

INSIGNIA SYSTEMS INC/MN
Form 10-Q/A
January 29, 2010

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q/A

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

for the quarterly period ended June 30, 2009

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

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(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

8799 Brooklyn Blvd.

Minneapolis, MN 55445

(Address of principal executive offices)

(763) 392-6200

(Registrant's telephone number, including area code)

Not applicable.

(Former name, former address and former fiscal year if changed since last report)

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 report(s), 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, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer 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

Number of shares outstanding of Common Stock, \$.01 par value, as of January 22, 2010, was 15,374,457.

EXPLANATORY NOTE

This Form 10-Q/A, consisting of Items 1 and 4 of Part I, Item 6 of Part II, and Exhibits 31.1, 31.2 and 32, is being filed to amend the registrant's Form 10-Q for the quarter ended June 30, 2009, in response to a comment letter received from the Commission dated December 22, 2009.

Insignia Systems, Inc.

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(Unaudited)

	June 30, 2009	December 31, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,702,000	\$ 11,052,000
Short-term investments	1,900,000	
Accounts receivable, net of allowance for doubtful accounts of \$10,000 and \$7,000, respectively	4,083,000	2,767,000
Inventories	428,000	442,000
Prepaid expenses and other	258,000	238,000
Total Current Assets	13,371,000	14,499,000
Other Assets:		
Property and equipment, net	889,000	1,054,000
Other	40,000	40,000
Total Assets	\$ 14,300,000	\$ 15,593,000
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities:		
Current maturities of long-term liabilities	\$ 179,000	\$ 202,000
Accounts payable	1,956,000	2,770,000
Accrued liabilities		
Compensation	607,000	820,000
Employee stock purchase plan	68,000	65,000
Legal	110,000	365,000
Other commissions	45,000	1,742,000
Other	560,000	981,000
Deferred revenue	1,516,000	1,158,000
Total Current Liabilities	5,041,000	8,103,000
Long-Term Liabilities, less current maturities	219,000	219,000

Commitments and Contingencies**Shareholders Equity:**

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Common stock, par value \$.01:		
Authorized shares 40,000,000		
Issued and outstanding shares 15,129,000 at March 31, 2009 and 15,069,000 at December 31, 2008	151,000	151,000
Additional paid-in capital	32,223,000	31,881,000
Accumulated deficit	(23,334,000)	(24,761,000)
Total Shareholders Equity	9,040,000	7,271,000
Total Liabilities and Shareholders Equity	\$ 14,300,000	\$ 15,593,000

See accompanying notes to financial statements.

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(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2009	2008	2009	2008
Services revenues	\$ 5,285,000	\$ 6,883,000	\$ 10,916,000	\$ 12,831,000
Products sold	488,000	695,000	1,043,000	1,310,000
Total Net Sales	5,773,000	7,578,000	11,959,000	14,141,000
Cost of services	2,422,000	2,879,000	5,005,000	5,491,000
Cost of goods sold	326,000	405,000	706,000	822,000
Total Cost of Sales	2,748,000	3,284,000	5,711,000	6,313,000
Gross Profit	3,025,000	4,294,000	6,248,000	7,828,000
Operating Expenses:				
Selling	1,511,000	1,669,000	3,018,000	3,317,000
Marketing	345,000	399,000	734,000	760,000
General and administrative	1,044,000	1,643,000	2,469,000	3,465,000
Insurance settlement proceeds			(1,387,000)	
Total Operating Expenses	2,900,000	3,711,000	4,834,000	7,542,000
Operating Income	125,000	583,000	1,414,000	286,000
Other Income (Expense):				
Interest income	31,000	50,000	69,000	123,000
Interest expense	(10,000)	(14,000)	(20,000)	(30,000)
Other expense		(2,000)		(2,000)
Total Other Income	21,000	34,000	49,000	91,000
Income Before Taxes	146,000	617,000	1,463,000	377,000
Income tax expense	36,000	207,000	36,000	207,000
Net Income	\$ 110,000	\$ 410,000	\$ 1,427,000	\$ 170,000
Net income per share:				
Basic	\$ 0.01	\$ 0.03	\$ 0.09	\$ 0.01
Diluted	\$ 0.01	\$ 0.03	\$ 0.09	\$ 0.01
Shares used in calculation of net income per share:				
Basic	15,129,000	15,590,000	15,129,000	15,590,000
Diluted	15,783,000	16,000,000	15,513,000	16,055,000

See accompanying notes to financial statements.

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Statements of Shareholders' Equity

(Unaudited)

Common Stock