DEWEY ELECTRONICS CORP
Form 10-Q
May 13, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10 - Q

(Mark One)

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

For the quarterly period ended March 31, 2010

___ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from__________to____________

_______Commission File No. 0-2892

THE DEWEY ELECTRONICS CORPORATION

A New York Corporation

I.R.S. Employer Identification
No. 13-1803974

27 Muller Road
Oakland, New Jersey 07436
(201) 337-4700

Indicate by check mark whether the registrant has(1) 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___

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 (ss232.405 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 ___

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 _____ Smaller reporting company__X_
(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_X_

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 1,362,031 at May 13, 2010.

THE DEWEY ELECTRONICS CORPORATION

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PART I: FINANCIAL INFORMATION

ITEM 1.CONDENSED FINANCIAL STATEMENTS

THE DEWEY ELECTRONICS CORPORATION
CONDENSED BALANCE SHEETS

	MARCH 31, 2010 (unaudited)	JUNE 30, 2009
ASSETS:		
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	$ 1,201,251	$ 518,600
ACCOUNTS RECEIVABLE	536,485	984,711
INVENTORIES	1,181,845	775,321
CONTRACT COSTS AND RELATED ESTIMATED PROFITS IN EXCESS OF BILLINGS	69,087	1,398,385
PREPAID EXPENSES AND OTHER CURRENT ASSETS	61,525	50,662
TOTAL CURRENT ASSETS	3,050,193	3,727,679
PLANT, PROPERTY AND EQUIPMENT:		
LAND AND IMPROVEMENTS	651,015	651,015
BUILDING AND IMPROVEMENTS	1,885,653	1,885,653
MACHINERY AND EQUIPMENT	3,206,756	3,227,794
FURNITURE AND FIXTURES	237,168	235,777
	5,980,592	6,000,239
Less accumulated depreciation	5,053,735	5,001,465
	926,857	998,774
DEFERRED COSTS	65,095	65,095
TOTAL ASSETS	$4,042,145	$4,791,548

LIABILITIES AND STOCKHOLDERS' EQUITY:		
CURRENT LIABILITIES:		
TRADE ACCOUNTS PAYABLE	$306,876	$765,251
CUSTOMER DEPOSITS	9,000	--
ACCRUED EXPENSES AND OTHER LIABILITIES	274,825	267,340
ACCRUED COMPENSATION AND BENEFITS PAYABLE	152,395	223,913
ACCRUED PENSION COSTS	48,559	59,439
TOTAL CURRENT LIABILITIES	791,655	1,315,943
LONG-TERM PENSION LIABILITY	352,095	352,095

STOCKHOLDERS' EQUITY:		
Preferred stock, par value $1.00; authorized 250,000 shares, issued and outstanding-none,	--	--
Common stock, par value $.01; authorized 3,000,000 shares; issued 1,693,397 at March 31, 2010 and June 30, 2009	16,934	16,934
ADDITIONAL PAID-IN CAPITAL	2,820,950	2,818,589
RETAINED EARNINGS	740,871	968,347
ACCUMULATED OTHER COMPREHENSIVE LOSS	(193,332)	(193,332)
	3,385,423	3,610,538
LESS: TREASURY STOCK 331,366 SHARES at cost	(487,028)	(487,028)
TOTAL STOCKHOLDERS' EQUITY	2,898,395	3,123,510
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$4,042,145	$4,791,548

SEE ACCOMPANYING NOTES TO CONDENSED FINANCIAL STATEMENTS

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THE DEWEY ELECTRONICS CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	THREE-MONTHS ENDED MARCH 31,		NINE-MONTHS ENDED MARCH 31,	
	2010	2009	2010	2009
REVENUES	$1,243,986	$3,195,421	$5,983,893	$8,399,681
COST OF REVENUES	1,020,251	2,675,717	4,962,638	6,531,729
GROSS PROFIT	223,735	519,704	1,021,255	1,867,952
SELLING,GENERAL & ADMINISTRATIVE	398,018	558,712	1,239,891	1,523,865
OPERATING INCOME/(LOSS)	(174,283)	(39,008)	(218,636)	344,087
INTEREST EXPENSE	--	--	1,387	--
OTHER (EXPENSE)- NET	(2,650)	(1,372)	(7,453)	(5,394)
INCOME/(LOSS) BEFORE				

INCOME TAXES	(176,933)	(40,380)	(227,476)	338,693
PROVISION FOR INCOME TAX	--	--	--	--
NET INCOME/(LOSS)	$(176,933)	$ (40,380)	$(227,476)	$ 338,693
NET INCOME/(LOSS) PER COMMON SHARE-BASIC	$ (0.13)	$ (0.03)	$ (0.17)	$ 0.25
NET INCOME/(LOSS) PER COMMON SHARE-DILUTED	$ (0.13)	$ (0.03)	$ (0.17)	$ 0.25
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING:				
BASIC	1,362,031	1,362,031	1,362,031	1,362,031
DILUTED	1,362,031	1,362,031	1,362,031	1,363,511

SEE ACCOMPANYING NOTES TO CONDENSED FINANCIAL STATEMENTS

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THE DEWEY ELECTRONICS CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	NINE-MONTHS ENDED MARCH 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME/(LOSS)	$(227,476)	$338,693
ADJUSTMENTS TO RECONCILE NET INCOME/(LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	78,978	82,139
STOCK OPTION COMPENSATION EXPENSE	2,361	1,911
GAIN ON SALE OF EQUIPMENT	(2,500)	--
REDUCTION OF ALLOWANCE FOR DOUBTFUL ACCOUNTS	--	(23,815)
DECREASE IN ACCOUNTS RECEIVABLE	448,226	172,956
(INCREASE) IN INVENTORIES	(406,524)	(63,123)
DECREASE IN CONTRACT COSTS & RELATED ESTIMATED PROFITS IN EXCESS OF BILLINGS	1,329,298	65,909
(INCREASE)/DECREASE IN PREPAID EXPENSES AND OTHER CURRENT ASSETS	(10,863)	24,942
INCREASE IN CUSTOMER DEPOSITS	9,000	--
(DECREASE) IN ACCOUNTS PAYABLE	(458,375)	(163,591)
(DECREASE) IN ACCRUED EXPENSES AND OTHER LIABILITIES	(64,033)	(181,091)
(DECREASE) IN ACCRUED PENSION COSTS	(10,880)	(37,272)
TOTAL ADJUSTMENTS	914,688	(121,035)

NET CASH PROVIDED BY OPERATING

ACTIVITIES	687,212	217,658
CASH FLOWS FROM INVESTING ACTIVITIES:		
EXPENDITURES FOR PROPERTY AND EQUIPMENT	(15,061)	(38,017)
PROCEEDS FROM SALE OF EQUIPMENT	10,500	--
NET CASH USED IN INVESTING ACTIVITIES	(4,561)	(38,017)
CASH FLOWS FROM FINANCING ACTIVITIES:		
SHORT TERM BORROWINGS	250,000	--
REPAYMENT OF SHORT TERM BORROWINGS	(250,000)	--
NET CASH USED IN FINANCING ACTIVITIES	--	--
NET INCREASE IN CASH AND CASH EQUIVALENTS	682,651	179,641
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	518,600	205,122
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$1,201,251	$384,763
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
INTEREST RECEIVED	$ 409	$ 259
INTEREST PAID	$ 1,387	$ --

SEE ACCOMPANYING NOTES TO CONDENSED FINANCIAL STATEMENTS

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THE DEWEY ELECTRONICS CORPORATION

NOTES TO CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

1. Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared by The Dewey Electronics Corporation (the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC")for interim reporting. Certain information and disclosures normally included in notes to financial statements have been condensed or omitted pursuant to such rules and regulations, but resultant disclosures are in accordance with accounting principles generally accepted in the United States of America as they apply to interim reporting. The condensed financial statements should be read in conjunction with the financial statements and the notes thereto in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2009 (the "2009 Form 10-K").

In the opinion of the Company's management, the accompanying unaudited condensed financial statements contain all adjustments (consisting of normal recurring adjustments) necessary to present fairly, in all material respects, the Company's financial position as of March 31, 2010, and the results of operations for the three-months and nine-months then ended and cash flows for the nine-months then ended. The results of operations and cash flows for the period ended March 31, 2010 are not necessarily indicative of the results of operations or cash flows to be expected for any subsequent quarter or the full fiscal year ending June 30, 2010.

As of March 31, 2010, there have been no material changes to any of the significant accounting policies described in our 2009 Form 10-K.

Revenue Recognition

Revenues and estimated earnings under long-term defense contracts (including research and development contracts, except as described below in this paragraph) are recorded using the percentage-of-completion method of accounting, measured as the percentage of costs incurred to estimated total costs of each contract. For the Company's indefinite delivery, indefinite quantity contract to provide 2kW generator sets to the military and for orders from other government subcontractors for 2kW generators, percentage-of-completion calculations are based on individual "Delivery Orders" which are periodically received for specified quantities. For research and development contracts total costs incurred are compared to total expected costs for each contract. The Company currently has one development sub-contract for which it recognizes revenue on a time and material basis as the nature of the work performed precludes a meaningful estimate of total expected costs. During the fiscal year ended June 30, 2009 the Company had one development sub-contract to perform qualification tests for an EPA compliant engine for use with its 2kW generator sets on which it did not recognize revenue based on the percentage-of-completion method. In this sub-contract, revenue was recorded with the successful completion of each milestone in accordance with the contract terms. The sub-contract was completed in January 2009.

The Company uses the percentage-of-completion method to recognize revenue for its replacement parts business when the dollar amount of the order to be delivered in a future period or periods is material, and the duration of the work will span multiple reporting periods. Revenue and earnings for all other orders for replacement parts (including orders for replacement parts for snowmaking equipment) are recorded when deliveries of product are made and title and risk of loss have been transferred to the customer and collection is probable.

For those contracts where revenue has been recognized using the percentage-of-completion method of accounting, provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates include, among others, lower of cost or market estimates for inventories, realization of deferred tax assets, revenue recognition and certain accrued expenses. Actual results could differ from those estimates.

Income Taxes

Under the asset and liability method of accounting for taxes under ASC Topic 740, "Income Taxes", deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in the results of operations in the period the new laws are enacted. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not, that such assets will be realized.

2. Accounting Standards Updates

In June 2009, the FASB issued its final Statement of Financial Accounting Standards ("SFAS") No. 168 - The Accounting Standards Codification ("ASC") and the Hierarchy of Generally Accepted Accounting Principles - a replacement of FASB Statement No. 162. SFAS No. 168 made the FASB Accounting Standards Codification the single source of U.S. GAAP used by nongovernmental entities in the preparation of financial statements, except for rules and interpretive releases of the SEC under authority of federal securities laws, which are sources of authoritative accounting guidance for SEC registrants. The ASC is meant to simplify user access to all authoritative accounting guidance by reorganizing U.S. GAAP pronouncements into roughly 90 accounting topics within a consistent structure; its purpose is not to create new accounting and reporting guidance. The ASC supersedes all existing non-SEC accounting and reporting standards and was effective for the Company beginning July 1, 2009. Following SFAS No. 168, the FASB will not issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts; instead, it will issue Accounting Standards Updates. The FASB will not consider Accounting Standards Updates as authoritative in their own right; these updates will serve only to update the ASC, provide background information about the guidance, and provide the bases for conclusions on the change(s) in the ASC.

Accounting Standards Updates Not Yet Effective

In October 2009, an update was made to "Revenue Recognition - Multiple Deliverable Revenue Arrangements." This update removes the objective-and-reliable-evidence-of-fair-value criterion from the separation criteria used to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting, replaces references to "fair value" with "selling price" to distinguish from the fair value measurements required under the "Fair Value Measurements and Disclosures" guidance, provides a hierarchy that entities must use to estimate the selling price, eliminates the use of the residual method for allocation, and expands the ongoing disclosure requirements. This update is effective for the Company beginning July 1, 2010 and can be applied prospectively or retrospectively. Management is currently evaluating the effect that adoption of this update will have, if any, on the Company's financial position and results of operations when it becomes effective.

Other Accounting Standards Updates not effective until after March 31,2010 are not expected to have a significant effect on the Company's financial position or results of operations.

3. Inventories

Inventories consist of:

	March 31, 2010	June 30, 2009
Finished Goods	$45,652	$38,410
Work In Progress	761,585	144,493
Raw Materials	374,608	592,418
Total	$1,181,845	$775,321

The increase in Work In Process reflected above is the result of the Company having produced approximately $500,000 of 2kW generator assemblies and sub-assemblies for inventory in anticipation of additional orders for delivery under its prime contract with the US Army. See Note 7 - Recent Events in the Notes to the Financial Statements section of this Quarterly Report.

4. Taxes on Income

The Company has provided a valuation allowance against its net deferred tax assets as it believes that it is more likely than not that it will not realize these tax attributes. The Company has approximately $866,000 and $250,000 of federal and state net deferred tax assets respectively, primarily arising from net operating loss carry-forwards, expiring beginning in 2012. In the nine month period ended March 31, 2010 these federal and state net deferred tax assets increased by approximately $78,000 and $21,000, respectively, as a result of a net loss for the nine month period.

5. Earnings/(Loss) Per Share

Net income (loss) per share has been presented pursuant to ASC Topic 260, "Earnings per Share". Basic net income (loss) per share is computed by dividing reported net income (loss) available to common shareholders by weighted average shares outstanding for the period. Diluted net income (loss) per share is computed by dividing reported net income (loss) available to common shareholders by weighted average shares outstanding for the period, adjusted for the dilutive effect of common stock equivalents, which consist of stock options, using the treasury stock method.

The tables below set forth the reconciliation of the numerators and denominators of the basic and diluted net income (loss) per common share computations. Certain stock options were excluded from the computation of earnings per share due to their anti-dilutive effect as a result of the Company's net loss or the price of the options being greater than the market price of shares of the Company's stock. For the three-months ended March 31, 2010 and March 31, 2009, the number of shares excluded from the calculation were 40,700 and 25,200 respectively.

For the nine-month period ended March 31, 2010 and March 31, 2009, the number of shares excluded from the calculation were 40,700 and 16,000 respectively.

	Three-months Ended March 31, 2010			2009		
	Income/ (loss)	Shares	Per Share Amount	Income/ (loss)	Shares	Per Share
Basic net income/ (loss) Per Common Share	$(176,933)	1,362,031	$(.13)	$(40,380)	1,362,031	$(.03)
Effect Of dilutive Securities	--	--	--	--	--	--
Diluted Net income/ (loss) Per Common Share	$(176,933)	1,362,031	$(.13)	$(40,380)	1,362,031	$(.03)

	Nine-months Ended March 31, 2010			2009		
	Income/ (loss)	Shares	Per Share Amount	Income/ Loss	Shares	Per Share Amount
Basic net income/ (loss) Per Common Share	$(227,476)	1,362,031	$(.17)	$338,693	1,362,031	$.25
Effect Of dilutive Securities	--	--	--	--	1,480	--

Diluted net income/ (loss) per common share	$(227,476)	1,362,031	$(.17)	$338,693	1,363,511	$.25
	=========	=========	=====	========	=========	====

6. Stock Option Plan

On December 2, 1998, the Employee Stock Option Committee adopted a Stock Option Plan of 1998 which was amended and restated effective December 5, 2001, pursuant to which options to purchase a maximum of 85,000 shares of common stock may be granted to executives and key employees. Incentive stock options have been granted under the plan with an exercise price no less than fair market value of the stock on the date of grant. Outstanding options generally are exercisable for ten years from the date of grant, except for two grants totaling 4,800 options which are exercisable for a 5-year term. Outstanding options have expiration dates ranging from September 12, 2010 to March 30, 2020.

The following disclosures are based on stock options granted to employees of the Company in the second quarter of fiscal 2009 (quarter ended December 31, 2008) and the third quarter of fiscal 2010 (quarter ended March 31, 2010). For the three months ended March 31, 2010, the Company recorded no stock option compensation expense (as the options were granted on the last day of the quarter), compared to stock option compensation expense of $1,470 for the three months ended March 31, 2009. For the nine months ended March 31, 2010, the Company recorded stock option compensation expense of $2,361 compared to stock option compensation expense of $1,911 for the nine month period ended March 31, 2009.

For the full fiscal year ending June 30, 2010, the Company expects approximately $8,868 in stock option compensation expense based on stock options already granted and assuming no further option grants during the remainder of the fiscal year. However, our assessment of the estimated compensation expense will be affected by our stock price and actual stock option grants (if any) during the remainder of the year as well as assumptions regarding a number of complex and subjective variables. These variables include, but are not limited to, the volatility of our stock price and employee stock option exercise behaviors. The Company issues shares of common stock upon the exercise of stock options.

The Company used its historical stock price volatility to compute the expected volatility for purposes of valuing stock options issued. The period used for the historical stock price corresponded to the expected term of the options and was between five and eight years. The expected dividend yield is based on the Company's practice of not paying dividends. The risk-free rate of return is based on the yield of U.S. Treasury Strips with terms equal to the expected life of the options as of the grant date. The expected life in years is based on historical actual stock option exercise experience. The following weighted average assumptions were used in the valuation of stock options granted in the third quarter of fiscal 2010 and the second quarter of fiscal 2009.

	March 31, 2010	December 31, 2008

Expected dividend yield	--	--
Expected volatility	70.4%	63.8%
Risk-free interest rate	3.52%	1.87%
Expected life in years	6.5	6.7

Based on the assumptions in the table above, the grant date fair value of stock options granted in the third quarter of fiscal 2010 was $26,029.

Based on the assumptions in the table above, the grant date fair value of stock options granted in the second quarter of fiscal 2009 was $5,704.

Stock option transactions for the Company's employee stock option plans for the three and nine months ended March 31, 2010 are as follows:

	March 31, 2010			
	Three Months		Nine Months	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Beginning balance	24,700	3.12	25,200	3.09
Granted	16,000	2.30	16,000	2.30
Exercised	--	--	--	--
Cancelled or expired	--	--	(500)	1.60
Ending balance	40,700	2.80	40,700	2.80
Options exercisable at end of period	24,700	3.12	24,700	3.12

7. Recent Events

Request for Equitable Adjustment of Prime 2kW Contract

On April 15, 2010 the Company was informed that its formal request for a pricing modification to its prime contract with the United States Army for the production of 2kW diesel generators had been denied. The request was based on the increased costs that the Company has experienced over the past several years for raw materials used in the production of these generators. This development is not expected to have a material adverse impact on the Company's operations. The Company has 60 days to file an appeal of this determination and is currently evaluating its options. If such an appeal were made, there can be no assurance that it would be successful, or if successful, the timing thereof.

Receipt of Delivery Order

On April 21, 2010 the Company received a delivery order for its 2kW diesel operated Military Tactical Generators (MTG) in the amount of approximately $4.5 million.

This order was made under the Company's prime contract referred to above, a 10 year indefinite-delivery/indefinite quantity contract awarded in September 2001 by the U.S. Army, CECOM, Fort Monmouth, NJ. The delivery order is for both the AC and DC versions of the generator with shipments scheduled to begin in April 2010 and expected to continue for approximately one year.

Renewal of Line of Credit

The Company has a $500,000 line of credit with TD Bank, NA. On May 11, 2010, the Company received a notice from the Bank informing the Company that the Bank had extended this line of credit to October 31, 2011. Except for the new expiration date, the terms of the line of credit were not affected by the extension.

THE DEWEY ELECTRONICS CORPORATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the unaudited condensed financial statements, including the notes thereto, appearing elsewhere in this Form 10-Q, and with the audited financial statements, including the notes thereto, appearing in the Company's 2009 Form 10-K. Certain statements in this report may be deemed "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact that address activities, events or developments that the Company or management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by management of the Company in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes to be appropriate. The forward-looking statements included in this report are also subject to a number of material risks and uncertainties, including but not limited to economic, governmental, competitive and technological factors affecting the Company's operations, markets, products, services and prices and, specifically, the factors discussed below under "Financing Activities", and "Company Strategy" and in Item 1 (Description of Business - Operational Risks) of the Company's 2009 Form 10-K. Such forward-looking statements are not guarantees of future performance and actual results, developments and business decisions may differ from those envisaged by such forward-looking statements.

The Company's operating cycle is long-term and includes various types of products and varying delivery schedules. Accordingly, results of a particular period or period-to-period comparison of recorded revenues and earnings may not be indicative of future operating results. The following comparative analysis should be viewed in this context.

Critical Accounting Policies and Estimates

The Company's financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. Preparing financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates and assumptions affect the application of our accounting policies. Actual results could differ from these estimates. Critical accounting policies are those that require application of management's most difficult, subjective or complex judgments, often as a result of matters that are inherently uncertain and may change in subsequent periods. The Company's critical accounting policies include revenue recognition on contracts and contract estimates, pensions, impairment of long-lived assets, and valuation of deferred tax assets and liabilities. For additional discussion of the application of these and other accounting policies, see Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Note 1 of the Notes to the Financial Statements included in the Company's 2009 Form 10-K.

Results of Operations - Revenues

Revenues and estimated earnings under long-term defense contracts (including research and development contracts, except as described below in this paragraph) are recorded using the percentage-of-completion method of accounting, measured as the percentage of costs incurred to estimated total costs of each contract. For the Company's indefinite delivery, indefinite quantity contract to provide 2kW generator sets to the military and for orders from other government subcontractors for 2kW generators, percentage-of-completion calculations are based on individual "Delivery Orders" which are periodically received for specified quantities. For research and development contracts total costs incurred are compared to total expected costs for each contract. The Company currently has one development sub-contract for which it recognizes revenue on a time and material basis as the nature of the work performed precludes a meaningful estimate of total expected costs. During the fiscal year ended June 30, 2009 the Company had one development sub-contract to perform qualification tests for an EPA compliant engine for use with its 2kW generator sets on which it did not recognize revenue based on the percentage-of-completion method. In this sub-contract, revenue was recorded with the successful completion of each milestone in accordance with the contract terms. The sub-contract was completed in January 2009.

The Company uses the percentage-of-completion method to recognize revenue for its replacement parts business when the dollar amount of the order to be delivered in a future period or periods is material, and the duration of the work will span multiple reporting periods. Revenue and earnings for all other orders for replacement parts (including orders for replacement parts for snowmaking equipment) are recorded when deliveries of product are made and title and risk of loss have been transferred to the customer and collection is probable.

For those contracts where revenue has been recognized using the percentage-of-completion method of accounting, provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

Revenues for the third quarter of fiscal year 2010, the three month period ended March 31, 2010, were $1,951,435 lower when compared to same period in 2009. The reduction in revenues was primarily attributable to reduced revenue recognized from the production of 2kW generator sets for delivery both to the U.S. Army under the Company's prime contract and to other Department of Defense contractors. As discussed below, the Company believes that the delay in signing of the Defense Appropriations Bill and subsequent delay in the Government's issuance of new delivery orders resulted in the Company receiving no new delivery orders for 2kW generators during the quarter ended March 31, 2010. Such delivery orders are traditionally received by the Company in the second or third quarter of the fiscal year. (A new order has been received in the fourth fiscal quarter. See Note 7 - Recent Events in the Notes to the Financial Statements section of this Quarterly Report. During this three month period revenues from both research and development contracts and the Company's replacement parts business also declined when compared to the same three month period in fiscal 2009.

For the three months ended March 31, 2010 production efforts to provide the Armed Forces with diesel operated generator sets provided approximately 81% of revenues compared to approximately 83% in the third quarter of fiscal year 2009 (quarter ended March 31, 2009). The Company's research and development contracts provided approximately 5% of revenues in the third quarter of fiscal 2010, and approximately 6% of revenues in the third quarter of fiscal 2009. Replacement parts and other short-term business provided approximately 14% of revenues in the third quarter of fiscal year 2010 and approximately 11% of revenues in the same period of fiscal 2009.

Revenues for the nine-month period ended March 31, 2010 were $2,415,788 lower when compared to the same period in 2009. This decline is attributable to the reduction in revenue recognized on 2kW generator sets in the third fiscal quarter as noted above, and a reduction in revenues from customer sponsored research and development as well as reduced revenues from replacement parts and other short-term business.

During the nine-month period ended March 31, 2010 production efforts to provide the Armed Forces with diesel operated generator sets provided approximately 87% of revenues compared to approximately 76% in the same period in 2009. The Company's research and development contracts provided approximately 3% of revenues during the nine-month period ended March 31, 2010, versus approximately 15% in the same period in 2009. Replacement parts and other short-term business provided approximately 10% of revenues in the nine-month period ended March 31, 2010, and approximately 9% of revenues in the same period in 2009.

In March 2007, the Company was awarded three related research and development sub-contracts, in the aggregate amount of up to approximately $230,400, to research and develop electronic controls for diesel fuel cell reformers. Work on these sub-contracts began in the first quarter of fiscal year 2008(quarter ended September 30, 2007) and was substantially completed in the third quarter of fiscal 2010. In April 2009 the Company was notified that an additional option in one of the original sub-contracts above had been funded in an amount up to $197,183. Work on this option phase of the sub-contract was substantially completed during the third quarter of fiscal 2010. (No assurances can be given that the research and development services provided by the Company over the term of these sub-contracts will equal the full amounts set forth above.) No assurances can be given that the Company will receive any future production orders as a result of these sub-contracts or that the Company will be awarded any additional research and development contracts or sub-contracts.

In July 2007, the Company received a sub-contract to develop an armored 3 kilowatt 28 volt DC auxiliary power unit that can be mounted on the back of the United States Marine Corps (USMC) main battle tank, the Abrams M1A1. The development sub-contract, for $646,400, was awarded by the USMC Tank Program Office, in Quantico, VA, through a sub-contract administered by CACI, Eatontown, NJ, and had the possibility of a follow-on production contract. Work on this sub-contract also began in the first quarter of fiscal year 2008(quarter ended September 30, 2007) and continued into the quarter ending September 30, 2008. In December 2008, the Company was notified that the USMC had awarded the production contract to another company who was not part of the development phase awarded in 2007.

In August 2007, the Company received a new contract to provide auxiliary power systems for the USMC 'Logistic Vehicle'. This contract, awarded by the USMC Systems Command, Quantico, VA, consists of a base year and three option years, exercisable at the Government's option. The Logistics Vehicle Power System (LVPS) is a diesel-powered 3.5 kilowatt 28 volt DC generator providing power to equipment that protects against improvised explosive devices. It is based on the Company's existing 2 kilowatt military tactical generator. A delivery order for the LVPS, valued at approximately $2.4 million was received in August 2007 and completed in December 2007. In July 2008, the Company received a second delivery order valued at approximately $500,000 for additional units which were delivered in January 2009. Work began to produce these units during the first quarter of fiscal year 2009(quarter ended September 30, 2008) and was substantially completed during the second quarter of fiscal 2009. Subsequently, in January 2009, the Company received a third delivery order valued at approximately $400,000 with deliveries made in July and August 2009. While the Company was successful in obtaining these initial orders, no assurance can be made that the Company will receive any future production orders as a result of this contract.

In December 2007, the Company announced the award of a $985,976 sub-contract from Fibertek, Inc. of Herndon, VA, as part of the U.S. Government's 2kW Military Tactical Generator (MTG) Product Improvements - Engine. This sub-contract covered the efforts to qualify an EPA compliant diesel engine for use in the 2kW portable Military Tactical Generator product line. This engineering and test effort was conducted at the Company's Oakland, NJ, facility. Initial test efforts began during the third quarter of fiscal year 2008 (quarter ended March 31, 2008). First article testing revealed that the replacement EPA compliant engine was incapable of providing the necessary power output in the required range of operating conditions. As a result, the Company does not expect this engine to replace the existing non-compliant engine used in the 2kW product line. The Army has a waiver from the EPA to continue using the non-compliant engine.

In May 2008, the Company received an award of $475,000 to develop a prototype 'idle reduction' system consisting of an environmental control unit and diesel generator under a sub-contract from MTC Technologies of Eatontown, NJ. The Company partnered with AMETEK Corporation of El Cajon, California to develop this system to provide heating and cooling for US Army "long haul" trucks independent of the vehicle's main engine. The generator developed by the Company under this sub-contract, powers the environmental control unit while also providing both AC and DC current for the vehicle. Work under this sub-contract was substantially completed in December 2008 and delivery of the prototype units to the customer was made in January 2009. No assurance can be made that the Company will receive any future production orders as a result of this sub-contract or that the Government will award the Company any additional development contracts.

The aggregate value of the Company's backlog of sales orders was $0.6 million on March 31, 2010 and $7.4 million on March 31, 2009. It is estimated that most of the present backlog will be billed during the next 3 months and be substantially recognized as fiscal year 2010 revenues.

The Company believes that the delay in signing of the Defense Appropriation Bill until late December 2009 and subsequent delay in the Government's issuance of new delivery orders resulted in the Company receiving no new delivery orders for 2kW generators during the fiscal quarter ended March 31, 2010 as well as a reduction in new orders for replacement parts. As a result the Company's backlog has been substantially reduced. In April 2010 the Company received a new delivery order for 2kW generator sets under its prime contract with the U.S. Army in the amount of approximately $4.5 million. (See Note 7 - Recent Events in the Notes to the Financial Statements section of this Quarterly Report.) No assurance can be given that the Company will receive any future delivery orders under this contract or, in the event of such orders, the timing thereof.

Gross Profit

The Company earned a gross profit of $223,735 (which was 18% of revenues) for the three months ended March 31, 2010 compared to a gross profit of $519,704 (which was 16% of revenues) for the same period in 2009.

Gross profit is affected by a variety of factors including, among other items, sales volume, product mix, product pricing, and product costs. Gross profit was lower in the third quarter of fiscal 2010 when compared to the same period in fiscal 2009 due to the reduced level of revenues as noted above under "Results of Operations - Revenues". Gross profit as a percentage of revenues increased when compared to the same period last year as a result of a shift in product mix in favor of more profitable replacement parts and other short term business and the production of generator assemblies and sub-assemblies for inventory which absorbed some fixed overhead that otherwise would have been absorbed by products shipped during the quarter. The overhead absorbed into inventory will be recognized as part of the cost of goods sold when the generator assemblies are recognized as revenue in future periods.

Gross profit in the third quarter of fiscal 2010 continued to be impacted by accumulated increases in costs related to metals and transportation for components for the 2kw generator set product line. The Company's 10-year indefinite delivery, indefinite quantity prime contract for generator sets with the U.S. Army, awarded in 2001 allows for a small annual increase in selling price. Gross profit has been reduced as a result of costs increasing faster than the selling price. The Company's efforts to obtain from the Government a pricing modification under the contract have so far proven unsuccessful. (See Note 7 - Recent Events in the Notes to the Financial Statements section of this Quarterly Report.)

For the nine-month period ended March 31, 2010 the Company's gross profit was $1,021,255 (which was 17% of revenues) compared to a gross profit of $1,867,952 (which was 22% of revenues) for the nine-month period ended March 31, 2009.

As with the three month period described above these lower results are due to reduced revenue from the production of 2kW generator sets as well as a decrease in revenues from customer sponsored research and development projects. The decrease in gross profit as a percentage of sales is attributable to a shift in product mix with research and development efforts accounting for a lower proportion of revenues in the first nine months of fiscal 2010 and 2kW generator sets accounting for a higher proportion of revenues when compared to the same period in fiscal 2009.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended March 31, 2010 were $398,018 or 32% of revenue compared to $558,712 or 17% of revenue for the three month period ended March 31, 2009. The most significant reductions in expense were for business development expense, amortization of licensing fees, and general corporate expense. These reductions were partly offset by increased legal and professional fees and increased general marketing expense.

Selling, general and administrative expenses for the nine-months ended March 31, 2010 were $1,239,891 or 21% of revenue. For the nine-months ended March 31, 2009, selling, general and administrative expenses totaled $1,523,865 or 18% of revenue. As with the three-month period above, expenditures for the nine-month period ended March 31, 2010 were lower when compared with the same period last year primarily due to reductions in business development expense (including consulting expenses), amortization of licensing fees, salaries and incentives, and general corporate expense. These reductions were partly offset by increased legal and professional fees and increased general marketing expense.

Interest Expense

The Company had no interest expense in the three month periods ended March 31, 2010 and 2009 respectively.

For the nine-month period ended March 31, 2010 the Company recorded interest expense of $1,387 while the Company had no interest expense in the same nine-month period ended March 31, 2009.

Other Expense/Income - Net

Amounts reported as other income or expense represent the net effect of interest income and miscellaneous items such as the sale of scrap, bank transaction fees and other like items.

Other expense of $2,650 for the three months ended March 31, 2010 resulted from franchise taxes of $ 1,187 and bank fees and other charges of $1,463.

Other expense of $1,372 for the three months ended March 31, 2009 was comprised of bank fees of $1,423 and franchise taxes of $219 partly offset by miscellaneous income of $270.

Other expense of $7,453 for the nine months ended March 31, 2010 was comprised of franchise taxes of $5,596 and bank fees of $4,766 partly offset by a gain on the sale of an asset of $2,500 and interest income of $409.

Other expense of $5,394 for the nine months ended March 31, 2009 was comprised of bank fees of $4,732 and state and local taxes of $1,844 partly offset by miscellaneous income of $1,182.

Net Loss/Income before income taxes

Net loss before income taxes for the three months ended March 31, 2010 was $176,933 and for the three months ended March 31, 2009 net loss was $40,380.

Results for the third quarter of fiscal year 2010 decreased when compared to the same period in fiscal year 2009 primarily due to the lower gross profit resulting from lower revenues for the quarter which was partly offset by lower selling, general and administrative expenses as discussed above.

Net loss before income taxes for the nine-month period ended March 31, 2010 was $227,476. For the same period in 2009 net income before income taxes was $338,693.

Results for the nine-month period ended March 31, 2010 decreased when compared to the same period in fiscal year 2009 primarily due to lower revenues and less favorable product mix, which was partly offset by lower selling, general and administrative expenses as discussed above.

Income Taxes

Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their financial statement reported amounts and for tax loss and credit carry-forwards.

A valuation allowance is provided against deferred tax assets when it is determined to be more likely than not that these amounts will not be realized.

The Company has provided a valuation allowance against its net deferred tax assets as it believes that it is more likely than not that it will not realize these tax attributes. The Company has approximately $866,000 and $250,000 of federal and state net deferred tax assets respectively, primarily arising from net operating loss carry-forwards, expiring beginning in 2012. In the nine month period ended March 31, 2010 these federal and state net deferred tax assets increased by approximately $78,000 and $21,000, respectively, as a result of a net loss for the period.

Liquidity and Capital Resources

Historically, the Company's capital expenditures, debt servicing requirements and working capital needs have been financed by cash flow from operations, progress payments on various Government contracts (based on cost incurred) and a line of credit of $500,000, described under "Financing Activities" below. During the first quarter of fiscal 2010 the Company borrowed $250,000 against this line of credit, which it repaid during that quarter.

As of March 31, 2010, the Company had no material capital expenditure commitments. Management believes that the Company's current cash and its line of credit, combined with progress payments as well as billings at the time of delivery of products will be sufficient to support short-term liquidity requirements, working capital needs and capital expenditures at their current or expected levels.

At March 31, 2010, the Company's working capital was $2,258,538 compared to $2,588,147 at March 31, 2009.

The ratio of current assets to current liabilities was 3.85 to 1 at March 31, 2010 and 3.25 to 1 at March 31, 2009.

The following table is a summary of the Statements of Cash Flows in the Company's Financial Statements:

	Nine Months ended March 31,	
	2010	2009

Net Cash Provided by(used in)		
Operating activities	$ 687,212	$ 217,658
Investing activities	(4,561)	(38,017)
Financing activities	--	--

Operating Activities:

Adjustments to reconcile net income to net cash used in operations are presented in the Statements of Cash Flows in the Company's Financial Statements.

Net cash provided by operating activities in the nine-month period ended March 31, 2010 was comprised primarily of net loss before depreciation and amortization, decreases in contract costs and estimated related profits in excess of applicable billings and accounts receivable and an increase in customer deposits, which were partly offset by decreases in accounts payable, accrued expenses, and accrued pension expenses and increases in inventory and prepaid expense.

Net cash provided by operating activities in the nine-month period ended March 31, 2009 was comprised primarily of net income before depreciation and decreases in accounts receivable, contract costs and estimated related profits in excess of billings and prepaid expenses, which were partly offset by an increase in inventories, along with decreases in accounts payable, accrued expenses and accrued pension costs.

The Company expenses its research and development costs as incurred. These costs consist primarily of salaries and material costs. For the nine month period ended March 31, 2010 and March 31, 2009, the Company expensed $72,055 and $108,788, respectively, of research and development costs. Research and development projects performed under contract for customers are billed to the customer and are recorded as contract costs as they are incurred.

Investing Activities:

During the first nine months of fiscal 2010, net cash of $4,561 was used in investing activities. This net amount reflects the use of $15,061 for capital expenditures, principally for demonstration and test equipment, and the receipt of $10,500 from the sale of assets.

During the first nine months of fiscal 2009, net cash of $38,017 was used in investing activities all of which was used for capital equipment.

Financing Activities:

The Company did not use any cash in financing activities during the nine month periods ended March 31, 2010 and 2009, respectively.

On April 27, 2009 the Company entered into a $500,000 line of credit with TD Bank, NA. (See Note 10 of the Notes to Financial Statements in the Company's 2009 Form 10-K). On May 11, 2010, the Company received a notice from the Bank informing the Company that the Bank had extended this line of credit to October 31, 2011. (See Item 5 (Other Information) in Part II of this Quarterly Report.) As of the date of this Quarterly Report the Company has no outstanding debt against this line of credit. The Company does not regard this credit facility as vital to its continued operations.

The Company owns approximately 90 acres of land and the building, which it occupies in Bergen County, New Jersey, adjacent to an interchange of Interstate Route 287. The Company is continuing to actively pursue possible methods of monetizing 68 undeveloped and unused acres of this property, by its sale and/or development. This endeavor has become more complex with the implications of New Jersey's "Highlands Water Protection and Planning Act".

The Act identifies approximately 400,000 acres of New Jersey as The Highlands Preservation Area. Pursuant to the statute, this area has the most onerous restrictions on future development. The Company's property is in this area, and further development would not be permitted without a waiver or other relief from the State. The Company continues to believe that there are strong reasons why its property should not be subject to the severe restrictions of the preservation area, and is attempting to affect a solution.

Since the Act was passed in June of 2004, the State repeatedly delayed promulgation of final regulations and a master plan. Originally expected in 2005, final regulations and a master plan were approved by Governor Corzine on September 5, 2008. At the same time the Governor issued executive order 114 further defining the framework by which the Highlands Council, other State agencies, and both county and municipal governments are to work together. The Company believes that a regulatory environment is now developing within which monetization of the land may be possible. In light of these recent events, the Company is actively assessing its options. However, no assurances can be given that the Company's efforts will be successful, that a satisfactory valuation will be achieved, or that resolution will be timely.

In May 2008, the Company entered into a contract to sell a small parcel of land, approximately 7 acres, for $205,000. The land is physically separated from the main parcel of the Company's property by an interstate highway and is contained within the Highlands Preservation Area. Among other things, the sale of the land is subject to approval for development by the Highlands Commission and various state and local government agencies. Accordingly, the Company can make no assurance that the sale will be successfully consummated or, if consummated, the timing thereof.

Accounting Standards Updates

Refer to Note 2 - Accounting Standards Updates in the Notes to the Financial Statements section of this Quarterly Report.

Company Strategy

The Company has many years of experience in contracting with the Department of Defense and has been successful in obtaining many contracts to provide a wide array of products and services. Management believes that this experience is a significant positive competitive factor. Management is continuing to explore other areas of business with the Department of Defense, which are capable of providing stability and growth.

The Company is focusing its efforts within the market for military compact diesel power generation on select product categories which management believes represent the best chances of successfully growing the Company's business. Although no assurances can be made that such a strategy will be successful, management believes that long-term growth can best be achieved by: 1) growing the Company's market share in areas where the Company already has a strong presence, 2) expanding into related markets with existing products and capabilities, and 3) further taking advantage of the Company's strengths by expanding into related product categories.

The Company faces competition in many areas and from companies of various sizes, capabilities and resources. Competitive factors include product quality, technology, product availability, price, and customer service. Management believes that the reputation of the Company in these areas provides a significant positive competitive factor. As part of its overall business strategy management is continuing to reinforce customer awareness of the Company's current and past performance as a Department of Defense supplier, its product quality and reliability, and its historically strong customer relationships.

In response to the U.S. Army's change in priorities away from long-term product improvements regarding the 2kW Generator Program in 2007, management re-evaluated its approach to the second and third strategic objectives described above. Rather than continuing to develop new longer term internal technologies, the Company is now attempting to capitalize on its previous investments in technology to obtain business in related military power markets and to expand into related military product categories.

Two contracts with the U.S. Department of Defense to develop generators as auxiliary power units for vehicles are examples of the second strategic objective, expanding into related power markets. The contract for the Logistics Vehicle Power Supply "LVPS" (described under "Results of Operations - Revenues" above) utilizes the Company's core expertise in compact and highly reliable diesel engine power generation. The contract to develop a prototype 'idle reduction' system consisting of an environmental control unit and diesel generator builds on the Company's accomplishments with vehicle mounted auxiliary power units and management believes it will allow the Company to further expand into related power applications while increasing its technology base. In furtherance of the third strategic objective, expanding into related military product categories, the Company is utilizing its experience in military-grade portable power systems under three related customer funded research and development sub-contracts where the Company will design and prototype electronic controls for diesel fuel cell systems (See "Results of Operations - Revenues" above).

In the near term, continued growth in profitability and broadening the line of product offerings are the Company's primary objectives. The development contracts, and the customer-funded research and development sub-contracts, described above contribute to this goal. The Company is continuing to pursue possible partnering and sub-contracting relationships with other companies and defense contractors that leverage the Company's current expertise and technology in generators and auxiliary power units.

ITEM 4T. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company carried out, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Treasurer, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the fiscal quarter covered by this Form 10-Q. Based upon that evaluation, the Chief Executive Officer and Treasurer concluded that, as of March 31, 2010, the design and operation of the Company's disclosure controls and procedures were effective.

Nonetheless, a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues have been detected.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the fiscal quarter ended March 31, 2010 that materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

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PART II - OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

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

None

Item 5. Other Information

(a) On May 11, 2010, the Company received a notice from TD Bank, NA informing the Company that the Bank had extended term of the Company's $500,000 line of credit to October 31, 2011. As of the date of this Quarterly Report, the Company has no outstanding debt against this line of credit. The terms of the line of credit are otherwise unchanged and provide among other things for an annual interest rate on borrowings equal to the Bank's prime rate plus one (1.00) percent with a minimum interest rate of 4.25% and are subject to customary representations, covenants, and default provisions in favor of the Bank. Any loans drawn under the line of credit are secured by a first lien on all of the Company's accounts receivable, machinery, equipment, other personal property and a Commercial Mortgage Security Agreement on the Company's real property.

Item 6. Exhibits

See the accompanying Index to Exhibits to this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE DEWEY ELECTRONICS CORPORATION

	/s/ John H.D. Dewey
Date: May 13, 2010	John H.D. Dewey
	President and Chief Executive Officer

	/s/ Stephen P. Krill
Date: May 13, 2010	Stephen P. Krill
	Treasurer

THE DEWEY ELECTRONICS CORPORATION

INDEX TO EXHIBITS

The following exhibits are included with this report. For convenience of reference, exhibits are listed according to the numbers assigned in the Exhibit table to Regulation S-K.

Number

10.1 Letter from TD Bank dated May 10, 2010, extending line of credit

31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Treasurer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification of Treasurer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002