

AV Homes, Inc.  
Form 10-Q  
October 28, 2016  
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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 September 30, 2016.

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

001-07395

Commission File Number

AV HOMES, INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other Jurisdiction of Incorporation or Organization)      23-1739078  
(I.R.S. Employer Identification No.)

8601 N. Scottsdale Rd., Suite 225, Scottsdale, Arizona      85253  
(Address of Principal Executive Offices)      (Zip Code )

(480) 214-7400

(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, 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. (Check one):

Large Accelerated filer    Accelerated filer    Non-accelerated filer    Smaller reporting company

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

As of October 21, 2016, there were 22,570,116 shares of common stock, \$1.00 par value, issued and outstanding.



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AV HOMES, INC. AND SUBSIDIARIES

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## PART I. Financial Information

## ITEM 1. FINANCIAL STATEMENTS

## AV HOMES, INC. AND SUBSIDIARIES

## Consolidated Balance Sheets

(in thousands)

	September 30, 2016	December 31, 2015
Assets	(unaudited)	
Cash and cash equivalents	\$ 16,289	\$ 46,898
Restricted cash	1,139	26,948
Land and other inventories	630,909	582,531
Receivables	8,248	7,178
Property and equipment, net	34,223	34,973
Investments in unconsolidated entities	1,177	1,172
Prepaid expenses and other assets	13,033	17,144
Deferred tax assets, net	110,501	—
Goodwill	19,285	19,295
Total assets	\$ 834,804	\$ 736,139
Liabilities and Stockholders' Equity		
Liabilities		
Accounts payable	\$ 37,060	\$ 33,606
Accrued and other liabilities	29,389	38,826
Customer deposits	12,223	8,629
Estimated development liability	32,257	32,551
Senior notes, net	290,258	320,846
Total liabilities	401,187	434,458
Stockholders' equity		
Common stock, par value \$1 per share	22,692	22,444
Additional paid-in capital	401,358	399,719
Accumulated earnings (deficit)	12,586	(117,463)
	436,636	304,700
Treasury stock	(3,019)	(3,019)
Total stockholders' equity	433,617	301,681
Total liabilities and stockholders' equity	\$ 834,804	\$ 736,139

See notes to consolidated financial statements.

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## AV HOMES, INC. AND SUBSIDIARIES

## Consolidated Statements of Operations and Comprehensive Income (Loss)

(in thousands, except per share data)

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues				
Homebuilding	\$ 201,821	\$ 151,130	\$ 507,659	\$ 280,381
Amenity and other	3,315	2,691	8,834	8,195
Land sales	291	6	1,120	3,470
Total revenues	205,427	153,827	517,613	292,046
Expenses				
Homebuilding cost of revenues	163,911	121,089	414,290	228,911
Amenity and other	3,101	2,221	8,057	7,034
Land sales	295	2	685	385
Total real estate expenses	167,307	123,312	423,032	236,330
Selling, general and administrative expenses	25,484	23,191	71,639	52,492
Interest income and other	—	(36)	(1)	(325)
Interest expense	701	1,840	2,853	7,503
Income (loss) before income taxes	11,935	5,520	20,090	(3,954)
Income tax expense (benefit)	38	—	(109,959)	—
Net income (loss) and comprehensive income (loss)	\$ 11,897	\$ 5,520	\$ 130,049	\$ (3,954)