

BOYD GAMING CORP  
Form 10-Q  
May 04, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-Q

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(Mark One)

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

For the quarterly period ended March 31, 2012

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: 1-12882

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BOYD GAMING CORPORATION  
(Exact name of registrant as specified in its charter)

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Nevada 88-0242733  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)  
3883 Howard Hughes Parkway, Ninth Floor, Las Vegas, NV 89169  
(Address of principal executive offices) (Zip Code)  
(702) 792-7200  
(Registrant's telephone number, including area code)

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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 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  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.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) 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.

| Class                          | Outstanding as of April 30, 2012 |
|--------------------------------|----------------------------------|
| Common stock, \$0.01 par value | 86,588,933                       |



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 QUARTERLY REPORT ON FORM 10-Q  
 FOR THE PERIOD ENDED MARCH 31, 2012  
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PART I. Financial Information

Item 1. Financial Statements

The accompanying unaudited condensed consolidated financial statements of Boyd Gaming Corporation (and together with its subsidiaries, the “Company,” “we” or “us”) have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X and, therefore, do not include all information and footnote disclosures necessary for complete financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”).

The results for the periods indicated are unaudited, but reflect all adjustments (consisting only of normal recurring adjustments) that management considers necessary for a fair presentation of financial position, results of operations and cash flows. Results of operations and cash flows for the interim periods presented herein are not necessarily indicative of the results that would be achieved during a full year of operations or in future periods.

These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2011, as filed with the SEC on March 7, 2012.

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BOYD GAMING CORPORATION AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 as of March 31, 2012 and December 31, 2011

|   | March 31,<br>2012                    | December 31,<br>2011 |
|---|--------------------------------------|----------------------|
|   | (In thousands except per share data) |                      |
|   | (Unaudited)                          |                      |
| <b>ASSETS</b>   |                                      |                      |
| Current assets  |                                      |                      |
| Cash and cash equivalents   | \$156,714                            | \$178,756            |
| Restricted cash   | 14,047                               | 15,753               |
| Accounts receivable, net  | 57,086                               | 58,589               |
| Inventories   | 16,924                               | 17,493               |
| Prepaid expenses and other current assets   | 47,560                               | 47,465               |
| Income taxes receivable   | 2,361                                | 3,268                |
| Deferred income taxes   | 18,545                               | 21,570               |
| Total current assets  | 313,237                              | 342,894              |
| Property and equipment, net   | 3,525,904                            | 3,542,108            |
| Assets held for development   | 1,090,028                            | 1,089,819            |
| Debt financing costs, net   | 30,047                               | 32,099               |
| Restricted investments held by variable interest entity   | 21,367                               | 21,367               |
| Other assets, net   | 66,545                               | 67,173               |
| Intangible assets, net  | 572,712                              | 574,018              |
| Goodwill, net   | 213,576                              | 213,576              |
| Total assets  | \$5,833,416                          | \$5,883,054          |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                                      |                      |
| Current liabilities   |                                      |                      |
| Current maturities of long-term debt  | \$53,393                             | \$43,230             |
| Accounts payable  | 78,890                               | 98,015               |
| Accrued liabilities   | 314,748                              | 295,459              |
| Income taxes payable  | 5,877                                | 5,630                |
| Non-recourse obligations of variable interest entity  | 30,605                               | 29,686               |
| Total current liabilities   | 483,513                              | 472,020              |
| Long-term debt, net of current maturities   | 3,271,502                            | 3,347,226            |
| Deferred income taxes   | 385,611                              | 379,958              |
| Other long-term tax liabilities   | 42,379                               | 45,598               |
| Other liabilities   | 71,724                               | 71,193               |
| Non-recourse obligations of variable interest entity  | 192,730                              | 192,980              |
| Commitments and contingencies (Note 11)   |                                      |                      |
| Stockholders' equity  |                                      |                      |
| Preferred stock, \$0.01 par value, 5,000,000 shares authorized  | —                                    | —                    |
| Common stock, \$0.01 par value, 200,000,000 shares authorized; 86,588,933 and 86,572,098 shares outstanding | 863                                  | 863                  |
| Additional paid-in capital  | 647,137                              | 644,174              |
| Retained earnings   | 562,907                              | 557,055              |
| Total Boyd Gaming Corporation stockholders' equity  | 1,210,907                            | 1,202,092            |
| Noncontrolling interest   | 175,050                              | 171,987              |

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|  |             |             |
|--|-------------|-------------|
| Total stockholders' equity                 | 1,385,957   | 1,374,079   |
| Total liabilities and stockholders' equity | \$5,833,416 | \$5,883,054 |

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

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BOYD GAMING CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
for the three months ended March 31, 2012 and 2011

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|                     | Three Months Ended<br>March 31,                      |           |
|---------------------|--|-----------|
|                     | 2012   | 2011      |
|                     | (In thousands, except per share data)<br>(Unaudited) |           |
| REVENUES            |  |           |
| Operating revenues: |  |           |
| Gaming              | \$535,748  | \$481,935 |
| Food and beverage   | 106,132  | 92,077    |
| Room                | 65,997   | 56,591    |
| Other               | 35,832   |           |