

U S PHYSICAL THERAPY INC /NV
Form 10-Q
May 04, 2012

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 March 31, 2012

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)

(713) 297-7000

77042
(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE:

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 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 May 4, 2012, the number of shares outstanding (issued less treasury stock) of the registrant's common stock, par value \$.01 per share, was: 11,765,840.

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ITEM 1. FINANCIAL STATEMENTS.

U. S. PHYSICAL THERAPY, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, EXCEPT SHARE DATA)

	March 31, 2012 (unaudited)	December 31, 2011
ASSETS		
Current assets:		
Cash	\$ 10,440	\$ 9,983
Patient accounts receivable, less allowance for doubtful accounts of \$1,892 and \$2,154, respectively	29,456	28,333
Accounts receivable other, less allowance for doubtful accounts of \$186 and \$883, respectively	1,979	1,614
Other current assets	5,248	5,737
Total current assets	47,123	45,667
Fixed assets:		
Furniture and equipment	35,491	35,103
Leasehold improvements	19,987	20,385
	55,478	55,488
Less accumulated depreciation and amortization	42,556	42,299
	12,922	13,189
Goodwill	93,797	92,750
Other intangible assets, net	9,515	9,603
Other assets	1,079	2,043
	\$ 164,436	\$ 163,252
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable trade	\$ 1,377	\$ 1,809
Accrued expenses	10,656	14,082
Current portion of notes payable	483	433
Total current liabilities	12,516	16,324
Notes payable	334	284
Revolving line of credit	24,200	23,500
Deferred rent	946	941
Other long-term liabilities	605	623
Total liabilities	38,601	41,672
Commitments and contingencies		
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, 13,980,577 and 13,919,588 shares issued, respectively	140	139
Additional paid-in capital	36,563	36,133
Retained earnings	105,825	102,405

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Treasury stock at cost, 2,214,737 shares	(31,628)	(31,628)
Total U. S. Physical Therapy, Inc. shareholders equity	110,900	107,049
Noncontrolling interests	14,935	14,531
Total equity	125,835	121,580
	\$ 164,436	\$ 163,252

See notes to consolidated financial statements.

U. S. PHYSICAL THERAPY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF NET INCOME

(IN THOUSANDS, EXCEPT PER SHARE DATA)

(unaudited)

	Three Months Ended March 31,	
	2012	2011
Net patient revenues	\$ 60,499	\$ 53,872
Other revenues	2,083	2,869
Net revenues	62,582	56,741
Clinic operating costs:		
Salaries and related costs	32,799	29,639
Rent, clinic supplies, contract labor and other	12,484	11,295
Provision for doubtful accounts	1,117	624
Closure costs	49	20
Total clinic operating costs	46,449	41,578
Corporate office costs	6,262	6,481
Operating income	9,871	8,682
Interest and other income, net	2	2
Interest expense	(162)	(73)
Income before taxes	9,711	8,611
Provision for income taxes	2,899	2,426
Net income including noncontrolling interests	6,812	6,185
Less: net income attributable to noncontrolling interests	(2,334)	(2,439)
Net income attributable to common shareholders	\$ 4,478	\$ 3,746
Earnings per share attributable to common shareholders:		
Basic	\$ 0.38	\$ 0.32
Diluted	\$ 0.38	\$ 0.31
Shares used in computation:		
Basic	11,726	11,718
Diluted	11,838	11,945
Dividends declared per common share	\$ 0.09	\$ 0.08

See notes to consolidated financial statements.

U. S. PHYSICAL THERAPY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

(unaudited)

	Three Months Ended March 31,	
	2012	2011
OPERATING ACTIVITIES		
Net income including noncontrolling interests	\$ 6,812	\$ 6,185
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operating activities:		
Depreciation and amortization	1,334	1,330
Provision for doubtful accounts	1,117	624
Equity-based awards compensation expense	547	444
Loss on sale or abandonment of assets, net	58	56
Deferred income tax	1,610	365
Other		(374)
Changes in operating assets and liabilities:		
Increase in patient accounts receivable	(2,179)	(3,774)
Increase in accounts receivable other	(426)	(409)
Decrease in other assets	38	355
(Decrease) increase in accounts payable and accrued expenses	(3,728)	685
(Decrease) increase in other liabilities	(12)	208
Net cash provided by operating activities	5,171	5,695
INVESTING ACTIVITIES		
Purchase of fixed assets	(896)	(860)
Purchase of businesses, net of cash acquired	(1,090)	
Acquisitions of noncontrolling interests	(565)	(15)
Net proceeds on sale of fixed assets and business	6	3
Net cash used in investing activities	(2,545)	(872)
FINANCING ACTIVITIES		
Distributions to noncontrolling interests	(1,919)	(1,989)
Cash dividends to shareholders	(1,058)	(943)
Proceeds from revolving line of credit	8,400	4,000
Payments on revolving line of credit	(7,700)	(4,700)
Payment of notes payable		(100)
Excess tax benefit from stock options exercised	58	395
Other	50	1
Net cash used in financing activities	(2,169)	(3,336)
Net increase in cash	457	1,487
Cash beginning of period	9,983	9,179
Cash end of period	\$ 10,440	\$ 10,666
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Income taxes	\$ 576	\$ 615
Interest	\$ 283	\$ 93

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Non-cash investing and financing transactions during the period:

Purchase of business - seller financing portion	\$	100	\$
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See notes to consolidated financial statements.

U. S. PHYSICAL THERAPY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(IN THOUSANDS)

(unaudited)

U. S. Physical Therapy, Inc.
