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Form 10-Q
July 09, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 May 31, 2014.

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 No. 001-09195

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(Exact name of registrant as specified in its charter)

Delaware

95-3666267

(State of incorporation)

(IRS employer identification number)

10990 Wilshire Boulevard

Los Angeles, California 90024

(310) 231-4000

(Address and telephone number of principal executive offices)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of May 31, 2014.

There were 91,791,488 shares of the registrant's common stock, par value \$1.00 per share, outstanding on May 31, 2014. The registrant's grantor stock ownership trust held an additional 10,501,844 shares of the registrant's common stock on that date.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts – Unaudited)

	Six Months Ended May 31,		Three Months Ended May 31,	
	2014	2013	2014	2013
Total revenues	\$1,015,694	\$929,625	\$565,007	\$524,406
Homebuilding:				
Revenues	\$1,010,663	\$924,604	\$562,396	\$521,788
Construction and land costs	(825,834)	(786,263)	(456,560)	(442,998)
Selling, general and administrative expenses	(132,818)	(129,196)	(71,544)	(70,099)
Operating income	52,011	9,145	34,292	8,691
Interest income	283	436	115	232
Interest expense	(19,834)	(29,747)	(8,558)	(14,507)
Equity in income (loss) of unconsolidated joint ventures	1,912	(1,002)	(678)	(567)
Homebuilding pretax income (loss)	34,372	(21,168)	25,171	(6,151)
Financial services:				
Revenues	5,031	5,021	2,611	2,618
Expenses	(1,704)	(1,471)	(852)	(636)
Equity in income (loss) of unconsolidated joint ventures	(12)	1,087	(6)	(4)
Financial services pretax income	3,315	4,637	1,753	1,978
Total pretax income (loss)	37,687	(16,531)	26,924	(4,173)
Income tax benefit (expense)	(500)	1,100	(300)	1,200
Net income (loss)	\$37,187	\$(15,431)	\$26,624	\$(2,973)
Earnings (loss) per share:				
Basic	\$.43	\$(.19)	\$.30	\$(.04)
Diluted	\$.40	\$(.19)	\$.27	\$(.04)
Weighted average shares outstanding:				
Basic	86,668	81,526	89,529	83,605
Diluted	96,759	81,526	99,508	83,605
Cash dividends declared per common share	\$.0500	\$.0500	\$.0250	\$.0250
See accompanying notes.				

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CONSOLIDATED BALANCE SHEETS
(In Thousands – Unaudited)

	May 31, 2014	November 30, 2013
Assets		
Homebuilding:		
Cash and cash equivalents	\$484,472	\$530,095
Restricted cash	44,237	41,906
Receivables	99,779	75,749
Inventories	3,006,118	2,298,577
Investments in unconsolidated joint ventures	67,594	130,192
Other assets	116,558	107,076
	3,818,758	