

ARTESIAN RESOURCES CORP
Form 10-Q
November 08, 2006

UNITED STATES

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 September 30, 2006

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
(State or other jurisdiction of
incorporation or organization)

51-0002090
(I.R.S. Employer
Identification No.)

664 Churchmans Road, Newark, Delaware
(Address of principal executive offices)
(302) 453 6900

19702
(Zip Code)

(Registrant's telephone number, including area code)

Not Applicable

(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 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.

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Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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

Yes No

As of October 31, 2006, 5,193,627 shares of Class A Non-Voting Common Stock and 881,452 shares of Class B Common Stock were outstanding.

ARTESIAN RESOURCES CORPORATION

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PART I FINANCIAL INFORMATION**ITEM 1 FINANCIAL STATEMENTS****ARTESIAN RESOURCES CORPORATION****CONSOLIDATED BALANCE SHEET**

Unaudited

(In thousands)

	September 30, 2006	December 31, 2005
	<u> </u>	<u> </u>
ASSETS		
Utility plant, at original cost less accumulated depreciation	\$248,619	\$227,566
	<u> </u>	<u> </u>
Current assets		
Cash and cash equivalents	2,233	1,359
Accounts receivable, net	4,615	4,281
Unbilled operating revenues	3,163	2,374
Materials and supplies-at cost on FIFO basis	1,046	1,008
Prepaid property taxes	1,387	851
Prepaid expenses and other	1,012	533
	<u> </u>	<u> </u>
Total current assets	13,456	10,406
	<u> </u>	<u> </u>
Other assets		
Non-utility property (less accumulated depreciation 2006-\$146; 2005-\$129)	383	316
Other deferred assets	3,795	3,693
	<u> </u>	<u> </u>
Total other assets	4,178	4,009
	<u> </u>	<u> </u>
Regulatory assets, net	1,788	1,873
	<u> </u>	<u> </u>
	\$268,041	\$243,854
	<u> </u>	<u> </u>
LIABILITIES AND STOCKHOLDERS EQUITY		
Stockholders equity		
Common stock	\$6,068	\$4,014
Additional paid-in capital	44,750	43,469
Retained earnings	10,526	10,330
	<u> </u>	<u> </u>
Total stockholders equity	61,344	57,813
Long-term debt, net of current portion	92,114	92,379
	<u> </u>	<u> </u>
	153,458	150,192

Current liabilities		
Lines of Credit	7,642	1,786
Current portion of long-term debt	308	301
Accounts payable	3,183	2,790
Accrued expenses	3,598	1,948
Overdraft payable	1,655	1,417
Income tax payable		111
Deferred income taxes	491	269
Interest accrued	586	354
Customer deposits	470	469
Other	2,625	2,793
Total current liabilities	20,558	12,238
Deferred credits and other liabilities		
Net advances for construction	24,866	24,404
Postretirement benefit obligation	1,043	1,097
Deferred investment tax credits	771	789
Deferred income taxes	20,697	17,784
Total deferred credits and other liabilities	47,377	44,074
Commitments and contingencies		
Net contributions in aid of construction	46,648	37,350
	\$268,041	\$243,854

See notes to the consolidated financial statements.

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ARTESIAN RESOURCES CORPORATION

CONSOLIDATED STATEMENT OF INCOME

Unaudited

(In thousands, except per share amounts)

	For the Quarter Ended September 30	
	2006	2005
OPERATING REVENUES		