

INSIGNIA SYSTEMS INC/MN
Form 10-K/A
July 15, 2004

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

FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the year ended December 31, 2003

Commission File Number 1-13471

INSIGNIA SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Minnesota

41-1656308

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification No.)

6470 Sycamore Court North
Maple Grove, MN 55369

(Address of principal executive offices)

Registrant's telephone number, including area code: (763) 392-6200

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: None

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
Common Stock, \$.01 par value

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K.

Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2) of the Act. Yes No

Edgar Filing: INSIGNIA SYSTEMS INC/MN - Form 10-K/A

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of the last business day of the second quarter (June 30, 2003) was approximately \$55,025,000 based upon the last sale price of the registrant's Common Stock on such date.

Number of shares outstanding of Common Stock, \$.01 par value, as of July 14, 2004, was 12,475,625.

DOCUMENTS INCORPORATED BY REFERENCE:

Insignia Systems, Inc. Proxy Statement to be filed for the Annual Meeting of Shareholders to be held on May 20, 2004 (Part III Items 10, 11, 12, 13 and 14)

EXPLANATORY NOTE

This Form 10-K/A is being filed by the Company for the purpose of amending the signature page to indicate that the Company's Chief Financial Officer is also the principal accounting officer. This amendment also includes as exhibits the new certifications required by Rule 12b-15.

TABLE OF CONTENTS

PART III.

	<u>Page</u>
<u>Item 15.</u> Exhibits, Financial Statement Schedules and Reports on Form 8-K	3
<u>Signatures</u>	6
<u>Exhibits</u>	7

Item 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

The following financial statements of Insignia Systems, Inc. are included in Item 8:

Reports of Independent Auditors
 Balance Sheets as of December 31, 2003 and 2002
 Statements of Operations for the years ended December 31, 2003, 2002 and 2001
 Statements of Shareholders' Equity for the years ended December 31, 2003, 2002 and 2001
 Statements of Cash Flows for the years ended December 31, 2003, 2002 and 2001
 Notes to Financial Statements

The following schedule of Insignia Systems, Inc. is included in Item 15:

Schedule II. Valuation and Qualifying Accounts

(a) Exhibits

Exhibit Number	Description	Incorporation By Reference To
2	Asset Purchase Agreement dated December 23, 2002 between Insignia Systems, Inc. and Paul A. Richards, Inc.	Exhibit 2 of the Registrant's Form 8-K filed December 31, 2002
3.1	Articles of Incorporation of Registrant, as amended to date	Exhibit 3.1 of the Registrant's Registration Statement on Form S-18, Reg. No. 33-40765C
3.2	Bylaws, as amended to date	Exhibit 3.2 of the Registrant's Registration Statement on Form S-18, Reg. No. 33-40765C
4.1	Specimen Common Stock Certificate of Registrant	Exhibit 4.1 of the Registrant's Registration Statement on Form S-18, Reg. No. 33-40765C
4.2	Securities Purchase Agreement dated December 18, 2002 among Insignia Systems, Inc. and the Purchasers	Exhibit 4.1 of the Registrant's Form 8-K filed December 31, 2002

Edgar Filing: INSIGNIA SYSTEMS INC/MN - Form 10-K/A

4.3	Registration Rights Agreement dated December 18, 2002 among Insignia Systems, Inc. and the Purchasers	Exhibit 4.2 of the Registrant's Form 8-K filed December 31, 2002
4.4	Form of Warrant dated December 18, 2002 between Insignia Systems, Inc. and the Holders	Exhibit 4.3 of the Registrant's Form 8-K filed December 31, 2002
4.5	Amendment to Warrant dated December 29, 2003 between Insignia Systems, Inc. and the Holders	Filed with original Form 10-K for the year ended December 31, 2003
10.1	Employment Agreement dated December 23, 2002 between Insignia Systems, Inc. and Paul A. Richards	Exhibit 10.1 of the Registrant's Form 8-K filed December 31, 2002
10.2	Royalty Agreement dated December 23, 2002 between Insignia Systems, Inc. and Paul A. Richards, Inc.	Exhibit 10.2 of the Registrant's Form 8-K filed December 31, 2002

3

Exhibit Number	Description	Incorporation By Reference To
10.3	The Company's 1990 Stock Plan, as amended	Exhibit 10.3 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2001
10.4	Certificate of Amendment to 1990 Stock Option Plan	Exhibit 10.4 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2002
10.5	Lease Agreement between Plymouth Partners II, and the Company, dated October 5, 1998	Exhibit 10.6 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998
10.6	Lease Agreement between 321 Corporation and the Company, dated October 31, 2002	Exhibit 10.6 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2002

Edgar Filing: INSIGNIA SYSTEMS INC/MN - Form 10-K/A

10.7	License Agreement between Thomas and Lawrence McGourty and the Company dated January 23, 1990, as amended	Exhibit 10.1 of the Registrant's Registration Statement on Form S-18, Reg. No. 33-40765C
10.8	Barcode License and Support Agreement between Thomas and Lawrence McGourty and the Company dated January 23, 1990	Exhibit 10.2 of the Registrant's Registration Statement on Form S-18, Reg. No. 33-40765C
10.9	Employee Stock Purchase Plan, as amended	Exhibit 10.9 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2000
10.10	Certificate of Amendment to Employee Stock Purchase Plan	Filed with original Form 10-K for the year ended December 31, 2003
10.11	The Company's 2003 Incentive Stock Option Plan	Exhibit 4.1 of the Registrant's Registration Statement on Form S-8, Reg. No. 33-107087
10.12	Amended Change in Control Severance Agreement with Scott F. Drill dated March 31, 2003	Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003
10.13	Amended Change in Control Severance Agreement with Gary L. Vars dated March 31, 2003	Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003
10.14	Change in Control Severance Agreement with Denni J. Lester dated February 24, 2003	Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003
10.15	Change in Control Severance Agreement with Thomas Wilkolak dated February 24, 2003	Exhibit 10.4 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003
14	Code of Ethics	Filed with original Form 10-K for the year ended December 31, 2003
23.1	Consent of Grant Thornton LLP	Filed with original Form 10-K for the year ended December 31, 2003
23.2	Consent of Ernst & Young LLP	Filed with original Form 10-K for the year ended December 31, 2003
31.1	Certification of Principal Executive Officer	Filed herewith
31.2	Certification of Principal Financial Officer	Filed herewith
32	Section 1350 Certification	Filed herewith

(b) Reports on Form 8-K

The Company filed a report on Form 8-K on October 16, 2003 under Item 12 to report the financial information regarding the quarter ended September 30, 2003.

SCHEDULE II. Valuation and Qualifying Accounts

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions Describe	Balance at End of Period
Year ended December 31, 2003				
Allowance for doubtful accounts	\$ 132,000	\$ 35,000	\$ 27,000 (1)	\$ 140,000
Provision for obsolete inventory	50,000	121,000	98,000 (3)	73,000
Year ended December 31, 2002				
Allowance for doubtful accounts	\$ 174,000	\$ (53,000)	\$ (11,000) (1)	\$ 132,000
Provision for obsolete inventory	46,000	55,000	51,000 (3)	50,000
Year ended December 31, 2001				
Allowance for doubtful accounts	\$ 106,000	\$ 72,000	\$ 4,000 (1)	\$ 174,000
Provision for normal returns and rebates	16,000		16,000 (2)	
Provision for obsolete inventory	67,000	33,000	54,000 (3)	46,000

(1) Uncollectible accounts written off, net of recoveries.

(2) Credited to income.

(3) Inventory scrapped and disposed of.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: July 14, 2004

/s/ Scott F. Drill

 Scott F. Drill
 President and CEO

Pursuant to the requirements of the Securities Exchange Act of 1934, this report on Form 10-K/A has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	Title	Date
_____ /s/ Scott F. Drill Scott F. Drill	President and Chief Executive Officer (principal executive officer) and Director	July 14, 2004
_____ /s/ Denni J. Lester Denni J. Lester	Vice President of Finance, Chief Financial Officer and Treasurer (principal financial and accounting officer)	July 14, 2004

