Class, 1.24% ^{(k)(l)}	\$ 13,112	\$ 13,115
Total Short-Term Securities 0.0% (Cost \$13,115)		13,115
Total Investments 167.9% (Cost \$262,492,861)		272,453,057
Other Assets Less Liabilities 0.2%		309,684
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (21.5)%		(34,899,686)
VRDP Shares at Liquidation Value, Net of Deferred Offering Costs (46.6)%		(75,593,059)

Net Assets Applicable to Common Shares 100.0%

\$ 162,269,996

- (a) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration to qualified institutional investors.
- (b) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (c) Zero-coupon bond.
- (d) Variable or floating rate security, which interest rate adjusts periodically based on changes in current interest rates and prepayments on the underlying pool of assets. Rate shown is the rate in effect as of period end.
- (e) Step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate as of period end.
- (f) Non-income producing security.
- (g) Issuer filed for bankruptcy and/or is in default.
- (h) When-issued security.
- (i) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Trust. These bonds serve as collateral in a secured borrowing.
- (j) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Trust could ultimately be required to pay under the agreements, which expire between January 01, 2026 to April 01, 2039 is \$5,640,831.
- (k) Annualized 7-day yield as of period end.

Schedule of Investments (unaudited) (continued)

BlackRock Long-Term Municipal Advantage Trust (BTA)

January 31, 2019

⁽¹⁾ During the period ended January 31, 2019, investments in issuers considered to be an affiliate of the Trust for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

	<i>Shares</i>		<i>Shares</i>		<i>Income</i>	<i>Gain (Loss)</i>	<i>Change in Unrealized Net Appreciation (Depreciation)</i>
	<i>Held at</i>	<i>Net Activity</i>	<i>Held at</i>	<i>Value at</i>			
<i>Affiliate</i>	<i>04/30/18</i>		<i>01/31/19</i>	<i>01/31/19</i>			
BlackRock Liquidity Funds, MuniCash, Institutional Class	2,374,394	(2,361,282)	13,112	\$ 13,115	\$ 7,566	\$ 500	\$

^(a) Includes net capital gain distributions, if applicable.

Portfolio Abbreviations

AGM Assured Guaranty Municipal Corp.

AMT Alternative Minimum Tax (subject to)

ARB Airport Revenue Bonds

CAB Capital Appreciation Bonds

EDA Economic Development Authority

EDC Economic Development Corp.

GARB General Airport Revenue Bonds

GO General Obligation Bonds

GTD Guaranteed

HDA Housing Development Authority

HFA Housing Finance Agency

IDA Industrial Development Authority

LRB Lease Revenue Bonds

NPFGC National Public Finance Guarantee Corp.

RB Revenue Bonds

SAN State Aid Notes

S/F Single-Family

Derivative Financial Instruments Outstanding as of Period End**Futures Contracts**

<i>Description</i>	<i>Number of Contracts</i>	<i>Expiration Date</i>	<i>Notional Amount (000)</i>	<i>Value/ Unrealized Appreciation (Depreciation)</i>
Short Contracts:				
10-Year U.S. Treasury Note	21	03/20/19	\$ 2,572	\$ (57,038)
Long U.S. Treasury Bond	60	03/20/19	8,801	(442,897)
5-Year U.S. Treasury Note	13	03/29/19	1,493	(25,782)
				\$ (525,717)

Schedule of Investments (unaudited) (continued)

BlackRock Long-Term Municipal Advantage Trust (BTA)

January 31, 2019

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial reporting purposes as follows:

Level 1 Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that Trust has the ability to access

Level 2 Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Trust's own assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the BlackRock Global Valuation Methodologies Committee (the Global Valuation Committee) in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately held companies or Trusts. There may not be a secondary market, and/or there are a limited number of investors. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Global Valuation Committee in the absence of market information.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with the Trust's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities. For information about the Trust's policy regarding valuation of investments and derivative financial instruments, refer to the Trust's most recent financial statements as contained in its semi-annual report.

The following tables summarize the Trust's investments and derivative financial instruments categorized in the disclosure hierarchy:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Assets:				
Investments:				
Long-Term Investments ^(a)	\$	\$ 272,439,942	\$	\$ 272,439,942
Short-Term Securities	13,115			13,115
	\$ 13,115	\$ 272,439,942	\$	\$ 272,453,057
Derivative Financial Instruments ^(b)				
Liabilities:				
Interest rate contracts	\$ (525,717)	\$	\$	\$ (525,717)

^(a) See above Schedule of Investments for values in each state or political subdivision.

^(b) Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.

The Trust may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial reporting purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Liabilities:				
TOB Trust Certificates	\$	\$ (34,714,307)	\$	\$ (34,714,307)
VRDP Shares at Liquidation Value		(76,000,000)		(76,000,000)
	\$	\$ (110,714,307)	\$	\$ (110,714,307)

During the period ended January 31, 2019, there were no transfers between levels.

Item 2 Controls and Procedures

- 2(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 Exhibits

Certifications Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Long-Term Municipal Advantage Trust

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Long-Term Municipal Advantage Trust

Date: March 22, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ John M. Perlowski
John M. Perlowski
Chief Executive Officer (principal executive officer) of
BlackRock Long-Term Municipal Advantage Trust

Date: March 22, 2019

By: /s/ Neal J. Andrews
Neal J. Andrews
Chief Financial Officer (principal financial officer) of
BlackRock Long-Term Municipal Advantage Trust

Date: March 22, 2019