

USA Compression Partners, LP
Form 10-Q
May 10, 2013
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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, 2013

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

FOR THE TRANSITION PERIOD FROM TO .

Commission File No. 001-35779

USA Compression Partners, LP

(Exact name of registrant as specified in its charter)

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Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

75-2771546
(I.R.S. Employer
Identification No.)

100 Congress Avenue, Suite 450
Austin, Texas
(Address of principal executive offices)

78701
(Zip Code)

(512) 473-2662

(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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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 7, 2013, there were 15,049,542 common units and 14,048,588 subordinated units outstanding.

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. Financial Statements****USA COMPRESSION PARTNERS, LP AND SUBSIDIARIES****Condensed Consolidated Balance Sheets**

March 31, 2013 and December 31, 2012

	(unaudited) March 31, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,500	\$ 6,500
Accounts receivable:		
Trade	10,276,444	8,618,164
Other	129,079	136,907
Inventory	5,245,865	4,215,267
Prepaid expenses	1,895,511	1,799,652
Total current assets	17,553,399	14,776,490
Property and equipment, net	627,296,627	610,129,710
Identifiable intangible asset-customer relationships	66,600,000	67,200,000
Identifiable intangible asset-trade names	14,196,000	14,352,000
Goodwill	157,075,195	157,075,195
Other assets	4,843,370	9,111,350
Total assets	\$ 887,564,591	\$ 872,644,745
Liabilities and Partners' Capital		
Current liabilities:		
Accounts payable	\$ 8,044,516	\$ 10,650,727
Accrued liabilities	6,458,390	5,590,028
Deferred revenue	10,690,978	10,611,395
Total current liabilities	25,193,884	26,852,150
Long-term debt	335,597,962	502,266,210
Partners' capital:		
Limited partner units:		
Common units, 15,048,588 units outstanding at March 31, 2013	256,258,205	
Subordinated units, 14,048,588 units outstanding at March 31, 2013	259,543,862	
General partner units, 2% interest with 593,820 equivalent units issued and outstanding at March 31, 2013	10,970,678	
Limited partners' capital		341,130,323
General partner's capital		2,396,062
Total partners' capital	526,772,745	343,526,385
Total liabilities and partners' capital	\$ 887,564,591	\$ 872,644,745

See accompanying notes to condensed consolidated financial statements.

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Three Months Ended March 31, 2013 and 2012
(unaudited)

	Three Months Ended March 31,	
	2013	2012
Revenues:		
Contract operations	\$ 31,895,626	\$ 26,551,620
Parts and service	708,215	572,605
Total revenues	32,603,841	27,124,225
Costs and expenses:		
Cost of operations, exclusive of depreciation and amortization	10,420,024	9,021,421
Selling, general, and administrative	4,894,798	3,693,758
Depreciation and amortization	11,677,875	9,428,434
Loss (Gain) on sale of assets	(25,231)	160,827
Total costs and expenses	26,967,466	22,304,440
Operating income	5,636,375	4,819,785
Other income (expense):		
Interest expense	(3,063,663)	(3,533,597)
Other	3,579	4,512
Total other expense	(3,060,084)	(3,529,085)
Net income before income tax expense	2,576,291	1,290,700
Income tax expense	55,490	48,000
Net income	\$ 2,520,801	\$ 1,242,700
Less:		
Earnings allocated to general partner prior to initial public offering on January 18, 2013	\$ 5,351	\$ 12,427
Earnings available for limited partners prior to initial public offering on January 18, 2013	\$ 529,743	\$ 1,230,273
Net income subsequent to initial public offering on January 18, 2013	\$ 1,985,707	\$
Net Income subsequent to initial public offering allocated to: _____		