



Edgar Filing: CARRIAGE SERVICES INC - Form 10-Q

The number of shares of the registrant's Common Stock, \$.01 par value per share, outstanding as of April 21, 2017 was 16,703,351.

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Common stock, \$.01 par value; 80,000,000 shares authorized and 22,490,855 and 22,552,667 shares issued at December 31, 2016 and March 31, 2017, respectively	225	226
Additional paid-in capital	215,064	215,527
Retained earnings	22,966	30,050
Treasury stock, at cost; 5,849,316 shares at December 31, 2016 and March 31, 2017	(60,266	) (60,266 )
Total stockholders' equity	177,989	185,537
Total liabilities and stockholders' equity	\$ 885,069	\$ 880,973

The accompanying condensed notes are an integral part of these Consolidated Financial Statements.

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Weighted average  
number of common and  
common equivalent  
shares outstanding:

Basic	16,459	16,597
Diluted	16,650	18,082

The accompanying condensed notes are an integral part of these Consolidated Financial Statements.

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Net increase (decrease) in cash and cash equivalents	336	(2,480 )
Cash and cash equivalents at beginning of period	535	3,286
Cash and cash equivalents at end of period	\$871	\$806

The accompanying condensed notes are an integral part of these Consolidated Financial Statements.

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Statements.

Allowances for bad debts and customer cancellations are provided at the date that the sale is recognized as revenue and are based on our historical experience. We also monitor changes in delinquency rates and provide additional bad debt and cancellation reserves when warranted.

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implied fair value of goodwill by assigning the fair value of a reporting unit to all of its assets and liabilities as if that reporting unit had been acquired in a business combination. Instead, impairment is defined as the amount by which the carrying value of the reporting unit exceeds its fair value, up to the total amount of goodwill.

In addition to our annual review, we assess the impairment of goodwill whenever events or changes in circumstances indicate that the carrying value of a reporting unit may be greater than fair value. Factors that could trigger an interim impairment review

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We analyze tax benefits for uncertain tax positions and how they are to be recognized, measured and derecognized in financial statements; provide certain disclosures of uncertain tax matters; and specify how reserves for uncertain tax positions should be classified on our Consolidated Balance Sheets.

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Recognized revenue	\$ 671	\$ 349	\$ 142	\$ 1,086	\$ 2,248	\$26,575	\$ 28,823
Deferred revenue	210	108	56	343	717	9,576	10,293
Total contracts	\$ 881	\$ 457	\$ 198	\$ 1,429	\$ 2,965	\$36,151	\$ 39,116

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Where quoted market prices are not available for the specific security, then fair values are estimated by using quoted prices of similar securities in active markets or other inputs other than quoted prices that can corroborate observable market data. These investments are municipal

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annually and secures our obligations under our various self-insured policies. Under the Credit Facility, outstanding borrowings bear interest at either a prime rate or a LIBOR rate, plus an applicable margin based upon our leverage ratio. At March 31, 2017, the prime rate margin was equivalent to 1.125% and the LIBOR margin was 2.125%. The weighted average interest rate on the Credit Facility for the three months ended March 31, 2017 was 2.9%.

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based on consideration of past fluctuations for each risk category. However, since it is not possible to accurately predict future changes in interest rates, these hypothetical changes may not necessarily be an indicator of probable future fluctuations.

The following information about our market-sensitive financial instruments constitutes a “forward-looking statement.” In connection with our preneed funeral operations and preneed cemetery merchandise and service sales, the related funeral and cemetery trust funds own investments in equity and debt securities and mutual funds, which are sensitive to current market prices. Cost and market values of such investments as of March 31, 2017 are presented in Item 1, “Condensed Notes to Consolidated

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Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

The exhibits required to be filed pursuant to the requirements of Item 601 of Regulation S-K are set forth in the Exhibit Index accompanying this Form 10-Q and are incorporated herein by reference.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CARRIAGE SERVICES, INC.

Date: April 26, 2017 /s/ Viki K. Blinderman

Viki K. Blinderman

Senior Vice President, Principal Financial Officer, Chief Financial Officer and Secretary

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CARRIAGE SERVICES, INC.  
INDEX OF EXHIBITS

Exhibit No.	Description
10.1	Carriage Services, Inc. 2017 Omnibus Incentive Plan. Incorporated herein by reference to Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed on April 4, 2017. †
10.2	Second Amendment to the Second Amended and Restated Employment Agreement by and between Carriage Services, Inc. and Melvin C. Payne, dated effective as of March 21, 2017. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 23, 2017. †
*31.1	Certification of Periodic Financial Reports by Melvin C. Payne in satisfaction of Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Periodic Financial Reports by Viki K. Blinderman in satisfaction of Section 302 of the Sarbanes-Oxley Act of 2002.
**32	Certification of Periodic Financial Reports by Melvin C. Payne and Viki K. Blinderman in satisfaction of Section 906 of the Sarbanes-Oxley Act of 2002 and 18 U.S.C. Section 1350.
*101	Interactive Data Files.

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(\*) Filed herewith.

(\*\*) Furnished herewith.

(†) Management contract or compensatory plan or arrangement.