

STATION CASINOS INC
Form 10-Q
May 14, 2003

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, 2003

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 000-21640

STATION CASINOS, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or
organization)

88-0136443

(I.R.S. Employer Identification No.)

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2411 West Sahara Avenue, Las Vegas, Nevada
(Address of principal executive offices)

89102
(Zip Code)

(702) 367-2411
Registrant's telephone number, including area code

N/A
(Former name, former address and former fiscal year, if changed since last report)

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 an accelerated filer. Yes No

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

| Class | Outstanding at April 30, 2003 |
|--------------------------------|--------------------------------------|
| Common stock, \$0.01 par value | 57,147,870 |

STATION CASINOS, INC.

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STATION CASINOS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(amounts in thousands, except share data)

(unaudited)

| | March 31, 2003 | December 31, 2002 |
|--|-------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 57,097 | \$ 59,339 |
| Receivables, net | 10,569 | 15,423 |
| Inventories | 4,734 | 4,875 |
| Prepaid gaming tax | 13,498 | 13,260 |
| Prepaid expenses | 7,654 | 5,765 |
| Deferred income tax | 2,880 | 3,847 |
| Total current assets | 96,432 | 102,509 |
| Property and equipment, net | 1,048,686 | 1,046,051 |
| Goodwill and other intangibles, net | 167,081 | 167,498 |
| Land held for development | 103,107 | 102,205 |
| Investments in joint ventures | 77,218 | 75,209 |
| Note receivable | 46,895 | 34,487 |
| Other assets, net | 72,199 | 70,388 |
| Total assets | \$ 1,611,618 | \$ 1,598,347 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$ 107 | \$ 122 |
| Accounts payable | 11,795 | 8,534 |
| Accrued payroll and related | 24,062 | 25,666 |
| Accrued interest payable | 20,916 | 15,356 |
| Accrued progressives | 5,938 | 6,098 |
| Accrued group insurance | 4,149 | 6,761 |
| Accrued expenses and other current liabilities | 20,118 | 26,262 |
| Total current liabilities | 87,085 | 88,799 |
| Long-term debt, less current portion | 1,179,053 | 1,165,600 |
| Deferred income tax, net | 59,031 | 52,777 |
| Other long-term liabilities, net | 21,970 | 20,493 |
| Total liabilities | 1,347,139 | 1,327,669 |
| Commitments and contingencies | | |

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| | | | |
|--|-----------|-----------|--------------|
| Stockholders' equity: | | | |
| Common stock, par value \$0.01; authorized 135,000,000 shares; 67,253,742 and 66,689,773 shares issued | | 460 | 454 |
| Treasury stock, 10,105,872 and 8,730,872 shares, at cost | (134,106) | | (109,462) |
| Additional paid-in capital | 322,150 | | 316,714 |
| Deferred compensation - restricted stock | (19,480) | | (20,232) |
| Accumulated other comprehensive loss | (2,005) | | (1,695) |
| Retained earnings | 97,460 | | 84,899 |
| Total stockholders' equity | 264,479 | | 270,678 |
| Total liabilities and stockholders' equity | \$ | 1,611,618 | \$ 1,598,347 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

STATION CASINOS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(amounts in thousands, except per share data)

(unaudited)

| | Three months ended March 31, | |
|------------------------|---------------------------------|------------|
| | 2003 | 2002 |
| Operating revenues: | | |
| Casino | \$ 160,961 | \$ 161,837 |
| Food and beverage | 32,690 | 33,839 |
| Room | 12,469 | 12,615 |
| Other | 10,008 | 10,835 |
| Management fees | 1,516 | 1,241 |
| Gross revenues | 217,644 | 220,367 |
| Promotional allowances | (18,083) | (18,300) |