

UNITED GUARDIAN INC  
Form 10-Q  
August 08, 2011

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 June 30, 2011

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

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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 August 1, 2011)

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## Part I. FINANCIAL INFORMATION

## ITEM 1. Condensed Financial Statements

## UNITED-GUARDIAN, INC.

STATEMENTS OF INCOME  
(UNAUDITED)

|  | THREE MONTHS<br>ENDED<br>JUNE 30, |              | SIX MONTHS ENDED<br>JUNE 30, |              |
|--|-----------------------------------|--------------|------------------------------|--------------|
|  | 2011                              | 2010         | 2011                         | 2010         |
| Net sales  | \$ 4,060,299                      | \$ 3,734,552 | \$ 7,702,348                 | \$ 7,311,467 |
| Costs and expenses:                              |                                   |              |                              |              |
| Cost of sales                                    | 1,628,293                         | 1,397,379    | 3,088,883                    | 2,811,946    |
| Operating expenses                               | 700,783                           | 708,580      | 1,221,929                    | 1,326,629    |
| Pension plan termination                         | ---                               | 847,744      | ---                          | 847,744      |
| Total costs and expenses                         | 2,329,076                         | 2,953,703    | 4,310,812                    | 4,986,319    |
| Income from operations                           | 1,731,223                         | 780,849      | 3,391,536                    | 2,325,148    |
| Other income:                                    |                                   |              |                              |              |
| Investment income                                | 72,580                            | 132,876      | 143,903                      | 225,146      |
| Gain on sale of assets                           | 11,237                            | ---          | 5,984                        | ---          |
| Income before income taxes                       | 1,815,040                         | 913,725      | 3,541,423                    | 2,550,294    |
| Provision for income taxes                       | 590,400                           | 289,201      | 1,150,600                    | 829,926      |
| Net Income                                       | \$ 1,224,640                      | \$ 624,524   | \$ 2,390,823                 | \$ 1,720,368 |
| Earnings per common share<br>(Basic and Diluted) | \$ 0.27                           | \$ 0.13      | \$ 0.52                      | \$ 0.35      |
| Weighted average shares – basic and diluted      | 4,596,439                         | 4,819,516    | 4,596,439                    | 4,882,627    |

See Notes to Condensed Financial Statements

## UNITED-GUARDIAN, INC.

## BALANCE SHEETS

| ASSETS   | JUNE 30,<br>2011<br>(UNAUDITED) | DECEMBER<br>31,<br>2010 |
|--|---------------------------------|-------------------------|
| Current assets:  |                                 |                         |
| Cash and cash equivalents  | \$ 1,443,884                    | \$ 1,514,589            |
| Marketable securities  | 9,600,305                       | 8,314,403               |
| Accounts receivable, net of allowance for doubtful<br>accounts of \$23,000 at June 30, 2011 and<br>December 31, 2010 | 1,694,656                       | 1,090,711               |
| Inventories (net)  | 1,027,730                       | 1,321,389               |
| Prepaid expenses and other current assets  | 200,502                         |                         |