

MONARCH CASINO & RESORT INC

Form 10-Q

May 08, 2013

[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 March 31, 2013

OR

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

For the transition period from to .

Commission File No. 0-22088

MONARCH CASINO & RESORT, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

88-0300760
(I.R.S. Employer
Identification No.)

3800 S. Virginia St.
Reno, Nevada
(Address of Principal Executive Offices)

89502
(ZIP Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

(775) 335-4600

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** x **No** o

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** x **No** o

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, non-accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

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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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, \$0.01 par value
Class

16,155,661 shares
Outstanding at May 1, 2013

Table of Contents

TABLE OF CONTENTS

	Page Number
<u>Item</u>	
<u>PART I - FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Condensed Consolidated Statements of Income for the three months ended March 31, 2013 and 2012 (unaudited)</u>	3
<u>Condensed Consolidated Balance Sheets at March 31, 2013 (unaudited) and December 31, 2012</u>	4
<u>Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2013 and 2012 (unaudited)</u>	5
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	10
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	17
<u>Item 4. Controls and Procedures</u>	17
<u>PART II - OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	17
<u>Item 1A. Risk Factors</u>	18
<u>Item 6. Exhibits</u>	19
<u>Signatures</u>	20

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS**

MONARCH CASINO & RESORT, INC.

Condensed Consolidated Statements of Income

	Three Months Ended March 31,	
	2013 (unaudited)	2012 (unaudited)
Revenues		
Casino	\$ 38,703,346	\$ 25,409,520
Food and beverage	12,221,987	10,585,794
Hotel	5,311,228	4,368,442
Other	2,329,980	2,137,356
Gross revenues	58,566,541	42,501,112
Less promotional allowances	(10,922,514)	(7,633,056)
Net revenues	47,644,027	34,868,056
Operating expenses		
Casino	14,505,785	10,133,551
Food and beverage	5,175,661	4,725,753
Hotel	1,403,878	1,295,194
Other	751,643	726,224
Selling, general and administrative	13,978,711	11,685,381
Depreciation and amortization	4,643,435	3,375,084
Acquisition expense		74,591
Total operating expenses	40,459,113	32,015,778
Income from operations	7,184,914	2,852,278
Other expenses		
Interest expense	(566,096)	(328,661)
Total other expense	(566,096)	(328,661)
Income before income taxes	6,618,818	2,523,617
Provision for income taxes	(2,356,816)	(882,250)
Net income	\$ 4,262,002	\$ 1,641,367
Earnings per share of common stock		
Net income		
Basic	\$ 0.26	\$ 0.10
Diluted	\$ 0.26	\$ 0.10
Weighted average number of common shares and potential common shares outstanding		
Basic	16,147,324	16,138,158
Diluted	16,275,208	16,274,355

The Notes to the Condensed Consolidated Financial Statements are an integral part of these statements.

Table of Contents

MONARCH CASINO & RESORT, INC.

Condensed Consolidated Balance Sheets

	March 31, 2013 (unaudited)	December 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 19,222,894	\$ 19,043,213
Receivables, net	2,240,069	2,456,883
Inventories	2,364,866	2,382,802
Prepaid expenses	3,365,919	2,636,422
Deferred income taxes	5,425,848	5,425,848
Total current assets	32,619,596	31,945,168
Property and equipment		
Land	27,914,847	27,914,847
Land improvements	6,561,729	6,561,729
Buildings	150,843,298	150,843,298
Building improvements	11,681,100	11,681,100
Furniture and equipment	135,341,915	132,946,374
Leasehold improvements	1,346,965	1,346,965
	333,689,854	331,294,313
Less accumulated depreciation and amortization	(156,823,265)	(152,868,719)
Net property and equipment	176,866,589	178,425,594
Other assets		
Goodwill	25,110,810	25,110,810
Intangible assets, net		