

TOLL BROTHERS INC
Form 10-Q/A
July 16, 2013

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q/A
Amendment No. 1
(Mark One)

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

For the quarterly period ended January 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 1-9186

TOLL BROTHERS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

23-2416878

(I.R.S. Employer
Identification No.)

250 Gibraltar Road, Horsham, Pennsylvania

(Address of principal executive offices)

(215) 938-8000

(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 definition of "large accelerated filer," "an accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Check one):

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:

At March 4, 2013, there were approximately 169,162,000 shares of Common Stock, \$.01 par value, outstanding.

EXPLANATORY NOTE

Toll Brothers, Inc. (the "Company") is filing this Amendment No.1 on Form 10-Q/A (the "Form 10-Q/A") to its Quarterly Report on Form 10-Q for the three months ended January 31, 2013, filed with the Securities and Exchange Commission on March 7, 2013 (the "Original Filing"), for the purpose of revising Note 17 - Supplemental Guarantor Information (the "Guarantor Footnote") contained in Part I, Item 1 as described below, making related updates to Part I, Item 4 to address the impact of the revised footnote on the Chief Executive Officer and Chief Financial Officer's original conclusions regarding the effectiveness of the Company's disclosure controls and procedures and internal control over financial reporting, and to make corresponding amendments to the Interactive Data File included in the Original Filing as Exhibit 101. Part II of the Original Filing has also been amended to contain currently dated certifications, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended.

The Guarantor Footnote has been revised in order to (i) retrospectively reflect the transfer of the balance sheet, statements of operations and cash flows of certain non-guarantor subsidiaries to guarantor subsidiaries as a result of such entities becoming guarantor subsidiaries as of April 30, 2013 and the reclassification of guarantor and non-guarantor intercompany advances and equity balances with corresponding offsets in the elimination column and (ii) revise the presentation of cash flows from operating activities, financing activities and investing activities in the condensed consolidating statements of cash flows for the three month periods ended January 31, 2013 and 2012 to reflect intercompany activity, which had previously been included in cash flow from operating activities, as cash flow from investing activities and cash flow from financing activities. See Note 17 in the notes to the consolidated financial statements for more detail.

This revised presentation of the Supplemental Guarantor Information has no impact or effect on Toll Brothers, Inc.'s condensed consolidated financial statements for any period presented, including the Condensed Consolidated Balance Sheets, Statements of Operations, Statements of Comprehensive Income, or Statements of Cash Flows.

Except as described above, no other changes have been made to the Original Filing. The Original Filing continues to speak as of the date of the Original Filing, and we have not changed the disclosures contained therein to reflect any events which occurred at a date subsequent to the date of the Original Filing. Other events that have occurred since the Original Filing or other information necessary to reflect subsequent events have been disclosed in the Company's reports filed with the SEC subsequent to the Original Filing.

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TOLL BROTHERS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands)

	January 31, 2013 (unaudited)	October 31, 2012
ASSETS		
Cash and cash equivalents	\$368,756	\$778,824
Marketable securities	424,819	439,068
Restricted cash	33,757	47,276
Inventory	4,155,047	3,761,187
Property, construction and office equipment, net	112,877	109,971
Receivables, prepaid expenses and other assets	152,881	144,558
Mortgage loans held for sale	49,400	86,386
Customer deposits held in escrow	31,301	29,579
Investments in and advances to unconsolidated entities	321,851	330,617
Investments in distressed loans	42,832	37,169
Investments in foreclosed real estate	68,764	58,353
Deferred tax assets, net of valuation allowances	355,966	358,056
	\$6,118,251	\$6,181,044
LIABILITIES AND EQUITY		
Liabilities		
Loans payable	\$93,314	\$99,817
Senior notes	2,021,897	2,080,463
Mortgage company warehouse loan	43,464	72,664
Customer deposits	156,758	142,977
Accounts payable	110,791	99,911
Accrued expenses	467,652	476,350
Income taxes payable	83,265	80,991
Total liabilities	2,977,141	3,053,173
Equity		
Stockholders' equity		
Preferred stock, none issued		
Common stock, 169,159 and 168,690 shares issued at January 31, 2013 and October 31, 2012, respectively	1,692	1,687
Additional paid-in capital	412,242	404,418
Retained earnings	2,725,829	2,721,397
Treasury stock, at cost — 1 and 53 shares at January 31, 2013 and October 31, 2012, respectively	(38) (983
Accumulated other comprehensive loss	(4,803) (4,819
Total stockholders' equity	3,134,922	3,121,700
Noncontrolling interest	6,188	6,171
Total equity	3,141,110	3,127,871
	\$6,118,251	\$6,181,044

See accompanying notes

TOLL BROTHERS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (Amounts in thousands, except per share data)
 (Unaudited)

	Three months ended January 31,	
	2013	2012
Revenues	\$424,601	\$321,955
Cost of revenues	345,937	271,608
Selling, general and administrative	78,047	69,637
	423,984	341,245
Income (loss) from operations	617	(19,290)
Other:		
Income from unconsolidated entities	3,083	6,687
Other income - net	4,626	6,195
Income (loss) before income taxes	8,326	(6,408)
Income tax provision (benefit)	3,894	(3,622)
Net income (loss)	\$4,432	\$(2,786)
Income (loss) per share:		
Basic	\$0.03	\$(0.02)
Diluted	\$0.03	\$(0.02)
Weighted average number of shares:		
Basic	169,064	166,311
Diluted	171,903	166,311
See accompanying notes		

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
 (Amounts in thousands)
 (Unaudited)

	Three months ended January 31,	
	2013	2012
Net income (loss)	\$4,432	\$(2,786)
Other comprehensive income (loss), net of tax:		
Change in pension liability	(173)	(109)
Change in fair value of available-for-sale securities	96	243
Unrealized income (loss) on derivative held by equity investee	93	(795)
Other comprehensive income (loss)	16	(661)
Total comprehensive income (loss)	\$4,448	\$(3,447)
See accompanying notes		

TOLL BROTHERS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Amounts in thousands)
 (Unaudited)

	Three months ended January 31,	
	2013	2012
Cash flow used in operating activities:		
Net income (loss)	\$4,432	\$(2,786)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	6,525	5,229
Stock-based compensation	5,684	5,626
Income from unconsolidated entities	(3,083)	(6,687)
Distributions of earnings from unconsolidated entities	2,413	872
Income from distressed loans and foreclosed real estate	(3,011))