

ARTESIAN RESOURCES CORP
Form 10-Q
November 07, 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

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 000-18516
ARTESIAN RESOURCES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware 51-0002090

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

664 Churchmans Road, Newark, Delaware 19702

Address of principal executive offices

(302) 453 – 6900

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 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 12(b)-2 of the Exchange Act.:

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).

Yes No

As of November 5, 2013, 7,916,118 shares of Class A Non-Voting Common Stock and 881,452 shares of Class B Common Stock were outstanding.

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PART I – FINANCIAL INFORMATION
ITEM 1 – FINANCIAL STATEMENTS

ARTESIAN RESOURCES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited
(In thousands)

	September 30, 2013	December 31, 2012
ASSETS		
Utility plant, at original cost less accumulated depreciation	\$ 374,025	\$ 366,563
Current assets		
Cash and cash equivalents	577	617
Accounts receivable (less allowance for doubtful accounts 2013 - \$244; 2012-\$241)	5,872	5,728
Unbilled operating revenues	2,977	2,997
Materials and supplies	1,604	1,353
Prepaid property taxes	2,052	1,328
Prepaid expenses and other	1,583	1,457
Total current assets	14,665	13,480
Other assets		
Non-utility property (less accumulated depreciation 2013-\$369; 2012-\$309)	4,150	4,082
Other deferred assets	5,178	5,196
Total other assets	9,328	9,278
Regulatory assets, net	2,368	2,393
	\$ 400,386	\$ 391,714
LIABILITIES AND STOCKHOLDERS' EQUITY		
Stockholders' equity		
Common stock	\$ 8,793	\$ 8,710
Preferred stock	--	--
Additional paid-in capital	90,086	88,399
Retained earnings	20,617	21,071
Total stockholders' equity	119,496	118,180
Long-term debt, net of current portion	105,713	106,257
	225,209	224,437
Current liabilities		
Lines of credit	9,674	10,717
Overdraft payable	80	750
Current portion of long-term debt	1,130	1,111
Accounts payable	3,693	3,499
Dividends payable	1,836	--
Accrued expenses	4,660	3,430
Deferred income taxes	1,044	837
Accrued interest	1,251	1,138
Customer deposits	779	894
Other	2,285	2,563
Total current liabilities	26,432	24,939
Commitments and contingencies	--	--

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Deferred credits and other liabilities		
Net advances for construction	12,215	13,023
Postretirement benefit obligation	374	374
Deferred investment tax credits	607	622
Utility plant retirement cost obligation	1,061	1,092
Deferred income taxes	48,085	45,879
Total deferred credits and other liabilities	62,342	60,990
Net contributions in aid of construction	86,403	81,348
	\$ 400,386	\$ 391,714

See notes to the condensed consolidated financial statements.

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ARTESIAN RESOURCES CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

(In thousands, except per share amounts)

	For the Three Months Ended September 30, 2013		For the Nine Months Ended September 30, 2012	
Operating revenues				
Water sales	\$16,316	\$17,353	\$47,002	\$48,597
Other utility operating revenue	731	719	2,220	2,166
Non-utility operating revenue	1,026	929	2,959	2,848
	18,073	19,001	52,181	53,611
Operating expenses				
Utility operating expenses	8,415	9,155	25,616	25,391
Non-utility operating expenses	511	515	1,598	1,562
Depreciation and amortization				