

NORTECH SYSTEMS INC
Form 10-Q
August 14, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

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

NORTECH SYSTEMS INCORPORATED

For the quarterly period ended June 30, 2009

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Commission file number 0-13257

State of Incorporation: **Minnesota**

IRS Employer Identification No. **41-1681094**

Executive Offices: **1120 Wayzata Blvd E., Suite 201, Wayzata, MN 55391**

Telephone number: **(952) 345-2244**

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 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 Regulations 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 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 check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of \$.01 par value common stock outstanding at August 6, 2009 - 2,738,991

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	JUNE 30 2009 (Unaudited)	DECEMBER 31 2008
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 818,430	\$ 803,041
Accounts Receivable, Less Allowance for Uncollectible Accounts	12,005,598	13,161,578
Inventories	16,884,477	20,703,144
Prepaid Expenses	423,906	745,044
Income Taxes Receivable	2,044,879	421,175
Deferred Income Taxes	1,326,000	1,358,000
Total Current Assets	33,503,290	37,191,982
Property and Equipment		
Land	287,500	300,000
Building and Leasehold Improvements	6,414,252	6,508,974
Manufacturing Equipment	11,909,905	12,067,317
Office and Other Equipment	3,877,482	4,105,009
Construction in Progress	435,300	467,944
Total Property and Equipment	22,924,439	23,449,244
Accumulated Depreciation	(13,972,092)	(13,204,036)
Net Property and Equipment	8,952,347	10,245,208
Other Assets		
Restricted Cash	427,500	427,500
Finite Life Intangible Assets, Net of Accumulated Amortization	418,609	493,670
Goodwill	75,006	75,006
Deferred Income Taxes	136,000	
Deposits	7,726	7,726
Total Other Assets	1,064,841	1,003,902
Total Assets	\$ 43,520,478	\$ 48,441,092

See Accompanying Condensed Notes to Consolidated Financial Statements

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NORTECH SYSTEMS INCORPORATED AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

	JUNE 30 2009 (Unaudited)	DECEMBER 31 2008
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities		
Line of Credit	\$ 6,359,607	\$ 4,367,562
Current Maturities of Long-Term Debt	1,022,405	951,437
Accounts Payable	7,815,620	10,746,206
Accrued Payroll and Commissions	2,722,031	3,417,901
Accrued Health and Dental Claims	460,000	446,102
Other Accrued Liabilities	1,008,316	1,484,990
Total Current Liabilities	19,387,979	21,414,198
Long-Term Liabilities		
Long-Term Debt, Net of Current Maturities	4,311,154	4,386,064
Deferred Income Taxes		69,000
Other Long-Term Liabilities	202,930	153,805
Total Long-Term Liabilities	4,514,084	4,608,869