

WILLAMETTE VALLEY VINEYARDS INC
Form 10-Q
November 12, 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 quarterly period ended September 30, 2013

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

Commission File Number 000-21522

WILLAMETTE VALLEY VINEYARDS, INC.

(Exact name of registrant as specified in charter)

Oregon
(State or other jurisdiction of incorporation or
organization)

93-0981021
(I.R.S. Employer Identification No.)

8800 Enchanted Way, S.E., Turner, Oregon 97392
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (503) 588-9463

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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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:

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): YES NO

Number of shares of common stock outstanding as of November 12, 2013: 4,829,561 shares

WILLAMETTE VALLEY VINEYARDS, INC.
INDEX TO FORM 10-Q

Part I - Financial Information	3
Item 1 - Financial Statements	3
Balance Sheets	3
Statements of Operations	4
Statements of Cash Flows	5
Notes to Unaudited Interim Financial Statements	6
Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations	10
Item 3 – Quantitative and Qualitative Disclosures about Market Risk	13
Item 4 - Controls and Procedures	14
Part II - Other Information	14
Item 1 - Legal Proceedings	14
Item 1A – Risk Factors	14
Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds	15
Item 3 - Defaults Upon Senior Securities	15
Item 4 – Mine Safety Disclosures	15
Item 5 – Other Information	15
Item 6 – Exhibits	15
Signatures	16

PART I: FINANCIAL INFORMATION

Item 1 – Financial Statements

WILLAMETTE VALLEY
VINEYARDS, INC.
BALANCE SHEETS

ASSETS

	September 30, 2013 (unaudited)	December 31, 2012 (audited)
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,690,234	\$ 4,553,113
Accounts receivable, net	1,107,787	1,088,550
Inventories (Note 2)	8,914,627	9,226,884
Prepaid expenses and other current assets	229,011	89,503
Current portion of note receivable	-	23,231
Current portion of distribution agreement receivable	500,000	250,000
Income tax receivable	-	8,734
Total current assets	12,441,659	15,240,015
Restricted cash (Note 1)	1,647,562	-
Vineyard development costs, net	2,215,469	1,567,976
Property and equipment, net (Note 3)	12,436,078	8,305,636
Debt issuance costs, net	59,832	47,369
Distribution agreement receivable, net of current portion	-	250,000
TOTAL ASSETS	\$ 28,800,600	\$ 25,410,996

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	\$ 1,517,139	\$ 728,596
Accrued expenses	556,983	474,776
Current portion of long term debt	280,173	209,327
Income taxes payable	157,482	17,659
Deferred income taxes	254,000	254,000
Current portion of liabilities from discontinued operations, net	-	4,337
Current portion of deferred revenue-distribution agreement	142,857	142,857
Grapes payable	167,539	539,584
Total current liabilities	3,076,173	2,371,136
Long-term debt, net of current portion	5,590,295	3,816,911

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Deferred rent liability	186,178	197,241
Deferred revenue-distribution agreement, net of current portion	559,518	666,663
Deferred gain	193,480	217,551
Deferred income taxes	800,000	800,000
Total liabilities	10,405,644	8,069,502

COMMITMENTS AND CONTINGENCIES

SHAREHOLDERS' EQUITY

Common stock, no par value, 10,000,000 shares authorized, 4,921,979 and 4,893,979 shares issued at September 30, 2013 and December 31, 2012, respectively, 4,808,561 and 4,803,710 shares outstanding at September 30, 2013 and December 31, 2012, respectively.	8,766,466	8,656,926
Retained earnings	10,053,567	9,003,783
Less: Common stock held in treasury, at cost, 113,418 and 90,269 shares at September 30, 2013 and December 31, 2012, respectively	(425,077)	(319,215)
Total shareholders' equity	18,394,956	17,341,494

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 28,800,600	\$ 25,410,996
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The accompanying notes are an integral part of this financial statement

WILLAMETTE VALLEY VINEYARDS, INC.
STATEMENTS OF OPERATIONS

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2013	2012	2013	2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
SALES, NET	\$3,043,546	\$3,155,762	\$9,694,364	\$8,729,512
COST OF SALES				