MIRENCO INC
Form 10QSB
November 12, 2003

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended September 30, 2003

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

For the transition period from _________________ to _________________

Commission file number 333-41092

Mirenco, Inc.

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

Iowa	**39-1878581**
(State or other jurisdiction of incorporation or organization)	**(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 l2, 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: **13,284,687 shares of no par value common stock as of September 30, 2003**.

Transitional Small Business Disclosure Format (Check one): Yes ¨ No x

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 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, 2002 filed on April 14, 2003. 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 I. Financial Statements

MIRENCO, Inc.

BALANCE SHEET

(unaudited)

	September 30 2003	September 30 2002
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 846,130**	$ 2,225,942
Accounts receivable	**3,445**	5,665
Inventories	**167,922**	188,094
Other	**24,431**	44,942
Total current assets	**1,041,928**	2,464,643
PROPERTY AND EQUIPMENT, net	**640,616**	1,352,517
PATENTS AND TRADEMARKS, net of accumulated amortization of $4,410 and $3,675 in 2003 and 2002, respectively	**5,390**	6,370
OTHER ASSETS	**5,472**	
	$ 1,693,406	$ 3,823,530
LIABILITIES AND STOCKHOLDERS DEFICIT		
CURRENT LIABILITIES		
Note payable	**$ 9,353**	$ 8,560
Accounts payable	**67,890**	33,621
Accrued expenses	**27,049**	2,276
Due Officer	**19,639**	
Other current liabilities	**500**	
Note payable to stockholder	**9,904**	9,145
Total current liabilities	**134,335**	53,602
NOTE PAYABLE, less current portion		9,353
NOTE PAYABLE TO STOCKHOLDER, less current portion		9,904
COMMITMENTS AND CONTINGENCIES		

STOCK SUBJECT TO RESCISSION OFFER		
Common stock, no par value; 1,508,908 shares issued and outstanding, 2003 and 2002	**7,544,540**	7,544,540
STOCKHOLDERS DEFICIT		
Common stock, no par value: 30,000,000 shares authorized, 11,775,779 shares issued and outstanding at September 30, 2003 and 2002	**760,010**	760,010
Additional paid-in capital	**1,714,954**	1,714,954
Accumulated deficit	**(8,460,433)**	(6,268,833)
	(5,985,469)	(3,793,869)
	$ 1,693,406	$ 3,823,530

See the accompanying Notes to the Financial Statements

MIRENCO, Inc.

STATEMENTS OF OPERATIONS

(unaudited)

	Nine months ended September 30, 2003	Nine months ended September 30, 2002
Sales	**$ 81,660**	$ 77,957
Cost of sales	**39,792**	46,308
Gross profit	**41,868**	31,649
Salaries and wages	**610,649**	520,669
Stock-based compensation		9,000
Royalty expenses	**1,796**	2,334
Advertising	**46,653**	66,770
Other general and administrative expenses	**556,839**	482,014
	1,215,937	1,080,787
Loss from operations	**(1,174,069)**	(1,049,138)
Other income (expense)		
Other income	**21,621**	
Interest income	**21,449**	58,247
Interest expense	**(1,311)**	(555)
	41,759	57,692
NET LOSS	**$ (1,132,310)**	$ (991,446)
Net loss per share available for common shareholders basic and diluted	**$ (0.09)**	$ (0.07)
Weighted-average shares outstanding basic and diluted	**13,284,687**	13,281,390

See the accompanying Notes to the Financial Statements

MIRENCO, Inc.

STATEMENTS OF OPERATIONS

(unaudited)

	Three months ended September 30, 2003	Three months ended September 30, 2002
Sales	**$ 16,572**	$ 18,840
Cost of sales	**7,681**	11,862
Gross profit	**8,891**	6,978
Salaries and wages	**214,846**	184,563
Royalty expenses	**457**	561
Advertising	**14,210**	35,831
Other general and administrative expenses	**197,779**	171,261
	427,292	392,216
Loss from operations	**(418,401)**	(385,238)
Other income (expense)		
Interest income	**4,488**	14,809
Interest expense	**(495)**	(320)
	3,993	14,489
NET LOSS	**$ (414,408)**	$ (370,749)
Net loss per share available for common shareholders basic and diluted	**$ (0.03)**	$ (0.03)
Weighted-average shares outstanding basic and diluted	**13,284,687**	13,266,410

See the accompanying Notes to the Financial Statements

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MIRENCO, Inc.

STATEMENTS OF CASH FLOWS

(unaudited)

	Nine months ended September 30, 2003	Nine months ended September 30, 2002
Cash flows from operating activities		
Net cash (used in) operating activities	($ 1,016,069)	($ 944,423)
Cash flows from investing activities		
Purchase of property and equipment	(23,576)	(68,396)
Net cash used in investing activities	(23,576)	(68,396)
Cash flows from financing activities		
Issuance of notes payable		36,962
Principle payments on long-term debt	(6,491)	
Principle payments to stockholder	(6,927)	
Net cash provided by (used in) financing activities	($ 13,418)	$ 36,962
Decrease in cash and cash equivalents	(1,053,063)	(975,857)
Cash and cash equivalents, beginning of period	1,899,193	3,201,799
Cash and cash equivalents, end of period	846,130	$ 2,225,942

See the accompanying Notes to the Financial Statements

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MIRENCO, Inc.

NOTES TO FINANCIAL STATEMENTS

September 30, 2003 and 2002

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Company s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Nature of Business

MIRENCO, Inc. (the Company) was incorporated as an Iowa corporation in 1997. The Company is a marketing company that performs testing services and distributes combustion management aftermarket products for which they have exclusive licensing rights. The products primarily reduce emissions and increase vehicle performance.

2. *Cash and Cash Equivalents*

The Company considers all highly liquid investments to be cash equivalents. Interest income is generated from cash invested in these short-term financial instruments.

3. *Revenue Recognition*

Revenue is recognized from sales when a product is shipped and from services when they are performed.

4. *Inventories*

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.

5. *Income Taxes*

The Company accounts for income taxes under the asset and liability method where deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are recognized to the extent management believes that it is more likely than not that they will be realized.

6. *Patents and Trademarks*

Patents and trademarks are amortized on the straight-line method over their remaining legal lives of approximately 7 years. The company recorded amortization expense of $735 for each of the nine months ended September 30, 2003 and 2002.

7. *Property and Equipment*

Property and equipment are stated at cost. The Company provides for depreciation on the straight-line method over the estimated useful lives of 3 years for computer equipment, 5 years for manufacturing and test equipment and other equipment, and 39 years for building.

MIRENCO, Inc.

NOTES TO FINANCIAL STATEMENTS Continued

September 30, 2003 and 2002

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

8. *Impairment of Long-Lived Assets*

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

9. *Stock-Based Compensation*

The Company has adopted the disclosure provisions of Statement of Financial Accounting Standards No. 123 (SFAS No. 123), *Accounting for Stock-Based Compensation*, and elected to continue the accounting set forth in Accounting Principles Board Opinion No. 25 (APB No. 25), *Accounting for Stock Issued to Employees*. This opinion requires that for options granted at less than fair market value, a compensation charge must be recognized for the difference between the exercise price and fair market value.

10. *Net Loss Per Share*

Basic net loss per share is calculated on the basis of the weighted-average number of common shares outstanding during the periods, which includes the effects of all stock splits. Net loss per share, assuming dilution, is calculated on the basis of the weighted-average number of common shares outstanding including those shares subject to rescission and the dilutive effect of all potential common stock equivalents. Net loss per share assumes that dilution for the nine months ended September 30, 2003 and 2002 is equal to basic net loss per share, since the effect of common stock equivalents outstanding during the periods is antidilutive.

11. *Fair Value of Financial Instruments*

The Company s financial instruments consist of cash, accounts receivable, accounts payable, notes payable and accrued expenses. The carrying amounts of financial instruments approximate fair value due to their short maturities.

12. *Royalty Expense*

Royalty expense is recorded and paid based upon the sale of products, services, and rights related to patents according to a contractual agreement.

13. *Advertising*

Advertising costs are charged to expense as incurred and were $46,653 and $66,770 for the nine months ended September 30, 2003 and 2002, respectively.

14. *Offering Costs*

Specific incremental costs directly attributable to the Company s equity offerings, including advertisements in newspaper, radio and direct mail, letters, printing costs and certain identifiable legal fees, are charged against the gross proceeds of the offerings.

MIRENCO, Inc.

NOTES TO FINANCIAL STATEMENTS Continued

September 30, 2003 and 2002

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Continued

15. *Software Development Costs*

The Company capitalizes software development costs when project technological feasibility is established and concludes when the product is ready for release. To date, no amounts have been capitalized. Research and development costs related to software development are expensed as incurred.

16. *Research and Development*

The Company expenses research and development costs as incurred. Such costs include certain prototype products, test parts, consulting fees, and costs incurred with third parties to determine feasibility of products. Costs incurred for research and development were $38,774 and $126,054 for the nine months ended September 30, 2003 and 2002, respectively.

17. *Other Income*

The Company has received New Job Training Grants from the state of Iowa. The grants are distributed from the community college system and repaid to the community colleges through an allocation of state withholding taxes.

18. *Accounts Receivable*

The Company considers accounts receivable to be fully collectible; accordingly no allowance for doubtful accounts is required. If amounts are believed to be uncollectible, they are charged to operations by the Direct Write Off Method when that determination is made. Any subsequent collections of accounts previously deemed to be uncollectible will be recorded as income in the period they are recovered.

19. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

20. *Basis of Presentation*

The accompanying financial statements of Mirenco, Inc., included herein are unaudited, but include all adjustments consisting of normal recurring accruals which the Company deems necessary for a fair presentation of its financial position, results of operations and cash flows for the interim period. Such results are not necessarily indicative of results to be expected for the full year. These 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 10K for the year ended December 31, 2002 filed on April 14, 2003.

MIRENCO, Inc.

NOTES TO FINANCIAL STATEMENTS Continued

September 30, 2003 and 2002

NOTE B 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 and is expected to continue to incur net losses in the future, and it had a stockholders deficit of $5,985,469 as of September 30, 2003. 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.

During the last quarter, Management has focused on sales efforts directly to potential customers as well the enlistment of qualified sales representatives and distributiors.

Prior to June 30, 2003 management and other personnel have been focused on product and service development in lieu of product 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 and has established a full time sales staff During the last quarter, Management has focused on sales efforts directly to potential customers as well the enlistment of qualified sales representatives and distributiors. From that exploration, the Company has decided it is in its best interests to explore 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 services and the information provided by those services. A combination of the products and services has been developed as a long-term program for current and potential customers, particularly in regulated markets. The Company has designed such a program for the school bus fleet in the state of Iowa and is awaiting funding to complete a 5-year contract. Management is focusing the Company s efforts on 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.

NOTE C STOCK SUBJECT TO RESCISSION OFFER

On August 12, 2000, the Company determined that resales 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 temporary equity.

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 is 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.

As a result of the Rescission Offer, the Company has classified the Iowa-Only Offering Shares and proceeds as a long-term liability. These shares will remain in as a long-term 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 will continue to be 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. The Company is unable to quantify the amount of such contingent liability. However, any claim must be brought through individual lawsuit; the Company intends to vigorously defend any lawsuit that may be initiated, believing it has valid defenses; and management considers the probability that it will incur any obligation under such contingent liability to be remote. The Company will continue to assess the effect of this contingent liability on its financial statements during the succeeding periods.

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 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, we undertook an offering to rescind the earlier Iowa-Only Offering in an offering effective January 26, 2001. The Rescission Offer terminated on February 26, 2001 with the result that we refunded 52,340 shares or $261,700, incurring interest expense of $14,990. As a result, at September 30, 2003, the 1,508,908 Iowa-Only Offering Shares, in the amount of $7,544,540, are classified as long-term debt. These shares will remain as long-term debt until such time as the violations under the securities laws have been cured. Subsequent to the close of the Rescission Offer, we believe that Iowa-Only Offering Stockholders are estopped from alleging injury. However, we will continue to be contingently liable to such stockholders during the statute of limitations, a period of three years from the date of the Rescission Offer. We are unable to quantify the amount of any such contingent liability because the claim must be brought through individual lawsuit, which we would vigorously defend with valid defenses, and we consider the probability of any obligation under such contingent liability to be remote. We will continue to assess the effect of this contingent liability on our financial statements during the statute of limitations period.

Since acceptance or the affirmative rejection or failure to respond to the Rescission Offer does not act as a release of claims, eligible Iowa-Only Offering Stockholders who have accepted, rejected, or failed to respond to the Rescission Offer retain any rights of claim they may have under federal securities laws. Any subsequent claims by an Iowa-Only Offering Stockholder are subject to any defenses we may have, including the running of the statute of limitations and/or estoppel. In general, to sustain a claim based on violations of the registration provisions of federal securities laws, the claim must be brought within one year after discovery of the violation upon which the claim is based, in this case, based on the date of the sale (or three years from the date of the original sale of Iowa-Only Offering Shares). Under the principle of estoppel, the person bringing a claim must carry the burden of proof of why he or she took no action under the Rescission Offer and/or how he or she may have been injured.

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, 2003 and 2002 can be reviewed in the Statements of Cash Flows in PART I Item 1 above. During the nine months ended September 30, 2003, revenues of $11,970 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 were removed fom 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 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.

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Results of Operations

Gross sales for the nine months ended September 30, 2003 were $81,660 compared to $77,957 in gross sales for the same period one year ago. Increased testing services account for the entire increase in gross revenue. Cost of sales for the nine months ending September 30, 2003 were 49% of gross revenues while cost of sales for the same period in 2002 were 59% of gross revenue. This reduction was the result of costs of the emissions testing program being expensed in prior periods. Management continues to search for effective methods of selling and distributing our products and services.

A total of 17 individuals, 15 full time and two part time, were employed with the Company at September 30, 2003 compared to 13 at September 30, 2002 causing an increase of $89,980 in employment expenses for the nine months ended September 30, 2003 over the same period a year ago. The increases in personnel were directly related to marketing and testing services offered by the Company.

Royalty expense for the nine months ended September 30, 2003 and 2002 was 3% of sales calculated per the patent purchase agreement with American Technologies.

Marketing and advertising expenses were less during the nine months ended September 30, 2003 compared to the nine months ending September 30, 2002 due to reduced use of advertising and increased use of company personnel in marketing efforts.

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

	Nine months ended September 30, 2003	**Nine months ended September 30, 2002**
Depreciation and amortization	59,562	67,445
Insurance	54,179	38,991
Professional fees	197,851	95,356
Office expenses	66,272	44,339
Research and development	38,774	126,054
Travel	91,353	64,645
Utilities	48,848	45,184
Total general and administrative expenses	556,839	482,014

1 Depreciation and amortization expense were less than the same period in the prior year because of a writedown of the carrying value of building in 2002. [See Recent Accounting Pronouncements]

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 The legal and accounting expenses incurred during the first nine months of 2003 were higher than the first nine months of 2002 primarily due to outsourcing general accounting services which were previously included in salary expense.

4 Office expenses were higher for the nine months ended September 30, 2003 than the first nine months in 2002 due to postage and delivery charges, supplies and other related costs.

5 Research and Development costs decreased because in the nine months ended September 30, 2002, the Company acquired equipment and supplies to implement the testing program as well as developing the Econo Cruise® product in the nine months ending September 30, 2002.

6 Travel expense was higher for the nine months ended September 30, 2003 than the comparable period in the prior year because of significantly increased marketing activities.

7 Utilities for the nine months ended September 30, 2003 were comparable to the same period in the prior year.

Interest income continues to decline with decreasing Cash and Equivalent balances and low certificate of deposit interest rates.

Interest expense for the nine months ending September 30, 2003 and 2002 relate to the financing of the purchase of Company vehicles from the majority shareholder.

Recent Accounting Pronouncements

In August 2001, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. SFAS No. 144 supercedes SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of . SFAS No. 144 establishes a single accounting model for long-lived assets to be disposed of by sale and requires that those long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001. The Company had its building appraised in March, 2003. As a result of the appraisal, the Company recognized an impairment on the carrying value of its building of $676,545 in the year ended December 31, 2002.

Item 3.

CONTROLS AND PROCEDURES

An evaluation of the Company s disclosure controls and procedures and internal controls and procedures was performed on November 10, 2003. 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

None

Item 3. Defaults upon Senior Securities

None

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

The 2003 Annual Meeting of Shareholders of Mirenco, Inc. was held at the Ames Auditorium on September 27, 2003 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, 2003. Balloting results are summarized in the table below. All directors terms will expire on the date of the 2004 Annual Meeting which has not yet been determined.

	Number of Votes Cast		
Matter Voted Upon	**For**	**Against or Withheld**	**Number of Abstentions**
Election of Dwayne Fosseen as Director	9,572,955	0	100
Election of Richard Musal as Director	9,571,955	0	1,100
Election of Don D. Williams as Director	9,572,955	0	100
Election of Merlin Hanson as Director	9,572,955	0	100
Election of Timothy Neugent as Director	9,572,955	0	100
Appointment of Stark, Winter, Schenkein & Co. LLP as the Company s Independent auditors for the fiscal year ending December 31, 2003	9,568,455	1,400	3,200

Item 5. Other Information

None

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Item 6. Exhibits and Reports on Form 8-K

a. Exhibits

The following are the exhibits to this annual report.

3.2	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, Mirenco, 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 Adminstration, 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).
*31.1	Certificate of Principal Executive Officer dated November 11, 2003.
*31.2	Certificate of Principal Financial Officer dated November 11, 2003.
*32.1	Dwayne Fosseen s Certification dated November 11, 2003 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 11, 2003 pursuant to 18 U.S.C. SECTION 1350, as adopted pursuant to SECTION 906 of the Sarbanes-Oxley Act of 2002

* Filed herewith

a. Reports on Form 8-K

There was a report on Form 8-K filed August 8, 2003, ramended August 29, 2003, regarding the change of the Company s outside auditors from Grant Thrnton, LLC to Stark, Winter, Schenkein & Co., LLP, Certified Public Accountants.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Mirenco, Inc.

(Registrant)

By: */s/Richard A. Musal*

Richard A. Musal

Chief Financial Officer and Interim Chief Operating Officer

Date: November 11, 2003

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 11, 2003

By: */s/Don Williams*

Don Williams

Director

Date: November 11, 2003