

U S PHYSICAL THERAPY INC /NV
Form 10-Q
August 07, 2014

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, 2014

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 1-11151

U.S. PHYSICAL THERAPY, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEVADA
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)

76-0364866
(I.R.S. EMPLOYER IDENTIFICATION NO.)

1300 WEST SAM HOUSTON PARKWAY SOUTH,
SUITE 300, HOUSTON, TEXAS
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

77042
(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (713) 297-7000

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

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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 "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 (Do not check if a smaller reporting company) 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 August 7, 2014, the number of shares outstanding (issued less treasury stock) of the registrant's common stock, par value \$.01 per share, was: 12,236,649.

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ITEM 1. FINANCIAL STATEMENTS.

U. S. PHYSICAL THERAPY, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

	June 30, 2014 (unaudited)	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,934	\$ 12,898
Patient accounts receivable, less allowance for doubtful accounts of \$1,713 and \$1,430, respectively	34,286	30,820
Accounts receivable - other, less allowance for doubtful accounts of \$198 and \$198, respectively	1,924	1,844
Other current assets	2,703	4,098
Total current assets	51,847	49,660
Fixed assets:		
Furniture and equipment	41,310	38,965
Leasehold improvements	22,065	21,891
	63,375	60,856
Less accumulated depreciation and amortization	47,517	45,896
	15,858	14,960
Goodwill	156,207	143,955
Other intangible assets, net	15,727	14,479
Other assets	1,141	1,081
	\$ 240,780	\$ 224,135
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable - trade	\$ 1,835	\$ 1,722
Accrued expenses	20,112	20,625
Current portion of notes payable	850	825
Total current liabilities	22,797	23,172
Notes payable	450	650
Revolving line of credit	45,000	40,000
Deferred rent	1,095	996
Other long-term liabilities	6,053	4,196
Total liabilities	75,395	69,014
Commitments and contingencies		
Redeemable non-controlling interests	1,086	4,104
Shareholders' equity:		
U. S. Physical Therapy, Inc. shareholders' equity:		
Preferred stock, \$.01 par value, 500,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$.01 par value, 20,000,000 shares authorized, 14,450,836 and 14,315,882 shares issued, respectively	145	143
Additional paid-in capital	41,306	40,569

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Retained earnings	126,934	119,206
Treasury stock at cost, 2,214,737 shares	(31,628)	(31,628)
Total U. S. Physical Therapy, Inc. shareholders' equity	136,757	128,290
Non-controlling interests	27,542	22,727
Total equity	164,299	151,017
	\$ 240,780	\$ 224,135

See notes to consolidated financial statements.

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U. S. PHYSICAL THERAPY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF NET INCOME

(IN THOUSANDS, EXCEPT PER SHARE DATA)

(unaudited)

	Three Months		Six Months Ended	
	Ended June 30,		June 30,	
	2014	2013	2014	2013
Net patient revenues	\$76,470	\$65,227	\$144,867	\$126,659
Other revenues	1,731	1,642	3,101	2,966
Net revenues	78,201	66,869	147,968	129,625
Clinic operating costs:				
Salaries and related costs	40,109	35,526	78,051	69,585
Rent, clinic supplies, contract labor and other	15,205	12,550	29,421	25,284
Provision for doubtful accounts	1,054	1,198	2,004	2,295
Closure costs	(2)	8	11	26
Total clinic operating costs	56,366	49,282	109,487	97,190
Gross margin	21,835	17,587	38,481	32,435
Corporate office costs	7,614	6,528	14,746	12,941
Operating income from continuing operations	14,221	11,059	23,735	19,494
Interest and other income, net	-	1	1	3
Interest expense	(332)	(130)	(585)	