

LIFE TIME FITNESS, INC.
Form 10-Q
April 28, 2015

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 March 31, 2015

or

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

Commission File Number: 001-32230

Life Time Fitness, Inc.
(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of incorporation or
organization)

41-1689746
(I.R.S. Employer Identification No.)

2902 Corporate Place
Chanhassen, Minnesota
(Address of principal executive offices)

55317
(Zip Code)

952-947-0000
(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 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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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 outstanding of the registrant's common stock as of April 17, 2015 was 39,043,889 common shares.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

LIFE TIME FITNESS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	March 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$14,898	\$9,175
Accounts receivable, net	12,931	9,446
Center operating supplies and inventories	38,095	35,936
Prepaid expenses and other current assets	36,071	25,844
Deferred membership origination costs	9,745	9,051
Deferred income taxes	3,298	6,689
Income tax receivable	—	12,596
Total current assets	115,038	108,737
Property and equipment, net	2,459,875	2,417,931
Restricted cash	815	513
Deferred membership origination costs	6,869	6,039
Goodwill	61,101	61,101
Intangible assets, net	41,663	42,542
Other assets	43,493	44,755
Total assets	\$2,728,854	\$2,681,618
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$22,693	\$22,455
Current portion of financing lease obligation	1,518	1,474
Accounts payable	42,252	35,422
Construction accounts payable	34,534	31,972
Accrued expenses	72,553	70,578
Deferred revenue	47,259	38,652
Total current liabilities	220,809	200,553
Long-term debt, net of current portion	1,182,052	1,178,455
Financing lease obligation, net of current portion	54,100	54,491
Deferred rent liability	25,177	24,519
Deferred income taxes	94,185	97,208
Deferred revenue	6,954	6,088
Other liabilities	15,445	15,180
Total liabilities	1,598,722	1,576,494
Commitments and contingencies (Note 6)		
Shareholders' equity:		
Undesignated stock: 10,000,000 shares authorized; 100,000 shares of Series A Junior Participating Preferred Stock designated; none issued or outstanding	—	—
Common stock, \$.02 par value, 75,000,000 shares authorized; 39,044,239 and 39,016,499 shares issued and outstanding, respectively	782	781

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Additional paid-in capital	258,536	253,067
Retained earnings	885,312	860,709
Accumulated other comprehensive loss	(14,498) (9,433
Total shareholders' equity	1,130,132	1,105,124
Total liabilities and shareholders' equity	\$2,728,854	\$2,681,618

See notes to unaudited consolidated financial statements.

LIFE TIME FITNESS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	For the Three Months Ended			
	March 31,		2014	
	2015			
Revenue:				
Membership dues	\$207,822		\$	196,815
Enrollment fees	2,912			3,123
In-center revenue	106,563			98,405
Total center revenue	317,297			298,343
Other revenue	13,835			13,612
Total revenue	331,132			311,955
Operating expenses:				
Center operations	193,292			181,377
Advertising and marketing	15,864			12,339
General and administrative	16,358			15,864
Other operating	15,317			14,461
Depreciation and amortization	38,736			32,856
Total operating expenses	279,567			256,897
Income from operations	51,565			55,058
Other income (expense):				
Interest expense, net of interest income	(11,166))	(9,122))
Equity in earnings of affiliate	245		297	
Total other expense	(10,921))	(8,825))
Income before income taxes	40,644			46,233
Provision for income taxes	16,041			18,096
Net income	\$24,603			3,231,804
*		Retirement		
	T. Rowe Price	2050 Fund	**	3,218,122
*		Retirement		
	T. Rowe Price	2025 Fund	**	2,623,358
	Blackrock	Global		
		Allocation		
		Fund -		
		Institutional	**	2,498,823
	Harbor	International		
		Fund -		
		Institutional	**	2,341,843
*		Retirement		
	T. Rowe Price	2015 Fund	**	2,339,876
		Small Cap		
		Growth		
		Institutional -		
	Alger	I	**	2,227,149
*		Retirement		
	T. Rowe Price	2040 Fund	**	2,216,260

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	Deutsche	Real Estate Securities - Institutional	**	1,581,261
	Pimco	Real Return Fund - Institutional	**	1,411,821
*		Retirement		
	T. Rowe Price	2045 Fund	**	975,841
		Emerging Markets		
	GS	Fund - A	**	831,218
*		Retirement		
	T. Rowe Price	Balanced	**	762,583
	Pimco	Foreign Bond (USD Hedged) - Institutional	**	597,182
		Income		
	Pimco	Institutional	**	584,406
*		Retirement		
	T. Rowe Price	2035 Fund	**	368,151
	Vanguard	Mid Cap Index		
		Admiral	**	320,968
	Vanguard	Total Bond Market Index		
		Admiral	**	287,003
*		Retirement		
	T. Rowe Price	2055 Fund	**	258,477
*		International		
		Discovery		
	T. Rowe Price	Fund	**	211,963
	Vanguard	Total		
		International		
		Stock Index		
		Admiral	**	200,858
	Vanguard	REIT Index		
		Fund		
		Adminral		
		Shares	**	179,170
	Vanguard	Small Cap		
		Index		
		Admiral	**	118,169
*		Retirement		
	T. Rowe Price	2010 Fund	**	47,651
		Global		
		Natural		
	RS	Resources	**	38,917
*		Prime		
		Reserve		
	T. Rowe Price	Fund	**	38,661

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	Oppenheimer	International Bond Fund - Y	**	48
*	T. Rowe Price	Retirement 2005 Fund	**	29
	Self-directed brokerage	Various investments in mutual funds	**	265,244
*	Participant loans	5.25 % - 10.00 %; 1 - 5 years	-0-	1,323,541
				\$ 115,405,256

* A party-in-interest as defined by ERISA

** Cost not necessary due to participant-directed investments

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SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustee has duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

RANGE RESOURCES CORPORATION

401(k) PLAN

Date: May 29, 2015

/s/ Dori Ginn
Dori Ginn,
*Principal Accounting Officer and Senior Vice
President Controller*

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Exhibit Index

NUMBER	Exhibit
23*	Consent of independent registered public accounting firm
99.1*	Certification of the December 31, 2014 Annual Report on Form 11-K, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by the Principal Executive Officer and Principal Financial Officer of the Plan.

* included herewith

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