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WINMARK CORP Form 10-Q April 24, 2013
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UNITED STATES CECUDITIES AND EVOLUNCE COMMISSION

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 30, 2013
or
o 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: 000-22012

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WINMARK CORPORATION

(Exact name of registrant as specified in its charter)

M	ſi	n	n	es	Λŧ	•

41-1622691

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

605 Highway 169 North, Suite 400, Minneapolis, MN 55441

(Address of principal executive offices) (Zip Code)

(763) 520-8500

(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 required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

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 x No o

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 o

Accelerated filer x

Non-accelerated filer o
(Do not check if a smaller reporting company)

Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

Common stock, no par value, 5,000,585 shares outstanding as of April 17, 2013.

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WINMARK CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1: Financial Statements

WINMARK CORPORATION AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS

(Unaudited)

Cash and cash equivalents \$ 2,191,500 \$ 2,233,400 Marketable securities 85,000 85,900 Receivables, ess allowance for doubtful accounts of \$17,200 and \$17,300 1,211,000 13,461,200 Net investment in leases - current 14,599,00 13,461,200 Income tax receivable 72,000 47,200 Inventories 72,000 485,200 Prepaid expenses 21,237,00 22,697,100 Total current assets 18,858,500 18,934,700 Total current assets - long-term 21,237,200 22,697,100 Long-Term investments (See Note 4) 11,761,01 3,229,500 Other assets 1,176,101 677,500 Other assets 4,676,000 677,500 Other assets 4,676,000 677,500 Other assets 1,476,000 2,203,700 Uncert Lisabilities 1,582,000 2,203,700 Accounts payable 1,582,000 2,203,700 Accounts payable 1,582,000 3,589,000 Deferred accounted Lass rentals 81,000 3,549,000 <t< th=""><th></th><th>M</th><th>Iarch 30, 2013</th><th colspan="2">), 2013 December 29, 2012</th></t<>		M	Iarch 30, 2013), 2013 December 29, 2012	
Cash and cash equivalents \$ 2,191,500 \$ 2,233,400 Marketable securities 85,000 85,900 Receivables, ess allowance for doubtful accounts of \$17,200 and \$17,300 1,211,000 13,461,200 Net investment in leases - current 14,599,00 13,461,200 Income tax receivable 72,000 47,200 Inventories 72,000 485,200 Prepaid expenses 21,237,00 22,697,100 Total current assets 18,858,500 18,934,700 Total current assets - long-term 21,237,200 22,697,100 Long-Term investments (See Note 4) 11,761,01 3,229,500 Other assets 1,176,101 677,500 Other assets 4,676,000 677,500 Other assets 4,676,000 677,500 Other assets 1,476,000 2,203,700 Uncert Lisabilities 1,582,000 2,203,700 Accounts payable 1,582,000 2,203,700 Accounts payable 1,582,000 3,589,000 Deferred accounted Lass rentals 81,000 3,549,000 <t< th=""><th>ASSETS</th><th></th><th>,</th><th></th><th>,</th></t<>	ASSETS		,		,
Marketable securities 89,30 85,900 Receivables, less allowance for doubtful accounts of \$17,200 and \$17,300 1,211,100 1,237,100 Net investment in leases - current 14,599,400 1,400,700 Income tax receivable 7,200 71,200 Inventories 42,250 41,800 Prepaid expenses 42,250 18,934,700 Net investment leases - long-term 12,835,800 18,934,700 Net investments (See Note 4) 12,700 7,500 Property and equipment, net 67,500 67,500 67,500 Other assets 67,500 67,500 67,500 Other assets 677,500 7,500 67,500 67,500 Other assets 677,500 67,500 67,500 67,500 Other assets 677,500 67,500 67,500 67,500 Other assets 8,400,000 67,500 67,500 67,500 Other assets 8,400,000 6,800,000 6,800,000 6,800,000 6,800,000 6,800,000 6,800,000 6,800,000 <	Current Assets:				
Receivables, less allowance for doubtful accounts of \$17.200 and \$17.300 1,211,100 1,237,100 Net investment in leases - current 1,469,700 13,461,200 Income tax receivable 12,000 71,200 Prepaid expenses 422,500 455,000 Total current assets 18,585,800 18,934,700 Net investment in leases - long-term 21,237,200 22,697,100 Long-Term investments (See Note 4) 677,500 677,500 Property and equipment, net 1,176,100 1,229,500 Other assets 677,500 677,500 Current Liabilities: 1,606,600 3,538,800 Line of credit \$ 4,500,000 \$ 8,000,000 Accounts payable 1,828,500 2,203,700 Income tax payable 759,400 1,286,300 Rents received in advance 815,100 86,800 Rents received in advance 82,000 13,480 Deferred revenue 1,547,800 1,641,700 Deferred revenue 9,540,000 1,790,00 Deferred revenue 9,540,000 9,530,000	Cash and cash equivalents	\$	2,191,500	\$	2,233,400
Net investment in leases - current 14,599,400 13,461,200 Income tax receivable 72,000 71,200 Inventories 72,000 445,200 Prepaid expenses 422,500 445,200 Net investment in leases - long-term 21,237,200 22,697,100 Long-Term investments (See Note 4) 77,500 41,766,00 1,229,500 Other assets 677,500 43,538,800 677,500 LIABILITIES AND SHAREHOLDERS EQUITY Current Liabilities: Line of credit 4,500,000 \$ 10,800,000 Accounts payable 1,828,500 \$ 10,800,000 Accounts payable 1,828,500 \$ 1,800,000 Accrued liabilities 1,632,700 1,286,300 Discounted lease rentals 815,10 896,800 Rents received in advance 82,000 13,4800 Deferred revenue 1,547,800 20,513,200 Total current liabilities 1,547,800 17,790 Total current liabilities 1,547,000 20,513,200 Tong-Term Liabilities <	Marketable securities		89,300		85,900
1,400,700 Inventories	Receivables, less allowance for doubtful accounts of \$17,200 and \$17,300		1,211,100		1,237,100
Prepaid expenses	Net investment in leases - current		14,599,400		13,461,200
Prepaid expenses 422,500 445,200 Total current assets 18,585,800 18,934,700 Net investment in leases - long-term 21,237,200 22,697,100 Long-Term investments (See Note 4) 1,776,00 1,229,500 Other assets 677,500 677,500 Comparison of the property and equipment, net 1,761,000 43,538,800 LIABILITIES AND SHAREHOLDERS EQUITY TURD Current Liabilities 4,500,000 10,800,000 Accounts payable 1,828,500 2,037,00 Accounts payable 1,632,700 1,286,300 Accounted lease rentals 815,100 896,800 Discounted lease rentals 815,100 35,49,900 Deferred revenue 1,547,800 1,641,700 Deferred income taxes 3,549,900 3,549,900 Deferred divenue 1,547,800 177,900 Deferred revenue 1,547,800 177,900 Deferred revenue 954,000 953,000 <	Income tax receivable				1,400,700
Total current assets 18,585,800 18,934,700 Net investment in leases - long-term 21,237,00 22,697,100 Long-Term investments (See Note 4) 1,176,100 1,229,500 Other assets 677,500 677,500 LIABILITIES AND SHAREHOLDERS EQUITY Current Liabilities Liabilities Along Share Equity 4,500,000 \$ 10,800,000 Accounts payable 1,828,500 2,203,700 Accrued liabilities 759,400 1,286,300 Discounted lease rentals 815,100 80,800 Rents received in advance 82,000 13,480,00 Deferred revenue 1,547,800 1,641,700 Deferred inome taxes 35,49,000 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities 180,700 177,900 Deferred revenue 95,400 55,300,00 Other liabilities 180,700 95,300 Deferred inome taxes 2,594,300 2,594,300 Other liabilities 2,594,300 2,594,30	Inventories		72,000		71,200
Net investment in leases - long-term 21,237,200 22,697,100 Long-Term investments (See Note 4) 71,76,100 1,229,500 Property and equipment, net 677,500 677,500 Other assets 677,500 677,500 LIABILITIES AND SHAREHOLDERS EQUITY Current Liabilities: Line of credit \$ 4,500,000 \$ 10,800,000 Accounts payable 1,632,700 12,863,000 Accounted tax payable 1,632,700 1,286,300 Discounted lease rentals 815,100 896,800 Rents received in advance 82,000 134,800 Deferred revenue 1,547,800 1,641,700 Deferred lincome taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities 180,700 177,900 Rents received in advance 112,000 177,900 Rents received in advance 112,000 177,900 Deferred revenue 954,000 953,000 Other liabilities 2,594,000 <td< td=""><td>Prepaid expenses</td><td></td><td>422,500</td><td></td><td>445,200</td></td<>	Prepaid expenses		422,500		445,200
Long-Term investments (See Note 4) 1,176,100 1,229,500 Other assets 677,500 677,500 677,500 677,500 677,500 43,538,800 LIABILITIES AND SHAREHOLDERS EQUITY Current Liabilities 4,500,000 10,800,000 Accounts payable 1,828,500 2,203,700 Income tax payable 759,400 4,860,000 10,800,000 Accurend liabilities 815,100 896,800 10,800,000 <td< td=""><td>Total current assets</td><td></td><td>18,585,800</td><td></td><td>18,934,700</td></td<>	Total current assets		18,585,800		18,934,700
Property and equipment, net 1,176,100 1,229,500 Other assets 677,500 677,500 LIABILITIES AND SHAREHOLDERS EQUITY Current Liabilities: Line of credit \$ 4,500,000 \$ 10,800,000 Accounts payable 1,828,500 2,203,700 Income tax payable 759,400 1,286,300 Discounted lease rentals 815,100 896,800 Rents received in advance 82,000 1,547,800 1,641,700 Deferred revenue 1,547,800 1,641,700 20,513,200 Deferred income taxes 3,549,900 3,549,900 3,549,900 3,549,900 3,549,900 3,549,900 1,779,00 <	Net investment in leases - long-term		21,237,200		22,697,100
Other assets 677,500 677,500 LIABILITIES AND SHAREHOLDERS EQUITY Current Liabilities: Line of credit \$ 4,500,000 \$ 10,800,000 Accounts payable 1,828,500 2,203,700 Income tax payable 1,632,700 1,286,300 Accrued liabilities 1,632,700 1,286,300 Discounted lease rentals 815,100 896,800 Rents received in advance 82,000 134,800 Deferred revenue 1,547,800 1,641,700 Deferred income taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities 180,700 177,900 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Otal long-term liabilities 5,060,900 5,097,600 Shareholders Equity: 2 112,700 4,000	Long-Term investments (See Note 4)				
\$ 41,676,600 \$ 43,538,800	Property and equipment, net		1,176,100		1,229,500
LIABILITIES AND SHAREHOLDERS EQUITY Current Liabilities: Line of credit \$ 4,500,000 \$ 10,800,000 Accounts payable 1,828,500 2,203,700 Income tax payable 1,632,700 1,286,300 Discounted lease rentals 815,100 896,800 Bents received in advance 82,000 134,800 Deferred revenue 1,547,800 1,641,700 Deferred income taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities 180,700 177,900 Rents received in advance 180,700 177,900 Deferred revenue 954,000 953,000 Other liabilities 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 2,594,300 2,594,300 Total long-term liabilities 2,594,300 2,594,300 Total long-term liabilities 5,600,900 5,097,600 Shareholders Equity: 112,700 4,000 Common	Other assets		677,500		677,500
Current Liabilities: Line of credit \$ 4,500,000 \$ 10,800,000 Accounts payable 1,828,500 2,203,700 Income tax payable 759,400 1,286,300 Accrued liabilities 1,632,700 1,286,300 Discounted lease rentals 815,100 896,800 Rents received in advance 82,000 134,800 Deferred revenue 1,547,800 1,641,700 Deferred income taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities: 180,700 177,900 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: 2 112,700 Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained		\$	41,676,600	\$	43,538,800
Line of credit \$ 4,500,000 \$ 10,800,000 Accounts payable 1,828,500 2,203,700 Income tax payable 759,400 759,400 Accrued liabilities 1,632,700 1,286,300 Discounted lease rentals 815,100 896,800 Rents received in advance 82,000 134,800 Deferred revenue 1,547,800 1,641,700 Deferred income taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities: 180,700 177,900 Rents received in advance 112,200 117,700 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: 112,700 4,000 Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 4,000	LIABILITIES AND SHAREHOLDERS EQUITY				
Accounts payable 1,828,500 2,203,700 Income tax payable 759,400 1,286,300 Accrued liabilities 1,632,700 1,286,300 Discounted lease rentals 815,100 896,800 Rents received in advance 82,000 134,800 Deferred revenue 1,547,800 1,641,700 Deferred income taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities: 180,700 177,900 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: 2 2 Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Current Liabilities:				
Income tax payable 759,400 Accrued liabilities 1,632,700 1,286,300 Discounted lease rentals 815,100 896,800 Rents received in advance 82,000 134,800 Deferred revenue 1,547,800 1,641,700 Deferred income taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities: 180,700 177,900 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Line of credit	\$	4,500,000	\$	10,800,000
Accrued liabilities 1,632,700 1,286,300 Discounted lease rentals 815,100 896,800 Rents received in advance 82,000 134,800 Deferred revenue 1,547,800 1,641,700 Deferred income taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities: 180,700 177,900 Rents received in advance 112,200 117,700 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 11,932,000	Accounts payable		1,828,500		2,203,700
Discounted lease rentals 815,100 896,800 Rents received in advance 82,000 134,800 Deferred revenue 1,547,800 1,641,700 Deferred income taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities: Discounted lease rentals 180,700 177,900 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Income tax payable		759,400		
Rents received in advance 82,000 134,800 Deferred revenue 1,547,800 1,641,700 Deferred income taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities: 180,700 177,900 Rents received in advance 112,200 117,700 Rents received in advance 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 4,000 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Accrued liabilities		1,632,700		1,286,300
Deferred revenue 1,547,800 1,641,700 Deferred income taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities: Usicounted lease rentals 180,700 177,900 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Discounted lease rentals		815,100		896,800
Deferred income taxes 3,549,900 3,549,900 Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities: Use counted lease rentals 180,700 177,900 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Rents received in advance		82,000		134,800
Total current liabilities 14,715,400 20,513,200 Long-Term Liabilities: 180,700 177,900 Discounted lease rentals 180,700 177,900 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Deferred revenue		1,547,800		1,641,700
Long-Term Liabilities: 180,700 177,900 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Deferred income taxes		3,549,900		3,549,900
Discounted lease rentals 180,700 177,900 Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Total current liabilities		14,715,400		20,513,200
Rents received in advance 112,200 117,700 Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Long-Term Liabilities:				
Deferred revenue 954,000 953,000 Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Discounted lease rentals		180,700		177,900
Other liabilities 1,219,700 1,254,700 Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Rents received in advance		112,200		117,700
Deferred income taxes 2,594,300 2,594,300 Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Deferred revenue		954,000		953,000
Total long-term liabilities 5,060,900 5,097,600 Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Other liabilities		1,219,700		1,254,700
Shareholders Equity: Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding Accumulated other comprehensive loss Retained earnings Shareholders Equity: 112,700 (4,000) (4,000) 17,932,000	Deferred income taxes		2,594,300		2,594,300
Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Total long-term liabilities		5,060,900		5,097,600
Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Shareholders Equity:				
and outstanding 112,700 Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	Common stock, no par, 10,000,000 shares authorized, 4,999,647 and 4,996,459 shares issued				
Accumulated other comprehensive loss (1,900) (4,000) Retained earnings 21,789,500 17,932,000	and outstanding		112,700		
Retained earnings 21,789,500 17,932,000	Accumulated other comprehensive loss				(4,000)
					17,932,000
	Total shareholders equity		21,900,300		17,928,000

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\$ 41,676,600 \$

43,538,800

The accompanying notes are an integral part of these financial statements.

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WINMARK CORPORATION AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

		Three Months Ended			
	Ma	March 30, 2013		arch 31, 2012	
REVENUE:					
Royalties	\$	8,474,900	\$	8,288,500	
Leasing income		3,407,800		2,392,100	
Merchandise sales		665,700		709,800	
Franchise fees		414,600		285,000	
Other		185,400		158,000	
Total revenue		13,148,400		11,833,400	
COST OF MERCHANDISE SOLD		641,100		664,300	
LEASING EXPENSE		279,700		239,800	