

Willbros Group, Inc.\NEW\
Form 10-Q/A
December 15, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q/A
(Amendment No. 1)

(Mark One)

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

For the quarterly period ended June 30, 2014

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 1-34259
Willbros Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware 30-0513080
(Jurisdiction of incorporation) (I.R.S. Employer Identification Number)
4400 Post Oak Parkway
Suite 1000
Houston, TX 77027

Telephone No.: 713-403-8000
(Address, including zip code, and telephone number, including area code, of principal executive offices of registrant)
NOT APPLICABLE
(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 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 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

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 of the registrant's Common Stock, \$.05 par value, outstanding as of August 1, 2014 was 50,557,534.

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EXPLANATORY NOTE

The Company is filing this Amendment No. 1 ("Form 10-Q/A") to its Form 10-Q for the quarterly period ended June 30, 2014, which was originally filed on August 5, 2014 ("Original Filing") to restate its Condensed Consolidated Financial Statements for the quarterly period ended June 30, 2014 and to amend related disclosures, including its disclosure controls and procedures.

As described in more detail in Note 2 of the Notes to its Condensed Consolidated Financial Statements, in the fourth quarter of 2014, the Company identified errors in the estimated total revenues, costs and profits at completion for two significant pipeline construction projects accounted for under the percentage-of-completion method of accounting within its Oil & Gas segment. As a result of these errors, additional pre-tax charges, including the reversal of previously recognized pre-tax income and the recognition of additional pre-tax losses, should have been recorded in the quarterly period ended June 30, 2014. To correct these errors and to address matters related to the foregoing with respect to its disclosure controls and procedures, the Company determined that it must file this Form 10-Q/A to restate its previously issued Condensed Consolidated Financial Statements for the quarterly period ended June 30, 2014.

The Company determined that a material weakness in its internal control over financial reporting existed over the completeness and accuracy of estimated total revenues, costs and profits at completion for construction contracts accounted for under the percentage-of-completion method of accounting within its Oil & Gas segment as of June 30,

2014. Specifically, the Company did not adequately perform project oversight reviews and monitor compliance with its policies and procedures around estimating total revenues, costs and profits at completion for two significant pipeline construction projects. The effects of this material weakness are discussed in more detail in Item 4. Controls and Procedures.

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For the convenience of the reader, this Form 10-Q/A sets forth the Original Filing in its entirety. However, this Form 10-Q/A amends and restates only the following items of the Original Filing and only with respect to the matters affected by this restatement and the matters discussed above:

Item 1 of Part I, "Financial Information";

Item 2 of Part I, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Forward-Looking Statements";

Item 4 of Part I, "Controls and Procedures";

Item 6 of Part II, "Exhibits"; and

The signature page, the certifications of our Chief Executive Officer and Chief Financial Officer and our condensed consolidated financial statements formatted in Extensible Business Reporting Language (XBRL) in Exhibits 101.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WILLBROS GROUP, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

(Unaudited)

	June 30, 2014 (As Restated)	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$28,274	\$42,569
Accounts receivable, net	415,277	365,854
Contract cost and recognized income not yet billed	65,965	55,384
Prepaid expenses and other assets	34,050	25,008
Parts and supplies inventories	4,156	4,151
Deferred income taxes	10,203	10,323
Assets associated with discontinued operations	13,395	99,683
Total current assets	571,320	602,972
Property, plant and equipment, net	100,306	106,133
Intangible assets, net	121,339	127,485
Other assets	34,334	34,078
Total assets	\$827,299	\$870,668
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$271,944	\$251,202
Contract billings in excess of cost and recognized income	31,259	25,586
Current portion of capital lease obligations	862	890
Notes payable and current portion of long-term debt	6,210	6,505
Current portion of settlement obligation of discontinued operations	36,500	36,500
Accrued income taxes	3,893	10,022
Liabilities associated with discontinued operations	8,695	18,365
Other current liabilities	6,603	5,816
Total current liabilities	365,966	354,886
Long-term debt	250,094	268,425
Capital lease obligations	937	1,388
Long-term liabilities for unrecognized tax benefits	1,514	4,544
Deferred income taxes	12,174	9,066
Other long-term liabilities	47,523	43,585
Total liabilities	678,208	681,894
Contingencies and commitments (Note 12)		
Stockholders' equity:		
Preferred stock, par value \$.01 per share, 1,000,000 shares authorized, none issued	—	—
Common stock, par value \$.05 per share, 70,000,000 shares authorized and 51,510,139 shares issued at June 30, 2014 (50,930,303 at December 31, 2013)	2,568	2,543
Capital in excess of par value	694,774	691,123

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Accumulated deficit	(542,419) (501,918)
Treasury stock at cost, 1,316,484 shares at June 30, 2014 (1,147,974 at December 31, 2013)	(13,311) (12,070)
Accumulated other comprehensive income	7,190	8,807	
Total Willbros Group, Inc. stockholders' equity	148,802	188,485	
Noncontrolling interest	289	289	
Total stockholders' equity	149,091	188,774	
Total liabilities and stockholders' equity	\$827,299	\$870,668	

See accompanying notes to condensed consolidated financial statements.

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WILLBROS GROUP, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (In thousands, except share and per share amounts)
 (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2014 (As Restated)	2013	June 30, 2014 (As Restated)	2013
Contract revenue	\$539,790	\$435,845	\$1,016,328	\$906,756
Operating expenses:				
Contract	493,420	385,422	935,416	818,218
Amortization of intangibles	3,119	3,128	6,238	6,237
General and administrative				