

Edgar Filing: MIRENCO INC - Form 10QSB

MIRENCO INC
Form 10QSB
November 22, 2004

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, 2004**

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: **13,363,742 shares of no par value
common stock as of September 30, 2004.**

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, 2003 filed on April 14, 2004 and as amended by the filing of exhibits on April 15, 2004. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

[The Balance of This Page Left Intentionally Blank]

PART I - Financial Information

Item 1. Financial Statements

**MIRENCO, Inc.
BALANCE SHEET
(unaudited)**

September 30,
2004

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 51,024
Accounts receivable	20,469
Inventories	120,989
Other	<u>2,934</u>
Total current assets	<u>195,416</u>

Edgar Filing: MIRENCO INC - Form 10QSB

PROPERTY AND EQUIPMENT, net	578,233
PATENTS AND TRADEMARKS, net of accumulated amortization of \$5,145 and \$4,410 in 2004 and 2003, respectively	<u>4,410</u>
	\$ 778,059
	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES	
Current portion of notes payable	\$ 9,232
Accounts payable	95,625
Accrued expenses	37,049
Other current liabilities	723
Due to officers	66,034
Notes payable to related parties, current portion	<u>4,452</u>
Total current liabilities	213,115
NOTES PAYABLE	143,366
NOTES PAYABLE TO RELATED PARTIES	74,130
COMMITMENTS AND CONTINGENCIES	-
STOCKHOLDERS' EQUITY	
Common stock, no par value: 100,000,000 shares authorized, 13,363,742 shares issued and outstanding	\$ 8,574,800
Preferred stock, \$.01 par value, 50,000,000 shares authorized, no shares issued	-
Additional paid-in capital	1,714,954
Deferred compensation	(4,370)
(Accumulated deficit)	<u>(9,937,936)</u>
	<u>347,448</u>
	\$ 778,059
	=====

See the accompanying notes to the financial statements

MIRENCO, Inc.
STATEMENTS OF OPERATIONS
(unaudited)

	Nine months ended <u>September 30, 2004</u>	Nine months ended <u>September 30, 2003</u>
Sales	\$ 186,131	\$ 81,660
Cost of sales	<u>163,688</u>	<u>39,792</u>
Gross profit	<u>22,443</u>	<u>41,868</u>

Edgar Filing: MIRENCO INC - Form 10QSB

Salaries and wages	555,357	610,649
Royalty expenses	5,082	1,796
Advertising	7,573	46,653
Other general and administrative expenses	<u>468,290</u>	<u>556,839</u>
	<u>1,036,302</u>	<u>1,215,937</u>
(Loss) from operations	<u>(1,013,859)</u>	<u>(1,174,069)</u>
Other income (expense)		
Other income	-	21,621
Interest income	846	21,446
Interest expense	<u>(6,432)</u>	<u>(1,311)</u>
	<u>(5,586)</u>	<u>41,756</u>
NET (LOSS)	\$ (1,019,445)	\$ (1,132,313)
	=====	=====
Net (loss) per share available for common shareholders		
- basic and diluted	\$ (0.08)	\$ (0.09)
	=====	=====
Weighted-average shares outstanding		
- basic and diluted	13,329,658	13,284,687
	=====	=====

See the accompanying notes to the financial statements

4

MIRENCO, Inc.
STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended <u>September 30, 2004</u>	Three months ended <u>September 30, 2003</u>
Sales	\$ 59,552	\$ 16,572
Cost of sales	<u>39,582</u>	<u>7,681</u>
Gross profit	<u>19,970</u>	<u>8,891</u>
Salaries and wages	192,840	214,846
Royalty expenses	1,765	457
Advertising	1,660	14,210
Other general and administrative expenses	<u>163,171</u>	<u>197,779</u>
	<u>359,436</u>	<u>427,292</u>
(Loss) from operations	<u>(339,466)</u>	<u>(418,401)</u>
Other income (expense)		
Interest income	1	4,488

Edgar Filing: MIRENCO INC - Form 10QSB

Interest expense	<u>(4,348)</u>	<u>(495)</u>
	<u>(4,347)</u>	<u>3,993</u>
NET (LOSS)	\$ (343,813)	\$ (414,408)
	=====	=====
Net (loss) per share available for common shareholders - basic and diluted	\$ (0.03)	\$ (0.03)
	=====	=====
Weighted-average shares outstanding - basic and diluted	13,329,658	13,284,687
	=====	=====

See the accompanying notes to the financial statements

5

MIRENCO, Inc.
STATEMENTS OF CASH FLOWS
(unaudited)

	Nine months ended September 30, <u>2004</u>	Nine months ended September 30, <u>2003</u>
Cash flows from operating activities		
Net cash (used in) operating activities	<u>\$ (849,685)</u>	<u>\$ (1,016,069)</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(1,279)</u>	<u>(23,576)</u>
Net cash (used in) investing activities	<u>(1,279)</u>	<u>(23,576)</u>
Cash flows from financing activities		
Proceeds from issuance of stock	265,000	-
Principal payments on long-term debt		
Banks and others	(9,494)	(6,491)
Related parties	(8,920)	(6,927)
Proceeds from long-term borrowing		
Banks and others	155,000	
Related parties	<u>80,000</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>481,586</u>	<u>(13,418)</u>
Decrease in cash and cash equivalents	(369,378)	(1,053,063)
Cash and cash equivalents, beginning of period	<u>420,402</u>	<u>1,899,193</u>
Cash and cash equivalents, end of period	\$ 51,024	\$ 846,130
	=====	=====

See the accompanying notes to the financial statements⁹

[The Balance of This Page Left Intentionally Blank]

6

MIRENCO, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2004 and 2003

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, 2003 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 \$9,937,936 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. In an effort to make the transition from a development stage company to a viable business entity, the Company's management team has diligently explored several market segments relative to the Company's product and service lines over the past 15 months. From that exploration, the Company has decided it is in its best interests to develop an internal sales and marketing effort before developing the use of existing, well-established distribution channels for marketing and selling the DriverMax(R) 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

Edgar Filing: MIRENCO INC - Form 10QSB

Company's liquidity and operating results, allowing it to continue in existence.

[The Balance of This Page Left Intentionally Blank]

7

MIRENCO, Inc.
NOTES TO FINANCIAL STATEMENTS - Continued
September 30, 2004 and 2003

NOTE D - STOCKHOLDERS' EQUITY

During the nine months ended September 30, 2004, the Company issued 12,500 shares of common stock in conjunction with a private placement debt offering to accredited investors only. The fair market value of these shares of \$5,250 has been recorded as deferred compensation and is being amortized over the term of the debt of 36 months. The Company also sold 1,000,000 shares of common stock in an unregistered transaction to an unrelated, accredited investor for cash aggregating \$250,000 and issued 7,000 shares of common stock to an officer pursuant to an option exercise for cash aggregating \$5,000. In the quarter ended September 30, 2004 the Company also sold 40,000 shares for \$10,000 cash.

A major stockholder returned 1,000,000 common shares to the Company in exchange for warrants to purchase 1,000,000 shares at \$.25 each with no expiration date. The 1,000,000 shares returned were cancelled.

The Company extended the expiration date of 267,916 warrants which were to expire on June 24, 2004 to June 25, 2006. The warrants entitle the warrant holders to acquire one common share for each warrant at \$1.00 per share.

During the nine months ended September 30, 2004, the Company issued 221,750 options to purchase common stock to employees and directors at \$.375-\$.9375 per share for a period of 10 years.

SFAS 123 requires the Company to provide proforma 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 with the following weighted average assumptions for grants: expected life of options of 5 years, expected volatility of 82%, risk-free interest rate of 3.5% and no dividend yield. The weighted average fair value at the date of grant for options granted approximated \$.17. These results may not be representative of those to be expected in future years.

Under the provisions of SFAS 123, the Company's net (loss) and (loss) per share for the nine months ended September 30, 2004 would have been (increased) to the proforma amounts indicated below:

Net (loss)	
As reported	\$ (1,019,445)
Proforma	\$ (1,189,445)
Basic and diluted (loss) per share	

Edgar Filing: MIRENCO INC - Form 10QSB

As reported	\$	(.08)
Proforma	\$	(.09)

On August 12, 2000, the Company determined that re-sales of Iowa-Only Offering Shares by Iowa residents to non-Iowa residents violated certain provisions of the Securities Act of 1933. In response, the Company undertook an offering to rescind the earlier Iowa-Only Offering. As a result, the Iowa-Only Offering Shares, 1,561,248 shares, in the amount of \$7,806,240, were classified as a liability.

Once approved for distribution, the Rescission Offer was outstanding from January 26, 2001 to February 26, 2001. During this period Iowa-Only Offering Stockholders had the option to reject the Rescission Offer formally in writing; to take no action within the 30 days, thereby retaining their outstanding Iowa-Only Offering Shares; or to accept the Rescission Offer formally in writing. Seventy-one formal rescission acceptances representing 52,340 shares were received from Iowa-Only Offering Stockholders, resulting in a total of \$276,690 being paid in cash to these stockholders for the return of their original investment plus interest at 8% annually. The maximum obligation under this offer was estimated to be \$8,100,000, including the original investment plus interest at 8% per year. As a result of the rescission, the Company has paid interest in the amount of \$14,990.

8

As a result of the Rescission Offer, the Company had classified the Iowa-Only Offering Shares and proceeds as a liability. These shares remained as a liability until such time as the violations under the securities laws have been cured. Subsequent to the close of the original sale of Iowa-Only Offering Shares, the Company believed that Iowa-Only Offering Stockholders are estopped from arguing injury. However, the Company was contingently liable to such stockholders during the period covered by the statute of limitations, a period of 3 years from the date of the Rescission Offer which expired on February 26, 2004 at which time the Company reclassified the amounts to equity.

NOTE E - NOTES PAYABLE

Notes payable consisted of the following at September 30, 2004:

	<u>Total</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Notes payable to investors, 9% interest payable quarterly, principal due in March and April, 2007	\$ 30,000	\$ -	\$ 30,000
Note payable to bank in montly installments of \$1,435, including principal and variable interest, currently 6.75%, guaranteed by stockholder, guaranteed by Small Business Administration	<u>122,598</u>	<u>9,232</u>	<u>113,366</u>
	\$ 152,598	\$ 9,232	\$ 143,366

=====

NOTE F - NOTES PAYABLE TO RELATED PARTIES

Notes payable to related parties consisted of the following at September 30, 2004:

	<u>Total</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Note payable to stockholder, 9% interest payable quarterly, principal due in March, 2007	\$ 20,000	\$ -	\$ 20,000
Note payable to related Company in montly installments of \$689, including principal and interest of 6.75% maturing May, 2009	<u>58,581</u>	<u>4,452</u>	<u>54,130</u>
	<u>\$ 78,581</u>	<u>\$ 4,452</u>	<u>\$ 74,130</u>
	=====	=====	=====

NOTE G - COMMITMENTS

During September, 2004 the Company entered into an employment agreement with an officer. The term of the agreement is for a period of seven years at an annual salary of \$130,000. In addition, this officer is entitled incentive compensation of 1% of net revenues and 175,000 options to purchase shares of the Company's common stock at 125% of the closing price of the shares on September 4, 2004.

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, selling, general and administrative expenses to increase directly with sales increases, however, as a percentage of sales, these expenses should decline.

From February 1, 2004 up to the date of this report, the Company has been actively involved in raising capital. This activity has resulted in the issuance of \$235,000 in debt and \$265,000 in equity. The equity transaction resulted in the issuance of 1,047,000 shares of common stock. A major stockholder has

Edgar Filing: MIRENCO INC - Form 10QSB

contributed 1,000,000 shares of common stock back to the Company for cancellation in exchange for warrants to purchase 1,000,000 shares of common stock at \$.25 per share.

From July 30, 1999 through July 30, 2000, we raised \$7,806,240 from our Iowa-Only Offering. On August 12, 2000, we determined that resales of Iowa-Only shares by Iowa residents to non-Iowa residents violated certain provisions of the Securities Act of 1933. In response, the Company undertook an offering to rescind the earlier Iowa-Only Offering. As a result, the Iowa-Only Offering Shares, 1,561,248 shares, in the amount of \$7,806,240, were classified as a liability.

Once approved for distribution, the Rescission Offer was outstanding from January 26, 2001 to February 26, 2001. During this period Iowa-Only Offering Stockholders had the option to reject the Rescission Offer formally in writing; to take no action within the 30 days, thereby retaining their outstanding Iowa-Only Offering Shares; or to accept the Rescission Offer formally in writing. Seventy-one formal rescission acceptances representing 52,340 shares were received from Iowa-Only Offering Stockholders, resulting in a total of \$276,690 being paid in cash to these stockholders for the return of their original investment plus interest at 8% annually. As a result of the rescission, the Company has paid interest in the amount of \$14,990. Previously the Company had classified the Iowa-Only Offering Shares and proceeds as a liability. On February 26, 2004 the statutory limitations on actions expired and the Company reclassified the amounts to equity.

Liquidity and Capital Resources

Cash and equivalents are currently the Company's substantial source of liquidity. The changes in Cash and Equivalents for the nine months ended September 30, 2004 and 2003 can be reviewed in the Statements of Cash Flows in PART I Item 1 above. During the nine months ended September 30, 2004, revenues of \$16,000 were recognized from the arrangement with the Iowa Foundation for Educational Administration, Inc. for emissions testing services being conducted on the Iowa School Bus fleet. This was substantially less than original revenues expected to be received from this project. The remainder of these revenues was removed from the Company's books by the Direct Write Off method. If any of these revenues are recovered in the future, they will be recorded as revenues in the period recovered. While the amount is difficult to predict, management still anticipates that additional revenue will be realized by year-end from this arrangement.

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 for the nine months ended September 30, 2004 were \$104,471 higher than gross sales for the same period one year ago. However, cost of sales for the nine months ended September 30, 2004 was \$123,896 higher resulting in a reduction of \$19,425 in gross profit margin. This reduction was the result of costs of the emissions testing program on sales not recognized in income for the period. A total of 22 individuals, 18 full time and four part-time, were employed with the Company at September 30, 2004 compared to 18 at September 30, 2003. The increases in personnel were directly related to marketing and testing services offered by the Company. In the nine months ended September 30, 2004, \$130,191 of employment costs were included in Cost of Sales compared to none in the corresponding period in the prior year.

Royalty expense for the nine months ended September 30, 2004 and 2003 was 3% of

Edgar Filing: MIRENCO INC - Form 10QSB

sales calculated per the patent purchase agreement with American Technologies, LLC.

Marketing and advertising expenses were less during the nine months ended September 30, 2004 compared to the nine months ended September 30, 2003 due to reduced use of advertising and increased use of company personnel in marketing efforts.

10

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, 2004	Nine months ended September 30, 2003	Note
Depreciation and amortization	47,260	59,562	1
Insurance	62,779	54,179	2
Professional fees	198,544	197,851	3
Office expenses	55,168	66,272	4
Research and development	4,242	38,774	5
Travel	57,739	91,353	6
Utilities	<u>42,558</u>	<u>48,848</u>	7
 Total general and administrative expenses	 468,290 =====	 556,839 =====	

1. Depreciation and amortization expense were less than the same period in the prior year because of a significant number of computers and related equipment becoming fully depreciated in the intervening period.
2. The increase in insurance expense is primarily due to the addition of product liability coverage and increases in general rates. Rates for this type of coverage have increased nationwide over the past year.
3. Professional fees expense incurred during the first nine months of 2004 were comparable with the first nine months of 2003.
4. Office expenses for the nine months ended September 30, 2004 were \$11,104 less than the first nine months of 2003 primarily due to a reduction in administrative staff.
5. Research and Development costs decreased because in the nine months ended September 30, 2003, the Company acquired equipment and supplies to implement the testing program as well as developing the EconoCruise (R) product.
6. Travel expense was less for the nine months ended September 30, 2004 than the first nine months of 2003 because there was less foreign travel in 2004.

Edgar Filing: MIRENCO INC - Form 10QSB

7. Utilities for the nine months ended September 30, 2004 were \$6,290 less than in the same period in the prior year.

Interest income continues to decline significantly with the reduction in cash invested in certificates of deposit.

Interest expense for the nine months ended September 30, 2004 and 2003 relates to the financing of the purchase of Company vehicles from the majority shareholder and to an investor loan and bank loan obtained in 2004.

Item 3.

CONTROLS AND PROCEDURES

An evaluation of the Company's disclosure controls and procedures and internal controls and procedures was performed on October 21, 2004. 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.

11

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

An Amendment to the Articles of Incorporation was filed with the Secretary of State of the State of Iowa on June 18, 2004 to be effective as of that date. The Articles were amended to increase the authorized number of shares of no par value common stock from 30,000,000 to 100,000,000 shares, and to authorize the issuance of 50,000,000 shares of Preferred Stock of the par value of One Cent (\$0.01) per share.

During the quarter ended September 30, 2004, 40,000 shares of common shares were issued. Changes in shares outstanding during the first nine months are summarized as follows:

	Shares Issued	Amount Received
Shares outstanding April 1, 2004	13,304,242	
Shares contributed back to the Company and cancelled	(1,000,000)	
New shares issued for cash	1,040,000	\$260,000
New shares issued in connection		

Edgar Filing: MIRENCO INC - Form 10QSB

with loans from investors and related parties	12,500	-
Shares issued for cash in connection with stock options exercised	7,000	5,000
Shares outstanding September 30, 2004	13,363,742	

Item 3. Defaults upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

The 2004 Annual Meeting of Shareholders of Mirencos, Inc. was held at the Ames Auditorium on September 25, 2004 for the purpose of electing directors, ratifying the appointment of Stark, Winter, Schenkein & Co., LLP as the Company's certified public accountants for the fiscal year ending December 31, 2004, and to approve the 2004 Stock Option Plan adopted by the Board of Directors on January 31, 2004. Balloting results are summarized below. All directors' terms will expire on the date of the 2005 Annual Meeting, which has not yet been determined.

	<u>For</u>	<u>Number of Votes Cast</u> Against or <u>Withheld</u>	<u>Number of</u> <u>Abstentions</u>
Matter Voted Upon			
Election of Dwayne L. Fosseen as Director	9,939,493	-	-
Election of Don D. Williams as Director	9,919,993	-	19,500
Election of Merlin C. Hanson As Director	9,921,993	-	17,500
Election of Timothy L. Nuegent as Director	9,921,993	-	17,500
Election of Richard A. Musal as Director	9,937,493	-	2,000
Appointment of Stark, Winter, Schenkein & Co. LLP as the Company's independent auditors for the fiscal year ending December 31, 2004	9,921,893	100	17,500
Approval of 2004 Stock Option Plan adopted on January 31, 2004	9,919,893	1,600	18,000

Item 5. Other Information

None

[The Balance of This Page Left Intentionally Blank]

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The following are the exhibits to this annual 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

Edgar Filing: MIRENCO INC - Form 10QSB

- 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 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, Mirenc, 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. Environment 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).
- 10.10 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).
- 10.13 Lease for Land (incorporated by reference to the Company's Registration Statement Amendment filed on April 17, 2001).
- 10.13(a) 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).
- 10.15 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).
- 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).
- 10.17 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).
- 10.19 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).
- 10.20 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

Edgar Filing: MIRENCO INC - Form 10QSB

- 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 Mirencos 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).

13

- 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.
- *10.29 Employment Agreement with Richard A. Musal.
- * 31.1 Certificate of Principal Executive Officer dated November 19, 2004.
- * 31.2 Certificate of Principal Financial Officer dated November 19, 2004.
- * 32.1 Dwayne Fosseen's Certification dated November 19, 2004 pursuant to 18 U.S.C. SECTION 1350, as adopted pursuant to, SECTION 906 of the Sarbanes-Oxley Act of 2002
- * 32.2 Richard A. Musal's Certification dated November 19, 2004 pursuant to 18 U.S.C. SECTION 1350, as adopted pursuant to SECTION 906 of the Sarbanes-Oxley Act of 2002

* Filed herewith

(b) Reports on Form 8-K

There were no reports filed on Form 8-K during the third quarter of the year ended December 31, 2004.

[The Balance of This Page Left Intentionally Blank]

14

SIGNATURES

15

Edgar Filing: MIRENCO INC - Form 10QSB

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 19, 2004

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 19, 2004

By: /s/ Don Williams
Don Williams
Director

Date: November 19, 2004

By: /s/ Richard A. Musal
Richard A. Musal
Director, Chief Operating Officer,
and Secretary