

TAITRON COMPONENTS INC
Form 10-Q
November 14, 2014

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, 2014

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: 0-25844

TAITRON COMPONENTS INCORPORATED
(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of incorporation or organization)

95-4249240
(I.R.S. Employer Identification No.)

28040 West Harrison Parkway, Valencia, California
(Address of principal executive offices)

91355-4162
(Zip Code)

(661) 257-6060
(Registrant's telephone number, including area code)

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 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,

or a smaller reporting company.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)
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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding on October 31, 2014
Class A common stock, \$0.001 par value	4,777,144
Class B common stock, \$0.001 par value	762,612

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

TAITRON COMPONENTS INCORPORATED

Consolidated Balance Sheets

Assets	September 30, 2014 (Unaudited)	December 31, 2013
Current Assets:		
Cash and cash equivalents	\$3,287,000	\$2,724,000
Accounts receivable, less allowances of \$52,000	643,000	511,000
Inventories, less reserves for obsolescence of \$6,607,000, and \$5,939,000, respectively	8,956,000	10,151,000
Prepaid expenses and other current assets	118,000	109,000
Total current assets	13,004,000	13,495,000
Property and equipment, net	4,343,000	4,462,000
Other assets (Note 4)	1,118,000	1,276,000
Total assets	\$18,465,000	\$19,233,000
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	\$353,000	\$568,000
Accrued liabilities	277,000	288,000
Current portion of long-term debt from related party (Note 5)	500,000	-
Total current liabilities	1,130,000	856,000
Long-term debt from related party (Note 5)	1,000,000	1,500,000
Total Liabilities	2,130,000	2,356,000
Commitments and contingencies (Notes 6 and 8)		
Shareholders' Equity:		
Preferred stock, \$0.001 par value. Authorized 5,000,000 shares; None issued or outstanding	-	-
Class A common stock, \$0.001 par value. Authorized 20,000,000 shares; 4,777,144 shares issued and outstanding	5,000	5,000
Class B common stock, \$0.001 par value. Authorized, issued and outstanding 762,612 shares	1,000	1,000
Additional paid-in capital	10,680,000	10,661,000
Accumulated other comprehensive income	135,000	132,000
Retained earnings	5,403,000	5,959,000
Total Shareholders' Equity - Taitron Components Inc	16,224,000	16,758,000
Noncontrolling interest in subsidiary	111,000	119,000
Total Shareholders' Equity	16,335,000	16,877,000
Total Liabilities and Shareholders' Equity	\$18,465,000	\$19,233,000

See accompanying notes to consolidated financial statements.

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TAITRON COMPONENTS INCORPORATED

Consolidated Statements of Operations

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net sales	\$1,610,000	\$1,574,000	\$4,505,000	\$4,869,000
Cost of goods sold	1,194,000	1,203,000	3,319,000	3,807,000
Gross profit	416,000	371,000	1,186,000	1,062,000
Selling, general and administrative expenses	525,000	575,000	1,630,000	1,784,000
Operating loss	(109,000)	(204,000)	(444,000)	(722,000)
Interest expense, net	(13,000)	(9,000)	(31,000)	(25,000)
Other (expense)income, net	(40,000)	36,000	(88,000)	102,000
Loss before income taxes	(162,000)	(177,000)	(563,000)	(645,000)
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