

MIRENCO INC
Form 10QSB
November 21, 2005

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended **September 30, 2005**

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

For the transition period from _____ to _____

Commission file number **333-41092**

Mirenc, Inc.

(Exact name of small business issuer as specified in its charter)

Iowa

(State or other jurisdiction of incorporation or
organization)

39-1878581

(IRS Employer Identification No.)

206 May Street, P.O. Box 343, Radcliffe, Iowa 50230

(Address of principal executive offices)

(515) 899-2164

(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes [] No [] **Not applicable**

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: **17,949,154 shares of no par value common stock as of October 31, 2005.**

Transitional Small Business Disclosure Format (Check one): Yes [] No []

Cautionary Statement on Forward-Looking Statements.

The discussion in this Report on Form 10-QSB, including the discussion in Item 2 of PART I, contains forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations, estimates and projections about the Company's business, based on management's current beliefs and assumptions made by management. Words such as "expects", "anticipates", "intends", "believes", "plans", "seeks", "estimates", and similar expressions or variations of these words are intended to identify such forward-looking statements. Additionally, statements that refer to the Company's estimated or anticipated future results, sales or marketing strategies, new product development or performance or other non-historical facts are forward-looking and reflect the Company's current perspective based on existing information. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results and outcomes may differ materially from what is expressed or forecasted in any such forward-looking statements. Such risks, and uncertainties include those set forth below in Item 1 as well as previous public filings with the Securities and Exchange Commission. The discussion of the Company's financial condition and results of operations included in Item 2 of PART I should also be read in conjunction with the financial statements and related notes included in Item 1 of PART I of this quarterly report. These quarterly financial statements do not include all disclosures provided in the annual financial statements and should be read in conjunction with the annual financial statements and notes thereto included in the Company's Form 10KSB for the year ended December 31, 2004 filed on April 15, 2005. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I Financial Information**Item 1. Financial Statements****MIRENCO, Inc.****BALANCE SHEET****September 30, 2005****(unaudited)**

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,810
Accounts receivable	133,850
Inventories	129,378
Other	15,109
Total current assets	280,147
PROPERTY AND EQUIPMENT, net	546,264
PATENTS AND TRADEMARKS, net	9,838
	\$ 836,249
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Current portion of note payable	\$ 7,999
Current portion of capital lease	2,744
Accounts payable	149,034
Customer deposits	14,253
Accrued expenses	23,302
Due to officers	150,017
Other current liabilities	30,101
Note payable to related parties	4,762
Total current liabilities	382,212
LONG TERM LIABILITIES	
Note payable, less current portion	136,558
Capital lease, less current portion	6,507
Notes payable to related parties, less current portion	69,369
Total long term liabilities	212,434
STOCKHOLDERS' EQUITY	
Preferred stock, \$.01 par value, 50,000,000 shares authorized	-

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no shares issued or outstanding	
Common stock, no par value: 100,000,000 shares authorized, 17,929,154 shares issued and outstanding	9,266,846
Additional paid-in capital	1,761,254
Deferred compensation	(2,620)
Accumulated (deficit)	(10,783,877)
	241,603
	\$ 836,249

See the accompanying notes to the financial statements

MIRENCO, Inc.**STATEMENTS OF OPERATIONS****(unaudited)**

	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
Sales	\$ 561,918	\$ 186,131
Cost of sales	205,259	163,688
Gross profit	356,659	22,443
Salaries and wages	666,414	555,357
Other general and administrative expenses	311,646	480,945
	978,060	1,036,302
Loss from operations	(621,401)	(1,013,859)
Other income (expense)		
Interest income	2	846
Interest expense	(14,804)	(6,432)
	(14,802)	(5,586)
NET LOSS	\$ (636,203)	\$ (1,019,445)

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Net loss per share available for common shareholders - basic and diluted	\$	(0.04)	\$	(0.08)
Weighted-average shares outstanding - basic and diluted		16,370,032		13,329,658

See the accompanying notes to the financial statements

MIRENCO, Inc.

STATEMENTS OF OPERATIONS

(unaudited)

	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004
Sales	\$ 240,163	\$ 59,552
Cost of sales	71,109	39,582
Gross profit	169,054	19,970
Salaries and wages	212,602	192,840
Other general and administrative expenses	99,568	166,596
	312,170	359,437
(Loss) from operations	(143,116)	(339,467)
Other income (expense)		
Interest income	-	1
Interest expense	(5,501)	(4,348)
	(5,501)	(4,347)
NET (LOSS)	\$ 148,617	\$ (343,814)
Net (loss) per share available for common shareholders - basic and diluted	\$ 0.01	\$ (0.03)
Weighted-average shares outstanding - basic and diluted	17,858,230	13,329,658

See the accompanying notes to the financial statements

MIRENCO, Inc.**STATEMENTS OF CASH FLOWS****(unaudited)**

	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
Cash flows from operating activities	\$ (528,791)	\$ (849,685)
Cash flows from investing activities		
Expenditures on patent applications	(6,408)	(1,279)
Net cash used in investing activities	(6,408)	(1,279)
Cash flows from financing activities		
Proceeds from issuance of stock	514,461	265,000
Principal payments on long-term debt:		
Banks and others	(8,354)	(9,494)
Related parties	(2,226)	(8,920)
Proceeds from long-term borrowing:		
Banks and others	-	155,000
Related parties	-	80,000
Net cash provided by financing activities	503,881	481,586
Increase (decrease) in cash and cash equivalents	(31,317)	(369,378)
Cash and cash equivalents, beginning of period	33,127	420,402
Cash and cash equivalents, end of period	\$ 1,810	\$ 51,024

See the accompanying notes to the financial statements

MIRENCO, Inc.

NOTES TO FINANCIAL STATEMENTS

(unaudited)

September 30, 2005 and 2004

NOTE A BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for interim financial information and Item 310(b) of Regulation S-B. They do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included.

The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year. For further information, refer to the financial statements of the Company as of December 31, 2004 and for the year then ended, including notes thereto included in the Company's Form 10-KSB.

NOTE B INVENTORY

Inventories, consisting of purchased finished goods ready for sale, are stated at the lower of cost (as determined by the first-in, first-out method) or market.

NOTE C - REALIZATION OF ASSETS

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern.

However, the Company has incurred net losses aggregating \$10,783,877 and may continue to incur net losses in the future. If revenues do not increase substantially in the near future, additional sources of funds will be needed to maintain operations. These matters give rise to substantial doubt about the Company's ability to continue as a going concern.

Management and other personnel have been focused on product exposure and marketing. The Company's management team has diligently explored several market segments relative to the Company's product and service lines over the past 24 months. From that exploration, the Company has decided it is in its best interests to develop an internal sales and marketing effort while developing the use of existing, well-established distribution channels for marketing and selling the DriverMax® product line. Management also believes a large market exists for the Company's testing and evaluation services and the information resulting from those services. By concentrating the sales efforts within its own reasonable geographical area, management believes it can better provide a professional, consultative approach toward customers needs and prove the value of its products and services. Management will focus on the Company's efforts on the sales of products, services, and programs with sensible controls over expenses. Management believes these steps, if successful, will improve the Company's liquidity and operating results, allowing it to continue in existence.

Gross sales of \$561,918, including \$239,779 in product sales and \$322,139 in sales of services, were realized for the nine months ended September 30, 2005 and were \$375,787 higher than gross sales for the same period one year ago.

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MIRENCO, Inc.**NOTES TO FINANCIAL STATEMENTS Continued****(unaudited)****September 30, 2005 and 2004****NOTE D – STOCKHOLDERS EQUITY**

During the nine months ended September 30, 2005, the Company issued 3,855,072 shares of common stock for cash of \$514,461 which shares were issued at a discount to the fair market value of the shares. Included in these shares were 270,000 shares issued to affiliates at a discount of \$46,300 which has been charged to salaries during the period as non cash compensation.

During the nine months ended September 30, 2005, the Company issued 5,000 options to directors to purchase common stock at \$.28 per share, 4,000 options at \$.25 per share and 5,000 option at \$.3125. The options are exercisable at those prices until January 31, 2014 .

During then nine months ended September 30, 2005, the Company issued 22,500 options to employees to purchase common stock at \$.3125 per share. The options are exercisable at those prices until January 31, 2014.

- The following summarizes the options outstanding at September 30, 2005:

	Number of shares		Weighted- average exercise price per share
	Outstanding	Exercisable	
Outstanding, December 31, 2004	1,022,710	1,022,710	2.37
Granted	36,500	36,500	0.30
Outstanding September 30, 2005	1,059,210	1,059,210	\$ 2.30

SFAS 123 requires the Company to provide pro forma information regarding net income and earnings per share as if compensation cost for the Company's stock option plans had been determined in accordance with the fair value based method prescribed in SFAS 123. The fair value of the option grants is estimated on the date of grant utilizing the Black-Scholes option pricing model. Had the company charged the fair value of the options issued to operations during the period ended September 30, 2005, there would not be a material difference in the net loss as reported.

An officer and director of the Company currently holds more than 50% of the Company's outstanding shares and can therefore control substantially all matters related to the Company.

NOTE E NOTES PAYABLE

Notes payable consisted of the following at September 30, 2005:

	Total	Current Portion	Long-term Portion
Notes payable to investors, 9% interest payable			
quarterly, principal due in March and April, 2007	\$ 30,000	-	\$ 30,000
Note payable to bank in monthly installments of \$1,435, including principal and variable interest, currently 7.75%, guaranteed by stockholder, guaranteed by Small Business Administration	114,557	7,999	106,558
Capital lease payable to leasing company in monthly installments of \$375.59, including principal and interest of 20.625%, maturing in July, 2008	9,251	2,744	6,507
	\$ 153,808	\$ 10,743	\$ 143,065

NOTE F NOTES PAYABLE TO RELATED PARTIES

Notes payable to related parties consisted of the following at September 30, 2005:

	Total	Current Portion	Long-term Portion
Note payable to stockholder, 9% interest payable			
quarterly, principal due in March, 2007	20,000	-	20,000
Note payable to related Company in monthly installments of \$689, including principal and interest of 6.75% maturing May, 2009	54,130	4,762	49,368
	\$ 74,130	\$ 4,762	\$ 69,368

NOTE G MAJOR CUSTOMER

In the first nine months of 2005 one major customer accounted for 31% of total sales.

NOTE H SUBSEQUENT EVENT

On October 5, 2005, 20,000 shares of stock were issued for cash of \$3,000.

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Item 2.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

General and Background

We have incurred annual losses since inception while developing and introducing our original products and focusing management and other resources on capitalizing the Company to support future growth. Relatively high management, personnel, consulting and marketing expenditures were incurred in prior years in preparation for the commercialization of our products. We expect distribution and selling expenses to increase directly with sales increases, however, as a percentage of sales, these expenses should decline. It is anticipated that general and administrative expenses should remain stable and decline significantly as a percentage of sales.

Liquidity and Capital Resources

Cash and equivalents and accounts receivable are currently the Company's substantial source of liquidity. The changes in Cash and Equivalents for the nine months ended September 30, 2005 and 2004 can be reviewed in the Statements of Cash Flows in PART I Item 1 above. During the nine months ended September 30, 2005 and September 30, 2004, revenues of None and \$16,000 were recognized from an arrangement with the Iowa Foundation for Educational Administration, Inc. for emissions testing services being conducted on the Iowa School Bus fleet. Billed but uncollected amounts of these revenues were not recorded as revenue because of the nature of the arrangement with the Iowa Foundation for Educational Administration, Inc. This relationship was discontinued in 2004.

According to the terms of our purchase agreement with American Technologies to acquire the patents and trademarks, we will pay a 3% royalty of annual gross sales for a period of 20 years, which began November 1, 1999.

Results of Operations

Gross sales of \$561,918, including \$239,779 in product sales and \$322,139 in sales of services, were realized for the nine months ended September 30, 2005 and were \$375,787 higher than sales for the same period one year ago. Cost of sales for the nine months ended September 30, 2005 was only \$41,571 higher resulting in an increase of \$334,217 in gross profit margin. This increase was the result of higher realization of sales from the emissions testing program as well as an increase in product sales with a higher gross margin. In the nine months ended September 30, 2005, \$154,052 of employment costs were included in Cost of Sales compared to \$130,191 in the corresponding period in the prior year.

A total of 21 individuals, 20 full time and one part-time, were employed with the Company at September 30, 2005 compared to a total of 19 at September 30, 2004. The increase in personnel was primarily in the operational and technical staff to perform consultative services and installation of products.

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A comparative breakdown of Other general and administrative expenses per the Statements of Operations included in PART I Item 1 above is as follows:

	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004	Note
Royalty	16,722	5,082	1
Advertising	14,336	7,573	2
Depreciation and amortization	35,848	47,260	3
Insurance	53,040	62,779	4
Professional fees	40,841	198,544	5
Office expenses	37,851	55,168	6
Testing equipment and supplies	9,867	-	7
Research and development	-	4,242	8
Travel	62,536	57,739	9
Utilities	40,605	42,558	10
Total general and administrative expenses	311,646	480,945	

1.

Royalty expense is proportional to sales and is based on sales of products, services and rights related to patents according to the contractual agreement.

2.

Advertising expense for the nine months ended September 30, 2005 increased \$6,763 over the same period in the prior year because of increased marketing and sales activities.

3.

Depreciation and amortization expense decreased \$11,412 from the corresponding period in the prior year because of computer and other equipment becoming fully depreciated in the prior period.

4.

Insurance expense for the nine months ended September 30, 2005 decreased \$9,739 from the corresponding period in the prior year because of a thorough examination of current coverage and obtaining a more competitive bid.

5.

Professional fees expense decreased \$157,703 because of the discontinuance of the services of several outside consultants employed in 2004.

6.

Office expense for the nine months ended September 30, 2005 decreased \$17,317 from the corresponding period in the prior year because of the implementation of cost control measures.

7.

Testing equipment and supplies expenses increased \$9,867 from the first nine months of the prior year as a result of acquiring additional testing equipment.

8.

Research and development expenses were none for the nine months ended September 30, 2005 compared to \$,242 for the same period in 2004 because of the Company's emphasis of selling existing products as opposed to the development of new products.

9.

Travel expense for the first nine months of 2005 was greater than for the first nine months of 2004 because of increased emission testing and product sales in the mining sector.

10.

Utilities expense for the first nine months of 2005 was comparable to the expense for the first nine months of 2004.

Interest expense for the nine months ended September 30, 2005 and 2004 is a result of obtaining investor loans and bank loans in 2005 and 2004.

The Company uses estimates in the preparation of its financial statements. The estimates used relate to valuation of receivables and the useful lives of its equipment and patents. Since the Company's receivables consist of larger individual accounts, the Company elects to use the direct write off method for those accounts that are deemed to be uncollectible. The Company believe there is no material difference in this method from the allowance method. There have been no accounts written off in 2005. If it is determined that potential losses of a material amount in receivables, the allowance for doubtful accounts method will be adopted. No such allowance is considered to be required at this time. If it were determined that the depreciated cost of its equipment and the amortized cost of its patents exceeded their fair market value, there would be a negative impact on the results of operations to the extent the depreciated and amortized cost of these assets exceeded their fair market value. In connection with this, the value of certain real property was reduced in a prior year to conform with an appraisal of the property at that time. No such additional reduction is considered necessary at this time.

The carrying value of long-lived assets is reviewed on a regular basis for the existence of facts and circumstances that suggest impairment. During the first nine months of 2005, no material impairment has been indicated. Should there be an impairment in the future, the Company will measure the amount of the impairment based on the amount that the carrying value of the impaired assets exceed the undiscounted cash flows expected to result from the use and eventual disposal of the impaired assets.

The Company accounts for equity instruments issued to employees for services based on the fair value of the equity instruments issued and accounts for equity instruments issued to other than employees based on the fair value of the consideration received or the fair value of the equity instruments whichever is more reliably measurable.

The Company accounts for stock based compensation in accordance with SFAS 123, Accounting for Stock-Based Compensation . The provisions of SFAS 123 allow companies to either expense the estimated fair value of stock options or to continue to follow the intrinsic value method set forth in APB Opinion 25, Accounting for Stock Issued to Employees (APB Opinion 25) but disclose the proforma effects on net income (loss) had the fair value of the options been expensed. The Company has elected to continue to apply APB Opinion 25 in accounting for its stock option incentive plans.

SFAS 123 requires the Company to provide pro forma information regarding net income and earnings per share as if compensation cost for the Company's stock option plans had been determined in accordance with the fair value based method prescribed in SFAS 123. The fair value of the option grants is estimated on the date of grant utilizing the Black-Scholes option pricing model. Had the company charged the fair value of the options issued to operations during the period ended September 30, 2005, there would not be a material difference in the net loss as reported.

In December 2004, the FASB issued SFAS 123(R), Share-Based Payment. SFAS 123(R) amends SFAS 123, Accounting for Stock-Based Compensation, and APB Opinion 25, Accounting for Stock Issued to Employees. SFAS 123(R) requires that the cost of share-based payment transactions (including those with employees and non-employees) be recognized in the financial statements. SFAS 123(R) applies to all share-based payment transactions in which an entity acquires goods or services by issuing (or offering to issue) its shares, share options, or other equity instruments (except for those held by an ESOP) or by incurring liabilities (1) in amounts based (even in part) on the price of the entity's shares or other equity instruments, or (2) that require (or may require) settlement by the issuance of an entity's shares or other equity instruments. This statement is effective (1) for public companies qualifying as SEC small business issuers, as of the first interim period or fiscal year beginning after December 15, 2005, or (2) for all other public companies, as of the first interim period or fiscal year beginning after June 15, 2005, or (3) for all nonpublic entities, as of the first fiscal year beginning after December 15, 2005. Management is currently assessing the effect of SFAS No. 123(R) on the Company's financial statements.

The Company outsources the production of its DriverMax® products to ICE Corporation of Manhattan, Kansas. If, for some reason the relationship between the Company and ICE Corporation should be interrupted or discontinued, the operations of the Company could be adversely affected until such time an alternative supply source could be located, contracted and begin producing our technology. Such an event could materially effect the results of operations of the Company. The Company continues to review its relationship with this single source and believes there is no need for an alternative source at this time. As sales of product grow the Company will continue to review alternative sources.

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Item 3.

CONTROLS AND PROCEDURES

An evaluation of the Company's disclosure controls and procedures and internal controls and procedures was performed on November 2, 2005. Based on that review, management concludes that the Company's disclosure controls and procedures adequately ensure that information required to be disclosed by the Company in the reports that it files or submits under the Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. There have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the evaluation date. There have been no corrective actions with regard to significant deficiencies and material weaknesses since the evaluation date.

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PART II. OTHER INFORMATION

Item 1.

Legal Proceedings

None

Item 2.

Changes in Securities

During the nine months ended September 30, 2005, common stock of 3,855,072 shares were issued. Changes in shares outstanding during the first six months are summarized as follows:

Shares Issued

Amount Received

Shares outstanding January 1, 2005

14,074,082

New shares issued for cash and non cash compensation

3,855,072

\$560,761

Shares outstanding September 30, 2005

17,929,154

Item 3.

Defaults upon Senior Securities

None

Item 4.

Submission of Matters to a Vote of Security Holders

The 2005 Annual Meeting of Shareholders of Mirencos, Inc. was held at the Ames Auditorium on September 30, 2005 for the purpose of electing directors and ratifying the appointment of Stark, Winter, Schenkein & Co., LLP as the Company's certified public accountants for the fiscal year ending December 31, 2005. All directors' terms will expire on the date of the 2006 Annual Meeting, which has not yet been determined. The results of the matters submitted to shareholders are as follows:

Item 5.**Other Information**

Matter Voted Upon	Number of Votes Cast		
	For	Against or Withheld	Number of Abstentions
Election of Dwayne L. Fosseen as Director	9,408,979		-
Election of Don D. Williams as Director	9,408,679		300
Election of Merlin C. Hanson as Director	9,408,679		300
Election of Timothy L. Nuegent as Director	9,408,679		300
Election of Richard A. Musal as Director	9,408,979		-
Appointment of Stark, Winter, Schenkein & Co. LLP as the Company's independent auditors for the fiscal year ending December 31, 2005	9,408,979		-
None			

ITEM 6. Exhibits and Reports on Form 8-K**(a) Exhibits**

The following are the exhibits to this report.

3.2(a)

Articles of Amendment to Articles of Incorporation (Incorporated by reference to the Company's 10QSB for the quarter ended June 30, 2004 filed on August 10, 2004).

3.2(b)

Certificate of Incorporation and Certificates of Amendment to the Certification of Incorporation of Registrant (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

3.3

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Bylaws of Registrant (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.2(d)

Stock Option Agreement between Registrant and Betty Fosseen (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.2(f)

Stock Option Agreement between Registrant and J. Richard Relick (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.3

American Technologies LLC, Fosseen Manufacturing & Development, Mirencos, Inc.,

Ethaco Agreements to Terminate Prior Agreements and Transfer License, respectively (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.4

Purchase Agreement Between Registrant and American Technologies, LLC (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.5

Environmental Regulatory Approvals with the U.S. Environmental Protection Agency and California Air Resources Board (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.6

Summary of Patents and Associated Service Marks (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.7

Copies of U.S. and Canadian Patents Issued to Dwayne L. Fosseen (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.8

Summary of Mexican Patents and Associated Protections Issued to Dwayne L. Fosseen (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.9

Rental Agreement Between Registrant and Fosseen Manufacturing & Development, Inc (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.13(a)

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Stock Option Agreement between Registrant and Betty Fosseen (incorporated by reference to the Company's Registration Statement Amendment filed on April 17, 2001).

10.14

2001 Common Stock Compensation Plan (incorporated by reference to the Company's 10KSB for the fiscal year ended December 31, 2001).

10.16

Vehicle Purchase Agreement between registrant and Fosseen Manufacturing Co., Inc. (Incorporated by reference to the Company's 10QSB for the quarter ended September 30, 2002 filed on November 14, 2002).

10.19

Offer and Acceptance to purchase land from Dwayne Fosseen and spouse. (Incorporated by reference to the Company's 10KSB for the year ended December 31, 2002 filed on April 14, 2003).

10.29

Employment Agreement with Richard A. Musal. (Incorporated by reference to the Company's 10QSB filed November 19, 2004)

10.30 2004 Common Stock Compensation Plan (Incorporated by reference to the Company's 10KSB filed April 15, 2005)

10.31 Company's Code of Ethics. (Incorporated by reference to the Company's 10QSB filed May 13, 2005)

10.32 Distributor Agreement with Stepp Equipment Company (Incorporated by reference to the Company's 10QSB filed August 15, 2005)

*10.33 Cancellation of Distributor Agreement with Stepp Equipment Company dated October 31, 2005

*31.1

Certificate of Principal Executive Officer dated August 15, 2005.

*31.2

Certificate of Principal Financial Officer dated August 15, 2005.

*32.1

Dwayne Fosseen's Certification dated August 15, 2005 pursuant to 18 U.S.C. SECTION 1350, as adopted pursuant to, SECTION 906 of the Sarbanes-Oxley Act of 2002

*32.2

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Richard A. Musal's Certification dated August 15, 2005 pursuant to 18 U.S.C. SECTION 1350, as adopted pursuant to SECTION 906 of the Sarbanes-Oxley Act of 2002

Filed herewith

The following exhibits which have been filed in previous reports are being deleted having been cancelled or no longer applicable:

1.10

March 31, 2000 Warrant Agreement between Registrant and Duncan, Blum & Associates (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

0.13

Lease for Land (incorporated by reference to the Company's Registration Statement Amendment filed on April 17, 2001).

10.15

Cooperative Agreement between registrant and Iowa Foundation for Educational Administration,

Inc. (Incorporated by reference to the Company's 10QSB for the quarter ended September 30, 2002 filed on August 14, 2002).

0.17

Bank Note between registrant and Randall-Story State Bank. (Incorporated by reference to the

Company's 10QSB for the quarter ended September 30, 2002 filed on November 14, 2002).

10.18 Agreement between Richard A. Musal and registrant for Chief Financial Officer Services. (Incorporated by reference to the Company's 10KSB for the year ended December 31, 2002 filed on April 14, 2003).

10.20

Distribution Agreement with D-Max West, LLC for Exclusive Distribution rights for California. (Incorporated by reference to the Company's 10KSB for the year ended December 31, 2003 filed on April 14, 2004).

10.21

Distribution Agreement with D-Max West for exclusive distribution rights for Arizona and Texas (Incorporated by reference to the Company's 10KSB for the year ended December 31, 2003 filed on April 14, 2004).

10.22

Cancellation of distributor agreements between Mirenco and D-Max West (Incorporated by reference to the Company's 10KSB for the year ended December 31, 2003 filed on April 14, 2004).

10.23

Cancellation Of SPAP Company, LLC Sales Representative Agreement (Incorporated by reference to the Company's 10KSB for the year ended December 31, 2003 filed on April 14, 2004).

10.24

Sales Representative Agreement with Nevison Group, LLC (Incorporated by reference to the Company's 10KSB for the year ended December 31, 2003 filed on April 14, 2004).

10.25

Sales Agreement with Grant Brothers Sales, Ltd. (Incorporated by reference to the Company's 10KSB for the year ended December 31, 2003 filed on April 14, 2004).

10.26

Cancellation of Sales Representative Agreement with Grant Brothers Sales, Ltd. (Incorporated by reference to the Company's 10KSB for the year ended December 31, 2003 filed on April 14, 2004).

10.27

Distributor Agreement with Integrated Vision Marketing (Incorporated by reference to the Company's 10KSB for the year ended December 31, 2003 filed on April 14, 2004).

10.28

Employment Agreement with Joseph A. Cassis III. (Incorporated by reference to the Company's 10QSB filed November 19, 2004)

(b) Reports on Form 8-K

There were no reports filed on Form 8-K during the first nine months of the year ending December 31, 2005.

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SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Mirenc, Inc.
(Registrant)

By: /s/ Richard A. Musal

Richard A. Musal

Chief Financial Officer

Date: November 18, 2005

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In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Dwayne Fosseen

Dwayne Fosseen

Chairman of the Board,

Chief Executive Officer

and Director

Date: November 18, 2005

By: /s/ Don Williams

Don Williams

Director

Date: November 18, 2005

By: /s/ Richard A. Musal

Richard A. Musal

Director, Chief Operating Officer,

and Secretary

EXHIBIT 10.33

October 31, 2005

Stepp Equipment Company

Attn: Ken Kozelka

5400 Stepp Drive

Summit, IL 60501

Transmitted via Electronic Email

Dear Ken:

Pursuant to paragraph 17 (b), Mirencos, Inc. elects to terminate the Distributor Agreement between Mirencos, Inc. and Stepp Equipment Company effective November 30, 2005. By nature of this letter, the termination date satisfies the requirement of 30 days written notice.

Sincerely,

/s/ Richard A. Musal

Richard A. Musal

Chief Operating Officer

PRINCIPAL EXECUTIVE OFFICER CERTIFICATION

I, Dwayne Fosseen, Chief Executive Officer and President of MirencO, Inc. (the Small business issuer) certify that:

1.

I have reviewed this report on Form 10-QSB of Small business issuer

2.

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4.

The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

(a)

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(c)

Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c)

Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5.

The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 18, 2005

/s/ Dwayne Fosseen

Dwayne Fosseen,

President and Chief Executive Officer

CERTIFICATE OF PRINCIPAL FINANCIAL OFFICER

I, Richard A. Musal, Chief Financial Officer of Mirengo, Inc. (the Small business issuer) certify that:

1.

I have reviewed this report on Form 10-QSB of Small business issuer

2.

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4.

The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15(f)) for the small business issuer and have:

(a)

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c)

Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5.

The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 18, 2005

/s/ Richard A. Musal

Richard A. Musal,

Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Dwayne Fosseen, Chief Executive Officer of Mirencos, Inc. (the "Company"), pursuant to 18 U.S.C. section 1350, certify that, to my knowledge:

(1)

The Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2)

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Dwayne Fosseen

Dwayne Fosseen

Chief Executive Officer and President

November 18, 2005

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard A. Musal, Chief Financial Officer of Mirencos, Inc. (the Company), pursuant to 18 U.S.C. section 1350, certify that, to my knowledge:

(1)

The Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the Report), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2)

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard A. Musal

Richard A. Musal

Chief Financial Officer

November 18, 2005