

BARRETT BUSINESS SERVICES INC  
Form 10-Q  
August 10, 2009  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-Q**

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

**For the Quarterly Period Ended June 30, 2009**

**Commission File No. 0-21886**

**BARRETT BUSINESS SERVICES, INC.**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of

**52-0812977**  
(IRS Employer

Edgar Filing: BARRETT BUSINESS SERVICES INC - Form 10-Q

incorporation or organization)

Identification No.)

8100 NE Parkway Drive, Suite 200

Vancouver, Washington  
(Address of principal executive offices)

(360) 828-0700

98662  
(Zip Code)

(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 Website, 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 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 (as defined in Rule 12b-2 of the Exchange Act).

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

Number of shares of common stock, \$.01 par value, outstanding at July 31, 2009 was 10,356,908 shares.

---

**Table of Contents**

BARRETT BUSINESS SERVICES, INC.

INDEX

	<b>Page</b>
<b><u>Part I - Financial Information</u></b>	
Item 1. <u>Unaudited Interim Consolidated Financial Statements</u>	
<u>Consolidated Balance Sheets - June 30, 2009 and December 31, 2008</u>	3
<u>Consolidated Statements of Operations - Three Months Ended June 30, 2009 and 2008</u>	4
<u>Consolidated Statements of Operations - Six Months Ended June 30, 2009 and 2008</u>	5
<u>Consolidated Statements of Cash Flows - Six Months Ended June 30, 2009 and 2008</u>	6
<u>Notes to Unaudited Interim Consolidated Financial Statements</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>	25
Item 4. <u>Controls and Procedures</u>	25
<b><u>Part II - Other Information</u></b>	
Item 1A. <u>Risk Factors</u>	27
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	27
Item 4. <u>Submission of Matters to Vote of Security Holders</u>	27
Item 5. <u>Other Information</u>	28
Item 6. <u>Exhibits</u>	28
<u>Signatures</u>	29
<u>Exhibit Index</u>	30

**Table of Contents**

## Part I - Financial Information

**Item 1. Financial Statements**

## BARRETT BUSINESS SERVICES, INC.

## Consolidated Balance Sheets

(Unaudited)

(In thousands, except per share amounts)

	June 30, 2009	December 31, 2008
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 27,137	\$ 42,214
Marketable securities	13,114	17,968
Trade accounts receivable, net	41,466	34,389
Income taxes receivable	2,555	
Prepaid expenses and other	2,796	1,440
Deferred income taxes	3,781	2,373
Workers' compensation receivables for insured claims	225	225
Total current assets	91,074	98,609
Marketable securities	11,184	427
Goodwill, net	47,338	47,338
Property, equipment and software, net	15,265	15,503
Restricted marketable securities and workers' compensation deposits	3,283	2,701
Other assets	1,639	1,645
Workers' compensation receivables for insured losses and recoveries	3,626	3,837
	\$ 173,409	\$ 170,060

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current liabilities:		
Accounts payable	\$ 876	\$ 881
Accrued payroll, payroll taxes and related benefits	38,851	32,296
Other accrued liabilities	453	902
Workers' compensation claims liabilities	11,299	7,186
Workers' compensation claims liabilities for insured claims	225	225
Safety incentives liability	4,593	4,626
Total current liabilities	56,297	46,116
Customer deposits	626	706
Long-term workers' compensation claims liabilities	13,667	5,235
Long-term workers' compensation claims liabilities for insured claims	2,366	2,438
Deferred income taxes	2,946	4,394
Deferred gain on sale and leaseback	488	549
Commitments and contingencies		

Edgar Filing: BARRETT BUSINESS SERVICES INC - Form 10-Q

Stockholders' equity:

Preferred stock, \$.01 par value; 500,000 shares authorized; no shares issued and outstanding		
Common stock, \$.01 par value; 20,500 shares authorized, 10,357 and 10,583 shares issued and outstanding	104	106
Additional paid-in capital	28,849	30,959
Other comprehensive income	113	25
Retained earnings	67,953	79,532
	97,019	110,622
	\$ 173,409	\$ 170,060

The accompanying notes are an integral part of these financial statements

- 3 -

**Table of Contents**

BARRETT BUSINESS SERVICES, INC.

Consolidated Statements of Operations

(Unaudited)

(In thousands, except per share amounts)

	<b>Three Months Ended June 30,</b>	
	<b>2009</b>	<b>2008</b>
<b>Revenues:</b>		
Staffing services	\$ 28,002	\$ 40,604
Professional employer service fees	29,263	31,579
 Total revenues	 57,265	 72,183
 <b>Cost of revenues:</b>		
Direct payroll costs	21,127	29,943
Payroll taxes and benefits	19,434	