

FORD MOTOR CO
Form 10-Q
May 01, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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, 2014

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 1-3950

Ford Motor Company
(Exact name of Registrant as specified in its charter)

Delaware 38-0549190
(State of incorporation) (I.R.S. Employer Identification No.)

One American Road, Dearborn, Michigan 48126
(Address of principal executive offices) (Zip Code)

313-322-3000
(Registrant's telephone number, including area code)

Indicate by check mark if 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 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

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

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As of April 24, 2014, Ford had outstanding 3,883,406,273 shares of Common Stock and 70,852,076 shares of Class B Stock.

Exhibit Index begins on page
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FORD MOTOR COMPANY
 QUARTERLY REPORT ON FORM 10-Q
 For the Quarter Ended March 31, 2014

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements.

FORD MOTOR COMPANY AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

(in millions, except per share amounts)

	For the periods ended March 31,	
	2014	2013
	First Quarter (unaudited)	
Revenues		
Automotive	\$33,876	\$33,858
Financial Services	2,000	1,791
Total revenues	35,876	35,649
Costs and expenses		
Automotive cost of sales	31,021	30,005
Selling, administrative, and other expenses	3,372	3,124
Financial Services interest expense	678	706
Financial Services provision for credit and insurance losses	39	40
Total costs and expenses	35,110	33,875
Automotive interest expense	208	206
Automotive interest income and other income/(loss), net (Note 13)	214	245
Financial Services other income/(loss), net (Note 13)	68	96
Equity in net income of affiliated companies	419	214
Income before income taxes	1,259	2,123
Provision for/(Benefit from) income taxes (Note 15)	270	511
Net income	989	1,612
Less: Income/(Loss) attributable to noncontrolling interests	—	1
Net income attributable to Ford Motor Company	\$989	\$1,611
AMOUNTS PER SHARE ATTRIBUTABLE TO FORD MOTOR COMPANY COMMON AND CLASS B STOCK (Note 16)		
Basic income	\$0.25	\$0.41
Diluted income	0.24	0.40
Cash dividends declared	0.125	0.10

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions)

	For the periods ended March 31,	
	2014	2013
	First Quarter (unaudited)	
Net income	\$989	\$1,612
Other comprehensive income/(loss), net of tax (Note 12)		

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Foreign currency translation	(235) (366)
Derivative instruments	92	97	
Pension and other postretirement benefits	183	591	
Total other comprehensive income/(loss), net of tax	40	322	
Comprehensive income	1,029	1,934	
Less: Comprehensive income/(loss) attributable to noncontrolling interests	—	1	
Comprehensive income attributable to Ford Motor Company	\$1,029	\$1,933	

The accompanying notes are part of the financial statements.

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ITEM 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
 SECTOR INCOME STATEMENT
 (in millions)

	For the periods ended March	
	31,	2013
	2014	2013
	First Quarter	
	(unaudited)	
AUTOMOTIVE		
Revenues	\$33,876	\$33,858
Costs and expenses		
Cost of sales	31,021	30,005
Selling, administrative, and other expenses	2,476	2,481
Total costs and expenses	33,497	32,486
Interest expense	208	206
Interest income and other income/(loss), net (Note 13)	214	245
Equity in net income of affiliated companies	412	209
Income before income taxes — Automotive	797	1,620
FINANCIAL SERVICES		
Revenues	2,000	1,791
Costs and expenses		
Interest expense	678	706
Depreciation on vehicles subject to operating leases	706	483
Operating and other expenses	190	160
Provision for credit and insurance losses	39	40
Total costs and expenses	1,613	1,389
Other income/(loss), net (Note 13)	68	96
Equity in net income of affiliated companies	7	5
Income before income taxes — Financial Services	462	503
COMPANY		
Income before income taxes	1,259	2,123
Provision for/(Benefit from) income taxes (Note 15)	270	511
Net income	989	1,612
Less: Income/(Loss) attributable to noncontrolling interests	—	1
Net income attributable to Ford Motor Company	\$989	\$1,611

The accompanying notes are part of the financial statements.

ITEM 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in millions)

	March 31, 2014 (unaudited)	December 31, 2013
ASSETS		
Cash and cash equivalents	\$ 12,983	\$ 14,468
Marketable securities	23,546	22,100
Finance receivables, net (Note 3)	77,773	77,481
Other receivables, net	12,088	9,828
Net investment in operating leases	20,024	19,984
Inventories (Note 5)	8,874	7,708
Equity in net assets of affiliated companies	3,982	3,679
Net property	28,447	27,616
Deferred income taxes	13,134	13,468
Other assets	6,231	5,847
Total assets	\$207,082	\$202,179
LIABILITIES		
Payables	\$22,209	\$19,531
Other liabilities and deferred revenue (Note 7)	40,141	40,886
Debt (Note 9)	117,004	114,688
Deferred income taxes	590	598
Total liabilities	179,944	175,703
Redeemable noncontrolling interest (Note 11)	331	331
EQUITY		
Capital stock		
Common Stock, par value \$.01 per share (3,924 million shares issued of 6 billion authorized)	39	39
Class B Stock, par value \$.01 per share (71 million shares issued of 530 million authorized)	1	1
Capital in excess of par value of stock	21,547	21,422
Retained earnings	23,882	23,386
Accumulated other comprehensive income/(loss) (Note 12)	(18,190) (18,230
Treasury stock	(506) (506
Total equity attributable to Ford Motor Company	26,773	26,112
Equity attributable to noncontrolling interests	34	33
Total equity	26,807	26,145
Total liabilities and equity	\$207,082	\$202,179

The following table includes assets to be used to settle liabilities of the consolidated variable interest entities (“VIEs”). These assets and liabilities are included in the consolidated balance sheet above. See Note 6 for additional information on our VIEs.

March 31, 2014 (unaudited)	December 31, 2013
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ASSETS

Cash and cash equivalents	\$2,768	\$4,198
Finance receivables, net	44,443	45,796
Net investment in operating leases	9,592	8,116
Other assets	1	5

LIABILITIES

Other liabilities and deferred revenue	\$73	\$88
Debt	38,983	40,728

The accompanying notes are part of the financial statements.

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ITEM 1. Financial Statements (Continued)

FORD MOTOR COMPANY AND SUBSIDIARIES
SECTOR BALANCE SHEET (in millions)

	March 31, 2014 (unaudited)	December 31, 2013
ASSETS		
Automotive		
Cash and cash equivalents	\$4,533	\$4,959
Marketable securities	20,729	20,157
Total cash and marketable securities	25,262	25,116
Receivables, less allowances of \$133 and \$132	5,742	5,641
Inventories (Note 5)	8,874	7,708
Deferred income taxes	1,582	1,574
Net investment in operating leases	978	1,384
Other current assets	1,462	1,034
Total current assets	43,900	42,457
Equity in net assets of affiliated companies	3,849	3,546
Net property	28,222	27,492
Deferred income taxes	13,312	13,436
Other assets	2,508	2,824
Non-current receivable from Financial Services	720	724
Total Automotive assets	92,511	90,479
Financial Services		
Cash and cash equivalents	8,450	9,509
Marketable securities	2,817	1,943
Finance receivables, net (Note 3)	83,310	80,816
Net investment in operating leases	19,046	18,600
Equity in net assets of affiliated companies	133	133
Other assets	3,475	3,149
Receivable from Automotive	317	907
Total Financial Services assets	117,548	115,057
Intersector elimination	(1,037)	(1,631)
Total assets	\$209,022	\$203,905
LIABILITIES		
Automotive		
Payables	\$20,598	\$18,035
Other liabilities and deferred revenue (Note 7)	16,438	16,537
Deferred income taxes	340	267