

DYNATRONICS CORP
Form 10-Q
February 14, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2011

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: 0-12697

Dynatronics Corporation
(Exact name of registrant as specified in
its charter)

Utah 87-0398434
(State or other (I.R.S. Employer
jurisdiction of Identification No.)
incorporation or
organization)

7030 Park Centre Drive, Cottonwood
Heights, UT 84121
(Address of principal executive offices,
Zip Code)

(801) 568-7000
(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

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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

Non-accelerated filer (Do not check if a 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

The number of shares outstanding of the registrant's common stock, no par value, as of February 2, 2012 is 12,800,211.

DYNATRONICS CORPORATION
FORM 10-Q
QUARTER ENDED DECEMBER 31, 2011
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DYNATRONICS CORPORATION
Condensed Consolidated Balance Sheets
(Unaudited)

Assets	December 31, 2011	June 30, 2011
Current assets:		
Cash and cash equivalents	\$ 254,460	384,904
Trade accounts receivable, less allowance for doubtful accounts of \$350,741 as of December 31, 2011 and \$293,436 as of June 30, 2011	3,687,238	3,672,128
Other receivables	27,482	14,164
Inventories, net	5,833,425	5,647,815
Prepaid expenses and other	351,798	266,439
Prepaid income taxes	12,545	28,754
Current portion of deferred income tax assets	440,868	418,607
Total current assets	10,607,816	10,432,811
Property and equipment, net	3,769,532	3,722,749
Intangible assets, net	347,033	369,352
Other assets	289,637	294,269
Total assets	\$ 15,014,018	14,819,181
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 381,128	368,135
Line of credit	2,943,242	2,583,937
Warranty reserve	185,245	185,245
Accounts payable	2,245,149	2,127,163
Accrued expenses	447,768	379,336
Accrued payroll and benefits expense	292,937	236,264
Total current liabilities	6,495,469	5,880,080
Long-term debt, net of current portion	2,098,433	2,238,417
Deferred income tax liabilities, net of current portion	95,962	85,525
Total liabilities	8,689,864	8,204,022
Commitments and contingencies		
Stockholders' equity:		
	7,148,165	7,417,244

Common stock, no par value: Authorized
50,000,000 shares; issued 12,792,666 shares as of
December 31, 2011 and 13,060,392 shares as of
June 30, 2011

Accumulated deficit	(824,011)	(802,085)
Total stockholders' equity	6,324,154	6,615,159
Total liabilities and stockholders' equity	\$ 15,014,018	14,819,181

See accompanying notes to condensed consolidated
financial statements.

DYNATRONICS CORPORATION
 Condensed Consolidated Statements of Operations
 (Unaudited)

	Three Months Ended December 31		Six Months Ended December 31	
	2011	2010	2011	2010
Net sales	\$ 8,275,430	8,199,347	16,272,232	16,118,635
Cost of sales	5,062,472	5,029,906	10,057,176	9,997,361
Gross profit	3,212,958	3,169,441	6,215,056	6,121,274
Selling, general, and administrative expenses	2,686,401	2,634,278	5,381,268	5,134,795
Research and development expenses	412,861	356,519		