

YORK WATER CO
Form S-3/A
July 09, 2004

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As filed with the Securities and Exchange Commission on July 9, 2004

Registration No. 333-115937

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-3

REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

THE YORK WATER COMPANY

(Exact name of registrant as specified in charter)

Pennsylvania
*(State or other jurisdiction of
incorporation or organization)*

23-1242500
*(I.R.S. Employer
Identification No.)*

130 East Market Street

**York, Pennsylvania 17401
(717) 845-3601**

*(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)*

Jeffrey S. Osman
President and Chief Executive Officer
The York Water Company
130 East Market Street
York, Pennsylvania 17401
(717) 845-3601

*(Name, address, including zip code, and telephone number, including
area code, of agent for service)*

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If the registrant elects to deliver its latest annual report to security holders, or a complete and legible facsimile thereof, pursuant to Item 11(a)(1) of this Form, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer is not permitted.

SUBJECT TO COMPLETION, DATED JULY 9, 2004

PROSPECTUS

415,000 Shares

THE YORK WATER COMPANY

Common Stock

We are offering 415,000 shares of our common stock with this prospectus.

Our common stock is quoted on the Nasdaq National Market under the symbol **YORW**. On July 8, 2004, the last reported sale price of our common stock was \$17.95 per share.

We have granted Janney Montgomery Scott LLC, as the sole underwriter, an option, exercisable within 30 days after the date of this prospectus, to purchase up to 62,250 additional shares of common stock upon the same terms and conditions as the shares offered by this prospectus to cover over-allotments, if any.

Investing in our common stock involves risk. See **Risk Factors beginning on page 4 of this prospectus.**

| | <u>Per Share</u> | <u>Total</u> |
|--|------------------|--------------|
| Public offering price | \$ | \$ |
| Underwriting discounts and commissions | \$ | \$ |
| Proceeds to The York Water Company | \$ | \$ |

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Janney Montgomery Scott LLC expects to deliver the shares on or about _____, 2004.

JANNEY MONTGOMERY SCOTT LLC

The date of this prospectus is _____, 2004.

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PROSPECTUS SUMMARY

This prospectus summary calls your attention to the most significant aspects of this document, but may not contain all the information that is important to you. Unless otherwise indicated, we have assumed in presenting information about outstanding shares of common stock, including per share information, that the Underwriter's over-allotment option will not be exercised. The terms we, our, and us refer to The York Water Company. The term you refers to a prospective investor. To understand the offering fully and for a more complete description of the offering, you should read this entire document carefully, including particularly the Risk Factors section, as well as the documents we have referred you to in the section called Where You Can Find More Information.

Our Company

We are the oldest investor-owned water utility in the United States and have operated continuously since 1816. We impound, purify and distribute water entirely within our franchised territory in York County, Pennsylvania. Our headquarters are located approximately 23 miles south of Harrisburg, Pennsylvania, 40 miles north of Baltimore, Maryland and 80 miles west of Philadelphia, Pennsylvania. We currently provide water service to approximately 52,000 customers. In 2003, 60% of our operating revenue was derived from residential customers, 27% was derived from commercial and industrial customers, and 13% was derived from other sources, primarily fire service.

Our service territory presently includes 33 municipalities in York County, covering approximately 150 square miles, and currently has an estimated population of 156,000. We have two reservoirs, Lake Williams and Lake Redman, which together hold up to 2.23 billion gallons of water. Our present average daily consumption is approximately 17.8 million gallons and our present average daily availability is approximately 23 million gallons.

The territory that we currently service is experiencing significant growth. According to the United States Census Bureau, the population of York County increased by 12.4% between 1990 and 2000, from 339,574 to 381,751, in comparison to a 3.4% increase for Pennsylvania during the same period. The York County Planning Commission projects that the population will reach 403,133 by 2010, an increase of 5.6% from 2000.

Our Strategy

Our strategy is to continue to provide our customers with safe, dependable, high-quality water and excellent service at reasonable rates while maximizing shareholder value. We strive to accomplish this strategy by:

maintaining and strengthening our position as a consistent and reliable source of high-quality water service;

continuing to increase our customer base;

pursuing the acquisition of other water systems;

establishing additional long-term bulk water contracts with municipalities; and

continuing to enhance our water supply.

Recent Developments

First Quarter Financial Results

On May 7, 2004, we announced our operating results for the first quarter of 2004. Our operating revenues for the first quarter of 2004 were \$5,363,365, a \$605,425, or 12.7%, increase from \$4,757,940 for the first quarter of 2003. An 8.5% rate increase effective June 26, 2003 accounted for a majority of this increase. For the quarter ending March 31, 2004, we reported net income of \$1.6 million, or \$0.25 per share, compared with \$0.8 million,

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or \$0.12 per share, in the first quarter of 2003. Higher net income of approximately \$380,000 due to increased operating revenues and an after-tax gain on the sale of land of approximately \$467,000 were the primary contributing factors to this increase. The average number of customers using our service increased in the first quarter of 2004 by 933 to 52,054 as compared to 51,121 for the same period in 2003. During the first quarter of 2004, our total per capita volume of water sold increased 3.5% compared to the first quarter of 2003.

Application for Rate Increase

On April 28, 2004, we filed an application for a rate increase with the Pennsylvania Public Utility Commission, or PPUC, seeking an increase of \$4,869,970, which would represent a 22.1% increase in our rates. The rate request proposes increases in rates designed to provide return and depreciation on the investment in the Susquehanna River Pipeline Project. The request is currently under review. Any rate increase approved by the PPUC will be effective no later than January 27, 2005. There can be no assurance that the PPUC will grant our rate increase in the amount requested, if at all.

PEDFA Bond Issuance

On April 1, 2004, the Pennsylvania Economic Development Financing Authority, or PEDFA, issued \$7,300,000 aggregate principal amount of Pennsylvania Economic Development Financing Authority Exempt Facilities Revenue Bonds, Series A of 2004 for our benefit. The PEDFA then loaned us the proceeds of the offering pursuant to a loan agreement. The loan agreement provides for a \$4,950,000 loan bearing interest at 5.00% and a \$2,350,000 loan bearing interest at 4.05%. The bonds and the related loans will mature on April 1, 2016. The bonds were issued as part of the financing plan for our Susquehanna River Pipeline Project. The proceeds, net of issuance costs, were used to pay down short-term indebtedness related to the project.

Our Address and Telephone Number

Our executive offices are located at 130 East Market Street, York, Pennsylvania 17401 and our telephone number is (717) 845-3601. Our website address is *www.yorkwater.com*. The information on our website is not part of this prospectus.

The Offering

| | |
|---|--|
| Common Stock, no par value | 415,000 shares |
| Common Stock to be outstanding after the offering | 6,846,500 shares ⁽¹⁾ |
| Nasdaq National Market symbol | YORW |
| Common Stock 52-week price range (through July 8, 2004) | Low: \$16.09 High: \$21.04 |
| Annualized dividend rate | \$0.58 per share |
| Use of Proceeds | We intend to use the net proceeds from this offering to repay a portion of our outstanding short-term indebtedness that was primarily incurred to fund our Susquehanna River Pipeline Project. |

(1) The shares of our common stock to be outstanding after the offering is based on the number of shares outstanding as of May 15, 2004.

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We have derived the summary historical financial data as of and for each of the years ended December 31, 2003, 2002 and 2001, from our audited financial statements and related notes. We have derived the summary historical financial data as of March 31, 2004 and 2003, and for the three-month periods then ended, from our unaudited financial statements which, in the opinion of management, include all adjustments necessary for a fair presentation of the data. The results for the three months ended March 31, 2004 are not necessarily indicative of the results that may be expected for the full fiscal year. You should read the information below in conjunction with our historical financial statements and related notes and our Management's Discussion and Analysis of Financial Condition and Results of Operations appearing in this prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2003 and our Quarterly Report on Form 10-Q for the three-month period ended March 31, 2004, both of which are incorporated by reference herein.

| | For the Three Months Ended March 31, | | For the Year Ended December 31, | | |
|--|--|---------|--|----------|----------|
| | 2004 | 2003 | 2003 | 2002 | 2001 |
| | (Unaudited) | | (In thousands, except per share amounts) | | |
| Statement of Operations: | | | | | |
| Operating revenues | | | | | |
| Water sales | \$5,363 | \$4,758 | \$20,889 | \$19,553 | \$19,403 |
| Total operating revenues | \$5,363 | \$4,758 | \$20,889 | \$19,553 | \$19,403 |
| Operating expenses | | | | | |
| Operating and maintenance | 2,306 | 2,239 | 8,912 | 8,680 | 8,487 |
| Depreciation and amortization | 474 | 445 | 1,779 | 1,663 | 1,571 |
| Property and other taxes | 230 | 207 | 864 | 877 | 410 |
| Total operating expenses | 3,010 | 2,891 | 11,555 | 11,220 | 10,468 |
| Operating income | 2,353 | 1,867 | 9,334 | 8,333 | 8,935 |
| Other income (expense), net | 688 | (84) | 12 | 183 | 160 |
| Interest charges | (528) | (655) | (2,523) | (2,692) | (2,856) |
| Income before income taxes | 2,513 | 1,128 | 6,823 | 5,824 | 6,239 |
| State and federal income taxes | 936 | 370 | 2,375 | 2,034 | 2,233 |
| Net income | \$1,577 | \$ 758 | \$ 4,448 | \$ 3,790 | \$ 4,006 |
| Net income per share of common stock (basic and diluted) | \$ 0.25 | \$ 0.12 | \$ 0.70 | \$ 0.60 | \$ 0.65 |
| Average shares of common stock outstanding (basic and diluted) | 6,421 | 6,367 | 6,386 | 6,330 | 6,153 |
| Cash dividends per share of common stock | \$0.145 | \$0.135 | \$ 0.550 | \$ 0.525 | \$ 0.505 |
| | | | | | |
| | As of March 31, | | As of December 31, | | |
| | 2004 | 2003 | 2003 | 2002 | 2001 |
| | (Unaudited) | | (In thousands) | | |
| Balance Sheet: | | | | | |

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| | | | | | |
|---|------------|------------|------------|------------|------------|
| Utility plant and equipment, at original cost less accumulated depreciation | \$ 121,848 | \$ 106,750 | \$ 115,802 | \$ 106,217 | \$ 101,753 |
| Total assets | 133,544 | 118,686 | 127,508 | 118,408 | 113,351 |
| Notes payable | 9,781 | 2,640 | 7,153 | 2,738 | 2,000 |
| Long-term debt including current portion | 32,642 | 32,681 | 32,652 | 32,690 | 32,728 |
| Shareholders equity | 39,937 | 37,339 | 39,057 | 37,217 | 35,891 |
| Total capitalization | 69,840 | 69,981 | 68,970 | 69,869 | 68,582 |

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RISK FACTORS

*We have described for you below some risks involved in investing in our common stock. You should carefully consider each of the following factors and all of the information both in this prospectus and in the other documents we refer you to in the section called *Where You Can Find More Information*.*

The rates we charge our customers are subject to regulation. If we are unable to obtain government approval of our requests for rate increases, or if approved rate increases are untimely or inadequate to cover our investments in utility plant and equipment and projected expenses, our results of operations may be adversely affected.

Our ability to maintain and meet our financial objectives is dependent upon the rates we charge our customers, which are subject to approval by the PPUC. We file rate increase requests with the PPUC, from time to time, to recover our investments in utility plant and equipment and projected expenses. Any rate increase or adjustment must first be justified through documented evidence and testimony. The PPUC determines whether the investments and expenses are recoverable, the length in time over which such costs are recoverable, or, because of changes in circumstances, whether a remaining balance of deferred investments and expenses is no longer recoverable in rates charged to customers. Once a rate increase application is filed with the PPUC, the ensuing administrative and hearing process may be lengthy and costly. The timing of our rate increase requests are therefore dependent upon the estimated cost of the administrative process in relation to the investments and expenses that we hope to recover through the rate increase.

On April 28, 2004, we filed an application for a rate increase with the PPUC seeking an increase of \$4,869,970, which would represent a 22.1% increase in our rates. The rate request proposes increases in rates designed to provide return and depreciation on our investment in the Susquehanna River Pipeline Project. The request is currently under review. Any rate increase approved by the PPUC will be effective not later than January 27, 2005. We can provide no assurances that this rate increase request, or future requests, will be approved by the PPUC; and, if approved, we cannot guarantee that these rate increases will be granted in a timely or sufficient manner to cover the investments and expenses for which we sought the rate increase. If we are unable to obtain PPUC approval of our requests for rate increases, or if approved rate increases are untimely or inadequate to cover our investments in utility plant and equipment and projected expenses, our results of operations may be adversely affected.

We are subject to federal, state and local regulation that may impose costly limitations and restrictions on the way we do business.

Various federal, state and local authorities regulate many aspects of our business. Among the most important of these regulations are those relating to the quality of water we supply our customers and water allocation rights. Government authorities continually review these regulations, particularly the drinking water quality regulations, and may propose new or more restrictive requirements in the future. We are required to perform water quality tests that are monitored by the PPUC, the U.S. Environmental Protection Agency, or EPA, and the Pennsylvania Department of Environmental Protection, or DEP, for the detection of certain chemicals and compounds in our water. If new or more restrictive limitations on permissible levels of substances and contaminants in our water are imposed, we may not be able to adequately predict the costs necessary to meet regulatory standards. If we are unable to recover the cost of implementing new water treatment procedures in response to more restrictive water quality regulations through our rates that we charge our customers, or if we fail to comply with such regulations, it could have a material adverse effect on our financial condition and results of operations.

We are also subject to water allocation regulations that control the amount of water that we can draw from water sources. The Susquehanna River Basin Commission, or SRBC, and DEP regulate the amount of water withdrawn from streams in the watershed for water supply purposes to assure that sufficient quantities are available to meet our needs and the needs of other regulated users. In addition, government drought restrictions could cause the SRBC or DEP to temporarily reduce the amount of our allocations. If new or more restrictive water allocation regulations are implemented or our allocations are reduced due to weather

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conditions, it may have an adverse effect on our ability to supply the demands of our customers, and in turn, on our revenues and results of operations.

Our business is subject to seasonal fluctuations, which could affect demand for our water service and our revenues.

Demand for our water during the warmer months is generally greater than during cooler months due primarily to additional requirements for water in connection with cooling systems, swimming pools, irrigation systems and other outside water use. Throughout the year, and particularly during typically warmer months, demand will vary with temperature and rainfall levels. If temperatures during the typically warmer months are cooler than expected, or there is more rainfall than expected, the demand for our water may decrease and adversely affect our revenues.

Weather conditions and overuse may interfere with our sources of water, demand for water services, and our ability to supply water to our customers.

We depend on an adequate water supply to meet the present and future demands of our customers and to continue our expansion efforts. Unexpected conditions may interfere with our water supply sources. Drought and overuse may limit the availability of surface water. These factors might adversely affect our ability to supply water in sufficient quantities to our customers and our revenues and earnings may be adversely affected. Additionally, cool and wet weather, as well as drought restrictions and our customers' conservation efforts, may reduce consumption demands, also adversely affecting our revenue and earnings. Furthermore, freezing weather may also contribute to water transmission interruptions caused by pipe and main breakage. If we experience an interruption in our water supply, it could have a material adverse effect on our financial condition and results of operations.

Contamination of our water supply may cause disruption in our services and adversely affect our revenues.

Our water supply is subject to contamination from the migration of naturally-occurring substances in groundwater and surface systems and pollution resulting from man-made sources. In the event that our water supply is contaminated, we may have to interrupt the use of that water supply until we are able to substitute the flow of water from an uncontaminated water source through our interconnected transmission and distribution facilities. In addition, we may incur significant costs in order to treat the contaminated source through expansion of our current treatment facilities or development of new treatment methods. Our inability to substitute water supply from an uncontaminated water source, or to adequately treat the contaminated water source in a cost-effective manner, may have an adverse effect on our revenues.

The necessity for increased security has and may continue to result in increased operating costs.

In the wake of the September 11, 2001 terrorist attacks and the ensuing threats to the nation's health and security, we have taken steps to increase security measures at our facilities and heighten employee awareness of threats to our water supply. We have also tightened our security measures regarding the delivery and handling of certain chemicals used in our business. We have and will continue to bear increased costs for security precautions to protect our facilities, operations and supplies. We are not aware of any specific threats to our facilities, operations or supplies. However, it is possible that we would not be in a position to control the outcome of such events should they occur.

We depend on the availability of capital for expansion, construction and maintenance.

Our ability to continue our expansion efforts and fund our construction and maintenance program depends on the availability of adequate capital. There is no guarantee that we will be able to obtain sufficient capital in the future or that the cost of capital will not be too high for future expansion and construction. In addition, approval from the PPUC must be obtained prior to our sale and issuance of securities. If we are unable to obtain approval from the PPUC on these matters, or to obtain approval in a timely manner, it may affect our ability to effect transactions that are profitable to us or our shareholders.

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We may face competition from other water suppliers that may hinder our growth and reduce our profitability.

We face competition from other water suppliers that may limit our future growth. Once a utility regulator grants a franchise territory to a water supplier, that water supplier is usually the only one to service that territory. Although a territory offers some protection against competitors, the pursuit of franchise territories is competitive, especially in Pennsylvania, where new franchises may be awarded to utilities based upon competitive negotiation with municipalities and land developers. Competing water suppliers have challenged, and may in the future challenge, our applications for new franchise territories. Also, third parties entering into long-term agreements to operate municipal systems might adversely affect us and our long-term agreements to supply water on a contract basis to municipalities. If we are unable to compete successfully with other water suppliers for these franchise territories, it may impede our expansion goals and adversely affect our profitability.

We have restrictions on our dividends. There can also be no assurance that we will continue to pay dividends in the future or, if dividends are paid, that they will be in amounts similar to past dividends.

The terms of our debt instruments impose conditions on our ability to pay dividends. We have paid dividends on our common stock each year since our inception in 1816 and have increased the amount of dividends paid each year since 1997. Our earnings, financial condition, capital requirements, applicable regulations and other factors, including the timeliness and adequacy of rate increases, will determine both our ability to pay dividends on our common stock and the amount of those dividends. There can be no assurance that we will continue to pay dividends in the future or, if dividends are paid, that they will be in amounts similar to past dividends.

If we are unable to pay the principal and interest on our indebtedness as it comes due or we default under certain other provisions of our loan documents, our indebtedness could be accelerated and our results of operations and financial condition could be adversely affected.

Our ability to pay the principal and interest on our indebtedness as it comes due will depend upon our current and future performance. Our performance is affected by many factors, some of which are beyond our control. We believe that our cash generated from operations, and, if necessary, borrowings under our existing credit facilities, will be sufficient to enable us to make our debt payments as they become due. If, however, we do not generate sufficient cash, we may be required to refinance our obligations or sell additional equity, which may be on terms that are not as favorable to us. No assurance can be given that any refinancing or sale of equity will be possible when needed or that we will be able to negotiate acceptable terms. In addition, our failure to comply with certain provisions contained in our trust indentures and loan agreements relating to our outstanding indebtedness could lead to a default under these documents, which could result in an acceleration of our indebtedness.

We depend significantly on the services of the members of our senior management team, and the departure of any of those persons could cause our operating results to suffer.

Our success depends significantly on the continued individual and collective contributions of our senior management team. If we lose the services of any member of our senior management or are unable to hire and retain experienced management personnel, it could harm our operating results.

There is a limited trading market for our common stock; you may not be able to resell your shares at or above the price you pay for them.

Although our common stock is listed for trading on the Nasdaq National Market, the trading in our common stock has substantially less liquidity than many other companies quoted on the Nasdaq National Market. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the market of willing buyers and sellers of our common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. Because of the limited volume of trading in our common stock, a sale of a significant number of shares of our common stock in the open market could cause our stock price to decline. We cannot provide any assurance that this offering will increase the volume of trading in our common stock.

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FORWARD-LOOKING STATEMENTS

We discuss in this prospectus and in documents that we have incorporated into this prospectus by reference certain matters which are not historical facts, but which are forward-looking statements. Words such as may, should, believe, anticipate, estimate, expect, intend, similar expressions are intended to identify forward-looking statements. We intend these forward-looking statements to qualify for safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to statements regarding:

- our expected profitability and results of operations;
- our goals, priorities and plans for, and cost of, growth and expansion;
- our strategic initiatives;
- the availability of our water supply;
- the water usage by our customers;
- the anticipated completion of our pipeline project to the Susquehanna River; and
- our ability to pay dividends on our common stock and the rate of those dividends.

The forward-looking statements in this prospectus reflect what we currently anticipate will happen. What actually happens could differ materially from what we currently anticipate will happen. We are not promising to make any public announcement when we think forward-looking statements in this prospectus are no longer accurate, whether as a result of new information, what actually happens in the future or for any other reason.

Important matters that may affect what will actually happen include, but are not limited to:

- changes in weather, including drought conditions;
- levels of rate relief granted;
- the level of commercial and industrial business activity within our service territory;
- construction of new housing within our service territory;
- changes in government policies or regulations;
- our ability to obtain permits for expansion projects;
- material changes in demand from customers, including the impact of conservation efforts which may impact the demand of our customers for water;
- changes in economic and business conditions, including interest rates, which are less favorable than expected; and
- other matters described in the Risk Factors section.

Table of Contents**USE OF PROCEEDS**

The net proceeds from the sale of the common stock offered by this prospectus, at an assumed offering price of \$17.95, after deducting estimated offering expenses of \$242,608 and the Underwriter's discounts and commissions, are estimated to be \$6,908,672 (\$7,981,364 if the Underwriter's over-allotment option is exercised in full). We expect to use the net proceeds to repay a portion of our outstanding short-term indebtedness under our revolving credit facilities with Wachovia Bank National Association and Citizens Bank, N.A. Obligations under these credit facilities were primarily incurred to fund our Susquehanna River Pipeline Project.

Our revolving credit facility with Wachovia Bank National Association has a maximum borrowing amount of \$3,000,000, of which \$2,300,000 was outstanding at June 30, 2004. Loans under the credit facility bear interest at the London Interbank Offered Rate, or LIBOR, plus 100 basis points. Amounts outstanding are unsecured. The credit facility expires on September 30, 2004.

Our revolving credit facility with Citizens Bank, N.A. has a maximum borrowing amount of \$7,500,000, of which \$5,000,000 was outstanding at June 30, 2004. Loans under the credit facility bear interest at LIBOR plus 100 basis points. Amounts outstanding are unsecured. The credit facility is payable on demand.

CAPITALIZATION

The following table sets forth, as of March 31, 2004, our capitalization on an actual basis and on an adjusted basis to give effect to the sale of the shares of common stock in this offering at an assumed offering price of \$17.95 per share and the anticipated application of the net proceeds from this offering as described in Use of Proceeds. This table should be read in conjunction with our financial statements and the notes to those financial statements that are incorporated by reference herein.

| | As of March 31, 2004 | | | |
|--------------------------------|----------------------|---------------------|------------------|---------------------|
| | Actual | % of Capitalization | As Adjusted | % of Capitalization |
| | (In thousands) | | | |
| Common shareholders' equity | \$ 39,937 | 57.2% | \$ 46,846 | 61.0% |
| Long-term debt ⁽¹⁾ | 29,903 | 42.8% | 29,903 | 39.0% |
| Total capitalization | \$ 69,840 | 100.0% | \$ 76,749 | 100% |
| Short-term debt ⁽²⁾ | \$ 12,520 | | \$ 5,611 | |

(1) Excludes current maturities.

(2) Includes current maturities of long-term debt.

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Our common stock is listed on the Nasdaq National Market and trades under the symbol YORK. On April 30, 2004, there were 1,391 holders of record of our common stock. The following table sets forth, for the periods indicated, the high and low sales prices for our common stock on the Nasdaq National Market and the cash dividends declared per share:

| | <u>High</u> | <u>Low</u> | <u>Dividend Per Share</u> |
|--------------------------------------|-------------|------------|-------------------------------|
| 2004 | | | |
| Third Quarter (through July 8, 2004) | \$ 18.45 | \$ 17.88 | \$ -- |
| Second Quarter | 21.04 | 18.44 | 0.145 |
| First Quarter | 20.79 | 17.95 | 0.145 |
| 2003 | | | |
| Fourth Quarter | \$ 18.65 | \$ 16.88 | \$ 0.145 |
| Third Quarter | 18.50 | 16.09 | 0.135 |
| Second Quarter | 20.34 | 15.65 | 0.135 |
| First Quarter | 17.14 | 14.00 | 0.135 |
| 2002 | | | |
| Fourth Quarter | \$ 17.59 | \$ 12.30 | \$ 0.135 |
| Third Quarter | 18.33 | 13.75 | 0.130 |
| Second Quarter | 20.17 | 15.13 | 0.130 |
| First Quarter | 16.50 | | |