

INSIGNIA SYSTEMS INC/MN
Form 10-Q
May 08, 2018

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

FORM 10-Q

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

for the quarterly period ended March 31, 2018

or

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

for the transition period from _____ to _____

Commission File Number: 1-13471

INSIGNIA SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

Minnesota 41-1656308
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

8799 Brooklyn Blvd., Minneapolis, MN 55445
(Address of principal executive offices; zip code)

(763) 392-6200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

Number of shares outstanding of Common Stock, \$.01 par value, as of May 7, 2018 was 11,962,996.

Insignia Systems, Inc.

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Item 1. Financial Statements

Insignia Systems, Inc.

CONDENSED BALANCE SHEETS

	March 31,	
	2018	December 31,
	(Unaudited)	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$7,259,000	\$4,695,000
Accounts receivable, net	8,900,000	11,864,000
Inventories	485,000	301,000
Income tax receivable	295,000	360,000
Prepaid expenses and other	376,000	415,000
Total Current Assets	17,315,000	17,635,000
Other Assets:		
Property and equipment, net	2,733,000	2,670,000
Other, net	1,281,000	1,383,000
Total Assets	\$21,329,000	\$21,688,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	2,928,000	3,232,000
Accrued liabilities:		
Compensation	796,000	1,531,000
Other	776,000	667,000
Deferred revenue	671,000	372,000
Total Current Liabilities	5,171,000	5,802,000

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Long-Term Liabilities:		
Deferred tax liabilities	245,000	245,000
Accrued income taxes	589,000	581,000
Deferred rent	203,000	219,000
Total Long-Term Liabilities	1,037,000	1,045,000
Commitments and Contingencies	—	—
Shareholders' Equity:		
Common stock, par value \$.01:		
Authorized shares - 40,000,000		
Issued and outstanding shares - 11,963,000 at March 31, 2018 and 11,914,000 at December 31, 2017	119,000	119,000
Additional paid-in capital	15,477,000	15,361,000
Accumulated deficit	(475,000)	(639,000)
Total Shareholders' Equity	15,121,000	14,841,000
Total Liabilities and Shareholders' Equity	\$21,329,000	\$21,688,000

See accompanying notes to financial statements.

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Insignia Systems, Inc.

CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

Three Months Ended March 31	2018	2017
Services revenues	\$7,026,000	\$4,304,000
Products revenues	393,000	463,000
Total Net Sales	7,419,000	4,767,000
Cost of services	4,404,000	