

HICKORY TECH CORP
Form 10-Q
May 05, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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 March 31, 2005**
- 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 0-13721

HICKORY TECH CORPORATION

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation or organization)

41-1524393
(I.R.S. Employer
Identification No.)

221 East Hickory Street
Mankato, Minnesota 56002-3248
(Address of principal executive offices and zip code)

(800) 326-5789
(Registrant's telephone number, including area code)

(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

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to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

The total number of shares of the registrant's common stock outstanding as of March 31, 2005: 13,065,315.

HICKORY TECH CORPORATION

March 31, 2005

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

(In Thousands Except Per Share Amounts)	For Three Months Ended	
	3/31/2005	3/31/2004
OPERATING REVENUES:		
Telecom Sector	\$ 19,345	\$ 19,426
Information Solutions Sector	488	966
Enterprise Solutions Sector	3,275	2,295
TOTAL OPERATING REVENUES	23,108	22,687
COSTS AND EXPENSES:		
Cost of Sales, Enterprise Solutions	2,268	1,509
Cost of Services, excluding Depreciation and Amortization	8,053	8,608
Selling, General and Administrative Expenses, excluding Depreciation and Amortization	4,027	3,656
Depreciation	4,001	3,876
Amortization of Intangibles	237	236
TOTAL COSTS AND EXPENSES	18,586	17,885
OPERATING INCOME	4,522	4,802
OTHER INCOME/(EXPENSE):		
Interest and Other Income	8	15
Interest Expense	(977)	(1,189)
TOTAL OTHER INCOME/(EXPENSE)	(969)	(1,174)
INCOME BEFORE INCOME TAXES	3,553	3,628
INCOME TAX PROVISION	1,437	1,467
INCOME FROM CONTINUING OPERATIONS	2,116	2,161
DISCONTINUED OPERATIONS (Note 4)		
Loss from Operations of Discontinued Component		(99)
Income Tax Benefit		(40)
LOSS FROM DISCONTINUED OPERATIONS		(59)
NET INCOME	\$ 2,116	\$ 2,102
Basic Earnings Per Share - Continuing Operations:	\$ 0.16	\$ 0.17
Basic Loss Per Share - Discontinued Operations:		(0.01)
Dividends Per Share	\$ 0.12	\$ 0.11
Weighted Average Common Shares Outstanding	13,059	12,970
Diluted Earnings Per Share - Continuing Operations:	\$ 0.16	\$ 0.17
Diluted Loss Per Share - Discontinued Operations:		(0.01)
Weighted Average Common and Equivalent Shares Outstanding	13,091	13,020

The accompanying notes are an integral part of the consolidated financial statements.

HICKORY TECH CORPORATION

March 31, 2005

CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(In Thousands Except Share and Per Share Amounts)	3/31/2005	12/31/2004
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 1,258	\$ 257
Receivables, Net of Allowance for Doubtful Accounts of \$1,294 and \$1,283	9,336	9,892
Income Taxes Receivable		204
Costs in Excess of Billings on Contracts	217	927
Inventories	3,163	3,182
Deferred Income Taxes	1,430	1,430
Prepaid Expenses	1,414	1,185
Other	837	1,214
TOTAL CURRENT ASSETS	17,655	18,291
INVESTMENTS	2,507	4,371
PROPERTY, PLANT AND EQUIPMENT	247,888	246,341
Less ACCUMULATED DEPRECIATION	135,432	131,649
PROPERTY, PLANT AND EQUIPMENT, NET	112,456	114,692
OTHER ASSETS:		
Goodwill	25,086	25,086
Intangible Assets, Net	361	387
Financial Derivative Instruments	3,522	2,501
Deferred Costs and Other	2,852	3,209
TOTAL OTHER ASSETS	31,821	31,183
TOTAL ASSETS	\$ 164,439	\$ 168,537
LIABILITIES & SHAREHOLDERS EQUITY		
CURRENT LIABILITIES:		
Cash Overdraft	\$	\$ 1,680
Accounts Payable	2,357	4,065
Accrued Expenses		