

ELECTRO SENSORS INC
Form 10-Q
November 12, 2010

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 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, 2010

OR

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

For the transition period from _____ to _____

Commission File Number 0-9587

ELECTRO-SENSORS, INC.

(Exact name of registrant as specified in its charter)

Minnesota

41-0943459

(State or other jurisdiction of incorporation or
organization)

(IRS Employer Identification No.)

**6111 Blue Circle Drive
Minnetonka, Minnesota 55343-9108**

(Address of principal executive offices)

(952) 930-0100

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(Registrant's telephone number, including area code)

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 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 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.

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

The number of shares outstanding of the registrant's common stock, \$0.10 par value, on November 11, 2010 was 3,381,999.

ELECTRO-SENSORS, INC.

Form 10-Q

For the Period Ended September 30, 2010

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ELECTRO-SENSORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET

(in thousands except share and per share amounts)

	September 30, 2010 (unaudited)	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 686	\$ 746
Treasury bills.	5,198	4,980
Available for sale securities	2,857	2,311
Trade receivables, less allowance for doubtful accounts of \$11	678	777
Inventories	1,075	908
Other current assets	87	84
Total current assets	10,581	9,806
Property and equipment, net	1,197	1,228
Total assets	\$ 11,778	\$ 11,034
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Accounts payable	\$ 157	\$ 79
Accrued expenses	282	172
Deferred revenue	73	76
Accrued income tax	87	15

Deferred income tax	1,069	877
Total current liabilities	1,668	1,219
Commitments and contingencies		
Stockholders equity		
Common stock par value \$0.10 per share; authorized 10,000,000 shares; issued and outstanding: 3,381,999 and 3,376,794 shares, respectively	338	338
Additional paid-in capital	1,541	1,529
Retained earnings	6,523	6,578
Accumulated other comprehensive income (unrealized gain on available for sale securities, net of income tax)	1,708	1,370
Total stockholders equity	10,110	9,815
Total liabilities and stockholders equity	\$ 11,778	\$ 11,034

See accompanying notes to condensed consolidated financial statements

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ELECTRO-SENSORS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands except share and per share amounts)

(unaudited)

Three Months Ended		Nine Months Ended	
September 30,		September 30,	
2010	2009	2010	2009