

Brookdale Senior Living Inc.
Form 10-Q
November 09, 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 September 30, 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
(State or other jurisdiction of incorporation or organization)

20-3068069
(I.R.S. Employer Identification No.)

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

37027
(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

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(§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 | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer (Do not check if a smaller reporting company) | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |

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 November 4, 2011, 120,911,943 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)

| | September 30, 2011 (Unaudited) | December 31, 2010 |
|---|--------------------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 39,195 | \$ 81,827 |
| Cash and escrow deposits — restricted | 50,143 | 81,558 |
| Accounts receivable, net | 93,447 | 88,033 |
| Deferred tax asset | 15,526 | 15,529 |
| Prepaid expenses and other current assets, net | 74,980 | 61,162 |
| Total current assets | 273,291 | 328,109 |
| Property, plant and equipment and leasehold intangibles, net | 3,681,280 | 3,736,842 |
| Cash and escrow deposits — restricted | 51,189 | 65,316 |
| Marketable securities — restricted | 30,550 | — |
| Investment in unconsolidated ventures | 32,414 | 20,196 |
| Goodwill | 109,553 | 109,693 |
| Other intangible assets, net | 155,065 | 171,341 |
| Other assets, net | 105,099 | 98,973 |
| Total assets | \$ 4,438,441 | \$ 4,530,470 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 45,363 | \$ 71,676 |
| Trade accounts payable | 40,367 | 36,302 |
| Accrued expenses | 184,256 | 171,537 |
| Refundable entrance fees and deferred revenue | 329,526 | 318,814 |
| Tenant security deposits | 7,675 | 8,029 |
| Total current liabilities | 607,187 | 606,358 |
| Long-term debt, less current portion | 2,365,990 | 2,498,620 |
| Line of credit | 35,000 | — |
| Deferred entrance fee revenue | 71,221 | 69,075 |
| Deferred liabilities | 155,744 | 153,199 |
| Deferred tax liability | 115,536 | 113,956 |
| Other liabilities | 38,377 | 29,265 |
| Total liabilities | 3,389,055 | 3,470,473 |
| Stockholders' Equity | | |
| Preferred stock, \$0.01 par value, 50,000,000 shares authorized at September 30, 2011 and December 31, 2010; no shares issued and outstanding | — | — |
| | 1,264 | 1,243 |

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Common stock, \$0.01 par value, 200,000,000 shares authorized at September 30, 2011 and December 31, 2010; 127,650,083 and 125,527,846 shares issued and 125,221,682 and 124,316,545 shares outstanding (including 4,310,364 and 3,539,751 unvested restricted shares), respectively

| | | | |
|---|-----------|-----------|-----------|
| Additional paid-in-capital | 1,965,705 | | 1,904,144 |
| Treasury stock, at cost; 2,428,401 and 1,211,301 shares at September 30, 2011 and December 31, 2010, respectively | (46,800 |) | (29,187 |
| Accumulated deficit | (869,176 |) | (815,876 |
| Accumulated other comprehensive loss | (1,607 |) | (327 |
| Total stockholders' equity | 1,049,386 | | 1,059,997 |
| Total liabilities and stockholders' equity | \$ | 4,438,441 | \$ |
| | | | 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 September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------|------------------------------------|--------------|
| | 2011 | 2010 | 2011 | 2010 |
| Revenue | | | | |
| Resident fees | \$ 575,159 | \$ 557,125 | \$ 1,707,117 | \$ 1,647,714 |
| Management fees | 3,336 | 1,339 | 6,246 | 4,146 |
| Reimbursed costs incurred on behalf of managed communities | 37,233 | 17,325 | | |