

Brookdale Senior Living Inc.
Form 10-Q
May 10, 2011

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, 2011

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: 001-32641

BROOKDALE SENIOR LIVING INC.
(Exact name of registrant as specified in its charter)

Delaware 20-3068069
(State or other jurisdiction (I.R.S. Employer Identification No.)
of incorporation or organization)

111 Westwood Place, Suite 400, Brentwood,
Tennessee 37027
(Address of principal executive offices) (Zip Code)

(615) 221-2250
(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 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

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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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

£ (Do not check if a 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

As of May 4, 2011, 120,834,892 shares of the registrant's common stock, \$0.01 par value, were outstanding (excluding unvested restricted shares).

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BROOKDALE SENIOR LIVING INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except stock amounts)

	March 31, 2011 (Unaudited)	December 31, 2010
Assets		
Current assets		
Cash and cash equivalents	\$ 36,732	\$ 81,827
Cash and escrow deposits — restricted	47,502	81,558
Accounts receivable, net	87,841	88,033
Deferred tax asset	15,526	15,529
Prepaid expenses and other current assets, net	66,652	61,162
Total current assets	254,253	328,109
Property, plant and equipment and leasehold intangibles, net	3,716,650	3,736,842
Cash and escrow deposits — restricted	44,917	65,316
Marketable securities — restricted	26,020	—
Investment in unconsolidated ventures	20,485	20,196
Goodwill	109,553	109,693
Other intangible assets, net	163,614	171,341
Other assets, net	95,776	98,973
Total assets	\$ 4,431,268	\$ 4,530,470
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 171,400	\$ 71,676
Trade accounts payable	37,879	36,302
Accrued expenses	177,473	171,537
Refundable entrance fees and deferred revenue	331,980	318,814
Tenant security deposits	8,001	8,029
Total current liabilities	726,733	606,358
Long-term debt, less current portion	2,292,887	2,498,620
Deferred entrance fee revenue	69,142	69,075
Deferred liabilities	153,832	153,199
Deferred tax liability	102,297	113,956
Other liabilities	33,618	29,265
Total liabilities	3,378,509	3,470,473
Stockholders' Equity		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized at March 31, 2011 and December 31, 2010; no shares issued and outstanding	—	—
Common stock, \$0.01 par value, 200,000,000 shares authorized at March 31, 2011 and December 31, 2010; 125,670,330 and 125,527,846 shares issued and 124,459,029 and 124,316,545 shares outstanding (including 3,624,396 and 3,539,751 unvested restricted	1,244	1,243

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shares), respectively		
Additional paid-in-capital	1,908,926	1,904,144
Treasury stock, at cost; 1,211,301 shares at March 31, 2011 and December 31, 2010	(29,187)	(29,187)
Accumulated deficit	(828,181)	(815,876)
Accumulated other comprehensive loss	(43)	(327)
Total stockholders' equity	1,052,759	1,059,997
Total liabilities and stockholders' equity	\$4,431,268	\$4,530,470

See accompanying notes to condensed consolidated financial statements.

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BROOKDALE SENIOR LIVING INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (Unaudited, in thousands, except per share data)

	Three Months Ended March 31,	
	2011	2010
Revenue		
Resident fees	\$568,035	\$543,029
Management fees	1,405	1,395
Total revenue	569,440	544,424
Expense		
Facility operating expense (excluding depreciation and amortization of \$51,065 and \$52,033, respectively)	370,954	355,324
General and administrative expense (including non-cash stock-based compensation expense of \$4,540 and \$4,871, respectively)	33,543	31,952
Facility lease expense	66,315	68,249
Depreciation and amortization	71,782	73,061
Asset impairment	14,846	