

CARRIAGE SERVICES INC
Form 10-Q
November 06, 2013
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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 quarterly period ended September 30, 2013
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: 1-11961
CARRIAGE SERVICES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	76-0423828 (I.R.S. Employer Identification No.)
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3040 Post Oak Boulevard, Suite 300
Houston, Texas, 77056
(Address of principal executive offices)
(713) 332-8400
(Registrant's telephone number, including area code)

Indicate by check mark 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" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

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

The number of shares of the registrant's Common Stock, \$.01 par value per share, outstanding as of October 31, 2013 was 18,244,766

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

CARRIAGE SERVICES, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	December 31, 2012	(unaudited) September 30, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,698	\$882
Accounts receivable, net of allowance for bad debts of \$1,177 in 2012 and \$793 in 2013	17,812	16,278
Assets held for sale	1,466	5,770
Inventories	5,133	4,787
Prepaid expenses	5,107	3,918
Other current assets	1,923	1,162
Total current assets	33,139	32,797
Preneed cemetery trust investments	70,960	66,919
Preneed funeral trust investments	82,896	94,573
Preneed receivables, net of allowance for bad debts of \$2,059 in 2012 and \$1,703 in 2013	23,222	24,717
Receivables from preneed trusts	25,871	12,298
Property, plant and equipment, net of accumulated depreciation of \$84,291 in 2012 and \$86,654 in 2013	152,433	154,547
Cemetery property	75,156	73,117
Goodwill	218,442	217,244
Deferred charges and other non-current assets	9,424	8,347
Cemetery perpetual care trust investments	46,542	40,261
Total assets	\$738,085	\$724,820
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of senior long-term debt and capital lease obligations	\$11,218	\$12,672
Accounts payable	5,243	3,677
Other liabilities	13,067	11,829
Accrued liabilities	12,278	14,710
Liabilities associated with assets held for sale	369	4,510
Total current liabilities	42,175	47,398
Long-term debt, net of current portion	118,841	109,514
Revolving credit facility	44,700	26,000
Convertible junior subordinated debentures due in 2029 to an affiliate	89,770	89,770
Obligations under capital leases, net of current portion	4,013	3,844
Deferred preneed cemetery revenue	63,998	56,218
Deferred preneed funeral revenue	39,794	31,596
Deferred tax liability	—	6,961
Deferred preneed cemetery receipts held in trust	70,960	66,919
Deferred preneed funeral receipts held in trust	82,896	94,573
Care trusts' corpus	45,920	40,056
Total liabilities	603,067	572,849

