

CAPITAL SENIOR LIVING CORP
Form 10-Q
November 05, 2013
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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, 2013

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: 1-13445

Capital Senior Living Corporation

(Exact Name of Registrant as Specified in its Charter)

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Delaware
(State or Other Jurisdiction of

75-2678809
(I.R.S. Employer

Incorporation or Organization)

Identification No.)

14160 Dallas Parkway, Suite 300, Dallas, Texas
(Address of Principal Executive Offices)

75254
(Zip Code)

(972) 770-5600

(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 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. (Check One):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 1, 2013, the Registrant had 28,803,283 outstanding shares of its Common Stock, \$0.01 par value, per share.

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CAPITAL SENIOR LIVING CORPORATION

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(in thousands)

	September 30, 2013 (unaudited)	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,765	\$ 18,737
Restricted cash	11,418	10,179
Accounts receivable, net	4,658	5,229
Accounts receivable from affiliates	320	753
Federal and state income taxes receivable	378	3,901
Deferred taxes	5,288	1,443
Property tax and insurance deposits	12,500	11,442
Prepaid expenses and other	5,625	4,758
Total current assets	58,952	56,442
Property and equipment, net	565,897	527,159
Deferred taxes	0	9,350
Investments in unconsolidated joint ventures	1,053	1,074
Other assets, net	36,504	42,917
Total assets	\$ 662,406	\$ 636,942
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 2,553	\$ 6,978
Accounts payable to affiliates	3	2
Accrued expenses	28,587	24,445
Current portion of notes payable	11,265	20,230
Current portion of deferred income	9,537	8,193
Current portion of capital lease and financing obligations	945	766
Customer deposits	1,518	1,540
Total current liabilities	54,408	62,154
Deferred income	18,302	19,990
Capital lease and financing obligations, net of current portion	41,409	42,146
Other long-term liabilities	1,592	1,692
Notes payable, net of current portion	387,736	342,366
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$.01 par value:		
Authorized shares 15,000; no shares issued or outstanding		
Common stock, \$.01 par value:		
Authorized shares 65,000; issued and outstanding shares 28,801 and 28,218 in 2013 and 2012, respectively	292	286

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Additional paid-in capital	142,335	137,867
Retained earnings	17,266	31,375
Treasury stock, at cost 350 shares	(934)	(934)
Total shareholders' equity	158,959	168,594
Total liabilities and shareholders' equity	\$ 662,406	\$ 636,942

See accompanying notes to consolidated financial statements.

Table of Contents**CAPITAL SENIOR LIVING CORPORATION****CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(unaudited, in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Revenues:				
Resident and health care revenue	\$ 86,333	\$ 76,577	\$ 256,409	\$ 223,161
Affiliated management services revenue	205	176	586	492
Community reimbursement revenue	1,445	1,259	4,432	3,605
Total revenues	87,983	78,012	261,427	227,258
Expenses:				
Operating expenses (exclusive of facility lease expense and depreciation and amortization expense shown below)				
General and administrative expenses	5,026	3,288	15,029	10,923
Facility lease expense	14,274	13,819	42,813	41,179
Stock-based compensation expense	869	602	3,158	1,843
Depreciation and amortization	10,533	9,214	33,183	24,970
Community reimbursement expense	1,445	1,259	4,432	3,605
Total expenses	85,083	74,973	252,801	216,706
Income from operations	2,900	3,039	8,626	10,552
Other income (expense):				
Interest income	17	369	138	436
Interest expense	(5,943)	(4,847)	(17,321)	(12,699)
Gain (Loss) on disposition of assets, net	13	(14)	12	(19)
Equity in earnings (losses) of unconsolidated joint ventures, net	43	(26)	76	(241)
Other income	10		28	
Loss before (provision) benefit for income taxes	(2,960)	(1,479)	(8,441)	(1,971)
(Provision) Benefit for income taxes	(7,003)	542	(5,668)	493
Net loss	\$ (9,963)	\$ (937)	\$ (14,109)	\$ (1,478)
Per share data:				
Basic net loss per share	\$ (0.09)	\$ (0.03)	\$ (0.23)	\$ (0.05)
Diluted net loss per share	\$ (0.09)	\$ (0.03)	\$ (0.23)	\$ (0.05)
Weighted average shares outstanding basic	27,911	27,383	27,769	27,331
Weighted average shares outstanding diluted	27,911	27,383	27,769	27,331
Comprehensive loss	\$ (9,663)	\$ (937)	\$ (14,109)	\$ (1,478)

See accompanying notes to consolidated financial statements.

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CAPITAL SENIOR LIVING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in thousands)

	Nine Months Ended	
	September 30,	
	2013	2012
Operating Activities		
Net loss	\$ (14,109)	\$ (1,478)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	33,183	24,970
Amortization of deferred financing charges	822	518
Amortization of deferred lease costs and lease intangibles	978	452
Deferred income	(344)	(2,505)
Deferred income taxes	5,505	(6,426)
(Gain) Loss on disposition of assets, net	(12)	19
Equity in (earnings) losses of unconsolidated joint ventures	(76)	241
Provision for bad debts	330	550
Stock-based		