

CAPITAL SENIOR LIVING CORP

Form 10-Q

May 08, 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 March 31, 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

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(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

75-2678809
(I.R.S. Employer
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.

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 May 1, 2013, the Registrant had 28,646,573 outstanding shares of its Common Stock, \$0.01 par value, per share.

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CAPITAL SENIOR LIVING CORPORATION

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	March 31, 2013 (unaudited)	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 17,723	\$ 18,737
Restricted cash	10,185	10,179
Accounts receivable, net	7,723	5,229
Accounts receivable from affiliates	393	753
Federal and state income taxes receivable	4,465	3,901
Deferred taxes	1,496	1,443
Property tax and insurance deposits	8,883	11,442
Prepaid expenses and other	2,466	4,758
Total current assets	53,334	56,442
Property and equipment, net	529,124	527,159
Deferred taxes	9,472	9,350
Investments in unconsolidated joint ventures	1,035	1,074
Other assets, net	37,842	42,917
Total assets	\$ 630,807	\$ 636,942
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,095	\$ 6,978
Accounts payable to affiliates		2
Accrued expenses	22,965	24,445
Current portion of notes payable	7,881	20,230
Current portion of deferred income	7,706	8,193
Current portion of capital lease and financing obligations	828	766
Customer deposits	1,543	1,540
Total current liabilities	43,018	62,154
Deferred income	19,407	19,990
Capital lease and financing obligations, net of current portion	41,941	42,146
Other long-term liabilities	1,659	1,692
Notes payable, net of current portion	356,649	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 28,646 and 28,218 in 2013 and 2012, respectively	290	286
Additional paid-in capital	139,478	137,867

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Retained earnings	29,299	31,375
Treasury stock, at cost 350 shares	(934)	(934)
Total shareholders' equity	168,133	168,594
Total liabilities and shareholders' equity	\$ 630,807	\$ 636,942

See accompanying notes to unaudited consolidated financial statements.

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(unaudited, in thousands, except per share data)

	Three Months Ended March 31,	
	2013	2012
Revenues:		
Resident and health care revenue	\$ 84,775	\$ 70,998
Affiliated management services revenue	185	154
Community reimbursement revenue	1,265	1,068
Total revenues	86,225	72,220
Expenses:		
Operating expenses (exclusive of facility lease expense and depreciation and amortization expense shown below)	50,120	42,486
General and administrative expenses	4,922	3,777
Facility lease expense	14,270	13,495
Stock-based compensation expense	996	645
Depreciation and amortization expense	11,889	6,706
Community reimbursement expense	1,265	1,068
Total expenses	83,462	68,177
Income from operations	2,763	4,043
Other income (expense):		
Interest income	104	26
Interest expense	(5,684)	(3,544)
Gain on disposition of assets, net	1	2
Equity in earnings (losses) of unconsolidated joint ventures, net	3	(137)
Other income	12	
(Loss) Income before benefit (provision) for income taxes	(2,801)	390
Benefit (Provision) for income taxes	725	(247)
Net (loss) income	\$ (2,076)	\$ 143
Per share data:		
Basic net (loss) income per share	\$ (0.07)	\$ 0.01
Diluted net (loss) income per share	\$ (0.07)	\$ 0.01
Weighted average shares outstanding basic	27,584	27,262
Weighted average shares outstanding diluted	27,584	27,314
Comprehensive (loss) income	\$ (2,076)	\$ 143

See accompanying notes to unaudited consolidated financial statements.

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CAPITAL SENIOR LIVING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in thousands)

	Three Months Ended March 31,	
	2013	2012
Operating Activities		
Net (loss) income	\$ (2,076)	\$ 143
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,889	6,706
Amortization of deferred financing charges	365	106
Amortization of deferred lease costs and lease intangibles	325	91
Deferred income	(1,070)	(747)
Deferred income taxes	(175)	(221)
Gain on disposition of assets, net	(1)	(2)
Equity in (earnings) losses of unconsolidated joint ventures, net	(3)	137
Provision for bad debts	20	189
Stock based compensation expense	996	645
Changes in operating assets and liabilities:		
Accounts receivable	(2,514)	142
Accounts receivable from affiliates	360	97
Property tax and insurance deposits	2,559	2,413
Prepaid expenses and other	2,292	246
Other assets	(493)	345
Accounts payable	(4,885)	(822)
Accrued expenses	(1,480)	(1,562)
Federal and state income taxes receivable	(564)	504
Customer deposits	3	(28)
Net cash provided by operating activities	5,548	8,382
Investing Activities		
Capital expenditures	(2,135)	(2,272)
Cash paid for acquisitions	(6,741)	(56,395)
Proceeds from disposition of assets		19
Contributions to joint ventures		(132)
Distributions from joint ventures	42	15
Net cash used in investing activities	(8,834)	(58,765)
Financing Activities		
Proceeds from notes payable	16,381	48,571
Repayments of notes payable	(14,447)	(2,236)
Increase in restricted cash	(6)	(9)
Cash payments for capital lease obligations	(143)	(15)
Cash proceeds from the issuance of common stock	1,271	16
Excess tax benefits on stock options exercised	(652)	230
Deferred financing charges paid	(132)	(743)