

PAM TRANSPORTATION SERVICES INC  
Form 10-Q  
May 07, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2009

○ 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: 0-15057

P.A.M. TRANSPORTATION SERVICES, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

71-0633135  
(I.R.S. Employer Identification no.)

297 West Henri De Tonti, Tontitown, Arkansas 72770  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (479) 361-9111

N/A  
(Former name, former address and former fiscal year, if changed 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 the 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

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company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company)

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date:

Class	Outstanding at April 30, 2009
Common Stock, \$.01 Par Value	9,409,607

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Form 10-Q  
For The Quarter Ended March 31, 2009  
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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements.

## P.A.M. TRANSPORTATION SERVICES, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets  
(in thousands, except share and per share data)

	March 31, 2009 (unaudited)	December 31, 2008 (see note)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 473	\$ 858
Accounts receivable-net:		
Trade	39,874	43,815
Other	1,227	1,088
Inventories	824	858
Prepaid expenses and deposits	11,952	9,443
Marketable equity securities	10,521	12,540
Deferred income taxes-current	173	-
Income taxes refundable	484	524
Total current assets	65,528	69,126
Property and equipment:		
Land	4,924	4,916
Structures and improvements	13,650	13,596
Revenue equipment	312,849	320,188
Office furniture and equipment	7,605	7,606
Total property and equipment	339,028	346,306
Accumulated depreciation	(128,244)	(125,742)
Net property and equipment	210,784	220,564
Other assets:		
Other	664	671
Total other assets	664	671
<b>TOTAL ASSETS</b>	<b>\$ 276,976</b>	<b>\$ 290,361</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 13,823	\$ 20,269
Accrued expenses and other liabilities	10,760	15,684
Current maturities of long-term debt	14,537	15,928
Deferred income taxes-current	-	157
Total current liabilities	39,120	52,038
Long-term debt-less current portion	40,791	35,492
Deferred income taxes-less current portion	45,532	47,354
Total liabilities	125,443	134,884
<b>SHAREHOLDERS' EQUITY</b>		

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Preferred stock, \$.01 par value, 10,000,000 shares authorized; none issued	-	-
Common stock, \$.01 par value, 40,000,000 shares authorized; 11,368,207 and 11,368,207 shares issued; 9,409,607 and 9,409,607 shares outstanding at March 31, 2009 and December 31, 2008, respectively	114	114
Additional paid-in capital	77,688	77,659
Accumulated other comprehensive (loss) income	(16)	611
Treasury stock, at cost; 1,958,600 shares	(29,127)	(29,127)
Retained earnings	102,874	106,220
Total shareholders' equity	151,533	155,477
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 276,976</b>	<b>\$ 290,361</b>

Note: The consolidated balance sheet at December 31, 2008 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. See notes to condensed consolidated financial statements.

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P.A.M. TRANSPORTATION SERVICES, INC. AND SUBSIDIARIES  
Condensed Consolidated Statements of Operations  
(unaudited)  
(in thousands, except per share data)

	Three Months Ended March 31,	
	2009	2008
<b>OPERATING REVENUES:</b>		
Revenue, before fuel surcharge	\$ 60,270	\$ 86,445
Fuel surcharge	5,548	19,375
Total operating revenues	65,818	105,820
<b>OPERATING EXPENSES AND COSTS:</b>		
Salaries, wages and benefits	24,073	34,497
Fuel expense	13,004	37,422
Rents and purchased transportation	9,076	9,520
Depreciation	8,810	8,987
Operating supplies and expenses	6,402	8,019
Operating taxes and licenses	3,212	4,359
Insurance and claims	3,042	4,552
Communications and utilities	698	812
Other	1,158	1,384
(Gain) loss on disposition of equipment	(43)	234
Total operating expenses and costs	69,432	109,786
<b>OPERATING LOSS</b>	<b>(3,614)</b>	<b>(3,966)</b>
<b>NON-OPERATING EXPENSE</b>	<b>(867)</b>	<b>(206)</b>
<b>INTEREST EXPENSE</b>	<b>(664)</b>	<b>(568)</b>
<b>LOSS BEFORE INCOME TAXES</b>	<b>(5,145)</b>	<b>(4,740)</b>
<b>FEDERAL AND STATE INCOME TAX BENEFIT:</b>		
Current	-	-
Deferred	(1,799)	(1,912)
Total federal and state income tax benefit	(1,799)	(1,912)
<b>NET LOSS</b>	<b>\$ (3,346)</b>	<b>\$ (2,828)</b>
<b>LOSS PER COMMON SHARE:</b>		
Basic	\$ (0.36)	\$ (0.29)
Diluted	\$ (0.36)	\$ (0.29)
<b>AVERAGE COMMON SHARES OUTSTANDING:</b>		
Basic	9,410	9,795
Diluted	9,410	9,795

See notes to condensed consolidated financial statements.

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P.A.M. TRANSPORTATION SERVICES, INC. AND SUBSIDIARIES  
Condensed Consolidated Statements of Cash Flows  
(unaudited)  
(in thousands)

	Three Months Ended March 31,	
	2009	2008
<b>OPERATING ACTIVITIES:</b>		
Net loss	\$ (3,346)	\$ (2,828)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	8,810	8,987
Bad debt expense	231	6
Stock compensation-net of excess tax benefits	29	86
Non-compete agreement amortization-net of payments	-	(17)
Provision for deferred income taxes	(1,799)	(1,912)
Reclassification of unrealized loss on marketable equity securities	996	369
(Gain) loss on sale or reclass of marketable equity securities	(22)	75
(Gain) loss on sale or disposal of equipment	(43)	234
Changes in operating assets and liabilities:		
Accounts receivable	3,730	(6,444)
Prepaid expenses, inventories, and other assets	(2,468)	1,759
Income taxes refundable	40	1,342
Trade accounts payable	(2,123)	796
Accrued expenses	1,947	2,024
Net cash provided by operating activities	5,982	4,477
<b>INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(7,359)	(2,973)
Proceeds from sale or disposal of equipment	4,050	1,711
Change in restricted cash	(160)	270
Net sales (purchases) of marketable equity securities	65	(2,813)
Net cash used in investing activities	(3,404)	(3,805)
<b>FINANCING ACTIVITIES:</b>		
Borrowings under line of credit	84,267	120,738
Repayments under line of credit	(82,108)	(118,497)
Borrowings of long-term debt	6,737	-
Repayments of long-term debt	(4,988)	(746)
Borrowings under margin account	-	-
Repayments under margin account	(6,871)	-
Repurchases of common stock	-	(1,931)
Exercise of stock options	-	-
Net cash used in financing activities	(2,963)	(436)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(385)</b>	<b>236</b>
<b>CASH AND CASH EQUIVALENTS-Beginning of period</b>	<b>858</b>	<b>407</b>



CASH AND CASH EQUIVALENTS-End of period	\$	473	\$	643
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SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION-

Cash paid during the period for:

Interest	\$	627	\$	612
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Income taxes	\$	25	\$	48
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NONCASH INVESTING AND FINANCING ACTIVITIES-

Purchases of property and equipment included in accounts payable	\$	121	\$	14,773
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See notes to condensed consolidated financial statements.

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P.A.M. TRANSPORTATION SERVICES, INC. AND SUBSIDIARIES  
Condensed Consolidated Statements of Shareholders' Equity  
(unaudited)  
(in thousands)

	Common Stock Shares / Amount	Additional Paid-In Capital	Other Comprehensive Loss	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Retained Earnings	Total
Balance at December 31, 2008	9,410	\$ 114	\$ 77,659	\$ 611	\$ (29,127)	\$ 106,220	\$ 155,477
Components of comprehensive loss:							
Net loss			\$ (3,346)			(3,346)	(3,346)
Other comprehensive loss:							
Unrealized loss on marketable securities, net of tax of \$(354)			(627)	(627)			(627)
Total comprehensive loss			\$ (3,973)				
Share-based compensation		29					29
Balance at March 31, 2009	9,410	\$ 114	\$ 77,688	\$ (16)	\$ (29,127)	\$ 102,874	\$ 151,533