

MDC HOLDINGS INC
Form 10-Q
May 02, 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 March 31, 2013

OR

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

Commission File No. 1-8951

M.D.C. HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation or organization)

4350 South Monaco Street, Suite 500

84-0622967
(I.R.S. employer

identification no.)

80237

Denver, Colorado
(Address of principal executive offices)

(303) 773-1100

(Zip code)

(Registrant's telephone number, including area code)

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, non-accelerated filer, or a smaller reporting company. See definition 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

As of April 25, 2013, 48,869,726 shares of M.D.C. Holdings, Inc. common stock were outstanding.

M.D.C. HOLDINGS, INC. AND SUBSIDIARIES

FORM 10-Q

FOR THE QUARTER ENDED March 31, 2013

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ITEM 1. Unaudited Consolidated Financial Statements
M.D.C. HOLDINGS, INC.

Consolidated Balance Sheets

	March 31, 2013	December 31, 2012
	(Dollars in thousands, except per share amounts)	
	(Unaudited)	
ASSETS		
Homebuilding:		
Cash and cash equivalents	\$ 183,236	\$ 129,535
Marketable securities	626,707	519,465
Restricted cash	2,526	1,859
Trade and other receivables	31,885	28,163
Inventories:		
Housing completed or under construction	521,661	512,949
Land and land under development	534,438	489,572
Total inventories	1,056,099	1,002,521
Property and equipment, net	33,056	33,125
Deferred tax asset, net of valuation allowance of \$238,795 and \$248,306 at March 31, 2013 and December 31, 2012, respectively	-	-
Other assets	52,274	44,777
Total homebuilding assets	1,985,783	1,759,445
Financial Services:		
Cash and cash equivalents	32,444	30,560
Marketable securities	33,292	32,473
Mortgage loans held-for-sale, net	86,429	119,953
Other assets	4,386	3,010
Total financial services assets	156,551	185,996
Total Assets	\$ 2,142,334	\$ 1,945,441
LIABILITIES AND EQUITY		
Homebuilding:		
Accounts payable	\$ 21,712	\$ 73,055
Accrued liabilities	115,139	118,456
Senior notes, net	995,032	744,842
Total homebuilding liabilities	1,131,883	936,353
Financial Services:		
Accounts payable and accrued liabilities	54,540	51,864
Mortgage repurchase facility	41,468	76,327

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Total financial services liabilities	96,008	128,191
Total Liabilities	1,227,891	1,064,544
Stockholders Equity		
Preferred stock, \$0.01 par value; 25,000,000 shares authorized; none issued or outstanding	-	-
Common stock, \$0.01 par value; 250,000,000 shares authorized; 48,869,726 issued and outstanding at March 31, 2013 and 48,698,757 issued and outstanding, respectively, at December 31, 2012	489	487
Additional paid-in-capital	905,354	896,861
Retained earnings	1,227	(21,289)
Accumulated other comprehensive income (loss)	7,373	4,838
Total Stockholders Equity	914,443	880,897
Total Liabilities and Stockholders Equity	\$ 2,142,334	\$ 1,945,441

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements.

M.D.C. HOLDINGS, INC.**Consolidated Statements of Operations and Comprehensive Income**

	Three Months Ended March 31,	
	2013	2012
	(Dollars in thousands, except per share amounts)	
	(Unaudited)	
Homebuilding:		
Home sale revenues	\$ 331,748	\$ 184,678
Land sale revenues	-	1,590
Total home sale and land revenues	331,748	186,268
Home cost of sales	(274,076)	(158,654)
Land cost of sales	-	(1,490)
Total cost of sales	(274,076)	(160,144)
Gross margin	57,672	26,124
Selling, general and administrative expenses	(48,201)	(34,124)
Interest income	6,182	5,913
Interest expense	(817)	(808)
Other income (expense), net	11	158
Homebuilding pretax income (loss)	14,847	(2,737)
Financial Services:		
Revenues	12,506	7,720
Expenses	(5,642)	(3,665)
Interest and other income	875	807
Financial services pretax income	7,739	4,862
Income before income taxes	22,586	2,125
Benefit from (provision for) income taxes	(70)	140
Net income	\$ 22,516	\$ 2,265
Other comprehensive income:		
Unrealized gain related to available-for-sale securities	2,535	6,548
Tax effect	-	-

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Comprehensive income	\$ 25,051	\$ 8,813
Earnings per share:		
Basic	\$ 0.46	\$ 0.04
Diluted	\$ 0.45	\$ 0.04
Weighted average common shares outstanding:		
Basic	48,342,145	47,311,840
Diluted	48,922,335	47,382,921
Dividends declared per share	\$ -	\$ 0.25

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements.

M.D.C. HOLDINGS, INC.**Consolidated Statements of Cash Flows**

**Three Months Ended
March 31,
2013 2012
(Dollars in thousands)**

(Unaudited)

Operating Activities:

Net income	\$ 22,516	\$ 2,265
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Stock-based compensation expense	3,376	2,611
Depreciation and amortization	1,078	1,307
Write-offs of land option deposits	226	82
Amortization of discount (premiums) on marketable debt securities	619	(152)
Net changes in assets and liabilities:		
Restricted cash	(667)	(413)
Trade and other receivables	(3,970)	(11,062)
Mortgage loans held-for-sale	33,524	23,345
Housing completed or under construction	(8,618)	(45,875)
Land and land under development	(44,770)	17,000
Other assets	(6,696)	3,394
Accounts payable and accrued liabilities	(52,036)	