

SPAR GROUP INC  
Form 10-Q  
November 16, 2015

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 third quarterly period ended **September 30, 2015**.  
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

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

On November 1, 2015, there were 20,552,897 shares of Common Stock outstanding.

**SPAR Group, Inc.**

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

	<b>September 30, 2015 (Unaudited)</b>	<b>December 31, 2014</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 6,210	\$ 4,382
Accounts receivable, net	21,306	26,245
Deferred income taxes	416	464
Prepaid expenses and other current assets	605	868
Total current assets	28,537	31,959
Property and equipment, net	2,450	2,175
Goodwill	1,800	1,800
Intangible assets, net	2,693	3,149
Deferred income taxes	5,579	5,134
Other assets	522	353
Total assets	\$ 41,581	\$ 44,570
<b>Liabilities and equity</b>		
Current liabilities:		
Accounts payable	\$ 3,608	\$ 4,011
Accrued expenses and other current liabilities	6,474	8,149
Accrued expenses due to affiliates	705	487
Deferred income taxes	1,822	1,540
Customer deposits	721	659
Lines of credit	884	658
Total current liabilities	14,214	15,504
Long-term debt and other liabilities	5,138	5,855
Total liabilities	19,352	21,359
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 – September 30, 2015 and December 31, 2014	–	–
Common stock, \$.01 par value:		

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Authorized shares – 47,000,000		
Issued shares – 20,680,717 – September 30, 2015 and December 31, 2014	<b>207</b>	207
Outstanding shares – 20,540,922 – September 30, 2015 and 20,559,054 – December 31, 2014 –		–
Treasury stock, at cost 139,795 shares – September 30, 2015 and 121,663 shares – December 31, 2014	<b>(198</b>	) (183 )
Additional paid-in capital	<b>15,755</b>	15,519
Accumulated other comprehensive loss	<b>(2,969</b>	) (1,556 )
Retained earnings	<b>4,633</b>	4,770
Total SPAR Group, Inc. equity	<b>17,428</b>	18,757
Non-controlling interest	<b>4,801</b>	4,454
Total equity	<b>22,229</b>	23,211
Total liabilities and equity	<b>\$ 41,581</b>	\$ 44,570

*See accompanying notes.*

**SPAR Group, Inc. and Subsidiaries**

**Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income**

**(unaudited)**

*(In thousands, except per share data)*

<b>Three Months Ended September 30,</b>	<b>Nine Months Ended September 30,</b>
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