

ELECTRO SENSORS INC  
Form 10KSB/A  
September 17, 2008  
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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**Form 10-KSB/A**

(No. 1)

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

**For the fiscal year ended December 31, 2007**

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

**Commission file number 0-9587**

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**ELECTRO-SENSORS, INC.**

(Name of small business issuer in its charter)

**Minnesota**  
(State or other jurisdiction of incorporation or organization)

**41-0943459**  
(IRS Employer Identification No.)

**6111 Blue Circle Drive**

**Minnetonka, Minnesota 55343-9108**

(Address of principal executive offices, including zip code)

**(952) 930-0100**

(Issuer's telephone number)

Securities registered under Section 12(b) of the Exchange Act:

**Common Stock, \$0.10 par value, registered on the NASDAQ (Capital) Market**

Securities registered under Section 12(g) of the Exchange Act: **None**

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Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

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

The issuer's revenues for the fiscal year ended December 31, 2007 were \$7,092,044.

The aggregate market value of the voting stock held by non-affiliates (persons other than officers, directors, or holders of more than 5% of the outstanding stock) of the registrant was approximately \$8,873,000 based upon the closing price of the Common Stock as reported on The Nasdaq Stock Market® on March 21, 2008.

The number of shares outstanding of the registrant's Common Stock, \$0.10 par value, on March 21, 2008 was 3,366,125.

**DOCUMENTS INCORPORATED BY REFERENCE**

None

Transitional Small Business Disclosure Format (check one): Yes o No x

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**ELECTRO-SENSORS, INC. AND SUBSIDIARIES**

**Form 10-KSB/A for the Year Ended December 31, 2007**

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**Explanatory Note**

## Edgar Filing: ELECTRO SENSORS INC - Form 10KSB/A

This Amendment No.1 (the Amendment) to the Electro-Sensors, Inc. Form 10-KSB for the period ended December 31, 2007, which was filed with the Securities and Exchange Commission on March 31, 2008 (the Original Filing) is being filed solely to include an Evaluation of Disclosure Controls and Procedures, which was inadvertently omitted from the Original Filing. Accordingly, this Amendment amends and restates only Part II, Item 8A(T), Controls and Procedures, and the certifications contained in Exhibits 31.1 and 31.2. Except to the extent expressly set forth herein, the Amendment speaks as of the filing date of the Original Filing and has not been updated to reflect events occurring subsequent to the original filing date. Accordingly, the Amendment should be read in conjunction with our filings made with the Securities and Exchange Commission subsequent to the Original Filing, including any amendments to those filings.

## PART II

### Item 8A(T) Controls and Procedures

#### *Evaluation of Disclosure Controls and Procedures*

As of the end of the period covered by this report, the Company conducted an evaluation, under the supervision and with the participation of the principal executive officer and principal financial officer, of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the Exchange Act)). Based on this evaluation, the principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

#### *Management's Report on Internal Control over Financial Reporting*

Under Section 404 of the Sarbanes-Oxley Act of 2002, our management is required to assess the effectiveness of the Company's internal control over financial reporting as of the end of each fiscal year and report, based on that assessment, whether the Company's internal control over financial reporting is effective.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is designed to provide reasonable assurance as to the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, internal control over financial reporting determined to be effective can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements. Moreover, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2007. In making this assessment, the Company used the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. These criteria are in the areas of control environment, risk assessment, control activities, information and communication, and monitoring. The Company's assessment included extensive documenting, evaluating and testing the design and operating effectiveness of its internal control over financial reporting.

Based on the Company's processes and assessment, as described above, management has concluded that, as of December 31, 2007, the Company's internal control over financial reporting was effective.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to the attestation by the Company's registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report in this annual report.

***Changes in Internal Control over Financial Reporting***

There was no change in the Company's internal control over financial reporting during the Company's most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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**PART III**

**Item 13 Exhibits**

See Exhibit Index on the page following the signatures.

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## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

### **ELECTRO-SENSORS, INC.**

( Registrant )

By: /s/ BRADLEY D. SLYE–  
Bradley D. Slye  
*President and Chief Executive Officer*  
Date: September 16, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<b>Signature</b>	<b>Title</b>	<b>Date</b>
/s/ Bradley D. Slye	Chairman, President and Director (CEO and CFO)	September 16, 2008
* Peter R. Peterson	Director and Secretary	September 16, 2008
* Joseph A. Marino	Director	September 16, 2008
* Geoffrey W. Miller	Director	September 16, 2008
* Robert W. Heller	Director	September 16, 2008

\* /s/ Bradley D. Slye

Bradley D. Slye

Attorney-in-fact

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**EXHIBIT INDEX TO FORM 10-KSB/A**

For the Fiscal Year Ended  
December 31, 2007

Commission File No. 0-9587

<b>Exhibit Number</b>	<b>Exhibit Description</b>
31.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002