

KNIGHT TRANSPORTATION INC  
Form 10-Q  
August 10, 2009

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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, 2009

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: 0-24946

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.)

5601 West Buckeye Road  
Phoenix, Arizona  
85043  
(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.

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,

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or a smaller reporting company. See definition 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, 2009 was 83,138,526 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  
As of June 30, 2009 and December 31, 2008  
(In thousands)

	June 30, 2009	December 31, 2008
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$22,829	\$22,027
Short-term investment	56,553	31,877
Accounts receivable, net	69,445	70,810
Notes receivable, net	1,073	159
Prepaid expenses	7,526	7,108
Other current assets and assets held for sale	15,406	13,258
Income tax receivable	-	774
Current deferred tax asset	7,148	6,480
Total current assets	179,980	152,493
Property and Equipment:		
Land and land improvements	29,547	28,556
Buildings and improvements	66,494	58,365
Furniture and fixtures	7,435	7,472
Shop and service equipment	6,026	4,970
Revenue equipment	550,583	558,561
Leasehold improvements	1,691	1,185
	661,776	659,109
Less: Accumulated depreciation and amortization	(192,920 )	(186,881 )
Property and equipment, net	468,856	472,228
Notes receivable – long-term	2,000	674
Goodwill	10,343	10,353
Intangible assets, net	144	176
Long-term deferred tax assets	-	5,877
Other long-term assets & restricted cash	7,422	5,139
Total assets	\$668,745	\$646,940

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)  
As of June 30, 2009 and December 31, 2008  
(In thousands, except par values)

	June 30, 2009	December 31, 2008
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$12,845	\$6,195
Accrued payroll and purchased transportation	9,684	7,432
Accrued liabilities	11,334	6,273
Claims accrual – current portion	14,693	15,239
<b>Total current liabilities</b>	<b>48,556</b>	<b>35,139</b>
<b>Long-term Liabilities:</b>		
Claims accrual – long-term portion	14,628	15,236
Deferred tax liabilities	106,916	112,661
<b>Total long-term liabilities</b>	<b>121,544</b>	<b>127,897</b>
<b>Total liabilities</b>	<b>170,100</b>	<b>163,036</b>
<b>Commitments and Contingencies</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; 83,130 and 83,383 shares issued and outstanding at June 30, 2009 and December 31, 2008, respectively	831	834
Additional paid-in capital	111,694	108,885
Retained earnings	386,120	374,185
<b>Total shareholders' equity</b>	<b>498,645</b>	<b>483,904</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$668,745</b>	<b>\$646,940</b>

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 Statements of Income (unaudited)  
(In thousands, except per share data)