

Intrepid Potash, Inc.  
Form 10-Q  
November 04, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

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

For the Quarterly Period Ended September 30, 2010

**Commission File Number: 001-34025**

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**INTREPID POTASH, INC.**

(Exact Name of Registrant as Specified in its Charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**26-1501877**  
(I.R.S. Employer  
Identification No.)

**707 17<sup>th</sup> Street, Suite 4200  
Denver, Colorado 80202  
(303) 296-3006**

(Address of Principal Executive Offices, Including Zip Code)  
(Registrant's Telephone Number, Including Area Code)

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

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
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(Do not check if a  
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

As of October 31, 2010, 75,104,249 shares of the registrant's common stock, par value of \$0.001 per share, were outstanding.

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	September 30, 2010	December 31, 2009
<b>ASSETS</b>		
Cash and cash equivalents	\$ 66,692	\$ 89,792
Short-term investments	33,004	11,155
Accounts receivable:		
Trade, net	37,039	19,169
Other receivables	1,872	471
Refundable income taxes	6,290	9,364
Inventory, net	45,963	61,949
Prepaid expenses and other current assets	4,958	2,632
Current deferred tax asset	2,338	9,807
<b>Total current assets</b>	<b>198,156</b>	<b>204,339</b>
Property, plant, and equipment, net of accumulated depreciation of \$59,914 and \$41,787, respectively	261,954	221,403
Mineral properties and development costs, net of accumulated depletion of \$8,047 and \$7,174, respectively	33,033	33,929
Long-term parts inventory, net	7,327	7,149
Long-term investments	26,769	6,189
Other assets	5,325	5,532
Non-current deferred tax asset	278,563	290,449
<b>Total Assets</b>	<b>\$ 811,127</b>	<b>\$ 768,990</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable:		
Trade	\$ 16,841	\$ 13,523
Related parties	98	129
Accrued liabilities	19,171	12,403
Accrued employee compensation and benefits	9,022	7,028
Other current liabilities	1,633	2,849
<b>Total current liabilities</b>	<b>46,765</b>	<b>35,932</b>
Asset retirement obligation	9,157	8,619
Deferred insurance proceeds	11,700	10,124

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Other non-current liabilities	4,811	5,093
<b>Total Liabilities</b>	<b>72,433</b>	<b>59,768</b>
<b>Commitments and Contingencies</b>		
Common stock, \$0.001 par value; 100,000,000 shares authorized; and 75,103,938 and 75,037,124 shares outstanding at September 30, 2010, and December 31, 2009, respectively	75	75
Additional paid-in capital	558,713	556,328
Accumulated other comprehensive loss	(710)	(689)
Retained earnings	180,616	153,508
<b>Total Stockholders' Equity</b>	<b>738,694</b>	<b>709,222</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 811,127</b>	<b>\$ 768,990</b>

See accompanying notes to these consolidated financial statements.

Table of Contents**INTREPID POTASH, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

(In thousands, except share and per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
<b>Sales</b>	\$ 91,471	\$ 66,449	\$ 263,149	\$ 228,742
Less:				
Freight costs	7,831	5,593	23,170	14,422
Warehousing and handling costs	2,893	2,137	7,935	5,764
Cost of goods sold	53,812	30,035	162,482	90,943
Costs associated with abnormal production		5,784	470	12,159
Other	127		666	
<b>Gross Margin</b>	26,808	22,900	68,426	105,454
Selling and administrative	6,439	6,475	21,021	21,021
Accretion of asset retirement obligation	176	169	528	510
Other	271	18	744	595
<b>Operating Income</b>	19,922	16,238	46,133	83,328
<b>Other Income (Expense)</b>				
Interest expense, including realized and unrealized derivative gains and losses	(430)	(639)	(1,462)	(592)
Interest income	207	42	479	75
Insurance settlements in excess of property losses		5		(11)
Other income	147	266	296	448
<b>Income Before Income Taxes</b>	19,846	15,912	45,446	83,248
<b>Income Tax Expense</b>	(8,187)	(6,392)	(18,338)	(34,611)
<b>Net Income</b>	\$ 11,659	\$ 9,520	\$ 27,108	\$ 48,637
<b>Weighted Average Shares Outstanding:</b>				
Basic	75,101,446	75,032,086	75,077,260	75,008,438
Diluted	75,143,542	75,055,990	75,133,775	75,023,180
<b>Earnings Per Share:</b>				
Basic	\$ 0.16	\$ 0.13	\$ 0.36	\$ 0.65
Diluted	\$ 0.16	\$ 0.13	\$ 0.36	\$ 0.65

See accompanying notes to these consolidated financial statements.

**INTREPID POTASH, INC.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
**AND COMPREHENSIVE INCOME (UNAUDITED)**

(In thousands, except share amounts)

	Common Stock		Additional	Accumulated	Retained	Total
	Shares	Amount	Paid-in	Other	Earnings	Stockholders'
			Capital	Loss		Equity
<b>Balance, December 31, 2009</b>	75,037,124	\$ 75	\$ 556,328	\$ (689)	\$ 153,508	\$ 709,222
Comprehensive income, net of tax:						
Pension liability adjustment				(39)		(39)
Unrealized gain on investments held for sale				18		18
Net income					27,108	27,108
Total comprehensive income						27,087
Stock-based compensation	11,803		3,093			3,093
Issuance of common stock upon exercise of stock options	901		19			19
Vesting of restricted common stock, net of restricted common stock used to fund employee income tax withholding due upon vesting	54,110		(727)			(727)
<b>Balance, September 30, 2010</b>	75,103,938	\$ 75	\$ 558,713	\$ (710)	\$ 180,616	\$ 738,694

See accompanying notes to these consolidated financial statements.

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**INTREPID POTASH, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
**(In thousands)**