

HALLADOR ENERGY CO
Form 10-Q
May 06, 2011
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: March 31, 2011

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission file number: 001-3473

“COAL KEEPS YOUR LIGHTS ON”

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HALLADOR ENERGY COMPANY
(www.halladorenergy.com)

Colorado
(State of incorporation)

84-1014610
(IRS Employer Identification
No.)

1660 Lincoln Street, Suite 2700, Denver, Colorado
(Address of principal executive offices)

80264-2701
(Zip Code)

Issuer's telephone number: 303.839.5504

Fax: 303.832.3013

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 "larger accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Smaller reporting company

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Non-accelerated filer (do not check if a 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 May 6, 2011 we had 28,135,620 shares outstanding.

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PART I - Financial Information
 ITEM 1. FINANCIAL STATEMENTS

Consolidated Balance Sheet

(in thousands, except per share data)

	March 31, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,960	\$ 10,277
Certificates of deposit		1,291
Prepaid Federal income taxes	2,061	3,853
Accounts receivable	8,333	5,450
Coal inventory	2,797	2,100
Parts and supply inventory	2,688	2,411
Other	721	850
Total current assets	31,560	26,232
Coal properties, at cost:		
Land, buildings and equipment	120,593	114,476
Mine development	60,962	59,351
	181,555	173,827
Less - accumulated DD&A	(31,789)	(28,435)
	149,766	145,392
Investment in Savoy	9,165	7,717
Investment in Sunrise Energy	2,800	2,375
Other assets	6,727	4,948
	\$ 200,018	\$ 186,664
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of bank debt	\$ 10,000	\$ 10,000
Accounts payable and accrued liabilities	12,933	8,809
Interest rate swaps, at estimated fair value	505	692
Total current liabilities	23,438	19,501
Long-term liabilities:		
Bank debt, net of current portion	15,000	17,500
Deferred income taxes	20,935	17,435
Asset retirement obligations	1,174	1,150
Other	4,345	4,345
Total long-term liabilities	41,454	40,430
Total liabilities	64,892	59,931
Commitments and Contingencies		
Stockholders' equity:		
Preferred stock, \$.10 par value, 10,000 shares authorized; none issued		
Common stock, \$.01 par value, 100,000 shares as authorized; 28,064 and 27,924 shares outstanding, respectively		
	280	279
Additional paid-in capital	84,181	84,073
Retained earnings	50,659	42,381
Other comprehensive income	6	
Total stockholders' equity	135,126	126,733
	\$ 200,018	\$ 186,664

See accompanying notes.

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Consolidated Statement of Operations
 For the three months ended March 31,
 (in thousands, except per share data)

	2011	2010
Revenue:		
Coal sales	\$ 33,965	\$ 34,955
Equity income - Savoy	1,442	190
Equity income - Sunrise Energy	425	
Other	2,029	137
	37,861	35,282
Costs and expenses:		
Cost of coal sales	18,874	19,449
DD&A	3,354	2,757
SG&A	1,699	1,140
Interest (1)	364	562
	24,291	23,908
Income before income taxes	13,570	11,374
Less income taxes	(5,292)	(4,550)
Net income	\$ 8,278	\$ 6,824
Net income per share:		
Basic	\$.30	\$.25
Diluted	\$.29	\$.24
Weighted average shares outstanding:		
Basic	28,045	27,782
Diluted	28,532	28,396

 (1) Included in interest expense for 2011 and 2010 is a credit of \$187 and \$139, respectively, for the change in the estimated fair value of our interest rate swaps.

See accompanying notes.

Consolidated Statement of Cash Flows
 For the three months ended March 31,
 (in thousands)

	2011	2010
Operating activities:		
Cash provided by operating activities	\$ 13,866	\$ 14,769
Investing activities:		
Capital expenditures for coal properties	(6,858)	(10,126)
Capital expenditures for unproved oil and gas properties	(1,243)	
Proceeds from CDs	1,291	
Other	127	(295)
Cash used in investing activities	(6,683)	(10,421)
Financing activities:		