

Edgar Filing: CORVEL CORP - Form 10-Q

Registrant's telephone number, including area code: (949) 851-1473

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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 outstanding of the registrant's Common Stock, \$0.0001 par value per share, as of October 31, 2018, was 18,748,292.

CORVEL CORPORATION

FORM 10-Q

TABLE OF CONTENTS

	Page
<u>PART I - FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements</u>	3
<u>Consolidated Balance Sheets – September 30, 2018 and March 31, 2018 (unaudited)</u>	3
<u>Consolidated Income Statements (unaudited) – Three months ended September 30, 2018 and 2017</u>	4
<u>Consolidated Income Statements (unaudited) – Six months ended September 30, 2018 and 2017</u>	5
<u>Consolidated Statements of Cash Flows (unaudited) – Six months ended September 30, 2018 and 2017</u>	6
<u>Notes to Consolidated Financial Statements – September 30, 2018</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	16
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	23
Item 4. <u>Controls and Procedures</u>	24
<u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	24
Item 1A. <u>Risk Factors</u>	24
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	31
Item 3. <u>Defaults Upon Senior Securities</u>	31
Item 4. <u>Mine Safety Disclosures</u>	31
Item 5. <u>Other Information</u>	31
Item 6. <u>Exhibits</u>	32
<u>Signatures</u>	33

Part I - Financial Information

Item 1 - Financial Statements

CORVEL CORPORATION

CONSOLIDATED BALANCE SHEETS

	September 30, 2018	March 31, 2018
	(Unaudited)	
Assets		
Current Assets		
Cash and cash equivalents (Note 1)	\$90,133,000	\$55,771,000
Customer deposits	41,333,000	35,496,000
Accounts receivable, net	65,065,000	64,940,000
Prepaid taxes and expenses	7,612,000	7,110,000
Total current assets	204,143,000	163,317,000
Property and equipment, net	64,814,000	69,356,000
Goodwill	36,814,000	36,814,000
Other intangibles, net (Note 7)	3,192,000	3,415,000
Other assets	975,000	1,102,000
TOTAL ASSETS	\$309,938,000	\$274,004,000
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts and taxes payable	\$13,701,000	\$13,453,000
Accrued liabilities	101,856,000	84,536,000
Total current liabilities	115,557,000	97,989,000
Deferred income taxes	4,317,000	4,839,000
Total liabilities		