

WINLAND ELECTRONICS INC
Form 10-Q
May 08, 2013

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 Quarter Ended:

March 31, 2013

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 No.: 1-15637

WINLAND ELECTRONICS, INC.
(Name of registrant in its charter)

Minnesota
(State or other jurisdiction of incorporation or organization)

41-0992135
(IRS Employer Identification Number)

1950 Excel Drive, Mankato, Minnesota 56001
(Address of principal executive offices)

(507) 625-7231
(Issuer's telephone number)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Name of Exchange
Common Stock, \$.01 par value	OTCQB Markets
Preferred Stock Purchase Rights	OTCQB Markets

Securities registered pursuant to Section 12(g) of the Exchange Act: None

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a small reporting company. 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

There were 3,701,630 shares of Common Stock, \$.01 par value, outstanding as of May 1, 2013.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WINLAND ELECTRONICS, INC.
CONDENSED BALANCE SHEETS
(In Thousands, Except Share Data)

	March 31, 2013	December 31, 2012
	(Unaudited)	
ASSETS		
Current Assets		
Cash and cash equivalents	\$2,605	\$390
Funds held in escrow from sale of manufacturing facility, including land (Note 8)	-	2,641
Accounts receivable, less allowance for doubtful accounts of \$7 as of both March 31, 2013 and December 31, 2012 (Note 2)	428	516
Inventories (Note 4)	808	884
Prepaid expenses and other assets	108	56
Total current assets	3,949	4,487
Property and Equipment, at cost		
Property and equipment	293	321
Less accumulated depreciation and amortization	255	278
Net property and equipment	38	43
Total assets	\$3,987	\$4,530
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$437	\$503
Accrued liabilities:		
Compensation	55	60
Other	31	30
Total current liabilities	523	593
Stockholders' Equity (Note 6)		
Common stock, par value \$0.01 per share; authorized 20,000,000 shares; issued and outstanding 3,701,630 as of both March 31, 2013 and December 31, 2012	37	37
Additional paid-in capital	5,067	5,055
Accumulated deficit	(1,640)	(1,155)
Total stockholders' equity	3,464	3,937
Total liabilities and stockholders' equity	\$3,987	\$4,530

See Notes to Condensed Financial Statements

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WINLAND ELECTRONICS, INC.
CONDENSED STATEMENTS OF OPERATIONS
(In Thousands, Except Share and Per Share Data)
(unaudited)

	For the Three Months Ended March	
	2013	2012
Net sales (Note 2)	\$ 873	\$ 807
Cost of sales	604	578
Gross profit	269	229
Operating expenses:		
General and administrative	299	147
Sales and marketing	226	204
Research and development	234	60
Total operating expenses	759	411
Operating loss	(490)	(182)
Other income	5	2
Loss from continuing operations	(485)	(180)
Income from discontinued operations, net of tax	-	65
Net loss	\$ (485)	\$ (115)
Loss per common share data:		
Basic and diluted	\$ (0.13)	\$ (0.03)
Loss from continuing operations per common share data:		
Basic and diluted	\$ (0.13)	\$ (0.05)
Income from discontinued operations per common share data:		
Basic and diluted	\$ -	\$ 0.02
Weighted-average number of common shares outstanding:		
Basic and diluted	3,701,630	3,701,630

See Notes to Condensed Financial Statements

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WINLAND ELECTRONICS, INC.

CONDENSED STATEMENTS OF CASH FLOWS

(In Thousands)

(Unaudited)