

BOCA RESORTS INC
Form 10-Q
February 03, 2003

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2002

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: 1-13173

BOCA RESORTS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware (State of Incorporation)	65-0676005 (I.R.S. Employer Identification No.)
501 East Camino Real Boca Raton, Florida (Address of Principal Executive Offices)	33432 (Zip Code)

Registrant's telephone number, including area code: **(561) 447-5300**

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report: **Not Applicable**

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 (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of February 3, 2003, there were 38,947,079 shares of Class A Common Stock, \$.01 par value per share, and 255,000 shares of Class B Common Stock, \$.01 par value per share, outstanding.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

BOCA RESORTS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)
(Unaudited)

	December 31, 2002	June 30, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,843	\$ 3,691
Restricted cash	640	721
Accounts receivable, net	17,257	21,591
Inventory	6,995	6,433
Current portion of Premier Club notes receivable	3,558	3,382
Other current assets	3,430	3,223
	<hr/>	<hr/>
Total current assets	45,723	39,041
Property and equipment, net	821,067	822,630
Intangible assets, net	34,518	34,518
Long-term portion of Premier Club notes receivable	7,121	7,410
Other assets	10,598	13,137
	<hr/>	<hr/>
Total assets	\$919,027	\$916,736
	<hr/>	<hr/>
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 24,250	\$ 30,222
Current portion of deferred revenue and advance deposits	32,565	22,355
Net liabilities of discontinued operations	1,969	2,436
Current portion of credit line and note payable	42,409	227
	<hr/>	<hr/>
Total current liabilities	101,193	55,240
Credit line and note payable		18,793
Deferred revenue, net of current portion	38,618	38,073
Other liabilities	9,561	9,695
Deferred income taxes	24,165	30,052
Senior subordinated notes payable	190,145	192,895
Premier Club refundable membership fees	54,487	55,716
Commitments and contingencies		
Shareholders' equity:		
Class A Common Stock, \$.01 par value, 100,000,000 shares authorized and 38,947,079 and 39,538,479 shares issued and outstanding at December 31, 2002 and June 30, 2002, respectively	389	395
Class B Common Stock, \$.01 par value, 10,000,000 shares authorized and 255,000 shares issued and outstanding at June 30, 2002 and 2001.	3	3
Contributed capital	458,560	464,565

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Retained earnings	41,906	51,309
	<u> </u>	<u> </u>
Total shareholders' equity	500,858	516,272
	<u> </u>	<u> </u>
Total liabilities and shareholders' equity	\$919,027	\$916,736
	<u> </u>	<u> </u>

See accompanying notes to consolidated financial statements.

BOCA RESORTS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

For the Three Months Ended December 31
(In thousands, except per share data)
(Unaudited)

	2002	2001
	<u> </u>	<u> </u>
Leisure and recreation revenue	\$67,046	\$57,782
Operating expenses:		
Cost of leisure and recreation services	31,656	27,892
Selling, general and administrative expenses	21,288	20,848
Depreciation	9,074	8,518
Loss on early retirement of debt	149	198
	<u> </u>	<u> </u>
Total operating expenses	62,167	57,456
	<u> </u>	<u> </u>
Operating income	4,879	326
Interest and other income	9	267
Interest expense	(5,429)	(5,158)
	<u> </u>	<u> </u>
Loss before income taxes	(541)	(4,565)
Benefit for income taxes	208	1,826
	<u> </u>	<u> </u>
Net loss	\$ (333)	\$ (2,739)
	<u> </u>	<u> </u>
Net loss per share basic and diluted	\$ (0.01)	\$ (0.07)
	<u> </u>	<u> </u>
Weighted average shares used in computing net loss per share basic and diluted	39,236	39,702
	<u> </u>	<u> </u>

See accompanying notes to consolidated financial statements.

BOCA RESORTS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

For the Six Months Ended December 31

(In thousands, except per share data)

(Unaudited)

	2002	2001
	<u> </u>	<u> </u>
Leisure and recreation revenue	\$ 113,338	\$ 97,302
Operating expenses:		
Cost of leisure and recreation services	58,057	51,938
Selling, general and administrative expenses	41,401	40,148
Depreciation	18,020	16,228
Loss on early retirement of debt	149	1,613
	<u> </u>	<u> </u>
Total operating expenses	117,627	109,927
	<u> </u>	<u> </u>
Operating loss	(4,289)	(12,625)
Interest and other income	39	984
Interest expense	(11,040)	(12,112)
	<u> </u>	<u> </u>
Loss from continuing operations before income taxes	(15,290)	(23,753)
Benefit for income taxes	5,887	9,501
	<u> </u>	<u> </u>
Loss from continuing operations	(9,403)	(14,252)
Gain on disposition of discontinued operations, net of income taxes		23,728
	<u> </u>	<u> </u>
Net income (loss)	\$ (9,403)	