

SUTRON CORP
Form 10-Q
November 14, 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 September 30, 2013

Commission file number: 0-12227

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

(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).

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Large accelerated filer	<input type="radio"/>	Accelerated
filer	<input type="radio"/>	
Non-accelerated filer	<input type="radio"/>	Smaller reporting
company	<input checked="" type="radio"/>	

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 November 14, 2013.

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SUTRON CORPORATION
FORM 10-Q QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2013

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

SUTRON CORPORATION
CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30, 2013	(Audited) December 31, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	\$6,161,302	\$7,576,374
Restricted cash and cash equivalents	866,978	810,396
Accounts receivable, net	6,356,029	5,771,013
Inventory, net	5,301,383	4,291,505
Prepaid items and other assets	362,686	248,546
Income taxes receivable	981,300	1,202,709
Deferred income taxes	716,000	666,000
Total Current Assets	20,745,678	20,566,543
Property and Equipment, Net	1,617,786	1,698,218
Other Assets		
Goodwill	4,754,152	3,768,435
Intangibles, net of amortization	680,878	781,633
Other Assets	113,256	95,217
Total Other Assets	5,548,286	4,645,285
Total Assets	\$27,911,750	\$26,910,046
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$1,230,563	\$1,300,917
Accrued payroll	283,138	464,942
Deferred revenue	794,981	531,397
Other accrued expenses	1,381,804	1,134,279
Billings in excess of costs and estimated earnings	604,693	306,148
Total Current Liabilities	4,295,179	3,737,683
Long-Term Liabilities		
Deferred rent	851,901	1,006,893
Deferred income taxes	126,000	39,000
Total Long-term Liabilities	977,901	1,045,893
Total Liabilities	5,273,080	4,783,576
Stockholders' Equity		
Common stock, 12,000,000 shares authorized; 5,066,009 and 5,039,632 issued and outstanding	50,660	50,397
Additional paid-in capital	5,318,323	5,185,325
Retained earnings	17,537,358	17,073,351
Accumulated other comprehensive loss	(267,671)	(182,603)

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Total Stockholders' Equity	22,638,670	22,126,470
Total Liabilities and Stockholders' Equity	\$27,911,750	\$26,910,046

See accompanying notes.

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SUTRON CORPORATION
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (Unaudited)

	Three Months Ended September 30,	
	2013	2012
Revenue	\$7,124,591	\$7,042,056
Cost of goods sold	4,247,587	4,080,121
Gross profit	2,877,004	2,961,935
Operating expenses:		
Selling, general and administrative expenses	1,416,634	1,250,138
Research and development expenses	797,986	1,026,573
Total operating expenses	2,214,620	2,276,711
Operating income	662,384	685,224
Financing income, net	14,591	17,228
Income before income taxes	676,975	702,452
Income tax expense	190,000	212,000