

MONARCH CASINO & RESORT INC  
Form 10-Q  
May 10, 2007

**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, 2007**

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 No. 0-22088**

[Missing Graphic Reference]

**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**



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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer

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**

19,090,568 shares  
**Outstanding at May 3, 2007**

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**PART 1. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS**

Monarch Casino & Resort, Inc.  
Condensed Consolidated Statements of Income

		Three Months Ended March 31,	
		2007 (UNAUDITED)	2006 (UNAUDITED)
Revenues			
	Casino	\$25,298,272	\$24,124,047
	Food and beverage	10,504,215	9,744,817
	Hotel	6,827,967	6,033,935
	Other	1,188,623	1,090,050
	Gross revenues	43,819,077	40,992,849
	Less promotional allowances	(6,037,486)	(5,387,714)
	Net revenues	37,781,591	35,605,135
Operating expenses			
	Casino	8,469,337	8,012,162
	Food and beverage	4,968,717	4,790,771
	Hotel	2,143,340	2,103,723
	Other	363,620	314,454
	Selling, general and administrative	11,530,773	10,841,486
	Gaming development costs	30	43,765
	Depreciation and amortization	2,075,446	2,146,758
	Total operating expenses	29,551,263	28,253,119
	Income from operations	8,230,328	7,352,016
Other income (expense)			
	Interest income	343,884	526
	Interest expense	(149,100)	(59,444)
	Total other income (expense)	194,784	(58,918)
	Income before income taxes	8,425,112	7,293,098
	Provision for income taxes	(2,930,000)	(2,525,000)
	Net income	\$ 5,495,112	\$ 4,768,098
Earnings per share of common stock			
	Net income		
	Basic	\$ 0.29	\$ 0.25
	Diluted	\$ 0.28	\$ 0.25
Weighted average number of common shares and potential common shares outstanding			
	Basic	19,070,472	18,885,595
	Diluted	19,323,646	19,252,277

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

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Monarch Casino & Resort, Inc.  
Condensed Consolidated Balance Sheets

	March 31, 2007 (UNAUDITED)	December 31, 2006
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 44,191,405	\$ 36,985,187
Receivables, net	3,182,040	3,268,970
Inventories	1,409,531	1,471,667
Prepaid expenses	3,017,152	2,833,126
Deferred income taxes	1,139,985	965,025
<b>Total current assets</b>	<b>52,940,113</b>	<b>45,523,975</b>
<b>Property and equipment</b>		
Land	10,339,530	10,339,530
Land improvements	3,166,107	3,166,107
Buildings	78,955,538	78,955,538
Building improvements	10,435,062	10,435,062
Furniture and equipment	74,936,335	72,708,061
Leasehold improvements	1,346,965	1,346,965
	179,179,537	176,951,263
Less accumulated depreciation and amortization	(86,401,024)	(84,325,578)
<b>Net property and equipment</b>	<b>92,778,513</b>	<b>92,625,685</b>
<b>Other assets, net</b>	<b>89,648</b>	<b>231,247</b>
<b>Total assets</b>	<b>\$145,808,274</b>	<b>\$138,380,907</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 8,051,155	\$ 8,590,669
Accrued expenses	8,562,964	9,878,851
Federal income taxes payable	3,187,051	16,457
<b>Total current liabilities</b>	<b>19,801,170</b>	<b>18,485,977</b>
Deferred income taxes	4,047,614	4,248,614
<b>Total Liabilities</b>	<b>23,848,784</b>	<b>22,734,591</b>
<b>Stockholders' equity</b>		
Preferred stock, \$.01 par value, 10,000,000 shares authorized; none issued	-	-
Common stock, \$.01 par value, 30,000,000 shares authorized; 19,086,434 shares issued; 19,086,434 outstanding at 3/31/07		
19,065,968 outstanding at 12/31/06	190,864	190,726
Additional paid-in capital	23,998,824	23,205,045
Treasury stock, 0 shares at 3/31/07		
6,582 shares at 12/31/06, at cost	-	(24,145)