

CHURCHILL DOWNS INC
Form 10-Q
November 05, 2008
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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 September 30, 2008

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 0-1469

(Exact name of registrant as specified in its charter)

Kentucky **61-0156015**
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)
700 Central Avenue, Louisville, Kentucky 40208

(Address of principal executive offices) (zip code)

(502) 636-4400

(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 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.

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Large accelerated filer ☐
Non-accelerated filer ☐

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 ☒

The number of shares outstanding of registrant's common stock at October 30, 2008 was 13,682,124 shares.

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	September 30, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,314	\$ 15,345
Restricted cash	14,670	11,295
Accounts receivable, net of allowance for doubtful accounts of \$1,501 at September 30, 2008 and \$1,358 at December 31, 2007	26,493	46,335
Deferred income taxes	6,352	6,497
Income taxes receivable	2,370	13,414
Other current assets	11,738	10,396
Total current assets	74,937	103,282
Property and equipment, net	371,372	357,986
Goodwill	115,349	108,349
Other intangible assets, net	33,659	39,087
Other assets	13,829	16,112
Total assets	\$ 609,146	\$ 624,816
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 34,151	\$ 32,032
Purses payable	12,876	12,816
Accrued expenses	46,545	43,788
Dividends payable		6,750
Deferred revenue	7,947	25,455
Total current liabilities	101,519	120,841
Long-term debt	36,000	67,989
Convertible note payable, related party	14,550	14,234
Other liabilities	20,605	20,452
Deferred revenue	18,296	19,680
Deferred income taxes	14,266	14,062
Total liabilities	205,236	257,258
Commitments and contingencies		
Shareholders' equity:		
Preferred stock; no par value; 250 shares authorized; no shares issued		
Common stock; no par value; 50,000 shares authorized; 13,682 shares issued September 30, 2008 and 13,672 shares issued December 31, 2007	141,491	137,761
Retained earnings	262,419	229,797

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Total shareholders' equity	403,910	367,558
Total liabilities and shareholders' equity	\$ 609,146	\$ 624,816

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

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CHURCHILL DOWNS INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF NET EARNINGS
for the three and nine months ended September 30,
(Unaudited)
(in thousands, except per common share data)

	Three Months Ended September 30, 2008	2007	Nine Months Ended September 30,
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