

FIVE STAR QUALITY CARE INC

Form 10-Q

May 04, 2016

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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 March 31, 2016

or

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

Commission File Number 001-16817

FIVE STAR QUALITY CARE, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of Incorporation or Organization)

04-3516029

(IRS Employer Identification No.)

400 Centre Street, Newton, Massachusetts 02458

(Address of Principal Executive Offices) (Zip Code)

(Registrant's Telephone Number, Including Area Code): 617-796-8387

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

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

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

Number of registrant's shares of common stock, \$.01 par value, outstanding as of May 3, 2016: 49,472,011.

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Table of Contents

FIVE STAR QUALITY CARE, INC.

FORM 10-Q

MARCH 31, 2016

INDEX

<u>PART I</u>	<u>Financial Information</u>	Page
<u>Item 1.</u>	<u>Condensed Consolidated Financial Statements (unaudited)</u>	1
	<u>Condensed Consolidated Balance Sheets – March 31, 2016 and December 31, 2015</u>	1
	<u>Condensed Consolidated Statements of Operations – Three Months Ended March 31, 2016 and 2015</u>	2
	<u>Condensed Consolidated Statements of Comprehensive Loss – Three Months Ended March 31, 2016 and 2015</u>	3
	<u>Condensed Consolidated Statements of Cash Flows – Three Months Ended March 31, 2016 and 2015</u>	4
	<u>Notes to Condensed Consolidated Financial Statements</u>	5
<u>Item 2.</u>	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	15
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	23
<u>Item 4.</u>	<u>Controls and Procedures</u>	23
	<u>Warning Concerning Forward Looking Statements</u>	24
<u>PART II</u>	<u>Other Information</u>	
<u>Item 1.</u>	<u>Legal Proceedings</u>	28
<u>Item 1A.</u>	<u>Risk Factors</u>	28
<u>Item 6.</u>	<u>Exhibits</u>	28

Signatures

29

References in this Quarterly Report on Form 10-Q to the Company, Five Star, we, us or our include Five Star Quality Care, Inc. and its consolidated subsidiaries unless otherwise expressly stated or the context indicates otherwise.

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Table of Contents

## PART I. Financial Information

## Item 1. Condensed Consolidated Financial Statements

## FIVE STAR QUALITY CARE, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

(unaudited)

	March 31, 2016	December 31, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 12,333	\$ 14,672
Accounts receivable, net of allowance of \$3,479 and \$3,592 at March 31, 2016 and December 31, 2015, respectively	37,398	37,829
Due from related persons	13,072	9,731
Investments in available for sale securities, of which \$10,215 and \$11,471 are restricted as of March 31, 2016 and December 31, 2015, respectively	25,486	26,417
Restricted cash	3,705	3,301
Prepaid expenses and other current assets	19,445	19,138
Assets of discontinued operations	586	981
Total current assets	112,025	112,069
Property and equipment, net	383,943	383,858
Equity investment of an investee	6,956	6,827
Restricted cash	2,556	2,821
Restricted investments in available for sale securities	23,794	23,166
Other long term assets	1,450	3,029
	\$ 530,724	\$ 531,770
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Revolving credit facility	\$ 60,000	\$ 50,000
Accounts payable and accrued expenses	82,398	93,205
Accrued compensation and benefits	42,998	32,127
Due to related persons	17,468	17,870
Mortgage notes payable	1,831	1,807
Accrued real estate taxes	10,027	12,207
Security deposits and current portion of continuing care contracts	5,834	6,129