

HICKORY TECH CORP  
Form 10-Q  
May 02, 2014  
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, 2014

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 41-1524393  
(State or other jurisdiction of incorporation or organization) (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)

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 (§ 232.405 of this chapter) 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 definition of "large accelerated filer, accelerated filer, and smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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 Rule 12b-2 of the Act). Yes  No

The total number of shares of the Registrant's common stock outstanding as of April 28, 2014: 13,654,438.

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## Part I Financial Information

## Item 1. Financial Statements

HICKORY TECH CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

(Dollars in thousands, except share and per share amounts)	Three Months Ended	
	March 31	
	2014	2013
Operating revenue:		
Services	\$34,213	\$33,405
Equipment	10,027	15,364
Total operating revenue	44,240	48,769
Costs and expenses:		
Cost of sales, excluding depreciation and amortization	8,544	13,222
Cost of services, excluding depreciation and amortization	16,660	16,599
Selling, general and administrative expenses	6,963	7,449
Asset impairment	-	633
Depreciation and amortization	7,580	7,009
Total costs and expenses	39,747	44,912
Operating income	4,493	3,857
Other income (expense):		
Interest and other income	-	2
Interest expense	(979)	(1,139)
Total other expense	(979)	(1,137)
Income before income taxes	3,514	2,720
Income tax provision	1,441	1,094
Net income	\$2,073	\$1,626
Basic earnings per share	\$0.15	\$0.12
Weighted average common shares outstanding	13,596,296	13,556,515
Diluted earnings per share	\$0.15	\$0.12
Weighted average common and equivalent shares outstanding	13,659,827	13,578,429
Dividends per share	\$0.15	\$0.145

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



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HICKORY TECH CORPORATION  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (Unaudited)

(Dollars in thousands)	Three Months Ended March 31	
	2014	2013
Net income	\$2,073	\$1,626
Other comprehensive income:		
Designated interest rate swaps:		
Changes in fair value	(21 )	(5 )
Income tax benefit	8	2
Unrealized holding loss on designated interest rate swaps	(13 )	(3 )
Post-retirement benefit plan:		
Amounts included in net periodic benefit cost:		
Amortization of net actuarial loss	98	120
Amortization of prior service credit	(236 )	(236 )
Income tax benefit	55	46
Change in post-retirement benefit plan	(83 )	(70 )
Other comprehensive loss	(96 )	(73 )
Comprehensive income	\$1,977	\$1,553

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

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CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	March 31, 2014	December 31, 2013
(Dollars in thousands except share and per share amounts)		
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$12,243	\$7,960
Receivables, net of allowance for doubtful accounts of \$260 and \$370	20,172	26,073
Inventories	1,783	1,668
Income taxes receivable	138	970
Deferred income taxes, net	2,479	2,660
Prepaid expenses	3,096	2,545
Other	900	1,386
Total current assets	40,811	43,262
Investments	3,595	3,414
Property, plant and equipment	465,728	461,712
Accumulated depreciation and amortization		