

CORVEL CORP
Form 10-Q
February 04, 2011

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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 December 31, 2010

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 0-19291

CORVEL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

33-0282651

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

2010 Main Street, Suite 600
Irvine, CA

92614

(Address of principal executive office)

(zip code)

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 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 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

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The number of shares outstanding of the registrant's Common Stock, \$0.0001 par value per share, as of January 31, 2011 was 11,625,618.

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Part I Financial Information

Item 1. Financial Statements

CORVEL CORPORATION**CONSOLIDATED BALANCE SHEETS**

| | March 31, 2010 | December 31, 2010 (Unaudited) |
|--|-----------------------|-------------------------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents (Note A) | \$ 10,242,000 | \$ 15,769,000 |
| Customer deposits | 1,691,000 | 3,219,000 |
| Accounts receivable, net | 43,930,000 | 43,471,000 |
| Prepaid taxes and expenses | 6,419,000 | 4,109,000 |
| Deferred income taxes | 4,864,000 | 5,927,000 |
| Total current assets | 67,146,000 | 72,495,000 |
| Property and equipment, net | 30,026,000 | 36,720,000 |
| Goodwill | 35,988,000 | 36,418,000 |
| Other intangibles, net (Note F) | 6,909,000 | 7,231,000 |
| Other assets | 299,000 | 89,000 |
| TOTAL ASSETS | \$ 140,368,000 | \$ 152,953,000 |
| Liabilities and Stockholders Equity | | |
| Current Liabilities | | |
| Accounts and taxes payable | \$ 14,495,000 | \$ 15,632,000 |
| Accrued liabilities | 25,455,000 | 30,724,000 |
| Total current liabilities | 39,950,000 | 46,356,000 |
| Deferred income taxes | 4,690,000 | 4,767,000 |
| Commitments and contingencies (Note G and H) | | |
| Stockholders Equity | | |
| Common stock, \$.0001 par value: 60,000,000 shares authorized; 25,801,690 shares issued (12,026,502 shares outstanding, net of Treasury shares) and 25,992,150 shares issued (11,660,777 shares outstanding, net of Treasury shares) at March 31, 2010 and December 31, 2010, respectively | 3,000 | 3,000 |
| Paid-in capital | 90,217,000 | 97,082,000 |
| Treasury Stock (13,775,188 shares at March 31, 2010 and 14,331,373 shares at December 31, 2010) | (218,323,000) | (241,103,000) |

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| | | |
|---|-----------------------|-----------------------|
| Retained earnings | 223,831,000 | 245,848,000 |
| Total stockholders' equity | 95,728,000 | 101,830,000 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 140,368,000 | \$ 152,953,000 |

See accompanying notes to consolidated financial statements.

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**CORVEL CORPORATION
CONSOLIDATED INCOME STATEMENTS UNAUDITED**

| | Three Months Ended December | |
|------------------|-----------------------------|---------------|
| | 2009 | 2010 |
| REVENUES | \$ 86,629,000 | \$ 95,282,000 |
| Cost of revenues | 64,823,000 | 71,461,000 |