

ARTESIAN RESOURCES CORP

Form 10-Q

August 11, 2008

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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 June 30, 2008

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

Not Applicable

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(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, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “small reporting company” in Rule 12b-2 of the Exchange Act.:

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Small 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

As of August 8, 2008, 6,467,998 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  
CONSOLIDATED BALANCE SHEETSUnaudited  
(In thousands)

|   | June 30,<br>2008 | December<br>31, 2007 |
|---|------------------|----------------------|
| <b>ASSETS</b>   |                  |                      |
| Utility plant, at original cost less accumulated depreciation               | \$ 296,249       | \$ 274,140           |
| Current assets  |                  |                      |
| Cash and cash equivalents   | 1,658            | 2,520                |
| Accounts receivable, net  | 4,158            | 5,499                |
| Unbilled operating revenues   | 3,554            | 3,198                |
| Materials and supplies-at cost on FIFO basis                                | 1,155            | 1,192                |
| Prepaid property taxes  | 2                | 1,058                |
| Prepaid expenses and other  | 1,327            | 857                  |
| Total current assets  | 11,854           | 14,324               |
| Other assets  |                  |                      |
| Non-utility property (less accumulated depreciation 2008-\$201; 2007-\$177) | 459              | 288                  |
| Other deferred assets   | 4,739            | 4,156                |
| Total other assets  | 5,198            | 4,444                |
| Regulatory assets, net  | 1,627            | 1,681                |
|   | \$ 314,928       | \$ 294,589           |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                 |                  |                      |
| Stockholders' equity  |                  |                      |
| Common stock  | \$ 7,342         | \$ 7,300             |
| Additional paid-in capital  | 65,953           | 65,363               |
| Retained earnings   | 11,123           | 12,469               |
| Total stockholders' equity  | 84,418           | 85,132               |
| Long-term debt, net of current portion                                      | 91,584           | 91,757               |
|   | 176,002          | 176,889              |
| <b>Commitments and contingencies</b>  |                  |                      |
| Current liabilities   |                  |                      |
| Lines of credit   | 9,691            | 898                  |
| Current portion of long-term debt   | 329              | 316                  |
| Dividends payable   | 1,310            | ---                  |
| Accounts payable  | 3,354            | 3,225                |
| Accrued expenses  | 3,428            | 2,483                |
| Overdraft payable   | 3,712            | 1,672                |
| Deferred income taxes   | ---              | 301                  |
| Interest accrued  | 295              | 326                  |
| Customer deposits   | 562              | 746                  |
| Other   | 1,686            | 1,877                |
| Total current liabilities   | 24,367           | 11,844               |
| Deferred credits and other liabilities                                      |                  |                      |
| Net advances for construction   | 22,770           | 23,840               |