

ASSISTED LIVING CONCEPTS INC  
Form 10-Q  
May 15, 2012

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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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, 2012

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: 001-13498

Assisted Living Concepts, Inc.  
(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of incorporation or organization)

93-1148702  
(I.R.S. Employer Identification No.)

W140 N8981 Lilly Road  
Menomonee Falls, Wisconsin  
(Address of principal executive offices)

53051  
(Zip Code)

Registrant's telephone number, including area code: (262) 257-8888

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

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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. (Check one):

Large accelerated filer       Accelerated filer       Non-accelerated filer       Smaller reporting company   
(Do not check if a 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, 2012, the Company had 20,058,610 shares of its Class A Common Stock, \$0.01 par value per share, outstanding and 2,910,676 shares of its Class B Common Stock, \$0.01 par value per share, outstanding.

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## Part I. FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	March 31, 2012	December 31, 2011
	(unaudited)	
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$2,679	\$ 2,652
Cash and escrow deposits – restricted	2,882	3,150
Investments	2,015	1,840
Accounts receivable, less allowances of \$3,525 and \$2,903 respectively	4,323	4,609
Prepaid expenses, supplies and other receivables	4,753	3,387
Income tax receivable	—	606
Deferred income taxes	4,031	4,027
Total current assets	20,683	20,271
Property and equipment, net	429,947	430,733
Intangible assets, net	8,842	9,028
Restricted cash	1,994	1,996
Other assets	1,925	2,025
Total Assets	\$463,391	\$ 464,053
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$6,492	\$ 7,086
Accrued liabilities	16,497	17,877
Deferred revenue	7,692	8,004
Income tax payable	2,500	—
Current maturities of long-term debt	2,586	2,538
Current portion of self-insured liabilities	500	500
Total current liabilities	36,267	36,005
Accrual for self-insured liabilities	1,698	1,557
Long-term debt	80,933	85,703
Deferred income taxes	24,038	23,961
Other long-term liabilities	8,975	9,107
Commitments and contingencies		
Total Liabilities	151,911	156,333
Preferred Stock, par value \$0.01 per share, 25,000,000 shares authorized; no shares issued and outstanding	—	—
Class A Common Stock, \$0.01 par value, 160,000,000 shares authorized at March 31, 2012 and December 31, 2011; 24,990,482 and 24,980,958 shares issued and 20,058,610 and 20,049,086 shares outstanding, respectively	250	250
Class B Common Stock, \$0.01 par value, 30,000,000 shares authorized at March 31, 2012 and December 31, 2011; 2,910,928 and 2,919,790 shares issued and outstanding, respectively	29	29
Additional paid-in capital	317,046	316,694

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Accumulated other comprehensive income	212	156
Retained earnings	70,788	67,436
Treasury stock at cost, 4,931,872 and 4,931,872 shares, respectively	(76,845 )	(76,845 )
Total Stockholders' Equity	311,480	307,720
Total Liabilities and Stockholders' Equity	463,391	\$ 464,053

The accompanying notes are an integral part of these condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)  
(In thousands, except per share data)

	Three Months Ended March 31,	
	2012	2011
Revenues	\$ 58,978	\$ 58,409
Expenses:		
Residence operations (exclusive of depreciation and amortization and residence lease expense shown below)	34,269	35,069
General and administrative (including non-cash stock-based compensation expense of \$352 and \$280, respectively)	3,850	3,889
Residence lease expense	4,543	4,368
Depreciation and amortization	5,769	5,741
Total operating expenses	48,431	49,067
Income from operations	10,547	9,342
Other (expense) income		
Interest expense:		
Debt	(1,589)	(2,082)
Change in fair value of derivative and amortization	—	(287)
Write-off of deferred financing costs	—	(279)
Interest income		