

WILLAMETTE VALLEY VINEYARDS INC  
Form 10-Q  
May 12, 2016

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

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

For the quarterly period ended March 31, 2016

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

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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 May 12, 2016: 5,006,714

Number of shares of preferred stock outstanding as of May 12, 2016: 2,000,014

WILLAMETTE VALLEY VINEYARDS, INC.  
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## PART I: FINANCIAL INFORMATION

## Item 1 – Financial Statements

WILLAMETTE VALLEY  
VINEYARDS, INC.  
BALANCE SHEETS

## ASSETS

	March 31, 2016 (unaudited)	December 31, 2015 (audited)
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 4,590,124	\$ 4,010,664
Restricted cash (Note 1)	456,326	1,476,232
Accounts receivable, net	1,323,704	1,684,502
Inventories (Note 2)	10,507,796	10,632,462
Prepaid expenses and other current assets	301,749	131,173
Income tax receivable	305,555	204,513
Total current assets	17,485,254	18,139,546
Investment in Kore Wine Company	59,186	60,000
Vineyard development costs, net	3,888,824	3,699,947
Property and equipment, net (Note 3)	16,573,119	16,729,162
Debt issuance costs, net	49,126	50,221
<b>TOTAL ASSETS</b>	<b>\$ 38,055,509</b>	<b>\$ 38,678,876</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 203,032	\$ 386,137
Accrued expenses	477,648	604,580
Investor deposits for preferred stock (Note 1)	456,326	1,476,232
Current portion of note payable	-	245,417
Current portion of long term debt	354,126	349,003
Current portion of deferred revenue-distribution agreement	142,857	142,857
Unearned revenue	45,024	73,200
Grapes payable	-	816,879
Total current liabilities	1,679,013	4,094,305
Note payable, net of current portion	245,417	245,417
Long-term debt, net of current portion	4,733,219	4,824,015
Deferred rent liability	133,959	140,756
Deferred revenue-distribution agreement, net of current portion	202,368	238,083
Deferred gain	113,243	121,267

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Deferred income taxes	1,848,000	1,848,000
Total liabilities	8,955,219	11,511,843

COMMITMENTS AND CONTINGENCIES

SHAREHOLDERS' EQUITY

Redeemable preferred stock, no par value, 10,000,000 shares authorized, 1,434,448 shares, liquidation preference \$6,031,854, issued and outstanding at March 31, 2016 and 1,074,338 shares, liquidation preference \$4,458,710, issued and outstanding at December 31, 2015, respectively.	5,260,474	3,735,437
Common stock, no par value, 10,000,000 shares authorized, 5,176,020 and 5,139,177 shares issued at March 31, 2016 and December 31, 2015, respectively, 5,008,885 and 4,989,216 shares outstanding at March 31, 2016 and December 31, 2015, respectively.	9,794,271	9,674,362
Retained earnings	14,841,831	14,432,836
Less: Common stock held in treasury, at cost, 167,135 and 149,961 shares at March 31, 2016 and December 31, 2015, respectively	(796,286 )	(675,602 )
Total shareholders' equity	29,100,290	27,167,033
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 38,055,509	\$ 38,678,876

The accompanying notes are an integral part of this financial statement

WILLAMETTE VALLEY VINEYARDS, INC.  
STATEMENTS OF OPERATIONS  
(Unaudited)

	Three months ended	
	March 31,	
	2016	2015
SALES, NET	\$4,183,769	\$3,912,501
COST OF SALES		