

PAM TRANSPORTATION SERVICES INC
Form 10-Q
August 06, 2010

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 June 30, 2010

o 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 July 27, 2010
Common Stock, \$.01 Par Value	9,414,607

P.A.M. TRANSPORTATION SERVICES, INC.
Form 10-Q
For The Quarter Ended June 30, 2010
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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

Condensed Consolidated Balance Sheets

(unaudited)

(in thousands, except share and per share data)

	June 30, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$13,746	\$9,870
Accounts receivable-net:		
Trade	53,494	45,911
Other	1,950	1,551
Inventories	789	750
Prepaid expenses and deposits	5,432	5,258
Marketable equity securities	15,223	14,921
Deferred income taxes-current	1,597	1,401
Income taxes refundable	-	467
Total current assets	92,231	80,129
Property and equipment:		
Land	4,924	4,924
Structures and improvements	13,723	13,665
Revenue equipment	295,673	297,788
Office furniture and equipment	7,957	7,929
Total property and equipment	322,277	324,306
Accumulated depreciation	(144,013)	(145,526)
Net property and equipment	178,264	178,780
Other assets:		
Other	1,665	1,747
Total other assets	1,665	1,747
TOTAL ASSETS	\$272,160	\$260,656
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$17,243	\$14,492
Accrued expenses and other liabilities	10,650	10,504
Current maturities of long-term debt	13,415	10,331
Income taxes payable	85	-
Total current liabilities	41,393	35,327
Long-term debt-less current portion	33,804	27,202
Deferred income taxes-less current portion	49,345	51,000
Total liabilities	124,542	113,529

SHAREHOLDERS' EQUITY

Preferred stock, \$.01 par value, 10,000,000 shares authorized; none issued	-	-
Common stock, \$.01 par value, 40,000,000 shares authorized; 11,373,207 and 11,372,207 shares issued; 9,414,607 and 9,413,607 shares outstanding at June 30, 2010 and December 31, 2009, respectively	114	114
Additional paid-in capital	77,826	77,704
Accumulated other comprehensive income	2,486	3,063
Treasury stock, at cost; 1,958,600 shares	(29,127)	(29,127)
Retained earnings	96,319	95,373
Total shareholders' equity	147,618	147,127
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$272,160	\$260,656

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 June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
OPERATING REVENUES:				
Revenue, before fuel surcharge	\$71,940	\$62,367	\$142,299	\$122,637
Fuel surcharge	13,298	6,109	24,786	11,658
Total operating revenues	85,238	68,476	167,085	134,295
OPERATING EXPENSES AND COSTS:				
Salaries, wages and benefits	26,974	24,012	53,970	48,085
Fuel expense	24,692	16,560	48,992	31,483
Rent and purchased transportation	11,286	9,544	22,322	18,620
Depreciation	6,505	8,570	13,042	17,380
Operating supplies and expenses	7,127	6,823	14,090	13,226
Operating taxes and licenses	1,273	1,402	2,321	2,696
Insurance and claims	3,195	3,131	6,433	6,173
Communications and utilities	664	638	1,370	1,336
Other	1,230	1,292	2,284	2,450
(Gain) loss on disposition of equipment	(28)	68	(29)	24
Total operating expenses and costs	82,918	72,040	164,795	141,473
OPERATING INCOME (LOSS)	2,320	(3,564)	2,290	(7,178)
NON-OPERATING INCOME (EXPENSE)	379	200	388	(667)
INTEREST EXPENSE	(606)	(629)	(1,107)	(1,293)
INCOME (LOSS) BEFORE INCOME TAXES	2,093	(3,993)	1,571	(9,138)
FEDERAL AND STATE INCOME TAX EXPENSE (BENEFIT):				
Current	1,409	-	2,165	-
Deferred	(578)	(1,637)	(1,540)	(3,436)
Total federal and state income tax expense (benefit)	831	(1,637)	625	(3,436)
NET INCOME (LOSS)	\$1,262	\$(2,356)	\$946	\$(5,702)
INCOME (LOSS) PER COMMON SHARE:				
Basic	\$0.13	\$(0.25)	\$0.10	\$(0.61)
Diluted	\$0.13	\$(0.25)	\$0.10	\$(0.61)
AVERAGE COMMON SHARES OUTSTANDING:				
Basic	9,415	9,410	9,414	9,410
Diluted	9,421	9,412	9,419	9,412

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)

	Six Months Ended June 30,	
	2010	2009
OPERATING ACTIVITIES:		
Net income (loss)	\$946	\$(5,702)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	13,042	17,380
Bad debt expense	1	486
Stock compensation-net of excess tax benefits	118	29
Provision for deferred income taxes	(1,540)	(3,436)
Reclassification of unrealized loss on marketable equity securities	60	1,105
Gain on sale or reclass of marketable equity securities	(316)	(206)
(Gain) loss on sale or disposal of equipment	(29)	