

SPAR GROUP INC  
Form 10-Q  
November 21, 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 third quarterly period ended **September 30, 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

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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  
(Do not check if a smaller reporting  
company)

Accelerated Filer  
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 11, 2016, there were 20,639,490 shares of Common Stock outstanding.

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**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)*

	<b>September 30, 2016 (Unaudited)</b>	<b>December 31, 2015</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,502	\$ 5,718
Accounts receivable, net	30,782	23,203
Deferred income taxes	532	529
Prepaid expenses and other current assets	898	661
Total current assets	39,714	30,111
Property and equipment, net	2,556	2,443
Goodwill	2,257	1,800
Intangible assets, net	2,154	2,551
Deferred income taxes	6,513	5,890
Other assets	2,290	611
Total assets	\$ 55,484	\$ 43,406
<b>Liabilities and equity</b>		
Current liabilities:		
Accounts payable	\$ 5,007	\$ 2,984
Accrued expenses and other current liabilities	12,628	7,082
Accrued expenses due to affiliates	989	78
Deferred income taxes	2,566	2,154
Customer deposits	955	503
Lines of credit and short-term loans	8,181	476
Total current liabilities	30,326	13,277
Long-term debt and other liabilities	12	5,731
Total liabilities	30,338	19,008
Commitments and Contingencies – See Note 8		
Equity:		
SPAR Group, Inc. equity		
Preferred stock, \$.01 par value:		
Authorized and available shares– 2,445,598		

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Issued and outstanding shares–		
None – September 30, 2016 and December 31, 2015	–	–
Common stock, \$.01 par value:		
Authorized shares – 47,000,000		
Issued shares – 20,680,717 – September 30, 2016 and December 31, 2015	<b>207</b>	207
Treasury stock, at cost 42,177 shares – September 30, 2016 and 119,695 shares – December 31, 2015	<b>(58</b>	) (169 )
Additional paid-in capital	<b>16,041</b>	15,871
Accumulated other comprehensive loss	<b>(3,364</b>	) (2,869 )
Retained earnings	<b>5,746</b>	5,662
Total SPAR Group, Inc. equity	<b>18,572</b>	18,702
Non-controlling interest	<b>6,574</b>	5,696
Total equity	<b>25,146</b>	24,398
Total liabilities and equity	<b>\$ 55,484</b>	\$ 43,406

*See accompanying notes.*

**SPAR Group, Inc. and Subsidiaries**

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

**(unaudited)**

*(In thousands, except per share data)*

<b>Three Months</b>		<b>Nine Months</b>	
<b>Ended</b>		<b>Ended</b>	
<b>September 30,</b>		<b>September 30,</b>	
<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>

Net revenues