

SUTRON CORP
Form 10-Q
August 13, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2013
Commission file number: 0-12227

SUTRON CORPORATION
(Name of small business issuer as specified in its charter)

VIRGINIA
(State or other jurisdiction
of incorporation or organization)

54-1006352
(I.R.S. Employer
Identification Number)

22400 Davis Drive, Sterling, Virginia 20164
(Address of principal executive offices)

703-406-2800
(Issuer's telephone number)

Securities registered under Section 12(g) of the Act: Common Stock, \$.01 par value

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the issuer was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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Non-accelerated filer
company

Smaller reporting

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

There were 5,066,009 outstanding shares of the issuer's only class of common equity, Common Stock, \$0.01 par value, on August 13, 2013.

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FOR THE QUARTER ENDED JUNE 30, 2013

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

SUTRON CORPORATION
CONSOLIDATED BALANCE SHEETS

	(Unaudited) June 30, 2013	(Audited) December 31, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	\$6,322,489	\$7,576,374
Restricted cash and cash equivalents	818,453	810,396
Accounts receivable, net	5,597,267	5,771,013
Inventory	4,893,888	4,291,505
Prepaid items and other assets	310,445	248,546
Income taxes receivable	1,277,154	1,202,709
Deferred income taxes	745,000	666,000
Total Current Assets	19,964,696	20,566,543
Property and Equipment, Net	1,679,802	1,698,218
Other Assets		
Goodwill	4,754,152	3,768,435
Intangibles, net of amortization	714,463	781,633
Other Assets	90,799	95,217
Total Assets	\$27,203,912	\$26,910,046
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$1,149,407	\$1,300,917
Accrued payroll	349,524	464,942
Deferred revenue	556,979	531,397
Other accrued expenses	1,431,795	1,134,279
Billings in excess of costs and estimated earnings	539,344	306,148
Total Current Liabilities	4,027,049	3,737,683
Long-Term Liabilities		
Deferred rent	886,672	1,006,893
Deferred income taxes	145,000	39,000
Total Long-term Liabilities	1,031,672	1,045,893
Total Liabilities	5,058,721	4,783,576
Stockholders' Equity		
Common stock, 12,000,000 shares authorized; 5,066,009 and 5,039,632 issued and outstanding	50,469	50,397
Additional paid-in capital	5,283,259	5,185,325
Retained earnings	17,050,383	17,073,351
Accumulated other comprehensive loss	(238,920)	(182,603)
Total Stockholders' Equity	22,145,191	22,126,470

Total Liabilities and Stockholders' Equity	\$27,203,912	\$26,910,046
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See accompanying notes.

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SUTRON CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended June 30,	
	2013	2012
Revenue	\$6,343,240	\$6,804,168
Cost of goods sold	3,987,068	4,027,666
Gross profit	2,356,172	2,776,502
Operating expenses:		
Selling, general and administrative expenses	1,467,134	1,347,544
Research and development expenses	976,254	627,633
Total operating expenses	2,443,388	1,975,177
Operating income (loss)	(87,216)	801,325
Financing income, net	6,046	15,345
Income (loss) before income taxes	(81,170)	816,670
Income tax expense (benefit)	(28,000)	265,000
Net income (loss)	\$(53,170)	\$551,670