

SINCLAIR BROADCAST GROUP INC  
Form 10-Q  
November 06, 2009  
[Table of Contents](#)

**UNITED STATES  
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 September 30, 2009

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: 000-26076

**SINCLAIR BROADCAST GROUP, INC.**

Edgar Filing: SINCLAIR BROADCAST GROUP INC - Form 10-Q

(Exact name of Registrant as specified in its charter)

**Maryland**

(State or other jurisdiction of  
Incorporation or organization)

**52-1494660**

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

**10706 Beaver Dam Road**

**Hunt Valley, Maryland 21030**

(Address of principal executive offices, zip code)

**(410) 568-1500**

(Registrant's telephone number, including area code)

**None**

(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 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 file). 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 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

Edgar Filing: SINCLAIR BROADCAST GROUP INC - Form 10-Q

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

<b>Title of each class</b>	<b>Number of shares outstanding as of</b>
Class A Common Stock	<b>November 2, 2009</b> 47,375,437
Class B Common Stock	32,453,859

---

Table of Contents

**SINCLAIR BROADCAST GROUP, INC.**

FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

**TABLE OF CONTENTS**

<u>PART I. FINANCIAL INFORMATION</u>	3
<u>ITEM 1. FINANCIAL STATEMENTS</u>	3
<u>CONSOLIDATED BALANCE SHEETS</u>	3
<u>CONSOLIDATED STATEMENTS OF OPERATIONS</u>	4
<u>CONSOLIDATED STATEMENT OF EQUITY (DEFICIT)</u>	5
<u>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)</u>	5
<u>CONSOLIDATED STATEMENTS OF CASH FLOWS</u>	6
<u>NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS</u>	7
<u>ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	26
<u>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	37
<u>ITEM 4. CONTROLS AND PROCEDURES</u>	38
<u>PART II. OTHER INFORMATION</u>	39
<u>ITEM 1. LEGAL PROCEEDINGS</u>	39
<u>ITEM 1A. RISK FACTORS</u>	39
<u>ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	39
<u>ITEM 3. DEFAULTS UPON SENIOR SECURITIES</u>	39
<u>ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS</u>	39
<u>ITEM 5. OTHER INFORMATION</u>	39
<u>ITEM 6. EXHIBITS</u>	39
<u>SIGNATURE</u>	40



Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****SINCLAIR BROADCAST GROUP, INC.****CONSOLIDATED BALANCE SHEETS****(In thousands, except share and per share data) (Unaudited)**

	As of September 30, 2009	As of December 31, 2008 (See Note 1)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 10,224	\$ 16,470
Accounts receivable, net of allowance for doubtful accounts of \$2,972 and \$3,327, respectively	96,122	107,376
Affiliate receivable	49	65
Current portion of program contract costs	54,948	55,751
Income taxes receivable	318	2,334
Prepaid expenses and other current assets	7,993	9,453
Deferred barter costs	4,366	2,654
Deferred tax assets	9,022	9,022
Total current assets	183,042	203,125
PROGRAM CONTRACT COSTS, less current portion	21,141	27,548
PROPERTY AND EQUIPMENT, net	303,868	336,964
GOODWILL	754,727	824,188
BROADCAST LICENSES	76,235	132,422
DEFINITE-LIVED INTANGIBLE ASSETS, net	194,707	205,743
OTHER ASSETS	95,428	86,417
Total assets	\$ 1,629,148	\$ 1,816,407
<b>LIABILITIES AND EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 3,882	\$ 4,817
Accrued liabilities	48,692	79,584
Current portion of notes payable, capital leases and commercial bank financing	35,549	67,066
Current portion of notes and capital leases payable to affiliates	2,903	2,845
Current portion of program contracts payable	105,005	91,366
Deferred barter revenues	4,997	2,657
Total current liabilities	201,028	248,335
<b>LONG-TERM LIABILITIES:</b>		
Notes payable, capital leases and commercial bank financing, less current portion	1,235,127	1,261,506
Notes payable and capital leases to affiliates, less current portion	25,496	30,861
Program contracts payable, less current portion	57,291	81,315
Deferred tax liabilities	194,989	204,051
Other long-term liabilities	47,391	49,039
Total liabilities	1,761,322	1,875,107

Edgar Filing: SINCLAIR BROADCAST GROUP INC - Form 10-Q

EQUITY (DEFICIT):

SINCLAIR BROADCAST GROUP SHAREHOLDERS EQUITY (DEFICIT):

Class A Common Stock, \$.01 par value, 500,000,000 shares authorized, 47,322,031 and 46,510,647 shares issued and outstanding, respectively	473	465
Class B Common Stock, \$.01 par value, 140,000,000 shares authorized, 32,453,859 and 34,453,859 shares issued and outstanding, respectively, convertible into Class A Common Stock	325	345
Additional paid-in capital	605,387	605,865
Accumulated deficit	(746,116)	(678,182)
Other comprehensive loss	(3,337)	