

**TNR Technical, Inc.**  
QUARTERLY DISCLOSURE STATEMENT  
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2016

**Item 1. Name of the issuer and its predecessor (if any).**

TNR Technical, Inc. (“TNR”, the “Company”, “We”, “Us”, “Issuer”)

**Item 2. Address of the issuer’s principal executive offices.**

Principal Executive Offices: 301 Central Park Drive  
Sanford, Florida 32771  
Telephone: 407-321-3011  
Facsimile: 407-321-3208  
Website: [www.batterystore.com](http://www.batterystore.com)  
[www.tnrtechnical.com](http://www.tnrtechnical.com)

Investor Relations Officers: Wayne Thaw, CEO  
Anne S. Provost, CFO  
301 Central Park Drive  
Sanford, FL 32771  
  
Telephone: 407-321-3011  
Facsimile: 407-321-3208  
Website: [www.tnrtechnical.com](http://www.tnrtechnical.com)  
E-mail: [wayne@tnrbatteries.com](mailto:wayne@tnrbatteries.com)  
[anne@tnrtechnical.com](mailto:anne@tnrtechnical.com)

**Item 3. Security Information**

**A. Trading symbol:** TNRK

**Exact title and class:** TNR Technical Inc., common stock

**CUSIP:** 872595202

**Par or Stated Value:** \$.02

**Total shares authorized,** 500,000 **and outstanding,** 307,093 **as of:** March 31, 2016

**B. Preferred – None**

**C. Transfer Agent:** American Stock Transfer & Trust Company, LLC  
6201 15<sup>th</sup> Avenue  
Brooklyn, NY 11219  
Telephone: 718-921-8200  
Facsimile: 718-765-8715  
Website: [www.amstock.com](http://www.amstock.com)

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American Stock Transfer and Trust Company, LLC is currently registered under the Securities Exchange Act of 1934, and is an authorized transfer agent subject to regulation by the U.S. Securities and Exchange Commission.

There are no trading suspension orders issued by the SEC on the Company's securities. Of the 307,093 common shares outstanding at March 31, 2016, approximately 140,000 shares are fully tradable in the open market without restrictions. All other shares are either restricted securities under Rule 144 or "control securities" owned by officers, directors and/or affiliated persons.

**Item 4. Issuance History**

In the past two fiscal years and any interim period, there were no sales of the Company's securities by the Company.

**Item 5. Financial Statements**

The financial statements as of March 31, 2016 and June 30, 2015 and for the three and nine months ended March 31, 2016 and 2015 follow this page.

**TNR Technical, Inc.**  
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**Balance Sheet**

<b>TNR Technical, Inc.</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Assets</b>	<b>March 31, 2016</b>	<b>June 30, 2015</b>
Current assets:		
Cash and cash equivalents	\$ 2,452,229	\$ 2,378,024
Accounts receivable - trade, less allowance for doubtful accounts of \$12,653 and \$10,145	619,997	497,063
Inventories	2,004,270	2,000,429
Prepaid expenses and other current assets	67,982	70,009
Deferred tax assets	95,000	103,000
Income tax receivable	11,000	24,000
<b>Total current assets</b>	<b>5,250,478</b>	<b>5,072,525</b>
Property and equipment, net of accumulated depreciation and amortization	54,214	67,237
Non-current deferred tax asset, net	-	1,000
Deposits	13,114	17,240
<b>Total assets</b>	<b>\$ 5,317,806</b>	<b>\$ 5,158,002</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 397,113	\$ 406,833
Accrued expense	244,642	296,993
<b>Total current liabilities</b>	<b>641,755</b>	<b>703,826</b>
Non-current deferred tax liability	3,000	-
<b>Total liabilities:</b>	<b>644,755</b>	<b>703,826</b>
Shareholders' equity:		
Common stock - \$0.02 par value, authorized 500,000 shares; 360,331 shares issued; 307,093 outstanding	7,207	7,207
Additional paid-in capital	3,405,001	3,405,001
Retained earnings	1,674,140	1,455,265
Treasury stock, at cost 53,238 shares	(413,297)	(413,297)
<b>Total shareholders' equity</b>	<b>4,673,051</b>	<b>4,454,176</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 5,317,806</b>	<b>\$ 5,158,002</b>

See accompanying notes to financial statements.

**TNR Technical, Inc.**  
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Statements of Income TNR Technical, Inc.	(Unaudited) For the three months ending March 31,		(Unaudited) For the nine months ending March 31,	
	2016	2015	2016	2015
Revenue:				
Net sales	\$ 2,260,601	\$ 2,262,219	\$ 6,039,777	\$ 6,036,463
Cost of goods sold	1,588,786	1,585,341	4,289,145	4,227,301
Gross margin	671,815	676,878	1,750,632	1,809,162
Selling, general and administrative	464,383	453,165	1,399,744	1,448,161
Operating income	207,432	223,713	350,888	361,001
Other income:				
Interest income	16	16	49	1,488
Investment gains	-	-	-	4,270
Total other income	16	16	49	5,758
Income before income taxes	207,448	223,729	350,937	366,759
Provision for income taxes	80,000	88,000	138,000	146,000
Net income	<u>\$ 127,448</u>	<u>\$ 135,729</u>	<u>\$ 212,937</u>	<u>\$ 220,759</u>
Basic earnings per share	<u>\$ 0.42</u>	<u>\$ 0.44</u>	<u>\$ 0.69</u>	<u>\$ 0.72</u>
Weighted average number of shares outstanding	<u>307,093</u>	<u>307,093</u>	<u>307,093</u>	<u>307,093</u>

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**TNR Technical, Inc.**

**Statements of Shareholders' Equity (Unaudited)**

	<u>Common Stock</u>		Additional Paid-in Capital	Retained Earnings	Treasury Stock	Total Shareholders' Equity
	Shares	Amount				
Balances, June 30, 2015	360,331	\$ 7,207	\$ 3,405,001	\$ 1,455,265	\$ (413,297)	\$ 4,454,176
Dividend reimbursement	-	-	-	5,938	-	5,938
Net income	-	-	-	212,937	-	212,937
Balances, March 31, 2016	360,331	\$ 7,207	\$ 3,405,001	\$ 1,674,140	\$ (413,297)	\$ 4,673,051

See accompanying notes to financial statements.

**TNR Technical, Inc.**  
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**Statements of Cash Flows**

	(Unaudited)	(Unaudited)
For the nine months ended	March 31, 2016	March 31, 2015
Cash flows from operating activities:		
Net income	\$ 212,937	\$ 220,759
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income tax expense	12,000	(9,000)
Depreciation and amortization	22,789	27,701
Provision for doubtful accounts	2,508	3,026
Realized and unrealized gain on investments	-	(4,270)
(Gain)/ loss on disposition of equipment	(1,896)	-
Changes in operating assets and liabilities:		
Accounts receivable	(125,442)	(150,308)
Proceeds from disposition of investments	-	240,452
Inventories	(3,841)	(389,043)
Prepaid expenses and other assets	2,027	5,970
Accounts payable and accrued expenses	(62,071)	84,047
Deposits	4,126	1,936
Income taxes receivable/payable	13,000	32,000
Net cash provided by operating activities	<u>76,137</u>	<u>63,271</u>
Cash flows from investing activities:		
Purchase of property and equipment	(10,393)	(22,836)
Proceeds from disposition of PPE	2,523	-
Net cash used in investing activities	<u>(7,870)</u>	<u>(22,836)</u>
Cash flows from financing activities:		
Dividend reimbursement	5,938	-
Net cash provided by financing activities	<u>5,938</u>	<u>-</u>
Increase in cash and cash equivalents	74,205	40,435
Cash and cash equivalents - beginning of period	2,378,024	2,511,848
Cash and cash equivalents - end of period	<u>\$ 2,452,229</u>	<u>\$ 2,552,283</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for income taxes	<u>\$ 85,353</u>	<u>\$ 123,174</u>

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**Presentation of Unaudited Financial Statements – Financial Notes**

The accompanying unaudited financial statements of the Company should be read in conjunction with the Company's Annual Disclosure Statement for the year ended June 30, 2015, as filed with the OTC Marketplace on September 10, 2015. In the opinion of the Company, the unaudited financial statements contain all adjustments (all of which were considered normal and recurring) necessary for a fair statement of the Company's financial position at March 31, 2016 and the results of operations and cash flows for the three and nine months ended March 31, 2016 and 2015. The preparation of the Company's financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosure of certain assets and liabilities at the balance sheet date. Such estimates include revenue recognition, the collectability of receivables, and the carrying value of inventory and property and equipment. Actual results may differ from such estimates. These interim results are not necessarily indicative of results to be expected for a full year or subsequent interim periods.

**(1) Inventories**

Inventories consist of the following:

	<b>(Unaudited) March 31, 2016</b>	<b>(Unaudited) June 30, 2015</b>
Finished goods/work-in-progress	\$ 38,760	\$ 38,136
Purchased product and materials	1,965,510	1,962,293
	<u>\$2,004,270</u>	<u>\$ 2,000,429</u>

**(2) Income Taxes**

The income tax provision for the nine months ended March 31, 2016 and 2015 consists of the following:

	<b>(Unaudited) March 31, 2016</b>	<b>(Unaudited) March 31, 2015</b>
Current Tax Expense		
Federal	\$ 103,000	\$ 126,000
State	23,000	29,000
	<u>126,000</u>	<u>155,000</u>
Deferred Tax Expense (Benefit)		
Federal	10,000	(7,000)
State	2,000	(2,000)
	<u>12,000</u>	<u>(9,000)</u>
Total Income Tax Expense	<u>\$ 138,000</u>	<u>\$ 146,000</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at March 31, 2016 and June 30, 2015 are presented below:

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	<b>(Unaudited)</b> <b><u>March 31, 2016</u></b>	<b>(Unaudited)</b> <b><u>June 30, 2015</u></b>
Deferred tax assets:		
Inventories	\$ 77,000	\$ 85,000
Accounts receivable	5,000	4,000
Stock options issued	-	15,000
Accrued paid time off	13,000	14,000
Total deferred tax assets:	<u>95,000</u>	<u>118,000</u>
Deferred tax liabilities:		
Depreciation and amortization	(3,000)	(14,000)
Net deferred tax assets/liabilities:	<u>\$ 92,000</u>	<u>\$ 104,000</u>

Deferred taxes are presented in the accompanying March 31, 2016 and June 30, 2015 balance sheets as follows:

	<b>(Unaudited)</b> <b><u>March 31, 2016</u></b>	<b>(Unaudited)</b> <b><u>June 30, 2015</u></b>
Current deferred tax assets	\$ 95,000	\$ 103,000
Noncurrent deferred tax liabilities	(3,000)	-
Noncurrent deferred tax asset	-	1,000
	<u>\$ 92,000</u>	<u>\$ 104,000</u>

**(3) Dividend Reimbursement**

In March 2016, American Stock Transfer and Trust refunded an overpayment of \$5,938 for dividend funding from January 2007, which had been calculated on treasury shares from an old un-exchanged file.

**(4) Recent Accounting Pronouncements**

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP.

This standard is effective for annual periods beginning after December 15, 2018, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect



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of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). We are currently evaluating the impact of our pending adoption of ASU 2014-09 on our financial statements and have not yet determined the method by which we will adopt the standard.

**Item 6. Describe the Issuer's Business, Products and Services**

**A. Business of Issuer**

TNR Technical, Inc. designs, assembles and markets primary and secondary batteries to a variety of industrial, commercial and retail markets and is an authorized distributor for several major battery manufacturers; the products of which are distributed nationally by the Company's two main facilities in Sanford, Florida and Santa Ana, California.

**B. Date and State (or Jurisdiction) of Incorporation:** 1979, New York

**C. Primary and secondary SIC codes;**

3691 – Manufacturing storage batteries  
3692 – Primary batteries, dry and wet

**D. The issuer's fiscal year end date:** June 30

**E. Principal products or services, and their markets:**

The Company is an authorized distributor of nickel-cadmium, nickel metal hydride, alkaline, lithium, silver oxide and sealed lead acid batteries and battery chargers manufactured by Saft America, Power-Sonic, Varta Micro-battery, Energysys, Renata, GP Batteries, CSB Battery, Ultralife Batteries, Energizer Battery, FDK, Universal Power Group, Arts Energy, Tenenergy, and Panasonic. As an authorized distributor, the Company purchases cells, assembles them into battery packs and maintains inventory for resale. The Company sells its batteries and/or battery packs to original equipment manufacturers, municipalities, hotels/resorts, military, aerospace, government agencies, electrical wholesalers, battery distributors, exporters and consumers without geographical limitation and on a non-exclusive basis. The Company also designs and assembles battery packs to customers' specifications. The Company's batteries have applications in utilities, personal watercraft, photography, power tools, watches, instrumentation, laptops, CNC, Airsoft, surveying equipment, radio control, mobile radios, alarms, U.P.S., door locks, marine, medical, mobility, motorcycle, programmable logic controllers, and emergency lighting as well as other various consumer products. Sales under industrial and distribution programs accounted for substantially all of the Company's revenues during the Company's past three fiscal years and no one customer accounted for 10% or more of the Company's total revenues during these years.

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**Item 7. Describe the Issuer's Facilities**

The Company's principal executive office, sales, and distribution facility is located at 301 Central Park Drive, Sanford, Florida 32771. This facility, which consists of approximately 8,000 square feet of space, is leased from RKW Holdings Ltd., a Florida Limited Partnership, controlled by Wayne Thaw, an executive officer, director and shareholder of the Company. The Florida lease renewed in May 2014 and extends through June 30, 2017 with a 6% annual increase in rent. The Company currently pays a base rent of \$8,852 per month, inclusive of sales tax. The Company is also responsible for the payment of all insurance, property, and other taxes related to the leased facilities. Property taxes currently estimated at \$915 per month, inclusive of sales taxes, are accrued on a monthly basis.

The Company leases from a non-affiliated company, a sales, distribution and assembly facility at 3601 W MacArthur Boulevard, Suites 909-911, Santa Ana, California, 92704. This facility consists of 4,620 square feet of space. The California lease commenced on July 1, 2014 with annual increases in base rent of approximately 4% through the expiration date of August 31, 2019. The Company currently pays a base rent of \$4,651 per month, which is subject to increase for its share of the landlord's increased operating expenses.

The Company owns production equipment consisting primarily of welding, soldering, testing, and inspection equipment which has been sufficient for its needs to date.

Minimum rental payments associated with operating lease obligations for the remainder of fiscal 2016 and for future fiscal years are:

Year ending June 30,	
2016	\$ 40,509
2017	170,531
2018	60,145
2019	62,440
2020	10,805
	<u>\$344,430</u>

Future lease agreements and their anticipated obligations are not included in this schedule.

Total lease and rental expense approximated \$172,000 and \$161,000 in fiscal 2015 and 2014, respectively. In fiscal 2015 and 2014, lease expense associated with related parties (exclusive of sales tax and property tax) was approximately \$93,650 and \$88,500, respectively.

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**Item 8. Officers, Directors and Control Persons**

**A. Directors and Executive Officers**

**1. Directors**

Name	Position with Company	Director Since
Wayne Thaw	Chairman of the Board, CEO	1983
Mitchell Thaw	Director, President and COO	1998
Anthony Guadagnino	Director	2004

The following information is provided regarding the Company's directors, all of whom are United States citizens:

Wayne Thaw, age 58, has served as Chairman of the Board and Chief Executive Officer of the Company since December 2000 and a director since 1983. From November 1987 until November 2013, Mr. Thaw served as President and Chief Operating Officer of the Company. He has been a full-time employee since 1980.

Mitchell Thaw, age 59, has served as President and Chief Operating Officer of the Company since February 2015 and a director since December 1998. For over 25 years, Mr. Thaw was engaged in various Wall Street trading and management positions and has expertise and experience in numerous Wall Street products, options, structured products, stocks, warrants, program trading, convertible bonds, corporate and government bonds. Mr. Thaw received a BA from the University of Miami.

Anthony Guadagnino, age 68, has been a director since 2004. He has been determined by the Board of Directors to be "independent" as that term is defined in Rule 10 A-3 under the Securities and Exchange Act of 1934, as amended. Mr. Guadagnino is President and owner of Presidential Group South, LLC, a property management company, since 1985 and he has been in property management since 1975. Mr. Guadagnino is a licensed broker and certified association manager. He has been licensed in Maryland and Washington, D.C. Mr. Guadagnino has served as a senior accountant at Eisen & Lubin, a New York City CPA firm, where he was in charge of various real estate and retail client audits for major clients from 1969 to 1972. He is a graduate of the City College of New York, Bernard Baruch School of Business with a Bachelor of Science in Business Administration majoring in Accounting.

**2. Executive Officers**

Name	Position with Company	Officer Since
Wayne Thaw	Chairman of the Board, Chief Executive Officer	2000
Mitchell Thaw	President, Chief Operating Officer	2015
Anne S. Provost	Chief Financial Officer	2008

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The following information is provided regarding the Company's executive officers not already described herein, all of whom are United States citizens:

Anne Provost, age 51, has been Chief Financial Officer since January 2008. She was President, Chief Operating Officer and Chief Financial Officer from November 2013 to February 2015. She has served in administration and accounting for the Company since 1996. She has her Bachelor of Science in Business Administration (Accounting) and her Masters in Business Administration from the University of Central Florida.

**B. Legal/disciplinary history**

**Please identify whether any of the executive officers and directors have, in the last five years, been the subject of:**

1. **A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);** None
2. **The entry of an order, judgment or decree, not subsequently reversed, suspended or vacated by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities or banking activities;** None
3. **A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated;** None
4. **The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activity;** None

**C. Beneficial Shareholders**

**Provide a list of the name, address and shareholdings of all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities.**

As of March 31, 2016 (a) all persons or groups known by TNR Technical, Inc. to be the beneficial owners of 5% or more of its outstanding Common Stock and (b) all of the Company's directors and executive officers as a group.

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Title of Class	Name of Beneficial Owner	Number of Shares	Approximate Percent
Common Stock	Wayne Thaw and his wife Kathie Thaw	92,170	30%
Common Stock	Mitchell A. Thaw	22,850	7%
Common Stock	Anthony Guadagnino	-0-	0%
Common Stock	Anne Provost	-0-	0%
Common Stock	All Directors and Officers as a Group	115,020	37%
Common Stock	Norman L. Thaw	52,429	17%
Common Stock	Poplar Point Capital Resident Agent: Jad Fakhry 840 Hinckley Road, Suite 250 Burlingame, CA 94010	16,222	5%
Common Stock	Jason Holzer 407 Lake Cliff Trail Austin, TX 78746	20,000	7%

The Company does not know of any arrangement or pledge of its securities by persons now considered in control of the Company that might result in a change of control of the Company. Beneficial owners not otherwise indicated can be contacted at 301 Central Park Drive, Sanford, Florida 32771.

**Item 9. Third Party Providers**

The following are the name, address, telephone number and email address of each of the outside providers listed below that advise the Company on matters relating to operations, business development and disclosure:

Legal Counsel

Steven Morse, Esq.  
Morse & Morse, PLLC  
1400 Old Country Road, Ste. 302  
Westbury, NY 11590  
Telephone: 516.487.1446  
Website: [www.morseandmorse.com](http://www.morseandmorse.com)  
Email: [morgold@aol.com](mailto:morgold@aol.com)

Accountant

Preparation of the Company's financial statements is the responsibility of the Company's management. The Company's independent accounting firm was not engaged to issue an opinion or to review this quarterly statement.

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Accountant contact information:

BDO USA, LLP  
201 South Orange Avenue, Suite 800  
Orlando, FL 32801-3421  
Telephone: (407) 841-6930  
Facsimile: (407) 841-6347  
Attn: Michael Heald, Partner  
E-mail: mheald@bdo.com

**All Other Fees**

The Company does not utilize the services of any third party investor relations consultant or other advisor.

**Item 10. Issuer's Certifications**

We, Wayne Thaw, CEO and Anne S. Provost, CFO, certify that:

1. We have reviewed this quarterly disclosure statement of TNR Technical, Inc.;
2. Based on our knowledge, this quarterly disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on our knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

DATE: May 13, 2016

/s/ Wayne Thaw, Chief Executive Officer  
/s/ Anne S. Provost, Chief Financial Officer