

RELIABILITY INC
Form 10-Q
May 13, 2016

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2016

TRANSITION REPORT UNDER SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.

Commission File Number 0-7092

RELIABILITY INCORPORATED
(Name of registrant in its charter)

TEXAS 75-0868913
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

53 Forest Avenue, First Floor, Old Greenwich, Connecticut 06870
(Address of principal executive offices) (Zip Code)

(203) 489-9500
(Issuer's telephone number, including area code)

(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 twelve 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 ninety 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,

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or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if a 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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 16,914,693 shares of Common Stock, no par value, as of May 10, 2016.

RELIABILITY INCORPORATED
Quarterly Report on Form 10-Q
For the Three Months Ended March 31, 2016

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

RELIABILITY INCORPORATED
 UNAUDITED BALANCE SHEETS
 As of March 31, 2016 and March 31, 2015

	Mar. 31, 2016	Mar. 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$2,312	\$11,924
Total current assets	2,312	11,924
 Total Assets	 \$2,312	 \$11,924
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued liabilities	\$11,361	\$15,898
 Total Current Liabilities	 11,361	 15,898
Long term liabilities:		
Loan from Shareholder	50,000	50,000
 Total Long term Liabilities	 50,000	 50,000
 Total Liabilities	 61,361	 65,898
Stockholders' equity (deficit):		
Preferred stock, without par value; 1,000,000 shares authorized, none issued and outstanding		
Common stock, without par value; 300,000,000 shares authorized; 17,268,993 shares issued	9,912,150	9,912,150
Accumulated deficit	(8,876,682)	(8,871,607)
Less treasury stock at cost, 354,300 shares	(1,094,517)	(1,094,517)
 Total stockholders' deficit	 (59,049)	 (53,974)
 Total Liabilities and Stockholders' Deficit	 \$2,312	 \$11,924

The accompanying notes are an integral part of these statements.

RELIABILITY INCORPORATED
 UNAUDITED STATEMENTS OF OPERATIONS

	Three months ended March 31,	
	2016	2015
Operating Expenses:		
General and administrative	\$5,074	\$6,268
Total Expenses	5,074	6,268
Net Loss	\$(5,074)	\$(6,268)
Basic and diluted loss per share:	\$-	\$-
Weighted average shares outstanding:		
Basic	16,914,693	16,914,693
Diluted	16,914,693	16,914,693

The accompanying notes are an integral part of these statements.

RELIABILITY INCORPORATED
UNAUDITED STATEMENTS OF CASH FLOWS

	Three months ended March 31, 2016	2015
Cash flows from operating activities:		
Net loss	\$ (5,074)	\$ (6,268)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	(4,537)	(5,489)
Net cash used in operating activities	(9,611)	(11,757)
Net (decrease) in cash and cash equivalents	(9,611)	(11,757)
Cash and cash equivalents:		
Beginning of period	11,923	37,735
End of period	\$ 2,312	\$ 25,978
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	\$ 0	\$ 0
Income taxes	\$ 0	\$ 0

The accompanying notes are an integral part of these statements.