

INSIGNIA SYSTEMS INC/MN
Form 10-Q
November 14, 2008
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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 September 30, 2008

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
(State or other jurisdiction of
incorporation or organization)

41-1656308
(IRS Employer Identification No.)

8799 Brooklyn Blvd.

Minneapolis, MN 55445

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(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 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 October 31, 2008, was 15,369,464.

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Insignia Systems, Inc.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Insignia Systems, Inc.

BALANCE SHEETS

(Unaudited)

	September 30, 2008	December 31, 2007
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 8,336,000	\$ 7,393,000
Accounts receivable – net of \$10,000 allowance	4,007,000	2,155,000
Inventories	515,000	397,000
Deferred tax assets, net	164,000	164,000
Prepaid expenses and other	798,000	883,000
Total Current Assets	13,820,000	10,992,000

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Other Assets:

Property and equipment, net	1,095,000	375,000
Non-current deferred tax assets, net	1,967,000	1,967,000
Other	40,000	6,000
Total Assets	\$ 16,922,000	\$ 13,340,000

LIABILITIES AND SHAREHOLDERS EQUITY

Current Liabilities:

Current maturities of long-term liabilities	\$ 93,000	\$ 266,000
Accounts payable	2,100,000	1,369,000
Accrued liabilities		
Compensation	875,000	622,000
Employee stock purchase plan	99,000	98,000
Legal	1,273,000	208,000
Other commissions	860,000	152,000
Other	589,000	221,000
Deferred revenue	1,015,000	305,000
Total Current Liabilities	6,904,000	3,241,000

Long-Term Liabilities, less current maturities	398,000	422,000
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Commitments and Contingencies

Shareholders Equity:

Common stock, par value \$.01:		
Authorized shares 40,000,000		
Issued and outstanding shares 15,369,000 at September 30, 2008 and 15,550,000 at December 31, 2007	154,000	156,000
Additional paid-in capital	32,054,000	32,025,000
Accumulated deficit	(22,588,000)	(22,504,000)
Total Shareholders Equity	9,620,000	9,677,000

Total Liabilities and Shareholders Equity	\$ 16,922,000	\$ 13,340,000
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See accompanying notes to financial statements.

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Insignia Systems, Inc.

STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30 2008	2007	September 30 2008	2007
Services revenues	\$7,999,000	\$5,718,000	\$20,830,000	\$17,281,000
Products sold	598,000	743,000	1,908,000	2,214,000

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Total Net Sales	8,597,000	6,461,000	22,738,000	19,495,000
Cost of services	3,699,000	2,372,000	9,190,000	7,017,000
Cost of products sold	399,000	481,000	1,221,000	1,352,000
Total Cost of Sales	4,098,000	2,853,000	10,411,000	8,369,000
Gross Profit				