

SPAR GROUP INC
Form 10-Q
May 16, 2016

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 first quarterly period ended **March 31, 2016**.

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: 0-27824

SPAR Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware 33-0684451
State of Incorporation IRS Employer Identification No.

333 Westchester Avenue, South Building, Suite 204,
White Plains, New York 10604
(Address of principal executive offices, including zip
code)

Registrant's telephone number, including area code: (914) 332-4100

Indicate by check 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", "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act).

Large Accelerated Filer
Non-Accelerated Filer

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

On May 10, 2016, there were 20,571,469 shares of Common Stock outstanding.

SPAR Group, Inc.

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PART I: FINANCIAL INFORMATION**Item 1. Condensed Consolidated Financial Statements****SPAR Group, Inc. and Subsidiaries****Condensed Consolidated Balance Sheets***(In thousands, except share and per share data)***(Unaudited)**

	March 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$7,033	\$ 5,718
Accounts receivable, net	20,285	23,203
Deferred income taxes	468	529
Prepaid expenses and other current assets	734	661
Total current assets	28,520	30,111
Property and equipment, net	2,459	2,443
Goodwill	1,800	1,800
Intangible assets, net	2,418	2,551
Deferred income taxes	6,513	5,890
Other assets	857	611
Total assets	\$42,567	\$ 43,406
Liabilities and equity		
Current liabilities:		
Accounts payable	\$4,024	\$ 2,984
Accrued expenses and other current liabilities	5,941	7,082
Accrued expenses due to affiliates	1,251	78
Deferred income taxes	2,566	2,154
Customer deposits	583	503
Lines of credit and short-term loans	304	476
Total current liabilities	14,669	13,277
Long-term debt and other liabilities	4,027	5,731
Total liabilities	18,696	19,008

Commitments and Contingencies – See Note 9

Equity:

SPAR Group, Inc. equity		
Preferred stock, \$.01 par value:		
Authorized and available shares– 2,445,598		
Issued and outstanding shares– None – March 31, 2016 and December 31, 2015	–	–
Common stock, \$.01 par value:		
Authorized shares – 47,000,000		
Issued shares – 20,680,717 – March 31, 2016 and December 31, 2015	207	207
Treasury stock, at cost 116,370 shares – March 31, 2016 and 119,695 shares – December 31, 2015	(164)	(169)
Additional paid-in capital	15,954	15,871
Accumulated other comprehensive loss	(3,357)	(2,869)
Retained earnings	5,523	5,662
Total SPAR Group, Inc. equity	18,163	18,702
Non-controlling interest	5,708	5,696
Total equity	23,871	24,398
Total liabilities and equity	\$42,567	\$ 43,406

See accompanying notes.

SPAR Group, Inc. and Subsidiaries

Condensed Consolidated Statements of Comprehensive (Loss)

(unaudited)

(In thousands, except per share data)

	Three Months Ended March 31, 2016 2015	
Net revenues	\$26,611	\$29,266
Cost of revenues	20,442	