

UNITED GUARDIAN INC
Form 10-Q
May 09, 2014

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2014

TRANSITION REPORT PURSUANT TO 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-10526

UNITED-GUARDIAN, INC. .
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

11-1719724
(I.R.S. Employer Identification No.)

230 Marcus Boulevard, Hauppauge, New York 11788
(Address of Principal Executive Offices)

(631) 273-0900
(Registrant's Telephone Number)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 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 No

Cover Page 1 of 2

Edgar Filing: UNITED GUARDIAN INC - Form 10-Q

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 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 definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

4,596,439 shares of common stock, par value \$.10 per share
(as of May 1, 2014)

UNITED-GUARDIAN, INC.
INDEX TO FINANCIAL STATEMENTS

	Page No.
Part I. FINANCIAL INFORMATION	
<u>Item 1 - Condensed Financial Statements:</u>	
<u>Statements of Income - Three months ended March 31, 2014 and 2013</u>	<u>2</u>
<u>Statements of Comprehensive Income - Three months ended March 31, 2014 and 2013</u>	<u>3</u>
<u>Balance Sheets – March 31, 2014 and December 31, 2013</u>	<u>4-5</u>
<u>Statements of Cash Flows – Three months ended March 31, 2014 and 2013</u>	<u>6</u>
<u>Notes to Condensed Financial Statements</u>	<u>7-11</u>
<u>Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>12-17</u>
<u>Item 3 - Quantitative and Qualitative Disclosures About Market Risk</u>	<u>17</u>
<u>Item 4 - Controls and Procedures</u>	<u>17</u>
Part II. OTHER INFORMATION	
<u>Item 1 - Legal Proceedings</u>	<u>18</u>
<u>Item 1A - Risk Factors</u>	<u>18</u>
<u>Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>18</u>
<u>Item 3 - Defaults Upon Senior Securities</u>	<u>18</u>
<u>Item 4 - Mine Safety Disclosures</u>	<u>18</u>
<u>Item 5 - Other Information</u>	<u>18</u>
<u>Item 6 - Exhibits</u>	<u>18</u>
<u>Signatures</u>	<u>19</u>

Part I. FINANCIAL INFORMATION

ITEM 1. Condensed Financial Statements

UNITED-GUARDIAN, INC.

STATEMENTS OF INCOME
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31,	
	2014	2013
Net sales	\$ 3,959,492	\$ 3,952,161
Costs and expenses:		
Cost of sales	1,432,918	1,411,156
Operating expenses	615,642	561,568
Total costs and expenses	2,048,560	1,972,724
Income from operations	1,910,932	1,979,437
Other income:		
Investment income	33,819	54,182
Income from damage settlement	24,402	292,830
Total other income	58,221	347,012
Income before income taxes	1,969,153	2,326,449
Provision for income taxes	633,400	761,800
Net income	\$ 1,335,753	\$ 1,564,649
Earnings per common share (Basic and Diluted)	\$ 0.29	\$ 0.34
Weighted average shares – basic and diluted	4,596,439	4,596,439

See notes to condensed financial statements

UNITED-GUARDIAN, INC.

STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	THREE MONTHS ENDED MARCH 31,	
	2014	2013
Net income	\$ 1,335,753	\$ 1,564,649
Other comprehensive income:		
Unrealized gain on marketable securities during period	89,915	25,712
Income tax expense related to other comprehensive income	31,282	9,032
Other comprehensive income, net of tax	58,633	16,680
Comprehensive income	\$ 1,394,386	\$ 1,581,329

See notes to condensed financial statements

UNITED-GUARDIAN, INC.

BALANCE SHEETS

ASSETS	MARCH 31, 2014 (UNAUDITED)	DECEMBER 31, 2013 (AUDITED)
Current assets:		
Cash and cash equivalents	\$ 973,186	\$ 1,634,262
Marketable securities	10,484,700	8,863,205
Accounts receivable, net of allowance for doubtful accounts of \$18,000 at March 31, 2014 and December 31, 2013	2,689,091	1,790,747
Receivable in connection with damage settlement	---	48,805
Inventories (net)	1,663,653	1,610,747
Prepaid expenses and other current assets	145,260	130,001
Deferred income taxes	229,451	229,451
Total current assets	16,185,341	14,307,218
Property, plant and equipment:		
Land	69,000	69,000
Factory equipment and fixtures	4,095,095	