

CHURCHILL DOWNS INC
Form 10-Q
May 06, 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 March 31, 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)

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Kentucky (State or other jurisdiction of incorporation or organization)	61-0156015 (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. (Check one):

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

The number of shares outstanding of registrant's common stock at April 28, 2008 was 13,673,388 shares.

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	March 31, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 22,128	\$ 15,345
Restricted cash	4,506	11,295
Accounts receivable, net of allowance for doubtful accounts of \$1,381 in 2008 and \$1,358 in 2007	32,588	46,335
Deferred income taxes	6,497	6,497
Income taxes receivable	12,741	13,414
Other current assets	17,422	10,396
Total current assets	95,882	103,282
Plant and equipment, net	364,526	357,986
Goodwill	115,349	108,349
Other intangible assets, net	34,841	39,087
Other assets	15,444	16,112
Total assets	\$ 626,042	\$ 624,816
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 31,632	\$ 32,032
Purses payable	8,920	12,816
Accrued expenses	48,259	43,788
Dividends payable		6,750
Deferred revenue	48,730	25,455
Total current liabilities	137,541	120,841
Long-term debt	50,000	67,989
Convertible note payable, related party	14,339	14,234
Other liabilities	20,737	20,452
Deferred revenue	19,680	19,680
Deferred income taxes	14,062	14,062
Total liabilities	256,359	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; 13,673 shares issued March 31, 2008 and 13,672 shares issued December 31, 2007	139,144	137,761

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Retained earnings	230,539	229,797
Total shareholders' equity	369,683	367,558
Total liabilities and shareholders' equity	\$ 626,042	\$ 624,816

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

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	2008	2007
Net revenues	\$ 65,721	\$ 47,842
Operating expenses	68,184	52,925
Selling, general and administrative expenses	12,157	9,825
Insurance recoveries	(17,200)	(784)
Operating income (loss)	2,580	(14,124)
Other income (expense):		
Interest income	177	272
Interest expense	(901)	(290)
Equity in loss of unconsolidated investments	(830)	(299)
Miscellaneous, net	372	663
	(1,182)	346
Earnings (loss) from continuing operations before (provision) benefit for income taxes	1,398	(13,778)
Income tax (provision) benefit	(563)	5,348
Net earnings (loss) from continuing operations	835	(8,430)
Discontinued operations, net of income taxes:		
(Loss) earnings from operations	(93)	421
Loss on sale of business		(182)
Net earnings (loss)	\$ 742	\$ (8,191)