

HORTON D R INC /DE/
Form 10-Q
January 28, 2014
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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 December 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 1-14122

D.R. Horton, Inc.
(Exact name of registrant as specified in its charter)

Delaware 75-2386963
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

301 Commerce Street, Suite 500, 76102
Fort Worth, Texas (Zip Code)
(Address of principal executive offices)

(817) 390-8200
(Registrant's telephone number, including area code)

Not Applicable
(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 (§232.405 of this chapter) 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 ☑ Smaller reporting company ☐
(Do not check if a 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 the latest practicable date.

Common stock, \$.01 par value – 323,568,331 shares as of January 22, 2014

D.R. HORTON, INC. AND SUBSIDIARIES
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

D.R. HORTON, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2013 (In millions) (Unaudited)	September 30, 2013
ASSETS		
Homebuilding:		
Cash and cash equivalents	\$801.1	\$913.3
Restricted cash	81.1	77.8
Inventories:		
Construction in progress and finished homes	2,721.8	2,498.0
Residential land and lots — developed and under development	3,300.5	3,227.3
Land held for development	473.8	472.1
	6,496.1	6,197.4
Deferred income taxes, net of valuation allowance of \$31.1 million and \$31.0 million at December 31, 2013 and September 30, 2013, respectively	578.5	586.6
Property and equipment, net	117.5	106.7
Other assets	441.1	460.5
Goodwill	41.2	38.9
	8,556.6	8,381.2
Financial Services:		
Cash and cash equivalents	19.0	23.2
Mortgage loans held for sale	299.8	395.1
Other assets	51.8	56.9
	370.6	475.2
Total assets	\$8,927.2	\$8,856.4
LIABILITIES		
Homebuilding:		
Accounts payable	\$342.1	\$346.4
Accrued expenses and other liabilities	884.3	886.0
Notes payable	3,276.1	3,270.4
	4,502.5	4,502.8
Financial Services:		
Accounts payable and other liabilities	39.0	53.6
Mortgage repurchase facility	185.8	238.6
	224.8	292.2
Total liabilities	4,727.3	4,795.0
Commitments and contingencies (Note K)		
EQUITY		
Preferred stock, \$.10 par value, 30,000,000 shares authorized, no shares issued	—	—
Common stock, \$.01 par value, 1,000,000,000 shares authorized, 330,692,895 shares issued and 323,492,824 shares outstanding at December 31, 2013 and 330,143,689 shares issued and 322,943,618 shares outstanding at September 30, 2013	3.3	3.3
Additional paid-in capital	2,057.2	2,042.0
Retained earnings	2,268.7	2,145.6

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Treasury stock, 7,200,071 shares at December 31, 2013 and September 30, 2013, at cost	(134.3) (134.3)
Accumulated other comprehensive income	1.9	1.9	
Total stockholders' equity	4,196.8	4,058.5	
Noncontrolling interests	3.1	2.9	
Total equity	4,199.9	4,061.4	
Total liabilities and equity	\$8,927.2	\$8,856.4	

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Three Months Ended December 31,	
	2013	2012
	(In millions, except per share data) (Unaudited)	
Homebuilding:		
Revenues:		
Home sales	\$1,630.8	\$1,223.3
Land/lot sales and other	4.8	9.9
	1,635.6	1,233.2
Cost of sales:		
Home sales	1,266.7	992.8
Land/lot sales and other	4.3	8.2
Inventory and land option charges	2.6	1.3
	1,273.6	1,002.3
Gross profit:		
Home sales	364.1	230.5
Land/lot sales and other	0.5	1.7
Inventory and land option charges	(2.6)	(1.3)
	362.0	230.9
Selling, general and administrative expense	183.4	140.8
Interest expense	—	3.2
Other (income)	(3.3)	(3.3)
Homebuilding pre-tax income	181.9	90.2
Financial Services:		
Revenues, net of recourse and reinsurance expense	35.0	41.9
General and administrative expense	29.8	25.7
Interest and other (income)	(2.6)	(1.5)
Financial services pre-tax income	7.8	17.7
Income before income taxes	189.7	107.9
Income tax expense	66.5	