

Willbros Group, Inc.\NEW\
Form 10-Q/A
December 15, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q/A

(Amendment No. 1)
(Mark One)

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

For the quarterly period ended March 31, 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 1-34259
Willbros Group, Inc.
Exact name of registrant as specified in its charter)

Delaware 30-0513080
(Jurisdiction (I.R.S. Employer
of incorporation) Identification Number)
4400 Post Oak Parkway
Suite 1000
Houston, TX 77027
Telephone No.: 713-403-8000
(Address, including zip code, and telephone number, including area code, of principal executive offices of registrant)
NOT APPLICABLE
(Former name, former address and former fiscal year, if change since last report)

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, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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 of the registrant's Common Stock, \$.05 par value, outstanding as of May 1, 2014 was 50,044,524.

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WILLBROS GROUP, INC.

FORM 10-Q/A

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EXPLANATORY NOTE

The Company is filing this Amendment No. 1 ("Form 10-Q/A") to its Form 10-Q for the quarterly period ended March 31, 2014, which was originally filed on May 6, 2014 ("Original Filing") to restate its Condensed Consolidated Financial Statements for the quarterly period ended March 31, 2014 and to amend related disclosures, including its disclosure controls and procedures.

As described in more detail in Note 2 of the Notes to its Condensed Consolidated Financial Statements, in the fourth quarter of 2014, the Company identified errors in the estimated total revenues, costs and profits at completion for two significant pipeline construction projects accounted for under the percentage-of-completion method of accounting within its Oil & Gas segment. As a result of these errors, additional pre-tax charges, including the reversal of previously recognized pre-tax income and the recognition of additional pre-tax losses, should have been recorded in the quarterly period ended March 31, 2014. The accounting for the correction of these errors, giving consideration to all project information to date, resulted in the earlier recognition of an \$18.8 million charge to reduce contract profitability for the quarterly period ended March 31, 2014, of which \$17.9 million was previously recognized during the quarterly period ended June 30, 2014. To correct these errors and to address matters related to the foregoing with respect to its disclosure controls and procedures, the Company determined that it must file this Form 10-Q/A to restate its previously issued Condensed Consolidated Financial Statements for the quarterly period ended March 31, 2014.

The Company determined that a material weakness in its internal control over financial reporting existed over the completeness and accuracy of estimated total revenues, costs and profits at completion for construction contracts accounted for under the percentage-of-completion method of accounting within its Oil & Gas segment as of March 31, 2014. Specifically, the Company did not adequately perform project oversight reviews and monitor compliance with its policies and procedures

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around estimating total revenues, costs and profits at completion for two significant pipeline construction projects. The effects of this material weakness are discussed in more detail in Item 4. Controls and Procedures.

For the convenience of the reader, this Form 10-Q/A sets forth the Original Filing in its entirety. However, this Form 10-Q/A amends and restates only the following items of the Original Filing and only with respect to the matters affected by this restatement and the matters discussed above:

Item 1 of Part I, "Financial Information";

Item 2 of Part I, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Forward-Looking Statements";

Item 4 of Part I, "Controls and Procedures";

Item 6 of Part II, "Exhibits"; and

The signature page, the certifications of our Chief Executive Officer and Chief Financial Officer and our condensed consolidated financial statements formatted in Extensible Business Reporting Language (XBRL) in Exhibits 101.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WILLBROS GROUP, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

(Unaudited)

	March 31, 2014 (As Restated)	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$53,877	\$42,569
Accounts receivable, net	364,513	383,461
Contract cost and recognized income not yet billed	97,925	57,431
Prepaid expenses and other assets	29,091	25,008
Parts and supplies inventories	5,227	4,355
Deferred income taxes	10,278	10,323
Assets associated with discontinued operations	15,999	58,723
Total current assets	576,910	581,870
Property, plant and equipment, net	108,675	111,566
Intangible assets, net	139,410	143,139
Other assets	31,184	34,093
Total assets	\$856,179	\$870,668
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$272,039	\$259,060
Contract billings in excess of cost and recognized income	49,202	25,933
Current portion of capital lease obligations	845	890
Notes payable and current portion of long-term debt	6,335	6,505
Current portion of settlement obligation of discontinued operations	36,500	36,500
Accrued income taxes	6,698	10,022
Liabilities associated with discontinued operations	13,411	10,130
Other current liabilities	5,483	5,846
Total current liabilities	390,513	354,886
Long-term debt	245,749	268,425
Capital lease obligations	1,165	1,388
Long-term liabilities for unrecognized tax benefits	1,442	4,544
Deferred income taxes	12,212	9,066
Other long-term liabilities	43,153	43,585
Total liabilities	694,234	681,894
Contingencies and commitments (Note 11)		
Stockholders' equity:		
Preferred stock, par value \$.01 per share, 1,000,000 shares authorized, none issued	—	—
Common stock, par value \$.05 per share, 70,000,000 shares authorized and 51,302,630 shares issued at March 31, 2014 (50,930,303 at December 31, 2013)	2,557	2,543
Capital in excess of par value	693,011	691,123
Accumulated deficit	(526,908)	(501,918)
	(12,963)	(12,070)

Treasury stock at cost, 1,227,717 shares at March 31, 2014 (1,147,974 at December 31, 2013)		
Accumulated other comprehensive income	5,959	8,807
Total Willbros Group, Inc. stockholders' equity	161,656	188,485
Noncontrolling interest	289	289
Total stockholders' equity	161,945	188,774
Total liabilities and stockholders' equity	\$856,179	\$870,668
See accompanying notes to condensed consolidated financial statements.		

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WILLBROS GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share amounts)

(Unaudited)

	Three Months Ended		
	March 31,		
	2014	2013	
	(As Restated)		
Contract revenue	\$500,899	\$487,359	
Operating expenses:			
Contract	466,124	447,517	
Amortization of intangibles	3,771	3,762	
General and administrative	38,029	37,638	
	507,924	488,917	
Operating loss	(7,025) (1,558)
Other income (expense):			
Interest expense, net	(7,718) (7,690)
Other, net	39		