

Brookdale Senior Living Inc.
Form 10-Q
November 07, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended September 30, 2008

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 200, 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 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 ☐

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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 ☒

As of November 3, 2008, 101,385,058 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, 2008	December 31, 2007
Assets	(Unaudited)	
Current assets		
Cash and cash equivalents	\$ 55,885	\$ 100,904
Cash and escrow deposits — restricted	79,187	76,962
Accounts receivable, net	85,839	66,807
Deferred tax asset	13,040	13,040
Prepaid expenses and other current assets, net	30,738	34,122
Total current assets	264,689	291,835
Property, plant and equipment and leasehold intangibles, net	3,716,676	3,760,453
Cash and escrow deposits — restricted	23,559	17,989
Investment in unconsolidated ventures	33,214	41,520
Goodwill	325,267	325,453
Other intangible assets, net	238,932	260,534
Other assets, net	84,589	113,838
Total assets	\$ 4,686,926	\$ 4,811,622
Liabilities and Stockholders' Equity		
Current liabilities		
Current portion of long-term debt	\$ 266,661	\$ 18,007
Line of credit	84,757	—
Trade accounts payable	30,649	37,137
Accrued expenses	173,924	156,253
Refundable entrance fees and deferred revenue	251,827	254,582
Tenant security deposits	30,646	31,891
Dividends payable	25,759	51,897
Total current liabilities	864,223	549,767
Long-term debt, less current portion	2,115,905	2,119,217
Line of credit	—	198,000
Deferred entrance fee revenue	75,958	77,477
Deferred liabilities	132,144	119,726
Deferred tax liability	208,918	266,583
Other liabilities	54,576	61,314
Total liabilities	3,451,724	3,392,084
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, \$.01 par value, 50,000,000 shares authorized at September 30, 2008 and December 31, 2007; no shares issued and outstanding	—	—
	1,052	1,050

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Common stock, \$.01 par value, 200,000,000 shares authorized at September 30, 2008 and December 31, 2007; 106,404,179 and 104,962,211 shares issued and 105,192,878 and 104,962,211 shares outstanding (including 3,843,383 and 3,020,341 unvested restricted shares), respectively

Additional paid-in-capital	1,689,177	1,752,581
Treasury stock, at cost; 1,211,301 shares at September 30, 2008	(29,187)	—
Accumulated deficit	(424,651)	(332,692)
Accumulated other comprehensive loss	(1,189)	(1,401)
Total stockholders' equity	1,235,202	1,419,538
Total liabilities and stockholders' equity	\$ 4,686,926	\$ 4,811,622

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,
2008		2007	