

KNIGHT TRANSPORTATION INC  
Form 10-Q  
August 10, 2015

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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 June 30, 2015

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: 001-32396

KNIGHT TRANSPORTATION, INC.  
(Exact name of registrant as specified in its charter)

Arizona  
(State or other jurisdiction of  
incorporation or organization)

86-0649974  
(I.R.S. Employer  
Identification No.)

20002 North 19th Avenue  
Phoenix, Arizona  
85027  
(Address of Principal Executive Offices)  
(Zip Code)

Registrant's telephone number, including area code: 602-269-2000

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.

xYes oNo

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).

xYes oNo

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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 "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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 Exchange Act).

Yes

No

The number of shares outstanding of registrant's common stock, par value \$0.01 per share, as of July 31, 2015, was 81,324,876 shares.

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## KNIGHT TRANSPORTATION, INC.

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

KNIGHT TRANSPORTATION, INC. AND SUBSIDIARIES  
Condensed Consolidated Unaudited Balance Sheets  
(in thousands)

	June 30, 2015	December 31, 2014
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$10,930	\$17,066
Trade receivables, net of allowance for doubtful accounts of \$2,728 and \$3,355, respectively	134,960	143,531
Notes receivable, net of allowance for doubtful notes receivable of \$312 and \$351, respectively	804	1,020
Prepaid expenses	16,044	17,423
Assets held for sale	12,159	23,248
Other current assets	13,297	13,345
Income tax receivable	6,733	19,432
Current deferred tax assets	5,094	3,187
Total current assets	200,021	238,252
Property and Equipment:		
Revenue equipment	842,767	803,410
Land and land improvements	52,605	52,531
Buildings and building improvements	127,576	125,492
Furniture and fixtures	17,623	17,322
Shop and service equipment	16,871	16,653
Leasehold improvements	3,068	3,037
Gross property and equipment	1,060,510	1,018,445
Less: accumulated depreciation and amortization	(288,756 )	(266,399 )
Property and equipment, net	771,754	752,046
Notes receivable, long-term	3,827	4,065
Goodwill	47,058	47,067
Intangible assets, net	3,325	3,575
Other long-term assets, restricted cash and investments	27,749	37,280
Total long-term assets	853,713	844,033
Total assets	\$1,053,734	\$1,082,285

The accompanying notes are an integral part of these condensed consolidated unaudited financial statements.

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KNIGHT TRANSPORTATION, INC. AND SUBSIDIARIES  
Condensed Consolidated Unaudited Balance Sheets (continued)  
(in thousands, except par values)

	June 30, 2015	December 31, 2014
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$28,074	\$19,122
Accrued payroll and purchased transportation	24,581	34,127
Accrued liabilities	29,287	20,604
Claims accrual – current portion	19,325	18,532
Dividend payable – current portion	303	200
<b>Total current liabilities</b>	<b>101,570</b>	<b>92,585</b>
<b>Long-term Liabilities:</b>		
Claims accrual – long-term portion	12,066	11,505
Long-term dividend payable and other liabilities	2,168	2,513
Deferred tax liabilities	150,872	162,007
Long-term debt	85,000	134,400
<b>Total long-term liabilities</b>	<b>250,106</b>	<b>310,425</b>
<b>Total liabilities</b>	<b>351,676</b>	<b>403,010</b>
<b>Commitments and Contingencies (Note 6)</b>		
<b>Shareholders' Equity:</b>		
Preferred stock, \$0.01 par value; 50,000 shares authorized; none issued and outstanding	-	-
Common stock, \$0.01 par value; 300,000 shares authorized; 81,316 and 81,842 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively	813	818
Additional paid-in capital	198,369	185,184