

WILLAMETTE VALLEY VINEYARDS INC  
Form 10-Q  
November 10, 2016

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, 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 93-0981021  
(State or other jurisdiction of incorporation or organization) (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

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

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

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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 November 10, 2016: 4,979,785

Number of shares of preferred stock outstanding as of November 10, 2016: 2,396,954



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

## Item 1 – Financial Statements

## WILLAMETTE VALLEY VINEYARDS, INC.

## BALANCE SHEETS

## ASSETS

	September 30	December 31,
	2016	2015
	(unaudited)	(audited)
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$7,840,400	\$4,010,664
Restricted cash	-	1,476,232
Accounts receivable, net	1,414,614	1,684,502
Inventories (Note 2)	11,811,464	10,632,462
Prepaid expenses and other current assets	73,705	131,173
Income tax receivable	-	204,513
Total current assets	21,140,183	18,139,546
Investment in Kore Wine Company	59,186	60,000
Vineyard development costs, net	4,395,991	3,699,947
Property and equipment, net (Note 3)	18,192,809	16,729,162
Debt issuance costs, net	46,934	50,221
<b>TOTAL ASSETS</b>	<b>\$43,835,103</b>	<b>\$38,678,876</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

## CURRENT LIABILITIES

Accounts payable	\$346,719	\$386,137
Accrued expenses	819,863	604,580
Income taxes payable	284,383	-
Investor deposits for preferred stock	-	1,476,232
Current portion of note payable	245,417	245,417
Current portion of long term debt	364,601	349,003

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Current portion of deferred revenue-distribution agreement	142,857	142,857
Unearned revenue	90,316	73,200
Grapes payable	1,044,848	816,879
Total current liabilities	3,339,004	4,094,305

Note payable, net of current portion	-	245,417
Long-term debt, net of current portion	4,549,039	4,824,015
Deferred rent liability	120,364	140,756
Deferred revenue-distribution agreement, net of current portion	130,938	238,083
Deferred gain	97,196	121,267
Deferred income taxes	1,848,000	1,848,000
Total liabilities	10,084,541	11,511,843

COMMITMENTS AND CONTINGENCIES

SHAREHOLDERS' EQUITY

Redeemable preferred stock, no par value, 10,000,000 shares authorized,

2,396,954 shares, aggregate liquidation preference \$10,272,778, issued

and outstanding at September 30, 2016 and 1,074,338 shares issued

and outstanding at December 31, 2015 respectively. 9,387,601 3,735,437

Common stock, no par value, 10,000,000 shares authorized, 5,219,411 and

5,139,177 shares issued at September 30, 2016 and December 31, 2015,

respectively, 4,994,061 and 4,989,216 shares outstanding at  
September 30, 2016 and December 31, 2015, respectively.

	8,690,670	8,998,760
Retained earnings	15,672,291	14,432,836
Total shareholders' equity	33,750,562	27,167,033

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$43,835,103	\$38,678,876
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The accompanying notes are an integral part of this financial statement





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

Three months ended	Nine months ended
September 30,	September 30,
2016	2015