

HOVNANIAN ENTERPRISES INC
Form 10-Q
September 09, 2013

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 JULY 31, 2013

OR

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number: 1-8551

Hovnanian Enterprises, Inc. (Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)

22-1851059 (I.R.S. Employer Identification No.)

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110 West Front Street, P.O. Box 500, Red Bank, NJ 07701 (Address of Principal Executive Offices) (Zip Code)

732-747-7800 (Registrant's Telephone Number, Including Area Code)

N/A (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 ☐ (Do not check if 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 the latest practicable date. 124,544,460 shares of Class A Common Stock and 14,656,867 shares of Class B Common Stock were outstanding as of September 3, 2013.

HOVNANIAN ENTERPRISES, INC.

FORM 10-Q

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HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands)

	July 31, 2013 (Unaudited)	October 31, 2012 (1)
ASSETS		
Homebuilding:		
Cash	\$ 221,500	\$ 258,323
Restricted cash and cash equivalents	11,085	41,732
Inventories:		
Sold and unsold homes and lots under development	755,496	671,851
Land and land options held for future development or sale	252,847	218,996
Consolidated inventory not owned	109,665	90,619
Total inventories	1,118,008	981,466
Investments in and advances to unconsolidated joint ventures	54,346	61,083
Receivables, deposits, and notes – net	47,542	61,794
Property, plant, and equipment – net	46,906	48,524
Prepaid expenses and other assets	59,981	66,694
Total homebuilding	1,559,368	1,519,616
Financial services:		
Cash	5,758	14,909
Restricted cash and cash equivalents	12,935	22,470
Mortgage loans held for sale at fair value	84,026	117,024
Other assets	2,039	10,231
Total financial services	104,758	164,634
Total assets	\$ 1,664,126	\$ 1,684,250

(1) Derived from the audited balance sheet as of October 31, 2012.

See notes to condensed consolidated financial statements (unaudited).

HOVNANIAN ENTERPRISES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In Thousands Except Share and Per Share Amounts)

	July 31, 2013 (Unaudited)	October 31, 2012 (1)
LIABILITIES AND EQUITY		
Homebuilding:		
Nonrecourse mortgages	\$ 55,286	\$ 38,302
Accounts payable and other liabilities	289,496	296,510
Customers' deposits	37,922	23,846
Nonrecourse mortgages secured by operating properties	18,000	18,775
Liabilities from inventory not owned	94,484	77,791
Total homebuilding	495,188	455,224
Financial services:		
Accounts payable and other liabilities	23,690	37,609
Mortgage warehouse lines of credit	57,452	107,485
Total financial services	81,142	145,094
Notes payable:		
Senior secured notes	978,295	977,369
Senior notes	459,145	458,736
Senior amortizing notes	20,857	23,149
Senior exchangeable notes	65,772	76,851
TEU senior subordinated amortizing notes	3,181	6,091
Accrued interest	25,002	20,199
Total notes payable	1,552,252	1,562,395