Lifevantage Corp
Form 8-A12B/A
March 13, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-A/A
(Amendment No. 1)

FOR REGISTRATION OF CERTAIN CLASSES OF SECURITIES
PURSUANT TO SECTION 12(b) OR (g) OF
THE SECURITIES EXCHANGE ACT OF 1934

LifeVantage Corporation
(Exact name of registrant as specified in its charter)

Delaware	90-0224471
(State of incorporation or organization)	(I.R.S. Employer Identification No.)
9785 S. Monroe Street, Suite 400 Sandy, UT 84070	84070
(Address of principal executive offices)	(Zip Code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registered	Name of each exchange on which each class is to be registered
Common Stock, par value $0.0001 per share	The Nasdaq Stock Market LLC

If this form relates to the registration of a class of securities pursuant to Section 12(b) of the Exchange Act and is effective pursuant to General Instruction A.(c) or (e), check the following box. ý
If this form relates to the registration of a class of securities pursuant to Section 12(g) of the Exchange Act and is effective pursuant to General Instruction A.(d) or (e), check the following box. ¨
If this form relates to the registration of a class of securities concurrently with a Regulation A offering, check the following box. ¨
Securities Act registration statement file number to which this form relates: None
Securities to be registered pursuant to Section 12(g) of the Act: None

EXPLANATORY NOTE

This Amendment No. 1 to Form 8-A is being filed in connection with the reincorporation from the State of Colorado to the State of Delaware (the “Reincorporation”) of LifeVantage Corporation (“we,” “us” or the “Company”), pursuant to a plan of conversion, dated March 9, 2018 (the “Plan of Conversion”). The Reincorporation was accomplished by the filing of (1) a statement of conversion with the Colorado Secretary of State, and (2) a certificate of conversion and a certificate of incorporation (the “Certificate of Incorporation”) with the Delaware Secretary of State. Pursuant to the Plan of Conversion, the Company also adopted new bylaws (the “Bylaws”). The Company hereby amends the following items, exhibits or other portions of its Form 8-A filed on September 11, 2012 with the Securities and Exchange Commission (the “SEC”) regarding the description of common stock as set forth herein.

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 1. Description of Registrant’s Securities to be Registered.

The Company hereby incorporates by reference the description of the Company’s common stock, par value $0.0001 per share (“Common Stock”) contained in the section entitled “Proposal 4 - Approval of the Reincorporation of the Company from the State of Colorado to the State of Delaware” in the Company’s definitive proxy statement on Schedule 14A, as filed with the SEC on December 20, 2017, as supplemented by the Supplement to Proxy Statement filed with the SEC on January 23, 2018 (collectively, the “Proxy Statement”), to the extent such description relates to the Common Stock of the Company.

Item 2. Exhibits.

The following exhibits to this Registration Statement on Form 8-A/A are incorporated by reference from the documents specified, which have been filed with the SEC.

Exhibit No.	Description
2.1	Plan of Conversion, dated March 9, 2018 (incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K filed with the SEC on March 13, 2018).
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed with the SEC on March 13, 2018).
3.2	Bylaws (incorporated by reference to Exhibit 3.2 to the Company’s Current Report on Form 8-K filed with the SEC on March 13, 2018).
4.1	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company’s Current Report on Form 8-K filed with the SEC on March 13, 2018).

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereto duly authorized.

	LIFEVANTAGE CORPORATION.
Date: March 13, 2018	By: /s/ Steven R. Fife
	Name: Steven R. Fife
	Title: Chief Financial Officer

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Other
62

—

1,663

—

—

—

1,725

Balance at December 31, 2015
$
200,859

$
(5,086
)

$
1,092,106

$
(109,351
)

$
6,164

$
4,709

$
1,189,401

(See notes to consolidated financial statements)

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SERVICE CORPORATION INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Operations

We are North America's largest provider of deathcare products and services, with a network of funeral service locations and cemeteries operating in the United States and Canada. Our funeral service and cemetery operations consist of funeral service locations, cemeteries, funeral service/cemetery combination locations, crematoria, and related businesses, which enable us to serve a wide array of customer needs. We sell cemetery property and funeral and cemetery merchandise and services at the time of need and on a preneed basis.

Funeral service locations provide all professional services relating to funerals and cremations, including the use of funeral facilities and motor vehicles, arranging and directing services, removal, preparation, embalming, cremations, memorialization, and catering. Funeral merchandise, including burial caskets and related accessories, urns and other cremation receptacles, outer burial containers, flowers, online and video tributes, stationery products, casket and cremation memorialization products, and other ancillary merchandise, is sold at funeral service locations.

Our cemeteries provide cemetery property interment rights, including developed lots, lawn crypts, mausoleum spaces, niches, and other cremation memorialization and interment options. Cemetery merchandise and services, including memorial markers and bases, outer burial containers, flowers and floral placement, other ancillary merchandise, graveside services, merchandise installation, and burial openings and closings, are sold at our cemeteries.

2. Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

Our consolidated financial statements include the accounts of Service Corporation International (SCI) and all subsidiaries in which we hold a controlling financial interest. Our financial statements also include the accounts of the funeral merchandise and service trusts, cemetery merchandise and service trusts, and cemetery perpetual care trusts in which we have a variable interest and are the primary beneficiary. Intercompany balances and transactions have been eliminated in consolidation.

Reclassifications Prior Period Financial Statements

Certain reclassifications have been made to prior period amounts to conform to the current period financial statement presentation with no effect on our previously reported results of operations, consolidated financial position, or cash flows.

Use of Estimates in the Preparation of Financial Statements

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. As a result, actual results could differ from these estimates.

Cash and Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. The carrying amounts of our cash and cash equivalents approximate fair value due to the short-term nature of these instruments.

Accounts Receivable and Allowance for Doubtful Accounts

Our trade receivables primarily consist of amounts due for funeral services already performed. We provide various allowances and cancellation reserves for our funeral and cemetery preneed and atneed receivables as well as for our preneed funeral and preneed cemetery deferred revenues. These allowances are based on an analysis of historical trends of collection and cancellation activity. Atneed funeral and cemetery receivables are considered past due after 30 days. Collections are generally managed by the locations or third party agencies acting on behalf of the locations, until a receivable is 180 days delinquent at which time it is fully reserved and sent to a collection agency. These estimates are impacted by a number of factors, including changes in the economy, relocation, and demographic or competitive changes in our areas of operation.

Inventories and Cemetery Property

Funeral and cemetery merchandise are stated at the lower of average cost or market. Cemetery property is recorded at cost. Inventory costs and cemetery property are relieved using specific identification in performance of a contract. Amortization expense for cemetery property was $62.4 million, $60.4 million, and $48.3 million for the years ended December 31, 2015, 2014, and 2013, respectively.

Property and Equipment, Net

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Property and equipment are recorded at cost. Maintenance and repairs are charged to expense whereas renewals and major replacements that extend the assets useful lives are capitalized. Depreciation is recognized ratably over the estimated useful lives of the various classes of assets. Buildings are depreciated over a period ranging from seven to forty years, equipment is depreciated over a period from three to eight years, and leasehold improvements are depreciated over the shorter of the lease term or ten years. Depreciation and amortization expense related to property and equipment was $141.5 million, $140.0 million, and $122.2 million for the years ended December 31, 2015, 2014, and 2013, respectively. When property is sold or retired, the cost and related accumulated depreciation are removed from the Consolidated Balance Sheet; resulting gains and losses are included in the Consolidated Statement of Operations in the period of sale or disposal.

Leases

We have lease arrangements related to funeral service locations and transportation equipment that were primarily classified as capital leases at December 31, 2015. Lease terms related to funeral service locations generally range from one to 40 years with options to renew at varying terms. Lease terms related to transportation equipment generally range from one to five years with options to renew at varying terms. We calculate operating lease expense ratably over the lease term. We consider reasonably assured renewal options and fixed escalation provisions in our calculation. For more information related to leases, see Note 11.

Goodwill

The excess of purchase price over the fair value of identifiable net assets acquired in business combinations is recorded as goodwill. Goodwill is tested annually during the fourth quarter for impairment by assessing the fair value of each of our reporting units.

Our goodwill impairment test involves estimates and management judgment. In the first step of our goodwill impairment test, we compare the fair value of a reporting unit to its carrying amount, including goodwill. We determine fair value of each reporting unit using both a market and income approach. Our methodology considers discounted cash flows and multiples of EBITDA (earnings before interest, taxes, depreciation, and amortization). The discounted cash flow valuation uses projections of future cash flows and includes assumptions concerning future operating performance and economic conditions that may differ from actual future cash flows. We do not record an impairment of goodwill in instances where the fair value of a reporting unit exceeds its carrying amount. If the aggregate fair value is less than the related carrying amount for a reporting unit, we compare the implied fair value of goodwill to the carrying amount of goodwill. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

For our most recent annual impairment test performed in the fourth quarter, we used a 6.5% discount rate, growth rates ranging from 1.7% to 7.0% over a five-year period, plus a terminal value determined using the constant growth method in projecting our future cash flows. Fair value was calculated as the sum of the projected discounted cash flows of our reporting units over the next five years plus terminal value at the end of those five years. Our terminal value was calculated using a long-term growth rate of 2.5% and 2.9% for our funeral and cemetery reporting units, respectively.

In addition to our annual review, we assess the impairment of goodwill whenever certain events or changes in circumstances indicate that the carrying value may be greater than fair value. Factors that could trigger an interim impairment review include, but are not limited to, significant underperformance relative to historical or projected future operating results and significant negative industry or economic trends. No interim goodwill impairment reviews were required in 2015 or 2014. For more information related to goodwill, see Note 7.

Other Intangible Assets

Our intangible assets include customer relationships, trademarks and tradenames, and other intangible assets primarily resulting from acquisitions. Our trademark and tradenames and certain other intangible assets are considered to have an indefinite life and are not subject to amortization. We test for impairment of intangible assets annually during the fourth quarter.

Our intangible assets impairment tests involve estimates and management judgment. For trademark and tradenames, our test uses the relief from royalty method whereby we determine the fair value of the assets by discounting the cash flows that represent a savings over having to pay a royalty fee for use of the trademark and tradenames. The discounted cash flow valuation uses projections of future cash flows and includes assumptions concerning future operating performance and economic conditions that may differ from actual future cash flows. For our most recent annual impairment test performed in the fourth quarter, we estimated that the pre-tax savings would range from 1.0% to 4.0% of the revenues associated with the trademark and tradenames, based primarily on our research of intellectual property valuation and licensing databases. We also assumed a terminal growth rate of 2.5% and 2.9% for our funeral and cemetery segments, respectively, and discounted the cash flows at a 6.7% discount rate based on the relative risk of these assets to our overall business.

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In addition to our annual review, we assess the impairment of intangible assets whenever certain events or changes in circumstances indicate that the carrying value may be greater than the fair value. Factors that could trigger an interim impairment review include, but are not limited to, significant under-performance relative to historical or projected future operating results and significant negative industry or economic trends. No interim intangible impairment reviews were required in 2015 or 2014.

Certain of our intangible assets associated with prior acquisitions are relieved using specific identification in performance of a contract. We amortize all other finite-lived intangible assets on a straight-line basis over their estimated useful lives which range from two to forty years. For more information related to intangible assets, see Note 7.

Fair Value Measurements

We measure the available-for-sale securities held by our funeral merchandise and service, cemetery merchandise and service, and cemetery perpetual care trusts at fair value on a recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We utilize a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2 — inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument; and
- Level 3 — inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An asset’s or liability’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Certain available-for-sale securities held by our funeral merchandise and service, cemetery merchandise and service, and cemetery perpetual care trusts have been classified in Level 3 of the hierarchy due to the significant management judgment required as a result of the absence of quoted market prices, inherent lack of liquidity, or the long-term nature of the securities. For additional disclosures for all of our available-for-sale securities, see Notes 3, 4, and 5.

Treasury Stock

We make treasury stock purchases in the open market or through privately negotiated transactions subject to market conditions and normal trading restrictions. We account for the repurchase of our common stock under the par value method. In 2015, we canceled 8.0 million shares of common stock held in our treasury. We canceled 11.0 million and 0.3 million shares of common stock held in our treasury in 2014 and 2013, respectively. These retired treasury shares were changed to authorized but unissued status.

Foreign Currency Translation

All assets and liabilities of our foreign subsidiaries are translated into U.S. dollars at exchange rates in effect as of the end of the reporting period. Revenue and expense items are translated at the average exchange rates for the reporting period. The resulting translation adjustments are included in Equity as a component of Accumulated other comprehensive income in the Consolidated Statement of Equity and Consolidated Balance Sheet.

The functional currency of SCI and its subsidiaries is the respective local currency. The transactional currency gains and losses that arise from transactions denominated in currencies other than the functional currencies of our operations are recorded in Other (expense) income , net in the Consolidated Statement of Operations. We do not have an investment in foreign operations considered to be in highly inflationary economies.

Funeral Operations

Revenue is recognized when funeral merchandise is delivered or funeral services are performed. We sell price-guaranteed preneed funeral contracts through various programs providing for future funeral services at prices prevailing when the agreements are signed. Revenue associated with sales of preneed funeral contracts is deferred until funeral merchandise is delivered or the funeral services are performed, generally at the time of need. Travel protection insurance and certain memorialization merchandise sold on a preneed basis is delivered to the customer at the time of sale and is recognized at the time delivery has occurred. While these items are sold as part of preneed funeral arrangements they are also offered on a stand-alone basis. The total consideration received for these arrangements is allocated to each item based on relative selling price determined using either vendor specific objective evidence of the selling price or third-party evidence of selling price. Vendor specific objective evidence of the selling price is determined based on the price we sell the items for on a stand-alone basis.

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Third-party evidence of selling price is based on the price of our largely interchangeable products that are sold in stand-alone sales to similarly situated customers. There is no general right of return for delivered items.
Pursuant to state or provincial law, all or a portion of the proceeds from funeral merchandise or services sold on a preneed basis may be required to be paid into trust funds. We defer investment earnings related to these merchandise and service trusts until the associated merchandise is delivered or services are performed. Costs related to sales of merchandise and services are charged to expense when merchandise is delivered or services are performed. Sales taxes collected are recognized on a net basis in our consolidated financial statements. See Note 3 for more information regarding preneed funeral activities.

Cemetery Operations

Revenue associated with sales of cemetery merchandise and services is recognized when merchandise is delivered or the service is performed. Revenue associated with sales of preneed cemetery property interment rights is deferred until the property is constructed and a minimum of 10% of the sales price is collected. For non-personalized merchandise (such as vaults) and services, we defer the revenues until the merchandise is delivered or the services are performed. For personalized marker merchandise, with the customer's direction generally obtained at the time of sale, we can choose to order, store, and transfer title to the customer. In situations in which we have no further obligation or involvement related to the merchandise, we recognize revenues and record the cost of sales upon the earlier of vendor storage of these items or delivery in our cemetery. The total consideration received for these arrangements is allocated to each item based on relative selling price determined using vendor specific objective evidence of the selling price. Vendor specific objective evidence of the selling price is determined based on the price we sell the items for on a stand-alone basis. There is no general right of return for delivered items.
Pursuant to state or provincial law, all or a portion of the proceeds from cemetery merchandise or services sold on a preneed basis may be required to be paid into trust funds. We defer investment earnings related to these merchandise and services trusts until the associated merchandise is delivered or services are performed.
A portion of the proceeds from the sale of cemetery property interment rights is required by state or provincial law to be paid into perpetual care trust funds. Investment earnings from these trusts are distributed to us regularly, are recognized in current cemetery revenues, and are intended to defray cemetery maintenance costs, which are expensed as incurred. The principal of such perpetual care trust funds generally cannot be withdrawn.
Costs related to the sale of property interment rights include the property and construction costs specifically identified by project. Property and construction costs are charged to expense when the revenue is recognized by specific identification in the performance of a contract. Costs related to sales of merchandise and services are charged to expense when merchandise is delivered or when services are performed. Sales taxes collected are recognized on a net basis in our consolidated financial statements. See Notes 4 and 5 for more information regarding preneed cemetery and perpetual care activities.

Preneed Funeral and Cemetery Receivables

We sell preneed contracts whereby the customer enters into arrangements for future merchandise and services prior to the time of need. As these contracts are entered into prior to the delivery of the related merchandise and services, the preneed funeral and cemetery receivables are offset by a comparable deferred revenue amount. These receivables have an interest component for which interest income is recorded when the interest amount is considered collectible and realizable, which typically coincides with cash payment. We do not accrue interest on financing receivables that are not paid in accordance with the contractual payment date given the nature of our merchandise and services, the nature of our contracts with customers, and the timing of the delivery of our services. We do not consider receivables to be past due until the merchandise or services are required to be delivered at which time the preneed receivable is paid or reclassified as a trade receivable with payment terms of less than 30 days. As the preneed funeral and cemetery receivables are offset by comparable deferred revenue amounts, we have no risk of loss related to these receivables.
If a preneed contract is canceled prior to delivery, state or provincial law determines the amount of the refund owed to the customer, if any, including the amount of the attributed investment earnings. Upon cancellation, we receive the amount of principal deposited to the trust and previously undistributed net investment earnings and, where required, issue a refund to the customer. We retain excess funds, if any, and recognize the attributed investment earnings (net of any investment earnings payable to the customer) as revenue in the Consolidated Statement of Operations. In certain jurisdictions, we may be obligated to fund any shortfall if the amount deposited by the customer exceeds the funds in

trust. Based on our historical experience, we have provided an allowance for cancellation of these receivables, which is recorded as a reduction in receivables with a corresponding offset to deferred revenue.

Income Taxes
We compute income taxes using the liability method. Our ability to realize the benefit of our deferred tax assets requires us to achieve certain future earnings levels. We have established a valuation allowance against a portion of our deferred tax assets and we could be required to further adjust that valuation allowance in the near term if market conditions change materially and future earnings are, or are projected to be, significantly different than our current estimates. An increase in the valuation allowance would result in additional income tax expense in such period.
In July 2013, the Financial Accounting Standards Board (FASB) amended the Income Taxes accounting standard to to eliminate a diversity in practice for the presentation of unrecognized tax benefits when net operating loss carryforwards, similar tax losses, or tax credit carryforwards exist. The amendment requires that the unrecognized tax benefit be presented as a reduction of the deferred tax assets associated with the carryforwards except in certain circumstances when it would be reflected as a liability. We adopted this amendment effective January 1, 2014 with no impact on our consolidated results of operations, consolidated financial position, or cash flows.
In November 2015, the FASB amended the Income Taxes accounting standard to simplify the presentation of deferred income taxes, by requiring all deferred tax assets and liabilities, along with any related valuation allowance, to be classified as non-current on the balance sheet. Our prospective adoption of this guidance in the fourth quarter of 2015 did not have a material impact on our consolidated financial statements.
Recent Accounting Pronouncements
Revenue Recognition
In May 2014, the FASB issued the Revenue from Contracts with Customers accounting standard, which supersedes the revenue recognition requirements in the Revenue Recognition accounting standard and most industry-specific guidance. This new standard is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It also requires additional disclosure about the nature, amount, and timing of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. Additionally, the new standard requires the deferral of direct incremental selling costs to the period in which the underlying revenue is recognized. In August 2015, the FASB issued an amendment that defers implementation of the Revenue from Contracts with Customers accounting standard for all entities by one year. The new standard will be effective for us beginning January 1, 2018 and we intend to implement the standard with the modified retrospective approach, which recognizes the cumulative effect of application recognized on that date. We are evaluating the impact of adoption on our consolidated results of operations, consolidated financial position, and cash flows.
Consolidation
In February 2015, the FASB amended the Consolidation accounting standard to revise the consolidation model for limited partnerships, variable interest entities, and certain investment funds. Further, the amendment provides guidance on how fee arrangements and related parties should be considered when determining whether to consolidate variable interest entities. As a result of this amendment, all legal entities are required to be reevaluated to determine if they should be consolidated. The new guidance is effective for us on January 1, 2016 and adoption will have no impact on our consolidated results of operations, consolidated financial position, and cash flows.
Debt Issuance Costs
In April 2015, the FASB amended the Interest—Imputation of Interest accounting standard to simplify the presentation of debt issuance costs on the balance sheet. Currently, debt issuance costs are included in Other current assets and Deferred charges and other assets on our Consolidated Balance Sheet. The amendment requires that these costs instead be presented as a direct deduction from the carrying amount of Current maturities of long-term debt and Long-term debt, consistent with the presentation of debt discounts.
In August 2015, the FASB issued an additional amendment that provides additional guidance to the Interest—Imputation of Interest accounting standard since it did not address presentation or subsequent measurement of debt issuance costs related to line-of-credit arrangements. The amendment noted that the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement.

This change does not impact the manner in which the debt issuance costs are expensed over the term of the debt. The change in presentation is effective for us on January 1, 2016. As of December 31, 2015, the effect of these amendments would have been to reduce Other current assets and Current maturities of long-term debt by $9.5 million and to reduce Deferred charges and other assets and Long-term debt by $35.9 million. As of December 31, 2014 the effect of these amendments would

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have been to reduce Other current assets and Current maturities of long-term debt by $9.2 million and to reduce Deferred charges and other assets and Long-term debt by $39.7 million.

Cloud Computing Arrangements

In April 2015, the FASB amended the Intangibles—Goodwill and Other—Internal-Use Software accounting standard to provide guidance on whether a cloud computing arrangement contains a software license. If a cloud computing arrangement includes a software license, then we should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, we should account for the arrangement as a service contract. The new guidance is effective for us on January 1, 2016 and adoption will have no impact on our consolidated results of operations, consolidated financial position, and cash flows.

Fair Value Measurements

In May 2015, the FASB amended the Fair Value Measurements accounting standard to remove the requirement to disclose the fair value measurement hierarchy level associated with investments measured at net asset value as a practical expedient. Other disclosures required by the standard for these assets remain the same. This amendment does not change the underlying accounting for these investments. The new guidance is effective for us with our first quarter 2016 filing on Form 10-Q.

Inventory

In July 2015, the FASB amended the Inventory accounting standard to state that an entity using an inventory method other than last-in, first out ("LIFO") or the retail inventory method should measure inventory at the lower of cost and net realizable value. The new guidance clarifies that net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The new guidance is effective for us on January 1, 2017, and we are still evaluating the impact of adoption on our consolidated results of operations, consolidated financial position, and cash flows.

Business Combinations

In September 2015, the FASB amended the Business Combinations accounting standard to eliminate the requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. Under the new guidance, acquirers must recognize measurement-period adjustments in the period in which they determine the amount of the adjustment. The new guidance is effective for us on January 1, 2016 and will be applied prospectively to measurement-period adjustments occurring after the effective date, if any.

Financial Instruments

In January 2016, the FASB amended the Financial Instruments accounting standard to provide additional guidance on the recognition and measurement of financial assets and liabilities. The amendment requires investments in equity instruments to be measured at fair value with changes in fair value reflected in net income. The amendment also changes the guidance for debt securities held at amortized cost and liabilities under the fair value option. The new guidance is effective for us on January 1, 2018, and we are still evaluating the impact of adoption on our consolidated results of operations, consolidated financial position, and cash flows.

3. Preneed Funeral Activities

Preneed funeral receivables, net and trust investments

Preneed funeral receivables, net and trust investments represent trust investments, including investment earnings, and customer receivables, net of unearned finance charges, related to unperformed, price-guaranteed preneed funeral contracts. Our funeral merchandise and service trusts are variable interest entities. We have determined that we are the primary beneficiary of these trusts, as we absorb a majority of the losses and returns associated with these trusts. Our cemetery trust investments detailed in Notes 4 and 5 are also accounted for as variable interest entities. When we receive payments from the customer, we deposit the amount required by law into the trust and reclassify the corresponding amount from Deferred preneed funeral revenues into Deferred preneed receipts held in trust. Amounts are withdrawn from the trusts after the contract obligations are performed. Cash flows from preneed funeral contracts are presented as operating cash flows in our Consolidated Statement of Cash Flows.

Preneed funeral receivables, net and trust investments are reduced by the trust investment earnings (realized and unrealized) that we have been allowed to withdraw in certain states prior to maturity. These earnings are recorded in Deferred preneed funeral revenues until the merchandise is delivered or the service is performed.

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The table below sets forth certain investment-related activities associated with our preneed funeral merchandise and service trusts for the years ended December 31:

	2015	2014	2013
		(In thousands)	
Deposits	$121,109	$102,553	$82,168
Withdrawals	$160,135	$131,352	$125,914
Purchases of available-for-sale securities(1)	$453,092	$1,238,257	$393,169
Sales of available-for-sale securities(1)	$458,236	$1,318,512	$435,267
Realized gains from sales of available-for-sale securities(1)	$42,034	$168,567	$65,011
Realized losses from sales of available-for-sale securities(1)	$(31,403)	$(113,748)	$(9,732)

(1) The increase in activity in 2014 is the result of changing the legal structure of the trust investments.

The components of Preneed funeral receivables, net and trust investments in our Consolidated Balance Sheet at December 31 were as follows:

	2015	2014
	(In thousands)	
Trust investments, at market	$1,109,394	$1,205,747
Cash and cash equivalents	134,642	162,229
Assets associated with businesses held for sale	(39)	—
Insurance-backed fixed income securities	271,116	260,899
Trust investments	1,515,113	1,628,875
Receivables from customers	290,689	262,700
Unearned finance charge	(11,235)	(11,054)
	1,794,567	1,880,521
Allowance for cancellation	(34,270)	(37,498)
Preneed funeral receivables and trust investments	$1,760,297	$1,843,023

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The activity in Preneed funeral receivables, net and trust investments for the years ended December 31 was as follows:

	2015	2014	2013
		(In thousands)	
Beginning balance — Preneed funeral receivables and trust investments	$1,843,023	$1,870,243	$1,536,257
Net preneed contract sales	283,927	247,994	192,712
Cash receipts from customers, net of refunds	(234,413)	(211,830)	(170,921)
Deposits to trust	121,109	102,553	82,168
Acquisitions (divestitures) of businesses, net	1,400	(19,203)	271,395
Net undistributed investment (losses) earnings [(1)]	(38,510)	22,480	125,986
Maturities and distributed earnings	(200,635)	(162,059)	(153,446)
Change in cancellation allowance	2,787	7,644	(3,245)
Effect of foreign currency and other	(18,391)	(14,799)	(10,663)
Ending balance — Preneed funeral receivables and trust investments	$1,760,297	$1,843,023	$1,870,243

(1) Includes both realized and unrealized investment earnings.

The cost and market values associated with our funeral merchandise and service trust investments recorded at fair value at December 31, 2015 and 2014 are detailed below. Cost reflects the investment (net of redemptions) of control holders in the trusts. Fair value represents the value of the underlying securities held by the trusts.

	December 31, 2015				
	Fair Value Hierarchy Level	Cost	Unrealized Gains	Unrealized Losses	Fair Value
			(In thousands)		
Fixed income securities:					
U.S. Treasury	2	$82,417	$107	$(1,331)	$81,193
Canadian government	2	72,488	532	(655)	72,365
Corporate	2	19,036	235	(284)	18,987
Residential mortgage-backed	2	1,297	29	(22)	1,304
Asset-backed	2	5	—	—	5
Equity securities:					
Preferred stock	2	1,949	41	(158)	1,832
Common stock:					
United States	1	344,116	30,885	(19,149)	355,852
Canada	1	11,930	2,652	(1,077)	13,505
Other international	1	32,156	2,636	(3,907)	30,885
Mutual funds:					
Equity	1	323,884	1,263	(43,975)	281,172
Fixed income	1	155,717	154	(13,092)	142,779
Commingled funds:					
Fixed income	2	69,148	—	(442)	68,706
Private equity	3	38,201	3,703	(6,467)	35,437
Other	3	4,226	1,146	—	5,372
Trust investments		$1,156,570	$43,383	$(90,559)	$1,109,394

	December 31, 2014				
	Fair Value Hierarchy Level	Cost	Unrealized Gains	Unrealized Losses	Fair Value
			(In thousands)		
Fixed income securities:					
U.S. Treasury	2	$85,775	$468	$(455)	$85,788
Canadian government	2	90,430	449	(874)	90,005
Corporate	2	24,765	423	(126)	25,062
Residential mortgage-backed	2	1,325	29	(12)	1,342
Asset-backed	2	6	—	—	6
Equity securities:					
Preferred stock	2	2,503	113	(113)	2,503
Common stock:					
United States	1	377,441	18,533	(7,405)	388,569
Canada	1	14,708	4,292	(895)	18,105
Other international	1	38,035	1,175	(1,560)	37,650
Mutual funds:					
Equity	1	308,548	3,332	(15,901)	295,979
Fixed income	1	229,414	869	(3,576)	226,707
Private equity	3	35,094	2,649	(9,418)	28,325
Other	3	5,084	726	(104)	5,706
Trust investments		$1,213,128	$33,058	$(40,439)	$1,205,747

Where quoted prices are available in an active market, securities are classified as Level 1 investments pursuant to the fair value measurements hierarchy.

Where quoted market prices are not available for the specific security, fair values are estimated by using either quoted prices of securities with similar characteristics or an income approach fair value model with observable inputs that include a combination of interest rates, yield curves, credit risks, prepayment speeds, rating, and tax-exempt status. Commingled funds are measured at and readily redeemable for net asset value. These securities are classified as Level 2 investments pursuant to the fair value measurements hierarchy.

The valuation of private equity and other alternative investments requires management judgment due to the absence of quoted market prices, inherent lack of liquidity, and the long-term nature of such assets. The fair value of these investments is estimated based on the value of the underlying real estate and private equity investments. The underlying real estate value is determined using the most recent available appraisals. Private equity instruments are valued based on reported net asset values. Valuation policies and procedures are determined by our Trust Services department, which reports to our Chief Financial Officer. Additionally, valuations are reviewed by the Investment Committee of the Board of Directors quarterly. These securities are classified as Level 3 investments pursuant to the fair value measurements hierarchy.

As of December 31, 2015, our unfunded commitment for our private equity and other investments was $41.9 million which, if called, would be funded by the assets of the trusts. Our private equity and other investments include several funds that invest in limited partnerships, distressed debt, real estate, and mezzanine financing. These investments can never be redeemed by the funds. Instead, the nature of the investments in this category is that the distributions are received through the liquidation of the underlying assets of the funds. We estimate that the underlying assets will be liquidated over the next 2 to 10 years.

The change in our market-based funeral merchandise and service trust investments with significant unobservable inputs (Level 3) is as follows for the years ended December 31, 2015, 2014, and 2013:

	2015 Private Equity	2015 Other	2014 Private Equity	2014 Other	2013 Private Equity	2013 Other
	(In thousands)					
Fair value, beginning balance at January 1,	$28,325	$5,706	$26,885	$1,808	$17,879	$744
Net unrealized gains included in Accumulated other comprehensive income(1)	6,449	214	2,242	826	13,429	1,442
Net realized losses included in Other income (expense), net(2)	(44)	(15)	(39)	(6)	(43)	(3)
Purchases	—	32	—	3,214	1,188	—
Sales	(36)	—	—	—	—	—
Contributions	7,464	1,297	6,122	4	3,229	—
Distributions and other	(6,721)	(1,862)	(6,885)	(140)	(9,245)	(393)
Acquisitions	—	—	—	—	448	18
Fair value, ending balance at December 31,	$35,437	$5,372	$28,325	$5,706	$26,885	$1,808

(1) All unrealized gains recognized in Accumulated other comprehensive income for our funeral merchandise and service trust investments are attributable to our preneed customers and are offset by a corresponding reclassification in Accumulated other comprehensive income to Deferred preneed receipts held in trust. See Note 6 for further information related to our Deferred preneed receipts held in trust.

(2) All losses recognized in Other income (expense), net for our funeral merchandise and service trust investments are attributable to our preneed customers and are offset by a corresponding reclassification in Other income (expense), net to Deferred preneed receipts held in trust. See Note 6 for further information related to our Deferred preneed receipts held in trust.

Maturity dates of our fixed income securities range from 2016 to 2045. Maturities of fixed income securities at December 31, 2015 are estimated as follows:

	Fair Value (In thousands)
Due in one year or less	$107,784
Due in one to five years	25,635
Due in five to ten years	26,390
Thereafter	14,045
	$173,854

Earnings from all our funeral merchandise and service trust investments are recognized in funeral revenues when merchandise is delivered or a service is performed. Fees charged by our wholly-owned registered investment advisor are also included in current revenues in the period in which they are earned. In addition, we are entitled to retain, in certain jurisdictions, a portion of collected customer payments when a customer cancels a preneed contract; these amounts are also recognized in current revenues. Recognized earnings (realized and unrealized) related to our funeral merchandise and service trust investments were $52.9 million, $62.8 million, and $48.5 million for the years ended December 31, 2015, 2014, and 2013, respectively.

We assess our trust investments for other-than-temporary declines in fair value on a quarterly basis. Impairment charges resulting from this assessment are recognized as investment losses in Other income (expense), net and a decrease to Preneed funeral receivables, net and trust investments. These investment losses, if any, are offset by the corresponding reclassification in Other (expense) income, net, which reduces Deferred preneed receipts held in trust. See Note 6 for further information related to our Deferred preneed receipts held in trust. For the years ended

December 31, 2015, 2014, and 2013, we recorded a $3.5 million, a $41.8 million, and a $0.8 million, respectively, impairment charge for other-than-temporary declines in fair value related to unrealized losses on certain investments.

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We have determined that the remaining unrealized losses in our funeral merchandise and service trust investments are considered temporary in nature, as the unrealized losses were due to temporary fluctuations in interest rates and equity prices. The investments are diversified across multiple industry segments using a balanced allocation strategy to minimize long-term risk. We believe that none of the securities are other-than-temporarily impaired based on our analysis of the investments. Our analysis included a review of the portfolio holdings and discussions with the individual money managers as to the sector exposures, credit ratings, and the severity and duration of the unrealized losses. Our funeral merchandise and service trust investment unrealized losses, their associated fair values, and the duration of unrealized losses for the years ended December 31, 2015 and 2014, are shown in the following tables.

	December 31, 2015					
	In Loss Position Less Than 12 Months		In Loss Position Greater Than 12 Months		Total	
	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses
			(In thousands)			
Fixed income securities:						
U.S. Treasury	$37,008	$(1,273)	$4,687	$(58)	$41,695	$(1,331)
Canadian government	2,336	(17)	11,535	(638)	13,871	(655)
Corporate	4,644	(156)	4,025	(128)	8,669	(284)
Residential mortgage-backed	377	(6)	133	(16)	510	(22)
Equity securities:						
Preferred stock	448	(60)	42	(98)	490	(158)
Common stock:						
United States	128,725	(16,448)	14,531	(2,701)	143,256	(19,149)
Canada	1,956	(355)	1,097	(722)	3,053	(1,077)
Other international	9,458	(1,638)	6,151	(2,269)	15,609	(3,907)
Mutual funds:						
Equity	185,726	(23,385)	79,855	(20,590)	265,581	(43,975)
Fixed income	108,984	(5,052)	27,048	(8,040)	136,032	(13,092)
Commingled funds:						
Fixed income	68,578	(442)	—	—	68,578	(442)
Private equity	—	—	18,713	(6,467)	18,713	(6,467)
Total temporarily impaired securities	$548,240	$(48,832)	$167,817	$(41,727)	$716,057	$(90,559)

	December 31, 2014					
	In Loss Position Less Than 12 Months		In Loss Position Greater Than 12 Months		Total	
	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses
			(In thousands)			
Fixed income securities:						
U.S. Treasury	$32,243	$(412)	$4,978	$(43)	$37,221	$(455)
Canadian government	2,894	(52)	14,904	(822)	17,798	(874)
Corporate	4,988	(56)	2,420	(70)	7,408	(126)
Residential mortgage-backed	217	(10)	106	(2)	323	(12)
Equity securities:						
Preferred stock	26	(113)	—	—	26	(113)
Common stock:						
United States	126,527	(7,403)	438	(2)	126,965	(7,405)
Canada	1,752	(379)	1,085	(516)	2,837	(895)
Other international	19,593	(1,557)	2	(3)	19,595	(1,560)
Mutual funds:						
Equity	233,827	(13,219)	23,717	(2,682)	257,544	(15,901)
Fixed income	112,160	(3,128)	11,452	(448)	123,612	(3,576)
Private equity	203	(461)	13,870	(8,957)	14,073	(9,418)
Other	5	(11)	464	(93)	469	(104)
Total temporarily impaired securities	$534,435	$(26,801)	$73,436	$(13,638)	$607,871	$(40,439)

Deferred Preneed Funeral Revenues

At December 31, 2015 and 2014, Deferred preneed funeral revenues, net of allowance for cancellation, represent future funeral revenues, including distributed trust investment earnings associated with unperformed trust-funded preneed funeral contracts that are not held in trust accounts. Deferred preneed funeral revenues are recognized in current funeral revenues when merchandise is delivered or the service is performed. Future funeral revenues and net trust investment earnings that are held in trust accounts are included in Deferred preneed receipts held in trust.

The following table summarizes the activity in Deferred preneed funeral revenues for the years ended December 31 were as follows:

	2015	2014	2013
	(In thousands)		
Beginning balance — Deferred preneed funeral revenue, net	$540,164	$551,948	$535,136
Net preneed contract sales	232,628	198,195	144,202
(Divestitures) acquisitions of businesses, net	(2,895)	(21,639)	298,047
Net investment (losses) earnings[(1)]	(37,208)	24,256	126,428
Recognized deferred preneed revenue	(276,359)	(258,534)	(200,680)
Change in cancellation allowance	11,675	21,272	(5,670)
Change in deferred preneed receipts held in trust	90,351	26,131	(343,878)
Effect of foreign currency and other	(459)	(1,465)	(1,637)
Ending balance — Deferred preneed funeral revenue, net	$557,897	$540,164	$551,948

(1) Includes both realized and unrealized investment earnings.

Insurance-Funded Preneed Contracts

Not included in our Consolidated Balance Sheet are insurance-funded preneed contracts that will be funded by life insurance or annuity contracts issued by third party insurers. Where permitted by state or provincial law, customers may arrange their preneed contract by purchasing a life insurance or annuity policy from third-party insurance companies, for which we earn a commission as general sales agent for the insurance company. These general agency commissions (GA revenues) are based on a percentage per contract sold and are recognized as funeral revenues when the insurance purchase transaction between the customer and third-party insurance provider is completed. GA revenues recognized in 2015, 2014, and 2013 were $137.0

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million, $123.0 million, and $106.5 million, respectively. Direct selling costs incurred pursuant to the sale of insurance-funded preneed contracts are expensed as incurred. The policy amount of the insurance contract between the customer and the third-party insurance company generally equals the amount of the preneed contract. We do not reflect the unfulfilled insurance-funded preneed contract amounts in our Consolidated Balance Sheet. The proceeds of the life insurance policies or annuity contracts will be reflected in funeral revenues as we perform these funerals.

4. Preneed Cemetery Activities

Preneed cemetery receivables, net and trust investments

Preneed cemetery receivables, net and trust investments represent trust investments, including investment earnings, and customer receivables, net of unearned finance charges, for contracts sold in advance of when the property interment rights, merchandise, or services are needed. Our cemetery merchandise and service trusts are variable interest entities. We have determined that we are the primary beneficiary of these trusts, as we absorb a majority of the losses and returns associated with these trusts. The trust investments detailed in Notes 3 and 5 are also accounted for as variable interest entities. When we receive payments from the customer, we deposit the amount required by law into the trust and reclassify the corresponding amount from Deferred preneed cemetery revenues into Deferred preneed receipts held in trust. Amounts are withdrawn from the trusts when the contract obligations are performed. Cash flows from preneed cemetery contracts are presented as operating cash flows in our Consolidated Statement of Cash Flows.

Preneed cemetery receivables, net and trust investments are reduced by the trust investment earnings (realized and unrealized) that we have been allowed to withdraw in certain states prior to maturity. These earnings are recorded in Deferred preneed cemetery revenues until the merchandise is delivered or the service is performed.

The table below sets forth certain investment-related activities associated with our preneed cemetery merchandise and service trusts for the years ended December 31:

	2015	2014	2013
		(In thousands)	
Deposits	$153,252	$129,581	$106,185
Withdrawals	$163,732	$150,064	$119,576
Purchases of available-for-sale securities(1)	$625,648	$1,786,800	$477,772
Sales of available-for-sale securities(1)	$628,484	$1,842,417	$498,852
Realized gains from sales of available-for-sale securities(1)	$51,510	$271,507	$101,337
Realized losses from sales of available-for-sale securities(1)	$(40,092)	$(138,473)	$(14,593)

(1) The increase in activity in 2014 is the result of changing the legal structure of the trust investments.

The components of Preneed cemetery receivables, net and trust investments in the Consolidated Balance Sheet at December 31 were as follows:

	2015	2014
	(In thousands)	
Trust investments, at market	$1,343,916	$1,404,298
Cash and cash equivalents	118,583	122,355
Trust investments	1,462,499	1,526,653
Receivables from customers	958,503	881,082
Unearned finance charges	(31,332)	(31,524)
	2,389,670	2,376,211
Allowance for cancellation	(71,503)	(69,542)
Preneed cemetery receivables and trust investments	$2,318,167	$2,306,669

The activity in Preneed cemetery receivables, net and trust investments for the years ended December 31 was as follows:

	2015	2014	2013
		(In thousands)	
Beginning balance — Preneed cemetery receivables and trust investments	$2,306,669	$2,292,348	$1,826,835
Net preneed contract sales	799,497	688,336	562,433
Acquisitions (divestitures) of businesses, net	4,404	(10,898)	190,870
Net undistributed investment (losses) earnings[(1)]	(42,189)	(18,038)	203,499
Cash receipts from customers, net of refunds	(716,686)	(615,489)	(471,710)
Deposits to trust	153,252	129,581	106,185
Maturities, deliveries, and associated earnings	(163,732)	(150,064)	(119,576)
Change in cancellation allowance	(2,046)	843	3,002
Effect of foreign currency and other	(21,002)	(9,950)	(9,190)
Ending balance — Preneed cemetery receivables and trust investments	$2,318,167	$2,306,669	$2,292,348

(1) Includes both realized and unrealized investment (losses) earnings.

The cost and market values associated with our cemetery merchandise and service trust investments recorded at fair value at December 31, 2015 and 2014 are detailed below. Cost reflects the investment (net of redemptions) of control holders in the trusts. Fair value represents the value of the underlying securities held by the trusts.

	December 31, 2015				
	Fair Value Hierarchy Level	Cost	Unrealized Gains	Unrealized Losses	Fair Value
			(In thousands)		
Fixed income securities:					
U.S. Treasury	2	$69,746	$25	$(1,437)	$68,334
Canadian government	2	24,648	183	(169)	24,662
Corporate	2	5,112	26	(118)	5,020
Residential mortgage-backed	2	129	3	(3)	129
Asset-backed	2	170	15	—	185
Equity securities:					
Common stock:					
United States	1	532,026	44,181	(32,037)	544,170
Canada	1	8,984	3,858	(891)	11,951
Other international	1	50,053	4,207	(5,799)	48,461
Mutual funds:					
Equity	1	356,798	1,620	(49,642)	308,776
Fixed income	1	203,983	92	(18,526)	185,549
Commingled funds:					
Fixed income	2	108,883	—	(570)	108,313
Private equity	3	34,810	5,803	(4,502)	36,111
Other	3	1,982	273	—	2,255
Trust investments		$1,397,324	$60,286	$(113,694)	$1,343,916

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	Fair Value Hierarchy Level	December 31, 2014 Cost	Unrealized Gains	Unrealized Losses	Fair Value
			(In thousands)		
Fixed income securities:					
U.S. Treasury	2	$63,447	$257	$(605)	$63,099
Canadian government	2	21,687	261	(134)	21,814
Corporate	2	8,725	122	(116)	8,731
Residential mortgage-backed	2	111	3	(1)	113
Asset-backed	2	170	16	—	186
Equity securities:					
Preferred stock	2	10	1	—	11
Common stock:					
United States	1	557,955	22,746	(11,706)	568,995
Canada	1	10,962	5,011	(841)	15,132
Other international	1	55,632	1,605	(2,395)	54,842
Mutual funds:					
Equity	1	344,443	4,244	(18,430)	330,257
Fixed income	1	314,600	679	(4,702)	310,577
Private equity	3	32,342	3,185	(6,183)	29,344
Other	3	1,082	186	(71)	1,197
Trust investments		$1,411,166	$38,316	$(45,184)	$1,404,298

Where quoted prices are available in an active market, securities held by the trusts are classified as Level 1 investments pursuant to the fair value measurements hierarchy.

Where quoted market prices are not available for the specific security, fair values are estimated by using either quoted prices of securities with similar characteristics or an income approach fair value model with observable inputs that include a combination of interest rates, yield curves, credit risks, prepayment speeds, ratings, and tax-exempt status. Commingled funds are measured at and readily redeemable for net asset value. These securities are classified as Level 2 investments pursuant to the fair value measurements hierarchy.

The valuation of private equity and other alternative investments requires management judgment due to the absence of quoted market prices, inherent lack of liquidity, and the long-term nature of such assets. The fair value of these investments is estimated based on the value of the underlying real estate and private equity investments. The underlying real estate value is determined using the most recent available appraisals. Private equity instruments are valued based on reported net asset values. Valuation policies and procedures are determined by our Trust Services department, which reports to our Chief Financial Officer. Additionally, valuations are reviewed by the Investment Committee of the Board of Directors quarterly. These securities are classified as Level 3 investments pursuant to the fair value measurements hierarchy.

As of December 31, 2015, our unfunded commitment for our private equity and other investments was $43.6 million which, if called, would be funded by the assets of the trusts. Our private equity and other investments include several funds that invest in limited partnerships, distressed debt, real estate, and mezzanine financing. These investments can never be redeemed by the funds. Instead, the nature of the investments in this category is that the distributions are received through the liquidation of the underlying assets of the funds. We estimate that the underlying assets will be liquidated over the next 2 to 10 years.

The change in our market-based cemetery merchandise and service trust investments with significant unobservable inputs (Level 3) is as follows for the years ended December 31 :

	2015 Private Equity	2015 Other	2014 Private Equity	2014 Other	2013 Private Equity	2013 Other
			(In thousands)			
Fair value, beginning balance at January 1,	$29,344	$1,197	$26,844	$1,245	$17,687	$450
Net unrealized gains (losses) included in Accumulated other comprehensive income(1)	5,723	228	3,313	(73)	15,420	1,218
Net realized losses included in Other income (expense), net(2)	(45)	(15)	(43)	(7)	(48)	(5)
Purchases	—	1,328	—	196	—	—
Contributions	7,935	1,390	6,582	4	3,430	—
Distributions and other	(6,846)	(1,873)	(7,352)	(168)	(9,645)	(418)
Fair value, ending balance at December 31,	$36,111	$2,255	$29,344	$1,197	$26,844	$1,245

(1) All unrealized gains recognized in Accumulated other comprehensive income for our cemetery merchandise and service trust investments are attributable to our preneed customers and are offset by a corresponding reclassification in Accumulated other comprehensive income to Deferred preneed receipts held in trust. See Note 6 for further information related to our Deferred preneed receipts held in trust.

(2) All losses recognized in Other income (expense), net for our cemetery merchandise and service trust investments are attributable to our preneed customers and are offset by a corresponding reclassification in Other income (expense), net to Deferred preneed receipts held in trust. See Note 6 for further information related to our Deferred preneed receipts held in trust.

Maturity dates of our fixed income securities range from 2016 to 2045. Maturities of fixed income securities (excluding mutual funds) at December 31, 2015 are estimated as follows:

	Fair Value (In thousands)
Due in one year or less	$26,698
Due in one to five years	25,843
Due in five to ten years	27,094
Thereafter	18,695
	$98,330

Earnings from all our cemetery merchandise and service trust investments are recognized in cemetery revenues when merchandise is delivered or a service is performed. Fees charged by our wholly-owned registered investment advisor are also included in current revenues in the period in which they are earned. In addition, we are entitled to retain, in certain jurisdictions, a portion of collected customer payments when a customer cancels a preneed contract; these amounts are also recognized in current revenues. Recognized earnings (realized and unrealized) related to our cemetery merchandise and service trust investments were $45.5 million, $48.2 million, and $39.0 million for the years ended December 31, 2015, 2014, and 2013, respectively.

We assess our trust investments for other-than-temporary declines in fair value on a quarterly basis. Impairment charges resulting from this assessment are recognized as investment losses in Other income (expense), net and a decrease to Preneed cemetery receivables, net and trust investments. These investment losses, if any, are offset by the corresponding reclassification in Other income (expense), net, which reduces Deferred preneed receipts held in trust. See Note 6 for further information related to our Deferred preneed receipts held in trust. For the years ended December 31, 2015, 2014, and 2013, we recorded a $4.3 million, a $60.0 million, and a $1.6 million, respectively, impairment charge for other-than-temporary declines in fair value related to unrealized losses on certain investments.

We have determined that the remaining unrealized losses in our cemetery merchandise and service trust investments are considered temporary in nature, as the unrealized losses were due to temporary fluctuations in interest rates and equity prices. The investments are diversified across multiple industry segments using a balanced allocation strategy to minimize long-term risk. We believe that none of the securities are other-than-temporarily impaired based on our analysis of the investments. Our analysis included a review of the portfolio holdings and discussions with the individual money managers as to the sector exposures, credit ratings, and the severity and duration of the unrealized losses. Our cemetery merchandise and service trust investment unrealized losses, their associated fair values, and the duration of unrealized losses for the years ended December 31, 2015 and 2014, are shown in the following tables:

	December 31, 2015					
	In Loss Position Less Than 12 Months		In Loss Position Greater Than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(In thousands)			
Fixed income securities:						
U.S. Treasury	$52,533	$(1,435)	$21	$(2)	$52,554	$(1,437)
Canadian government	16,039	(105)	841	(64)	16,880	(169)
Corporate	1,754	(22)	2,347	(96)	4,101	(118)
Residential mortgage-backed	42	(1)	18	(2)	60	(3)
Equity securities:						
Common stock:						
United States	198,843	(26,038)	21,355	(5,999)	220,198	(32,037)
Canada	470	(6)	1,430	(885)	1,900	(891)
Other international	15,567	(2,507)	9,412	(3,292)	24,979	(5,799)
Mutual funds:						
Equity	207,349	(25,991)	86,720	(23,651)	294,069	(49,642)
Fixed income	139,749	(6,322)	44,550	(12,204)	184,299	(18,526)
Commingled funds:						
Fixed income	108,347	(570)	—	—	108,347	(570)
Private equity	—	—	9,526	(4,502)	9,526	(4,502)
Total temporarily impaired securities	$740,693	$(62,997)	$176,220	$(50,697)	$916,913	$(113,694)

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	December 31, 2014 In Loss Position Less Than 12 Months		In Loss Position Greater Than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(In thousands)			
Fixed income securities:						
U.S. Treasury	$45,072	$(605)	$—	$—	$45,072	$(605)
Canadian government	—	—	4,858	(134)	4,858	(134)
Corporate	2,017	(61)	1,936	(55)	3,953	(116)
Residential mortgage-backed	33	(1)	—	—	33	(1)
Equity securities:						
Common stock:						
United States	192,015	(11,706)	585	—	192,600	(11,706)
Canada	2,069	(319)	778	(522)	2,847	(841)
Other international	28,308	(2,395)	—	—	28,308	(2,395)
Mutual funds:						
Equity	303,211	(18,329)	1,577	(101)	304,788	(18,430)
Fixed income	159,572	(4,106)	15,113	(596)	174,685	(4,702)
Private equity	88	(100)	7,518	(6,083)	7,606	(6,183)
Other	2	(3)	259	(68)	261	(71)
Total temporarily impaired securities	$732,387	$(37,625)	$32,624	$(7,559)	$765,011	$(45,184)

Deferred Preneed Cemetery Revenues

At December 31, 2015 and 2014, Deferred preneed cemetery revenues, net of allowance for cancellation, represent future cemetery revenues, including distributed trust investment earnings associated with unperformed trust-funded preneed cemetery contracts that are not held in trust accounts. Deferred preneed cemetery revenues are recognized in current cemetery revenues when merchandise is delivered or the service is performed. Future cemetery revenues and net trust investment earnings that are held in trust accounts are included in Deferred preneed receipts held in trust.

The following table summarizes the activity in Deferred preneed cemetery revenues for the years ended December 31:

	2015	2014	2013
	(In thousands)		
Beginning balance — Deferred preneed cemetery revenue	$1,062,381	$1,016,275	$861,148
Net preneed and atneed deferred sales	561,899	531,768	396,264
Acquisitions (Divestitures) of businesses, net	2,357	(25,071)	212,624
Net investment (losses) earnings[1]	(42,806)	(22,378)	201,941
Recognized deferred preneed revenue	(504,064)	(493,739)	(386,632)
Change in cancellation allowance	(8,048)	3,833	18,358
Change in deferred preneed receipts held in trust	52,050	55,636	(298,337)
Effect of foreign currency and other	(3,768)	(3,943)	10,909
Ending balance — Deferred preneed cemetery revenue	$1,120,001	$1,062,381	$1,016,275

(1) Includes both realized and unrealized investment (losses) earnings.

5. Cemetery Perpetual Care Trusts

We are required by state and provincial law to pay into cemetery perpetual care trusts a portion of the proceeds from the sale of cemetery property interment rights. Our cemetery perpetual care trusts are variable interest entities. We have determined that we are the primary beneficiary of these trusts, as we absorb a majority of the losses and returns associated with these trusts. The merchandise and service trust investments detailed in Notes 3 and 4 are also accounted for as variable interest entities. We consolidate our cemetery perpetual care trust investments with a corresponding amount recorded as Care trusts' corpus. Cash flows from cemetery perpetual care contracts are presented as operating cash flows in our Consolidated Statement of Cash Flows.

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The table below sets forth certain investment-related activities associated with our cemetery perpetual care trusts for the years ended December 31:

	2015	2014	2013
	(In thousands)		
Deposits	$38,883	$42,220	$26,501
Withdrawals	$40,447	$46,981	$33,557
Purchases of available-for-sale securities[(1)]	$247,658	$1,306,314	$139,439
Sales of available-for-sale securities[(1)]	$175,057	$1,396,669	$99,701
Realized gains from sales of available-for-sale securities[(1)]	$6,933	$134,259	$17,916
Realized losses from sales of available-for-sale securities[(1)]	$(7,708)	$(51,093)	$(2,738)

(1) The increase in activity in 2014 is the result of changing the legal structure of the trust investments.

The components of Cemetery perpetual care trust investments in our Consolidated Balance Sheet at December 31 were as follows:

	2015	2014
	(In thousands)	
Trust investments, at market	$1,232,592	$1,192,966
Cash and cash equivalents	86,835	148,410
Cemetery perpetual care trust investments	$1,319,427	$1,341,376

The cost and market values associated with our cemetery perpetual care trust investments recorded at fair value at December 31, 2015 and 2014 are detailed below. Cost reflects the investment (net of redemptions) of control holders in the trusts. Fair value represents the value of the underlying securities or cash held by the trusts.

	December 31, 2015				
	Fair Value Hierarchy Level	Cost	Unrealized Gains	Unrealized Losses	Fair Value
			(In thousands)		
Fixed income securities:					
U.S. Treasury	2	$3,636	$20	$(81)	$3,575
Canadian government	2	32,477	321	(266)	32,532
Corporate	2	12,694	149	(284)	12,559
Residential mortgage-backed	2	934	13	(9)	938
Asset-backed	2	660	5	(31)	634
Equity securities:					
Preferred stock	2	5,850	55	(159)	5,746
Common stock:					
United States	1	231,012	15,224	(10,898)	235,338
Canada	1	5,648	2,112	(606)	7,154
Other international	1	14,820	160	(2,390)	12,590
Mutual funds:					
Equity	1	21,783	3,138	(1,850)	23,071
Fixed income	1	890,013	530	(63,913)	826,630
Private equity	3	62,549	1,942	(8,096)	56,395
Other	3	13,709	1,721	—	15,430
Cemetery perpetual care trust investments		$1,295,785	$25,390	$(88,583)	$1,232,592

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	December 31, 2014				
	Fair Value Hierarchy Level	Cost	Unrealized Gains	Unrealized Losses	Fair Value
			(In thousands)		
Fixed income securities:					
U.S. Treasury	2	$794	$40	$(4)	$830
Canadian government	2	31,993	442	(233)	32,202
Corporate	2	16,762	344	(210)	16,896
Residential mortgage-backed	2	910	15	(6)	919
Asset-backed	2	661	10	(4)	667
Equity securities:					
Preferred stock	2	4,439	60	(12)	4,487
Common stock:					
United States	1	225,129	9,340	(4,881)	229,588
Canada	1	7,419	2,737	(596)	9,560
Other international	1	8,102	90	(399)	7,793
Mutual funds:					
Equity	1	17,310	3,264	(93)	20,481
Fixed income	1	846,230	1,580	(14,263)	833,547
Private equity	3	34,288	408	(10,788)	23,908
Other	3	13,526	1,094	(2,532)	12,088
Cemetery perpetual care trust investments		$1,207,563	$19,424	$(34,021)	$1,192,966

Where quoted prices are available in an active market, securities held by the trusts are classified as Level 1 investments pursuant to the fair value measurements hierarchy.

Where quoted market prices are not available for the specific security, fair values are estimated by using either quoted prices of securities with similar characteristics or an income approach fair value model with observable inputs that include a combination of interest rates, yield curves, credit risks, prepayment speeds, ratings, and tax-exempt status. These securities are classified as Level 2 investments pursuant to the fair value measurements hierarchy.

The valuation of private equity and other alternative investments requires management judgment due to the absence of quoted market prices, inherent lack of liquidity, and the long-term nature of such assets. The fair value of these investments is estimated based on the value of the underlying real estate and private equity investments. The underlying real estate value is determined using the most recent available appraisals. Private equity instruments are valued based on reported net asset values. Valuation policies and procedures are determined by our Trust Services department, which reports to our Chief Financial Officer. Additionally, valuations are reviewed by the Investment Committee of the Board of Directors quarterly. These securities are classified as Level 3 investments pursuant to the fair value measurements hierarchy.

As of December 31, 2015, our unfunded commitment for our private equity and other investments was $54.2 million which, if called, would be funded by the assets of the trusts. Our private equity and other investments include several funds that invest in limited partnerships, distressed debt, real estate, and mezzanine financing. These investments can never be redeemed by the funds. Instead, the nature of the investments in this category is that the distributions are received through the liquidation of the underlying assets of the funds. We estimate that the underlying assets will be liquidated over the next 2 to 10 years.

The change in our market-based cemetery perpetual care trust investments with significant unobservable inputs (Level 3) is as follows for the years ended December 31 :

	2015 Private Equity	2015 Other	2014 Private Equity	2014 Other	2013 Private Equity	2013 Other
			(In thousands)			
Fair value, beginning balance at January 1,	$23,908	$12,088	$19,779	$11,590	$11,122	$7,659
Net unrealized gains (losses) included in Accumulated other comprehensive income(1)	10,793	(828)	1,216	2,145	6,897	4,081
Net realized losses included in Other income (expense), net(2)	(20)	(24)	(70)	(44)	(142)	(76)
Sales	—	—	—	(17)	—	—
Contributions	25,836	5,829	10,461	—	3,706	—
Distributions and other	(4,122)	(1,635)	(7,478)	(1,586)	(1,841)	(508)
Acquisitions	—	—	—	—	37	434
Fair value, ending balance at December 31,	$56,395	$15,430	$23,908	$12,088	$19,779	$11,590

(1) All unrealized gains (losses) recognized in Accumulated other comprehensive income for our cemetery perpetual care trust investments are offset by a corresponding reclassification in Accumulated other comprehensive income to Care trusts' corpus. See Note 6 for further information related to our Care trusts' corpus.

(2) All losses recognized in Other income (expense), net for our cemetery perpetual care trust investments are offset by a corresponding reclassification in Other income (expense), net to Care trusts' corpus. See Note 6 for further information related to our Care trusts' corpus.

Maturity dates of our fixed income securities range from 2016 to 2045. Maturities of fixed income securities at December 31, 2015 are estimated as follows:

	Fair Value (In thousands)
Due in one year or less	$27,700
Due in one to five years	21,107
Due in five to ten years	448
Thereafter	983
	$50,238

Distributable earnings from these cemetery perpetual care trust investments are recognized in current cemetery revenues to the extent we incur qualifying cemetery maintenance costs. Fees charged by our wholly-owned registered investment advisor are also included in current revenues in the period in which they are earned. Recognized earnings related to these cemetery perpetual care trust investments were $59.6 million, $72.4 million, and $44.1 million for the years ended December 31, 2015, 2014, and 2013, respectively.

We assess our trust investments for other-than-temporary declines in fair value on a quarterly basis. Impairment charges resulting from this assessment are recognized as investment losses in Other (expense) income, net and a decrease to Cemetery perpetual care trust investments. These investment losses, if any, are offset by the corresponding reclassification in Other (expense) income, net, which reduces Care trusts' corpus. See Note 6 for further information related to our Care trusts' corpus. For the years ended December 31, 2015, 2014, and 2013, we recorded a $1.8 million, a $8.1 million, and a $0.2 million, respectively, impairment charge for other-than-temporary declines in fair value related to unrealized losses on certain investments.

We have determined that the remaining unrealized losses in our cemetery perpetual care trust investments are considered temporary in nature, as the unrealized losses were due to temporary fluctuations in interest rates and equity prices. The investments are diversified across multiple industry segments using a balanced allocation strategy to minimize long-term risk. We believe that none of the securities are other-than-temporarily impaired based on our analysis of the investments. Our analysis included a review of the portfolio holdings, and discussions with the individual money managers as to the sector

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exposures, credit ratings, and the severity and duration of the unrealized losses. Our cemetery perpetual care trust investment unrealized losses, their associated fair values and the duration of unrealized losses for the years ended December 31, 2015 and 2014, are shown in the following table:

	December 31, 2015					
	In Loss Position Less Than 12 Months		In Loss Position Greater Than 12 Months		Total	
	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses
			(In thousands)			
Fixed income securities:						
U.S. Treasury	$3,275	$(80)	$35	$(1)	$3,310	$(81)
Canadian government	18,499	(164)	1,371	(102)	19,870	(266)
Corporate	5,163	(134)	4,147	(150)	9,310	(284)
Residential mortgage-backed	303	(3)	117	(6)	420	(9)
Asset-backed	145	(12)	360	(19)	505	(31)
Equity securities:						
Preferred stock	4,029	(159)	—	—	4,029	(159)
Common stock:						
United States	81,624	(7,793)	14,900	(3,105)	96,524	(10,898)
Canada	702	(31)	1,026	(575)	1,728	(606)
Other international	8,734	(940)	2,347	(1,450)	11,081	(2,390)
Mutual funds:						
Equity	4,580	(606)	1,258	(1,244)	5,838	(1,850)
Fixed income	519,981	(18,205)	294,309	(45,708)	814,290	(63,913)
Private equity	10,594	(61)	24,556	(8,035)	35,150	(8,096)
Total temporarily impaired securities	$657,629	$(28,188)	$344,426	$(60,395)	$1,002,055	$(88,583)

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	December 31, 2014					
	In Loss Position Less Than 12 Months		In Loss Position Greater Than 12 Months		Total	
	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses	Fair Market Value	Unrealized Losses
			(In thousands)			
Fixed income securities:						
U.S. Treasury	$497	$(4)	$—	$—	$497	$(4)
Canadian government	—	—	7,825	(233)	7,825	(233)
Corporate	4,656	(108)	3,198	(102)	7,854	(210)
Residential mortgage-backed	256	(5)	69	(1)	325	(6)
Asset-backed	373	(4)	—	—	373	(4)
Equity securities:						
Preferred stock	2,224	(11)	49	(1)	2,273	(12)
Common stock:						
United States	100,370	(4,803)	419	(78)	100,789	(4,881)
Canada	2,418	(244)	757	(352)	3,175	(596)
Other international	4,444	(399)	—	—	4,444	(399)
Mutual funds:						
Equity	2,601	(85)	153	(8)	2,754	(93)
Fixed income	576,890	(14,177)	2,581	(86)	579,471	(14,263)
Private equity	9,213	(798)	14,254	(9,990)	23,467	(10,788)
Other	4,069	(352)	6,276	(2,180)	10,345	(2,532)
Total temporarily impaired securities	$708,011	$(20,990)	$35,581	$(13,031)	$743,592	$(34,021)

6. Deferred Preneed Receipts Held in Trust and Care Trusts' Corpus

Deferred Preneed Receipts Held in Trust

We consolidate the merchandise and service trusts associated with our preneed funeral and cemetery activities as we are the primary beneficiary of the trusts. Although we consolidate the merchandise and service trusts, it does not change the legal relationships among the trusts, us, or our customers. The customers are the legal beneficiaries of these merchandise and service trusts; therefore, their interests in these trusts represent a liability to us.

The components of Deferred preneed receipts held in trust in our Consolidated Balance Sheet at December 31, 2015 and 2014 are detailed below.

	December 31, 2015			December 31, 2014		
	Preneed Funeral	Preneed Cemetery	Total	Preneed Funeral	Preneed Cemetery	Total
		(In thousands)			(In thousands)	
Trust investments	$1,515,113	$1,462,499	$2,977,612	$1,628,875	$1,526,653	$3,155,528
Accrued trust operating payables and other	(1,381)	(2,845)	(4,226)	(2,487)	(4,157)	(6,644)
Deferred preneed receipts held in trust	$1,513,732	$1,459,654	$2,973,386	$1,626,388	$1,522,496	$3,148,884

Care Trusts' Corpus

The Care trusts' corpus reflected in our Consolidated Balance Sheet represents the cemetery perpetual care trusts, including the related accrued expenses.

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The components of Care trusts' corpus in our Consolidated Balance Sheet at December 31, 2015 and 2014 are detailed below.

	December 31, 2015	December 31, 2014
	(In thousands)	
Cemetery perpetual care trust investments	$1,319,427	$1,341,376
Accrued trust operating payables and other	137	(13,718)
Care trusts' corpus	$1,319,564	$1,327,658

Other (Expense)Income, Net

The components of Other (expense) income, net in our Consolidated Statement of Operations for the years ended December 31, 2015, 2014, and 2013 are detailed below. See Notes 3, 4, and 5 for further discussion of the amounts related to our funeral, cemetery, and cemetery perpetual care trusts.

	Year Ended December 31, 2015				
	Funeral Trusts	Cemetery Trusts	Cemetery Perpetual Care Trusts	Other, Net	Total
			(In thousands)		
Realized gains	$42,034	$51,510	$6,933	$—	$100,477
Realized losses	(31,403)	(40,092)	(7,708)	—	(79,203)
Impairment charges	(3,519)	(4,345)	(1,812)	—	(9,676)
Interest, dividend, and other ordinary income	25,952	27,089	56,253	—	109,294
Trust expenses and income taxes	(21,852)	(31,472)	(32,643)	—	(85,967)
Net trust investment income	11,212	2,690	21,023	—	34,925
Reclassification to deferred preneed receipts held in trust and care trusts' corpus	(11,212)	(2,690)	(21,023)	—	(34,925)
Other expense, net	—	—	—	(113)	(113)
Total other expense, net	$—	$—	$—	$(113)	$(113)

	Year Ended December 31, 2014				
	Funeral Trusts	Cemetery Trusts	Cemetery Perpetual Care Trusts	Other, Net	Total
	(In thousands)				
Realized gains	$168,567	$271,507	$134,259	$—	$574,333
Realized losses	(113,748)	(138,473)	(51,093)	—	(303,314)
Impairment charges	(41,846)	(60,040)	(8,072)	—	(109,958)
Interest, dividend, and other ordinary income	22,668	17,597	52,126	—	92,391
Trust expenses and income taxes	(19,590)	(20,833)	(34,243)	—	(74,666)
Net trust investment income	16,051	69,758	92,977	—	178,786
Reclassification to deferred preneed receipts held in trust and care trusts' corpus	(16,051)	(69,758)	(92,977)	—	(178,786)
Other income, net	—	—	—	1,780	1,780
Total other income, net	$—	$—	$—	$1,780	$1,780

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	December 31, 2013				
	Funeral Trusts	Cemetery Trusts	Cemetery Perpetual Care Trusts	Other, Net	Total
			(In thousands)		
Realized gains	$65,011	$101,337	$17,916	$—	$184,264
Realized losses	(9,732)	(14,593)	(2,738)	—	(27,063)
Impairment charges	(829)	(1,575)	(192)	—	(2,596)
Interest, dividend, and other ordinary income	24,912	20,527	41,269	—	86,708
Trust expenses and income taxes	(11,371)	(14,633)	(16,445)	—	(42,449)
Net trust investment income	67,991	91,063	39,810	—	198,864
Reclassification to deferred preneed receipts held in trust and care trusts' corpus	(67,991)	(91,063)	(39,810)	—	(198,864)
Other expense, net	—	—	—	(558)	(558)
Total other expense, net	$—	$—	$—	$(558)	$(558)

7. Goodwill and Intangible Assets

The changes in the carrying amounts of goodwill for our funeral and cemetery reporting units are as follows: (in thousands):

	2015			2014		
	Funeral	Cemetery	Total	Funeral	Cemetery	Total
	(In thousands)					
Balance as of January 1,	$1,510,879	$299,974	$1,810,853	$1,526,011	$299,710	$1,825,721
Increase in goodwill related to acquisitions	6,460	6,201	12,661	292	3,238	3,530
Reduction of goodwill related to divestitures	(8,908)	(262)	(9,170)	(5,959)	(2,960)	(8,919)
Effect of foreign currency	(17,929)	(75)	(18,004)	(9,465)	(14)	(9,479)
Activity	(20,377)	5,864	(14,513)	(15,132)	264	(14,868)
Balance as of December 31,	$1,490,502	$305,838	$1,796,340	$1,510,879	$299,974	$1,810,853

The components of intangible assets at December 31 were as follows:

	Useful life				
	Minimum		Maximum	2015	2014
	(Years)			(In thousands)	
Amortizing intangibles:					
Covenants-not-to-compete	2	-	20	$206,822	$209,920
Customer relationships	10	-	20	154,364	148,351
Tradenames	5	-	5	12,750	12,750
Other	5	-	40	11,927	11,927
				385,863	382,948
Less: Accumulated amortization				257,157	220,682
Amortizing intangibles, net				128,706	162,266
Non-amortizing intangibles:					
Tradenames			Indefinite	230,659	220,875
Other			Indefinite	10,640	10,640
Non-amortizing intangibles				241,299	231,515
Intangible assets, net				$370,005	$393,781

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Amortization expense for intangible assets was $31.5 million, $36.6 million, and $21.9 million for the years ended December 31, 2015, 2014, and 2013, respectively. The following is estimated amortization expense, excluding certain intangibles for which we are unable to provide an estimate because they are amortized based on specific identification in the performance of a preneed contract, for the five years subsequent to December 31, 2015 (in thousands):

2016	$14,490
2017	$11,876
2018	$11,119
2019	$7,869
2020	$6,772

8. Income Taxes

The provision or benefit for income taxes includes U.S. federal income taxes (determined on a consolidated return basis), foreign income taxes, and state income taxes.

Income from continuing operations before income taxes for the years ended December 31 was composed of the following components:

	2015	2014	2013
	(In thousands)		
United States	$331,622	$360,800	$199,374
Foreign	38,729	41,800	45,832
	$370,351	$402,600	$245,206

Income tax provision (benefit) for the years ended December 31 consisted of the following:

	2015	2014	2013
	(In thousands)		
Current:			
United States	$94,502	$67,511	$2,207
Foreign	9,270	10,859	12,445
State	13,207	17,939	6,664
Total current income taxes	116,979	96,309	21,316
Deferred:			
United States	$15,918	$108,514	$64,355
Foreign	(878)	(653)	58
State	3,008	21,810	7,295
Total deferred income taxes	18,048	129,671	71,708
Total income taxes	$135,027	$225,980	$93,024

We made income tax payments of $105.4 million, $106.3 million, and $26.0 million in 2015, 2014, and 2013, respectively, and received refunds of $1.9 million, $0.6 million, and $0.5 million, respectively.

The differences between the U.S. federal statutory income tax rate and our effective tax rate for the years ended December 31 were as follows:

	2015	2014	2013
	(In thousands)		
Computed tax provision at the applicable federal statutory income tax rate	$129,623	$140,910	$86,002
State and local taxes, net of federal income tax benefits	10,542	25,736	8,221
Dividends received deduction and tax exempt interest	(444)	(1,612)	(592)
Foreign jurisdiction differences	(5,183)	(4,424)	(3,685)
Permanent differences associated with dispositions	2,909	61,892	268
Changes in uncertain tax positions	4,046	4,624	3,710
Other	(6,466)	(1,146)	(900)
Provision for income taxes	$135,027	$225,980	$93,024
Total effective tax rate	36.5%	56.1%	37.9%

The 2015 consolidated effective tax rate was 36.5%, compared to 56.1% and 37.9% in 2014 and 2013, respectively. The higher effective tax rate for the twelve months ended December 31, 2014 was primarily due to the non-deductible goodwill resulting from the gains on required divestitures associated with the Stewart acquisition. The 2015 consolidated effective tax rate is above the 35.0% federal statutory tax rate primarily due to the state expense partially offset by state legislative changes and foreign earnings taxed at lower rates.

Deferred taxes are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates. The tax effects of temporary differences and carry-forwards that give rise to significant portions of deferred tax assets and liabilities as of December 31 consisted of the following:

	2015	2014
	(In thousands)	
Inventories and cemetery property	$(338,143)	$(338,446)
Property and equipment	(168,265)	(183,332)
Intangibles	(302,217)	(309,271)
Other	(12,047)	(6,870)
Deferred tax liabilities	(820,672)	(837,919)
Loss and tax credit carry-forwards	171,725	181,092
Deferred revenue on preneed funeral and cemetery contracts	226,483	262,202
Accrued liabilities	102,351	99,908
Deferred tax assets	500,559	543,202
Less: Valuation allowance	(126,654)	(134,201)
Net deferred income tax liability	$(446,767)	$(428,918)

Deferred tax assets and Deferred income tax liabilities are recognized in our Consolidated Balance Sheet at December 31 as follows:

	2015	2014
	(In thousands)	
Current deferred tax assets	$—	$1,128
Non-current deferred tax assets	23,817	18,778
Non-current deferred tax liabilities	(470,584)	(448,824)
Net deferred income tax liability	$(446,767)	$(428,918)

In addition to the loss and tax credit carry-forward amounts reflected as deferred tax assets in the table above, we have taken certain tax deductions related to the exercised employee stock options and vested restricted shares that are in excess of the stock-based compensation amounts recorded in our consolidated financial statements (“windfall tax benefits”). Such windfall tax benefits are not recognized in our consolidated financial statements unless they reduce income taxes payable. For the year ended December 31, 2015, restricted share vesting and stock option exercises resulted in windfall tax benefits where the tax deduction exceeded the previously disallowed book expense in the amount of $43.5 million or $16.2 million net of tax.

At December 31, 2015 and 2014, U.S. income taxes had not been provided on $259.8 million and $259.4 million, respectively, of the remaining undistributed earnings of our Canadian subsidiaries. We intend to permanently reinvest these undistributed foreign earnings in those businesses outside the United States. It is not practicable to determine the amount of federal income taxes, if any, that might become due if such earnings are repatriated.

The following table summarizes the activity related to our gross unrecognized tax benefits from January 1, 2013 to December 31, 2015 (in thousands):

	Federal, State and Foreign Tax (In thousands)	
Balance at December 31, 2012	$184,899	
Reductions to tax positions related to the current year	3,019	
Additions to tax positions related to the acquisition of Stewart, offset to goodwill	1,556	
Reductions to tax positions related to prior years	(8,800	)
Statute expirations	(2,844	)
Balance at December 31, 2013	$177,830	
Additions to tax positions related to the current year	8,721	
Additions to tax positions related to prior years	10,085	
Reductions to tax positions related to the current year	(1,075	)
Reductions to tax positions related to prior years	(2,325	)
Reductions to tax positions related to the acquisition of Stewart, offset to goodwill	(1,556	)
Balance at December 31, 2014	$191,680	
Additions to tax positions related to the current year	3,235	
Reductions to tax positions related to prior years	(12,370	)
Balance at December 31, 2015	$182,545	

Our total unrecognized tax benefits that, if recognized, would affect our effective tax rates were $157.2 million, $154.8 million, and $106.3 million as of December 31, 2015, 2014, and 2013, respectively.

We include potential accrued interest and penalties related to unrecognized tax benefits within our income tax provision account. We have accrued $51.6 million, $47.6 million, and $44.5 million for the payment of interest, net of tax benefits, and penalties as of December 31, 2015, 2014, and 2013, respectively. We recognized an increase of interest and penalties of $4.0 million, $3.1 million, and $3.0 million for the years ended December 31, 2015, 2014, and 2013, respectively. To the extent interest and penalties are not assessed with respect to uncertain tax positions or the uncertainty of deductions in the future, amounts accrued will be reduced and reflected as a reduction of the overall income tax provision.

We file income tax returns, including tax returns for our subsidiaries, with federal, state, local, and foreign jurisdictions. Our tax returns are subject to routine compliance review by the taxing authorities in the jurisdictions in which we file tax returns in the ordinary course of business. We consider the United States to be our most significant tax jurisdiction; however, the taxing authority in Canada is auditing various tax returns. While we have effectively concluded our 2003 - 2005 tax years with respect to our affiliate SCI Funeral and Cemetery Purchasing Cooperative, SCI and subsidiaries' tax years 1999 through 2005 remain under review at the IRS Appeals level. SCI and subsidiaries are under audit for 2006-2007 as a result of carry back claims. Furthermore, SCI and its affiliates are under audit by various state and foreign jurisdictions for years 2000 through 2014. It is reasonably possible that changes to our global unrecognized tax benefits could be significant; however, due to the uncertainty regarding the timing of completion of audits and possible outcomes, a current estimate of the range of increases or decreases that may occur within the next twelve months cannot be made.

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Various subsidiaries have state and foreign carry-forwards in the aggregate of $3.2 billion with expiration dates through 2032. Such loss carry-forwards will expire as follows:

	State	Foreign	Total
	(In thousands)		
2016	$156,434	$—	$156,434
2017	247,348	—	247,348
2018	102,661	—	102,661
2019	137,636	—	137,636
Thereafter	2,587,522	3,824	2,591,346
Total	$3,231,601	$3,824	$3,235,425

In addition to the above loss carry-forwards, we have $53.7 million of foreign losses that have an indefinite expiration. A valuation allowance has been established because more-likely-than-not uncertainties exist with respect to our future realization of certain loss carry-forwards. The valuation allowance is primarily attributable to state net operating losses and reflects our expectation that the net operating losses in certain jurisdictions will expire before we generate sufficient taxable income to utilize the losses. In 2015, we recorded a net $6.0 million decrease in state valuation allowance related to state estimated net operating losses expected to be utilized before they expire. We recorded a $1.6 million decrease in foreign valuation allowances due to fluctuations in the exchange rate between the Euro and the US dollar. The valuation allowance can be affected in the near term by changes to tax laws, changes to statutory tax rates, and changes to future taxable income estimates.

At December 31, 2015, our loss and tax credit carry-forward deferred tax assets and related valuation allowances by jurisdiction are as follows (presented net of federal benefit):

	Federal	State	Foreign	Total
		(In thousands)		
Loss and tax credit carry-forwards	$179	$151,463	$20,083	$171,725
Valuation allowance	$—	$110,955	$15,699	$126,654

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9. Debt

Debt as of December 31 was as follows:

	2015	2014
	(In thousands)	
6.75% Senior Notes due April 2016	$—	$197,377
7.0% Senior Notes due June 2017	295,000	295,000
7.625% Senior Notes due October 2018	250,000	250,000
4.5% Senior Notes due November 2020	200,000	200,000
8.0% Senior Notes due November 2021	150,000	150,000
5.375% Senior Notes due January 2022	425,000	425,000
5.375% Senior Notes due May 2024	850,000	550,000
7.5% Senior Notes due April 2027	200,000	200,000
Term Loan due July 2018	310,000	370,000
Bank Credit Facility due July 2018	270,000	235,000
Obligations under capital leases	204,246	181,002
Mortgage notes and other debt, maturities through 2050	4,037	4,251
Unamortized premiums (discounts) and other, net	8,636	(2,905)
Total debt	3,166,919	3,054,725
Less: Current maturities of long-term debt	(95,181)	(90,931)
Total long-term debt	$3,071,738	$2,963,794

Current maturities of debt at December 31, 2015 include amounts due under our Term Loan, mortgage notes and other debt, and capital leases within the next year.

Our consolidated debt had a weighted average interest rate of 5.18% and 5.21% at December 31, 2015 and 2014, respectively. Approximately 76% and 75% of our total debt had a fixed interest rate at December 31, 2015 and 2014, respectively.

The aggregate maturities of our debt for the five years subsequent to December 31, 2015 and thereafter are as follows (in thousands):

2016	$95,181
2017	437,575
2018	727,315
2019	16,695
2020	225,364
2021 and thereafter	1,664,789
	$3,166,919

Bank Credit Facility

We have a $500.0 million Bank Credit Facility due July 2018 with a syndicate of banks, including a sublimit of $175.0 million for letters of credit.

As of December 31, 2015, we have $270.0 million of outstanding borrowings under our Bank Credit Facility and have issued $31.0 million of letters of credit. The Bank Credit Facility provides us with flexibility for working capital, if needed, and is guaranteed by a majority of our domestic subsidiaries. The subsidiary guaranty is a guaranty of payment of the outstanding amount of the total lending commitment, including letters of credit. The Bank Credit Facility contains certain financial covenants, including a minimum interest coverage ratio, a maximum leverage ratio, and certain dividend and share repurchase restrictions. As of December 31, 2015, we are in compliance with all covenants. We pay a quarterly fee on the unused commitment, which was 0.35% at December 31, 2015. As of December 31, 2015, we have $199.0 million in borrowing capacity under the facility.

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Debt Issuances and Additions

In August 2015, we issued an additional $300.0 million to our existing unsecured 5.375% Senior Notes due May 2024. This issuance generated a premium of $11.3 million. We used the net proceeds from this offering to redeem all of our outstanding 6.75% Senior Notes due April 2016 and to repay $100.0 million of outstanding borrowings under our Bank Credit Facility. During 2015, we drew $135.0 million on our Bank Credit Facility, which was used to make required payments on our Term Loan and for general corporate purposes.

In May 2014, we issued $550.0 million of unsecured 5.375% Senior Notes due May 2024. We used the net proceeds from this offering, along with a $95.0 million draw on our Bank Credit Facility, to repay our 6.75% Senior Notes due April 2015, 6.5% Senior Notes due April 2019, and 7.0% Senior Notes due May 2019 along with associated refinancing costs. The newly issued notes are subject to the provisions of the Company's Senior Indenture dated as of February 1, 1993, as amended, which includes covenants limiting, among other things, the creation of liens securing indebtedness and sale-leaseback transactions.

In February 2014, we drew $110.0 million on our Bank Credit Facility, which we used along with cash on hand to repay our 3.125% Senior Convertible Notes due July 2014 and substantially all of our 3.375% Senior Convertible Notes due July 2016.

In July 2013, we issued $425 million in 5.375% Senior Notes due January 2022. In conjunction with the Stewart acquisition, we assumed $200.0 million, $86.4 million, and $46.3 million in aggregate principal amount of 6.5% Senior Notes due 2019, 3.125% Senior Convertible Notes due 2014, and 3.375% Senior Convertible Notes due 2016, respectively. These notes had fair value premiums of $10.0 million, $21.7 million, and $14.2 million, respectively, which are included in unamortized premiums (discounts) and other, net in the table above as of December 31, 2013.

Debt Extinguishments and Reductions

During the year ended December 31, 2015, we made debt payments of $357.6 million for scheduled and early extinguishment payments as follows:

- $197.4 million in aggregate principal of our 6.75% Senior Notes due April 2016;
- $100.0 million in aggregate principal of our Bank Credit Facility;
- $60.0 million in aggregate principal of our Term Loan due July 2018; and
- $0.2 million in other debt.

Certain of the above transactions resulted in the recognition of a loss of $6.9 million recorded in Loss on early extinguishment of debt in our Consolidated Statement of Operations.

During the year ended December 31, 2014, we made debt payments of $993.4 million for scheduled and early extinguishment payments as follows:

- $250.0 million in aggregate principal of our 7.0% Senior Notes due May 2019;
- $200.0 million in aggregate principal and $9.1 million in unamortized premiums of our 6.5% Senior Notes due April 2019;
- $136.5 million in aggregate principal of our 6.75% Senior Notes due April 2015;
- $230.0 million in aggregate principal of our Term Loan due July 2018. Of this amount our credit agreement required $200.0 million from the proceeds of the Federal Trade Commission (FTC) mandated divestitures under our consent order related to the Stewart acquisition;
- $86.4 million in aggregate principal and $21.7 million in unamortized premiums of our 3.125% Senior Convertible Notes due 2014;
- $45.0 million in aggregate principal and $14.2 million in unamortized premiums of our 3.375% Senior Convertible Notes due 2016; and
- $0.5 million in other debt.

Certain of the above transactions resulted in the recognition of a loss of $29.2 million recorded in (Losses) gains on early extinguishment of debt in our Consolidated Statement of Operations.

In addition to repaying $86.6 million of outstanding cash advances on our previous credit facility during 2013, we paid an aggregate of $31.8 million to repay our remaining $4.8 million 7.875% Debenture due February 2013, to retire $26.4 million in capital lease obligations and to extinguish $0.6 million in other debt. Certain of the above transactions resulted in the recognition of a gain of $0.5 million recorded in gains on early extinguishment of debt, net in our

Consolidated Statement of Operations. As mentioned above, we have paid down a total of $167.0 million in debt including $107.9 million in principal and premiums associated with our 3.125% Senior Convertible Notes due July 2014 and $59.1 million in principal and premiums

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associated with our 3.375% Senior Convertible Notes due July 2016. We did not incur any gains or losses as a result of these transactions.

Capital Leases

In 2015, 2014, and 2013, we acquired $55.9 million, $35.4 million, and $42.4 million, respectively, of capital leases, primarily related to transportation equipment. We retired $28.6 million, $29.4 million, and $26.3 million of capital lease obligations for the years ended December 31, 2015, 2014, and 2013, respectively. See additional information regarding these leases in Note 11.

Additional Debt Disclosures

At December 31, 2015 and 2014, we have deposits of $7.0 million and $7.4 million, respectively, in restricted, interest-bearing accounts that were pledged as collateral for various credit instruments and commercial commitments and is included in Deferred charges and other assets in our Consolidated Balance Sheet.

We had assets of approximately $1.5 million and $1.7 million pledged as collateral for the mortgage notes and other debt at December 31, 2015 and 2014, respectively.

Cash interest payments for the three years ended December 31 were as follows (in thousands):

Payments in 2015	$164,748
Payments in 2014	$175,327
Payments in 2013	$125,022

Expected cash interest payments for the five years subsequent to December 31, 2015 and thereafter are as follows (in thousands):

Payments in 2016	$161,896
Payments in 2017	$150,012
Payments in 2018	$128,239
Payments in 2019	$106,210
Payments in 2020	$104,706
Payments in 2021 and thereafter	$291,116

10. Credit Risk and Fair Value of Financial Instruments

Fair Value Estimates

The fair value estimates of the following financial instruments have been determined using available market information and appropriate valuation methodologies. The carrying values of cash and cash equivalents, trade receivables, and trade payables approximate the fair values of those instruments due to the short-term nature of the instruments. The carrying values of receivables on preneed funeral and cemetery contracts approximate fair value due to the diverse number of individual contracts with varying terms.

The fair value of our debt instruments at December 31 was as follows:

	2015	2014
	(In thousands)	
6.75% Senior Notes due April 2016	$—	$208,075
7.0% Senior Notes due June 2017	314,618	320,043
7.625% Senior Notes due October 2018	279,375	277,538
4.5% Senior Notes due November 2020	201,500	201,700
8.0% Senior Notes due November 2021	176,438	174,375
5.375% Senior Notes due January 2022	445,188	437,750
5.375% Senior Notes due May 2024	884,094	558,250
7.5% Senior Notes due April 2027	216,500	220,890
Term Loan due July 2018	310,000	370,000
Bank Credit Facility due July 2018	270,000	235,000
Mortgage notes and other debt, maturities through 2050	4,047	4,277
Total fair value of debt instruments	$3,101,760	$3,007,898

The fair values of our long-term, fixed rate loans were estimated using market prices for those loans, and therefore they are classified within Level 2 of the fair value measurements hierarchy. The Term Loan, Bank Credit Facility agreement and the mortgage and other debt are classified within Level 3 of the fair value measurements hierarchy. The fair values of these instruments have been estimated using discounted cash flow analysis based on our incremental borrowing rate for similar borrowing arrangements. An increase (decrease) in the inputs results in a directionally opposite change in the fair value of the instruments.

Credit Risk Exposure

Our cash deposits, some of which exceed insured limits, are distributed among various market and national banks in the jurisdictions in which we operate. In addition, we regularly invest excess cash in financial instruments which are not insured, such as commercial paper that is offered by corporations with quality credit ratings and money-market funds and Eurodollar time deposits, that are offered by a variety of reputable financial institutions. We believe that the credit risk associated with such instruments is minimal.

We grant credit to customers in the normal course of business. The credit risk associated with our funeral, cemetery, and preneed funeral and preneed cemetery receivables due from customers is generally considered minimal because of the diversification of the customers served. Furthermore, bad debts have not been significant relative to the volume of deferred revenues. Customer payments on preneed funeral or preneed cemetery contracts that are either placed into state-regulated trusts or used to pay premiums on life insurance contracts generally do not subject us to collection risk. Insurance-funded contracts are subject to supervision by state insurance departments and are protected in the majority of states by insurance guaranty acts.

11. Commitments and Contingencies

Leases

Our leases principally relate to funeral home facilities and transportation equipment. The majority of our lease arrangements contain options to (i) purchase the property at fair value on the exercise date, (ii) purchase the property for a value determined at the inception of the lease, or (iii) renew the lease for the fair rental value at the end of the primary lease term. Rental expense for operating leases was $33.3 million, $37.2 million, and $28.4 million for the years ended December 31, 2015, 2014, and 2013, respectively. As of December 31, 2015, future minimum lease payments for non-cancelable operating and capital leases exceeding one year were as follows:

	Operating	Capital
	(In thousands)	
2016	$14,496	$34,415
2017	12,110	51,756
2018	10,545	46,290
2019	8,641	21,499
2020	7,167	24,010
2021 and thereafter	61,010	26,276
Total	$113,969	204,246
Less: Interest on capital leases		(17,396)
Total principal payable on capital leases		$186,850

Employment and Management, Consulting, and Non-Competition Agreements

We have entered into employment and management, consulting, and non-competition agreements, generally for five to ten years, with certain officers and employees and former owners of businesses that we acquired. At December 31, 2015, the maximum estimated future cash commitments under agreements with remaining commitment terms, and with original terms of more than one year, were as follows:

	Employment and Management	Consulting	Non-Competition	Total
	(In thousands)			
2016	$1,427	$589	$4,751	$6,767
2017	988	194	4,352	5,534
2018	508	124	4,166	4,798
2019	301	75	4,022	4,398
2020	22	38	2,904	2,964
2021 and thereafter	8	—	6,060	6,068
Total	$3,254	$1,020	$26,255	$30,529

Insurance Loss Reserves

We purchase comprehensive general liability, morticians and cemetery professional liability, automobile liability, and workers' compensation insurance coverage structured with high deductibles. The high-deductible insurance program means we are primarily self-insured for claims and associated costs and losses covered by these policies. As of December 31, 2015 and 2014, we have self-insurance reserves of $76.6 million and $74.0 million, respectively.

Litigation

We are a party to various litigation matters, investigations, and proceedings. Some of the more frequent ordinary routine litigations incidental to our business are based on burial practices claims and employment related matters, including discrimination, harassment, and wage and hour laws and regulations. For each of our outstanding legal matters, we evaluate the merits of the case, our exposure to the matter, possible legal or settlement strategies, and the likelihood of an unfavorable outcome. We intend to vigorously defend ourselves in the lawsuits described herein; however, if we determine that an unfavorable outcome is probable and can be reasonably estimated, we establish the necessary accruals. We hold certain

insurance policies that may reduce cash outflows with respect to an adverse outcome of certain of these litigation matters. We accrue such insurance recoveries when they become probable of being paid and can be reasonably estimated.

Wage and Hour Claims. We are named a defendant in various lawsuits alleging violations of federal and state laws regulating wage and hour pay, including but not limited to the Samborsky lawsuit described below.

Charles Samborsky, et al, individually and on behalf of those persons similarly situated, v. SCI California Funeral Services, Inc., et al ; Case No. BC544180; in the Superior Court of the State of California for the County of Los Angeles, Central District-Central Civil West Courthouse. This lawsuit was filed in April 2014 against an SCI subsidiary and purports to have been brought on behalf of employees who worked as family service counselors in California since April 2010. The plaintiffs allege causes of action for various violations of state laws regulating wage and hour pay. The plaintiffs seek unpaid wages, compensatory and punitive damages, attorneys' fees and costs, interest, and injunctive relief. The claims have been sent to arbitration. We cannot quantify our ultimate liability, if any, in this lawsuit.

Claims Regarding Acquisition of Stewart Enterprises. We are involved in the following lawsuits.

Karen Moulton, Individually and on behalf of all others similarly situated v. Stewart Enterprises, Inc., Service Corporation International and others; Case No. 2013-5636; in the Civil District Court Parish of New Orleans. This case was filed as a class action in June 2013 against SCI and our subsidiary in connection with SCI's proposed acquisition of Stewart Enterprises, Inc. The plaintiffs allege that SCI aided and abetted breaches of fiduciary duties by Stewart Enterprises and its board of directors in negotiating the combination of Stewart Enterprises with a subsidiary of SCI. The plaintiffs seek damages concerning the combination. We filed exceptions to the plaintiffs' complaint that were granted in June 2014. Thus, subject to appeals, SCI will no longer be party to the suit. The case will continue against our subsidiary Stewart Enterprises and its former individual directors. We cannot quantify our ultimate liability, if any, for the payment of damages.

S.E. Funeral Homes of California, Inc. v. The Roman Catholic Archbishop of Los Angeles, et al.; Case No. BC559142; in the Superior Court of the State of California for the County of Los Angeles. The plaintiff is a company indirectly owned by Stewart Enterprises, Inc. The plaintiff filed this action in September 2014 to prevent The Roman Catholic Archbishop of Los Angeles (the "Archdiocese") from terminating six ground leases. In reliance on the leases having 40 year terms beginning at the earliest in 1997, the plaintiff had previously made material investments since 1997 in constructing and operating funeral homes, chapels, mausoleums, and other improvements on the leased premises. In addition, the plaintiff has created a material backlog of deferred preneed revenue that plaintiff expects to receive in the coming years. In September 2014, the Archdiocese delivered notices purporting to terminate the leases and alleging that the leases were breached because the plaintiff did not obtain the Archdiocese's consent before Stewart Enterprises, Inc. entered into a reverse merger with an affiliate of SCI. The plaintiff disputes this contention and seeks, among other things, a declaratory judgment declaring that the Archdiocese's purported termination notices are invalid, requiring specific performance of the leases, or, in the alternative, awarding plaintiff compensatory damages. In February 2016, the Court entered a ruling on cross motions for summary judgment granting the Archdiocese's motion and denying the plaintiff's motion. The plaintiff intends to vigorously appeal these rulings. We cannot quantify the ultimate outcome in this lawsuit.

The ultimate outcome of the matters described above cannot be determined at this time. We intend to vigorously defend all of the above lawsuits; however, an adverse decision in one or more of such matters could have a material effect on us, our financial condition, results of operations, and cash flows.

12. Equity

(All shares reported in whole numbers)

Share Authorization

We are authorized to issue 1,000,000 shares of preferred stock, $1 per share par value. No preferred shares were issued as of December 31, 2015 or 2014. At December 31, 2015 and 2014, 500,000,000 common shares of $1 par value were authorized. We had 200,859,676 and 205,458,331 shares issued and 195,772,876 and 204,866,770 outstanding at par at December 31, 2015 and 2014, respectively.

Accumulated Other Comprehensive Income

Our components of Accumulated other comprehensive income are as follows:

	Foreign Currency Translation Adjustment	Unrealized Gains and Losses	Accumulated Other Comprehensive (Loss) Income
	(In thousands)		
Balance at December 31, 2012	$111,717	$—	$111,717
Activity in 2013	(23,276)	—	(23,276)
Reduction in net unrealized gains associated with available-for-sale securities of the trusts, net of taxes	—	(113,553)	(113,553)
Reclassification of net unrealized losses activity attributable to the Deferred preneed receipts held in trust and Care trusts’ corpus, net of taxes	—	113,553	113,553
Balance at December 31, 2013	$88,441	$—	$88,441
Activity in 2014	(32,141)	—	(32,141)
Reclassification of foreign currency translation adjustments to Net income from discontinued operations	3,114	—	3,114
Increase in net unrealized gains associated with available-for- sale securities of the trusts, net of taxes	—	(166,570)	(166,570)
Reclassification of net unrealized gains activity attributable to the Deferred preneed receipts held in trust and Care trusts’ corpus, net of taxes	—	166,570	166,570
Balance at December 31, 2014	$59,414	$—	$59,414
Activity in 2015	(53,250)	—	(53,250)
Increase in net unrealized gains associated with available-for-sale securities of the trusts, net of taxes	—	(85,140)	(85,140)
Reclassification of net unrealized gains activity attributable to the Deferred preneed receipts held in trust and Care trusts’ corpus, net of taxes	—	85,140	85,140
Balance at December 31, 2015	$6,164	$—	$6,164

The assets and liabilities of foreign operations are translated into U.S. dollars using the current exchange rate. The U.S. dollar amount that arises from such translation, as well as exchange gains and losses on intercompany balances of a long-term investment nature, are included in the cumulative currency translation adjustments in Accumulated other comprehensive income.

Share Repurchase Program

Subject to market conditions, normal trading restrictions, and limitations in our debt covenants, we may make purchases in the open market or through privately negotiated transactions under our share repurchase program. Under our share repurchase program, during 2015, we repurchased 12,455,281 shares of common stock at an aggregate cost of $345.3 million, which is an average cost per share of $27.72. During 2014, we repurchased 11,488,332 shares of common stock at an aggregate cost of $242.9 million, which is an average cost per share of $21.14 under the program. On August 12, 2015, our Board of Directors increased our share repurchase authorization to $400.0 million. After these repurchases and increase in authorization, the remaining dollar value of shares authorized to be purchased under the share repurchase program was $278.8 million at December 31, 2015.

Subsequent to December 31, 2015, we repurchased 977,396 shares for $24.0 million at an average cost per share of $24.51.

Cash Dividends

On November 10, 2015, our Board of Directors approved a cash dividend of $0.12 per common share paid on December 31, 2015 to stockholders of record as of December 15, 2015. We paid $87.6 million, $71.5 million, and $57.2 million in cash dividends in 2015, 2014, and 2013, respectively. On February 10, 2016 our Board of Directors approved a cash dividend of $0.12 per common share payable on March 31, 2016 to stockholders of record as of March 15, 2016.

Noncontrolling Interest

During 2015, we purchased an additional 24.4% of the common stock of our consolidated subsidiary, Wilson Financial Group, Inc. for $2.1 million.

13. Share-Based Compensation

Stock Benefit Plans

We maintain benefit plans whereby shares of our common stock may be issued pursuant to the exercise of stock options or restricted stock granted to officers and key employees. Our Amended and Restated Incentive Plan reserves 44,000,000 shares of common stock for outstanding and future awards of stock options, restricted stock, and other stock based awards to officers and key employees.

Our benefit plans allow for options to be granted as either non-qualified or incentive stock options. The options historically have been granted annually, or upon hire, as approved by the Compensation Committee of the Board of Directors. The options are granted with an exercise price equal to the market price of our common stock on the date the grant, as approved by the Compensation Committee of the Board of Directors. The options are generally exercisable at a rate of $33^1/3$% each year unless alternative vesting methods are approved by the Compensation Committee of the Board of Directors. Restricted stock awards are generally expensed ratably over the period during which the restrictions lapse. At December 31, 2015 and 2014, 1,531,410 and 4,916,787 shares, respectively, were reserved for future option and restricted stock grants under our stock benefit plans.

We utilize the Black-Scholes option valuation model for estimating the fair value of our stock options. This model allows the use of a range of assumptions related to volatility, risk-free interest rate, expected holding period, and dividend yield. The expected volatility utilized in the valuation model is based on the historical volatility of our stock price. The dividend yield and expected holding period are based on historical experience and management's estimate of future events. The risk-free interest rate is derived from the U.S. Treasury yield curve based on the expected life of the option in effect at the time of grant. The fair values of our stock options are calculated using the following weighted average assumptions, based on the methods described above for the years ended December 31, 2015, 2014, and 2013:

	Years Ended December 31,					
Assumptions	2015		2014		2013	
Dividend yield	1.8	%	1.8	%	1.9	%
Expected volatility	23.3	%	27.1	%	35.2	%
Risk-free interest rate	1.3	%	1.1	%	0.7	%
Expected holding period (years)	4.0		4.0		4.0	

The following table summarizes certain information with respect to stock option and restricted share compensation for 2015, 2014, and 2013, as included in our Consolidated Statement of Operations for those respective periods:

	December 31,		
	2015	2014	2013
	(In thousands)		
Total pretax employee share-based compensation expense included in net income	$13,843	$13,127	$11,925
Income tax benefit related to share-based compensation included in net income	$5,068	$7,368	$4,689

We realized windfall tax deductions of $43.5 million, $31.6 million, and $7.3 million in excess of previously recorded tax benefits, based on the option and restricted share value at the time of grant for the years ended December 31, 2015, 2014, and 2013, respectively. The additional tax benefit associated with the windfall is not recognized until the deduction reduces taxes payable.

Stock Options

The following table sets forth stock option activity for the year ended December 31, 2015:

(Shares reported in whole numbers and not in thousands)

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	Options	Weighted-Average Exercise Price
Outstanding at December 31, 2014	12,107,106	$ 11.63
Granted	2,036,010	$ 23.00
Exercised	(3,049,099)	$ 10.53
Forfeited and other	(46,097)	$ 20.21
Outstanding at December 31, 2015	11,047,920	$ 13.98
Exercisable at December 31, 2015	6,917,973	$ 10.56

The aggregate intrinsic value for stock options outstanding and exercisable was $133.0 million and $107.0 million, respectively, at December 31, 2015.

Set forth below is certain information related to stock options outstanding and exercisable at December 31, 2015:
(Shares reported in whole numbers and not in thousands)

	Options Outstanding			Options Exercisable	
Range of Exercise Price	Number Outstanding at December 31, 2015	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Number Exercisable at December 31, 2015	Weighted-Average Exercise Price
$0.00 — 5.00	981,087	1.1	$4.19	981,087	$4.19
$5.01 — 10.00	2,523,076	2.6	$8.43	2,523,076	$8.43
$10.01 — 15.00	1,579,044	3.9	$11.19	1,579,044	$11.19
$15.01 — 20.00	3,959,863	5.7	$16.48	1,771,466	$16.11
$20.01 — 25.00	2,004,850	7.1	$23.00	63,300	$23.00
$0.00 — 25.00	11,047,920	4.6	$13.98	6,917,973	$10.56

Other information pertaining to option activity during the years ended December 31 is as follows:

	2015	2014	2013
Weighted average grant-date fair value of stock options granted	$3.79	$3.34	$3.68
Total fair value of stock options vested (in thousands)	$7,973	$6,814	$5,997
Total intrinsic value of stock options exercised (in thousands)	$52,513	$42,048	$8,855

For the years ended December 31, 2015, 2014, and 2013, cash received from the exercise of stock options was $31.8 million, $32.4 million, and $6.3 million, respectively. We recognized compensation expense of $7.9 million, $7.5 million, and $6.7 million related to stock options for the years ended December 31, 2015, 2014, and 2013, respectively. As of December 31, 2015, the unrecognized compensation expense related to stock options of $8.4 million is expected to be recognized over a weighted average period of 1.3 years.

Restricted Shares

Restricted share activity was as follows:
(Shares reported in whole numbers)

	Restricted Shares	Weighted-Average Grant-Date Fair Value
Nonvested restricted shares at December 31, 2014	1,319,260	$ 13.39
Granted	253,791	$ 23.00
Vested	(990,558)	$ 12.37
Forfeited and other	(8,754)	$ 19.83
Nonvested restricted shares at December 31, 2015	573,739	$ 19.32

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The fair value of our restricted stock, as determined on the grant date, is being amortized and charged to income (with an offsetting credit to Capital in excess of par value) generally over the average period during which the restrictions lapse. At December 31, 2015, unrecognized compensation expense of $6.1 million related to restricted shares, which is recorded in Capital in excess of par value on our Consolidated Balance Sheet, is expected to be recognized over a weighted average period of 1.7 years. We recognized compensation expense of $5.9 million, $5.7 million, and $5.2 million during the years ended December 31, 2015, 2014, and 2013, respectively, related to our restricted shares.

14. Retirement Plans

We currently have a supplemental retirement plan for certain current and former key employees (SERP), a supplemental retirement plan for officers and certain key employees (Senior SERP), a retirement plan for certain non-employee directors (Directors' Plan), a Retirement Plan for Rose Hills Trustees, a Rose Hills Supplemental Retirement Plan, and a Stewart Supplemental Retirement Plan (collectively, the "Plans"). We also provide a 401(k) employee savings plan. All of our Plans have a measurement date of December 31.

The Plans are frozen; therefore, the participants do not earn incremental benefits from additional years of service, and we do not incur any additional service cost.

Retirement benefits under the SERP are based on years of service and average monthly compensation, reduced by benefits under Social Security. The Senior SERP provides retirement benefits based on years of service and position. The Directors' Plan provides for an annual benefit to directors following retirement, based on a vesting schedule.

We recognize pension related gains and losses in our consolidated statement of operations in the year such gains and losses are incurred. The components of the Plans' net periodic benefit cost for the years ended December 31 were as follows:

	2015	2014	2013
	(In thousands)		
Interest cost on projected benefit obligation	$1,198	$1,293	$780
Recognized net actuarial (gains) losses	(1,327)	2,401	(1,205)
Total net periodic benefit cost	$(129)	$3,694	$(425)

The Plans' funded status at December 31 was as follows:

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	2015	2014
	(In thousands)	
Change in Benefit Obligation:		
Benefit obligation at beginning of year	$36,920	$37,499
Acquisition of benefit obligation	—	—
Interest cost	1,198	1,293
Actuarial (loss) gain	(1,327)	2,401
Benefits paid	(4,486)	(4,273)
Benefit obligation at end of year	$32,305	$36,920
Change in Plan Assets:		
Fair value of plan assets at beginning of year	$—	$—
Employer contributions	4,486	4,273
Benefits paid, including expenses	(4,486)	(4,273)
Fair value of plan assets at end of year	$—	$—
Funded status of plan	$(32,305)	$(36,920)
Funding Summary:		
Projected benefit obligations	$32,305	$36,920
Accumulated benefit obligation	$32,305	$36,920
Amounts Recognized in the Consolidated Balance Sheet:		
Accounts payable and accrued liabilities	$(3,723)	$(4,005)
Accrued pension - included in other liabilities	(28,582)	(32,915)
Total accrued benefit liability	$(32,305)	$(36,920)

The retirement benefits under the Plans are unfunded obligations of the Company. We have purchased various life insurance policies on the participants in the Plans with the intent to use the proceeds or any cash value buildup from such policies to assist in meeting, at least to the extent of such assets, the Plans' funding requirements. The face value of these insurance policies at December 31, 2015 and 2014 was $48.9 million and $47.8 million, respectively, and the cash surrender value was $37.7 million and $37.0 million, respectively. The outstanding loans against the policies are minimal and there are no restrictions in the policies regarding loans.

The Plans’ weighted-average assumptions used to determine the benefit obligation and net benefit cost are as follows:

	2015	2014	2013
Weighted average discount rate used to determine obligations	3.86%	3.42%	3.66%
Weighted average discount rate used to determine net periodic pension cost	2.47%	3.69%	2.90%

We base our discount rate used to compute future benefit obligations using an analysis of expected future benefit payments. The reasonableness of our discount rate is verified by comparing the rate to the rate earned on high-quality fixed income investments, such as the Moody’s Aa index, plus 50 basis points. The assumed rate of return on plan assets was not applicable as we pay plan benefits as they come due. As all Plans are curtailed, the assumed rate of compensation increase is zero.

The following benefit payments are expected to be paid in future years related to our Plans (in thousands):

2016	$3,723
2017	$3,425
2018	$3,216
2019	$3,146
2020	$2,724
Years 2021 through 2025	$10,565

We have an employee savings plan that qualifies under section 401(k) of the Internal Revenue Code for the exclusive benefit of our United States employees. Under the plan, participating employees may contribute a portion of their pretax and/or after-tax income in accordance with specified guidelines up to a maximum of 50%.

During 2015, 2014, and 2013, we matched a percentage of the employee contributions through contributions of cash. For these years, our matching contribution was based upon the following:

Years of Vesting Service	Percentage of Deferred Compensation
0 — 5 years	75% of the first 6% of deferred compensation
6 — 10 years	100% of the first 6% of deferred compensation
11 or more years	125% of the first 6% of deferred compensation

The amount of our matched contributions in 2015, 2014, and 2013 was $30.8 million, $26.8 million, and $24.3 million, respectively.

15. Segment Reporting

Our operations are both product based and geographically based, and the reportable operating segments presented below include our funeral and cemetery operations. Our geographic areas include United States and Canada. We conduct both funeral and cemetery operations in the United States and Canada.

Our reportable segment information is as follows:

	Reportable Segments			
	Funeral	Cemetery	Corporate	Consolidated
	(In thousands)			
2015				
Revenue from external customers	$1,888,812	$1,097,568	$—	$2,986,380
Interest expense	$4,228	$448	$168,221	$172,897
Depreciation and amortization	$103,119	$29,601	$8,736	$141,456
Amortization of intangible assets	$22,767	$8,617	$75	$31,459
Gross profit	$387,533	$284,412	$—	$671,945
Amortization of cemetery property	$—	$62,407	$—	$62,407
Capital expenditures	$53,291	$83,573	$14,122	$150,986
Total assets	$5,197,037	$6,165,047	$356,804	$11,718,888
2014				
Revenue from external customers	$1,920,475	$1,073,536	$—	$2,994,011
Interest expense	$4,714	$510	$172,347	$177,571
Depreciation and amortization	$101,801	$28,745	$9,456	$140,002
Amortization of intangible assets	$24,841	$11,700	$99	$36,640
Gross profit	$409,701	$265,984	$—	$675,685
Amortization of cemetery property	$—	$60,439	$—	$60,439
Capital expenditures	$52,610	$78,588	$13,301	$144,499
Total assets	$5,305,294	$6,152,113	$466,237	$11,923,644
2013				
Revenue from external customers	$1,698,493	$851,973	$—	$2,550,466
Interest expense	$4,736	$348	$137,276	$142,360
Depreciation and amortization	$92,588	$23,384	$6,263	$122,235
Amortization of intangible assets	$17,245	$4,590	$24	$21,859
Gross profit	$349,791	$199,256	$—	$549,047
Amortization of cemetery property	$—	$48,344	$—	$48,344
Capital expenditures	$50,304	$58,315	$4,320	$112,939

The following table reconciles gross profits from reportable segments shown above to our consolidated income from continuing operations before income taxes:

	2015	2014	2013
	(In thousands)		
Gross profit from reportable segments	$671,945	$675,685	$549,047
General and administrative expenses	(128,188)	(184,749)	(155,128)
Gains (losses) on divestitures and impairment charges, net	6,522	116,613	(6,263)
Operating income	550,279	607,549	387,656
Interest expense	(172,897)	(177,571)	(142,360)
(Losses) gains on early extinguishment of debt, net	(6,918)	(29,158)	468
Other (expense) income, net	(113)	1,780	(558)
Income from continuing operations before income taxes	$370,351	$402,600	$245,206

Our geographic area information was as follows:

	United States	Canada	Total
	(In thousands)		
2015			
Revenue from external customers	$2,805,748	$180,632	$2,986,380
Interest expense	$172,697	$200	$172,897
Depreciation and amortization	$132,393	$9,063	$141,456
Amortization of intangible assets	$30,856	$603	$31,459
Amortization of cemetery property	$58,429	$3,978	$62,407
Operating income	$498,615	$51,664	$550,279
Gains on divestitures and impairment charges, net	$1,778	$4,744	$6,522
Long-lived assets	$5,759,342	$253,246	$6,012,588
2014			
Revenue from external customers	$2,792,009	$202,002	$2,994,011
Interest expense	$177,245	$326	$177,571
Depreciation and amortization	$129,510	$10,492	$140,002
Amortization of intangible assets	$35,895	$745	$36,640
Amortization of cemetery property	$55,679	$4,760	$60,439
Operating income	$557,608	$49,941	$607,549
Gains on divestitures and impairment charges, net	$116,046	$567	$116,613
Long-lived assets	$5,735,205	$300,515	$6,035,720
2013			
Revenue from external customers	$2,334,667	$215,799	$2,550,466
Interest expense	$141,991	$369	$142,360
Depreciation and amortization	$111,210	$11,025	$122,235
Amortization of intangible assets	$20,846	$1,013	$21,859
Amortization of cemetery property	$42,972	$5,372	$48,344
Operating income	$331,143	$56,513	$387,656
Losses on divestitures and impairment charges, net	$(5,958)	$(305)	$(6,263)

16. Supplementary Information

The detail of certain balance sheet accounts is as follows:

	December 31, 2015	2014
	(In thousands)	
Cash and cash equivalents:		
Cash	$106,831	$132,743
Commercial paper and temporary investments	27,768	44,592
	$134,599	$177,335
Receivables, net:		
Notes receivable	$2,056	$8,381
Atneed funeral receivables, net of allowances of $3,343 and $6,200, respectively	52,184	61,306
Atneed cemetery receivables, net of allowances of $2,153 and $2,346, respectively	13,585	14,842
Other	22,637	24,521
	$90,462	$109,050
Other current assets:		
Income tax receivable	$15,662	$22,581
Prepaid insurance	5,398	5,270
Restricted cash	12,587	28,926
Deferred debt issuance costs	9,522	9,180
Other	12,344	14,817
	$55,513	$80,774
Cemetery property:		
Undeveloped land	$1,186,861	$1,186,325
Developed lots, lawn crypts, mausoleum spaces, cremation niches, and cremation memorialization property	566,154	552,891
	$1,753,015	$1,739,216
Property and equipment:		
Land	$591,407	$603,509
Buildings and improvements	1,834,403	1,783,171
Operating equipment	530,195	500,511
Leasehold improvements	52,121	50,862
Capital leases	220,784	204,991
	3,228,910	3,143,044
Less: Accumulated depreciation	(1,253,872)	(1,163,921)
Less: Accumulated amortization of capital leases	(128,316)	(117,720)
	$1,846,722	$1,861,403
Deferred charges and other assets:		
Intangible assets, net	$370,005	$393,781
Restricted cash	3,907	16,073
Deferred tax assets	23,817	18,778
Notes receivable, net of allowances of $11,334 and $11,259, respectively	10,229	4,858
Cash surrender value of insurance policies	108,726	102,856
Other	99,827	87,902
	$616,511	$624,248

	December 31, 2015	2014
	(In thousands)	
Accounts payable and accrued liabilities:		
Accounts payable	$140,045	$137,270
Accrued benefits	86,908	86,880
Accrued interest	28,673	30,133
Accrued property taxes	11,594	14,346
Self insurance reserves	76,611	73,991
Bank overdraft	21,808	27,798
Other accrued liabilities	57,203	82,624
	$422,842	$453,042
Other liabilities:		
Accrued pension	$28,582	$32,915
Deferred compensation	92,199	83,278
Customer refund obligation reserve	55,153	60,019
Tax liability	234,176	239,265
Indemnification liability	—	236
Payable to perpetual care fund	71,133	64,722
Other	15,678	22,118
	$496,921	$502,553

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Revenues and Costs and Expenses

The detail of certain income statement accounts is as follows for the years ended December 31:

	2015	2014	2013
	(In thousands)		
Merchandise revenue:			
Funeral	$603,405	$616,992	$584,429
Cemetery	849,251	816,980	653,211
Total merchandise revenue	1,452,656	1,433,972	1,237,640
Services revenue:			
Funeral	1,134,807	1,167,385	989,624
Cemetery	217,447	222,834	168,864
Total services revenue	1,352,254	1,390,219	1,158,488
Other revenue	181,470	169,820	154,338
Total revenue	$2,986,380	$2,994,011	$2,550,466
Merchandise costs and expenses:			
Funeral	$285,432	$292,031	$266,558
Cemetery	487,877	485,291	380,323
Total cost of merchandise	773,309	777,322	646,881
Services costs and expenses:			
Funeral	629,842	630,357	548,534
Cemetery	65,839	70,439	51,562
Total cost of services	695,681	700,796	600,096
Overhead and other expenses	845,445	840,208	754,442
Total cost and expenses	$2,314,435	$2,318,326	$2,001,419

Certain Non-Cash Investing and Financing Transactions

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Net change in capital expenditure accrual	$5,571	$1,022	$—
Options exercised by attestation	$122	$761	$3,004
Shares repurchased	$(122)	$(761)	$(3,004)

17. Earnings Per Share

Basic earnings per common share (EPS) excludes dilution and is computed by dividing Net income attributable to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other obligations to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that shared in our earnings.

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A reconciliation of the numerators and denominators of basic and diluted EPS for the three years ended December 31 is presented below:

	2015	2014	2013
	(In thousands, except per share amounts)		
Amounts attributable to common stockholders:			
Income from continuing operations — basic	$234,162	$170,283	$146,926
After tax interest on convertible debt	50	51	51
Income from continuing operations — diluted	$234,212	$170,334	$146,977
(Loss) income from discontinued operations, net of tax	$(390)	$2,186	$406
Net income — basic	$233,772	$172,469	$147,332
After tax interest on convertible debt	50	51	51
Net income — diluted	$233,822	$172,520	$147,383
Weighted average shares:			
Weighted average shares — basic	200,356	210,741	211,811
Stock options	3,973	3,338	4,082
Convertible debt	121	121	121
Weighted average shares — diluted	204,450	214,200	216,014
Amounts attributable to common stockholders:			
Income from continuing operations per share:			
Basic	$1.17	$0.81	$0.70
Diluted	$1.14	$0.80	$0.68
Income from discontinued operations per share:			
Basic	$—	$0.01	$—
Diluted	$—	$0.01	$—
Net income per share:			
Basic	$1.17	$0.82	$0.70
Diluted	$1.14	$0.81	$0.68

The computation of diluted earnings per share excludes outstanding stock options and convertible debt in certain periods in which the inclusion of such options and debt would be antidilutive to the periods presented. Total options not currently included in the computation of diluted EPS in shares are 3 thousand, 1.5 million, and 1.2 million for the years ended December 31, 2015, 2014, and 2013, respectively.

18. Acquisitions

We spent $41.3 million and $15.3 million for several smaller, tuck-in acquisitions for the years ended December 31, 2015 and 2014, respectively.

Stewart

On December 23, 2013, pursuant to a tender offer, we acquired Stewart Enterprises, Inc. (Stewart) for $13.25 per share in cash, resulting in a purchase price of $1.5 billion, which includes the assumption of $331.5 million of Stewart's debt.

Included in our results of operations for the twelve months ended December 31, 2013 is revenue of $11.4 million and net income of $0.8 million for the period from the acquisition date (December 23, 2013) through December 31, 2013.

The following unaudited pro forma summary presents financial information as if the acquisition had occurred on January 1, 2013 (in thousands):

Revenue	$2,919,278
Net income	$203,916

SCI Direct

During 2013, we acquired an additional 20% of the outstanding shares of The Neptune Society Inc. (Neptune) increasing our ownership from 70% to 90%. During 2014, we acquired the remaining 10% of the outstanding shares. Neptune is the nation's largest direct cremation organization with a network of 30 locations in nine states at the time of our original acquisition. Neptune operates under the brand names Neptune Society™, National Cremation Society®, and Trident Society™. This acquisition expanded our footprint into a sector of the market that will continue to grow and that was not targeted through our traditional funeral service and cemetery network.

19. Divestiture-Related Activities

As divestitures occur in the normal course of business, gains or losses on the sale of such locations are recognized in the income statement line item Gains (losses) on divestitures and impairment charges, net, which consist of the following for the years ended December 31:

	2015	2014	2013
	(In thousands)		
Gains (losses) on divestitures, net	$13,363	$122,535	$(3,350)
Impairment losses	(6,841)	(5,922)	(2,913)
	$6,522	$116,613	$(6,263)

Discontinued Operations

During the twelve months ended December 31, 2014 we sold our operations in Germany for approximately $6.9 million and are presenting the results of operations as discontinued operations as follows:

	Twelve Months Ended December 31,		
	2015	2014	2013
	(In thousands)		
Revenue	$—	$1,613	$5,907
Costs and expenses	—	(1,471)	(5,393)
(Loss) gain on disposition	(390)	2,136	—
Other expense, net	—	(2)	(1)
(Loss) income from discontinued operations before income taxes	(390)	2,276	513
Provision for income taxes	—	(90)	(107)
Net (loss) income from discontinued operations	$(390)	$2,186	$406

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20. Quarterly Financial Data (Unaudited)

Quarterly financial data for 2015 and 2014 is as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share amounts)			
2015				
Revenue	$748,117	$754,354	$714,526	$769,383
Costs and expenses	$(570,674)	$(588,096)	$(573,723)	$(581,942)
Gross profit	$177,443	$166,258	$140,803	$187,441
Operating income	$141,115	$127,581	$124,548	$157,035
Income from continuing operations before income taxes(1)	$98,118	$84,489	$74,045	$113,699
Provision for income taxes	$(36,653)	$(31,007)	$(26,118)	$(41,249)
Net income from continuing operations	$61,465	$53,482	$47,927	$72,450
Net loss from discontinued operations, net of tax	$—	$(390)	$—	$—
Net income	$61,465	$53,092	$47,927	$72,450
Net income attributable to noncontrolling interests	$(90)	$(497)	$(479)	$(96)
Net income attributable to common stockholders	$61,375	$52,595	$47,448	$72,354
Net income attributable to common stockholders per share(2):				
Basic — EPS	$0.30	$0.26	$0.24	$0.37
Diluted — EPS	$0.30	$0.25	$0.23	$0.36
2014				
Revenue	$745,493	$746,760	$718,314	$783,444
Costs and expenses	$(579,435)	$(590,719)	$(570,030)	$(578,142)
Gross profit	$166,058	$156,041	$148,284	$205,302
Operating income	$107,419	$144,730	$135,119	$220,281
Income from continuing operations before income taxes(1)	$63,958	$69,316	$91,735	$177,591
Provision for income taxes	$(22,707)	$(37,357)	$(74,934)	$(90,982)
Net income from continuing operations	$41,251	$31,959	$16,801	$86,609
Net income (loss) from discontinued operations, net of tax	140	(178)	884	1,340
Net income	$41,391	$31,781	$17,685	$87,949
Net income attributable to noncontrolling interests	$(289)	$(5,859)	$(34)	$(155)
Net income attributable to common stockholders	$41,102	$25,922	$17,651	$87,794
Net income attributable to common stockholders per share(2):				
Basic — EPS	$0.19	$0.12	$0.08	$0.42
Diluted — EPS	$0.19	$0.12	$0.08	$0.42

(1) Includes (Losses) gains on divestitures and impairment charges, net, as described in Note 19.

(2) Net income per share is computed independently for each of the quarters presented. Therefore, the sum of the quarters' net income per share may not equal the total computed for the year.

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SERVICE CORPORATION INTERNATIONAL
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
Three Years Ended December 31, 2015

Description	Balance at Beginning of Period	Charged (Credited) to Costs and Expenses	Charged (Credited) to Other Accounts(1)	Write-Offs(2)	Balance at End of Period
	(In thousands)				
Current provision:					
Allowance for doubtful accounts:					
Year Ended December 31, 2015	$8,546	$6,083	$63,964	$(73,097)	$5,496
Year Ended December 31, 2014	$11,637	$7,376	$55,573	$(66,040)	$8,546
Year Ended December 31, 2013	$8,884	$7,874	$54,774	$(59,895)	$11,637
Due After One Year:					
Allowance for doubtful accounts:					
Year Ended December 31, 2015	$11,259	$—	$75	$—	$11,334
Year Ended December 31, 2014	$10,986	$—	$273	$—	$11,259
Year Ended December 31, 2013	$1,316	$—	$9,670	$—	$10,986
Preneed Funeral and Preneed Cemetery					
Asset allowance for cancellation:					
Year Ended December 31, 2015	$107,040	$5,016	$(6,283)	$—	$105,773
Year Ended December 31, 2014	$106,793	$2,950	$(2,703)	$—	$107,040
Year Ended December 31, 2013	$83,642	$4,498	$18,653	$—	$106,793
Deferred Preneed Funeral and Cemetery					
Revenue allowance for cancellation:					
Year Ended December 31, 2015	$(125,030)	$—	$3,482	$—	$(121,548)
Year Ended December 31, 2014	$(149,288)	$—	$24,258	$—	$(125,030)
Year Ended December 31, 2013	$(131,320)	$—	$(17,968)	$—	$(149,288)
Deferred tax valuation allowance:					
Year Ended December 31, 2015	$134,201	$(5,988)	$(1,559)	$—	$126,654
Year Ended December 31, 2014	$114,719	$21,285	$(1,803)	$—	$134,201
Year Ended December 31, 2013	$71,013	$6,213	$37,493	$—	$114,719

(1) Primarily relates to acquisitions and dispositions of operations.
(2) Uncollected receivables written off, net of recoveries.

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Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure
None.

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Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures that are designed to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including our principal executive officer and principal financial officer (who are our Chief Executive Officer and Chief Financial Officer, respectively) as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met.

In connection with the preparation of this Annual Report on Form 10-K for the year ended December 31, 2015, an evaluation was performed under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2015.

Management’s Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements prepared for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2015 using the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment and those criteria, management concluded that our internal control over financial reporting was effective as of December 31, 2015.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2015, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included in Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting occurred during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

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PART III
Item 10. Directors, Executive Officers, and Corporate Governance
Item 11. Executive Compensation
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters
Item 13. Certain Relationships and Related Transactions[1] and Director Independence
Item 14. Principal Accountant Fees and Services
The information required by each of Items 10, 11, 12, 13 and 14, except as included below, is incorporated herein by reference to the Service Corporation International Proxy statement for our 2016 Annual Meeting of shareholders.
The information regarding our executive officers called for by Item 401 of Regulation S-K and the information regarding our code of ethics called for by Item 406 of Regulation S-K has been included in PART I of this report. The information regarding our equity compensation plan information called for by Item 201(d) of Regulation S-K is set forth below.
Equity Compensation Plan Information at December 31, 2015:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	11,047,920	$13.98	1,531,410

PART IV
Item 15. Exhibits and Financial Statement Schedule
(a)(1)-(2) Financial Statements and Schedule:
The financial statements and schedule are listed in the accompanying Index to Financial Statements and Related Schedule on page 39 of this report.
(3) Exhibits:
The exhibits listed on the accompanying Exhibit Index on pages 100-102 are filed as part of this report.
(b) Included in (a) above.
(c) Included in (a) above.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant, Service Corporation International, has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SERVICE CORPORATION INTERNATIONAL

By: /s/ GREGORY T. SANGALIS
(Gregory T. Sangalis,
Senior Vice President, General
Counsel, and Secretary)

Dated: February 16, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ THOMAS L. RYAN* (Thomas L. Ryan)	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	February 16, 2016
/s/ ERIC D. TANZBERGER* (Eric D. Tanzberger)	Senior Vice President, Chief Financial Officer, and Treasurer (Principal Financial Officer)	February 16, 2016
/s/ TAMMY R. MOORE* (Tammy R. Moore)	Vice President and Corporate Controller (Principal Accounting Officer)	February 16, 2016
/s/ R. L. WALTRIP* (R. L. Waltrip)	Founder and Chairman Emeritus, Director	February 16, 2016
/s/ ANTHONY L. COELHO* (Anthony L. Coelho)	Lead Director	February 16, 2016
/s/ ALAN R. BUCKWALTER, III* (Alan R. Buckwalter, III)	Director	February 16, 2016
/s/ VICTOR L. LUND* (Victor L. Lund)	Director	February 16, 2016
/s/ JOHN W. MECOM, JR.* (John W. Mecom, Jr.)	Director	February 16, 2016
/s/ CLIFTON H. MORRIS, JR.* (Clifton H. Morris, Jr.)	Director	February 16, 2016
/s/ ELLEN OCHOA* (Ellen Ochoa)	Director	February 16, 2016
/s/ W. BLAIR WALTRIP* (W. Blair Waltrip)	Director	February 16, 2016

/s/ MARCUS A. WATTS* (Marcus A. Watts)	Director	February 16, 2016
/s/ EDWARD E. WILLIAMS* (Edward E. Williams)	Director	February 16, 2016
*By /s/ GREGORY T. SANGALIS (Gregory T. Sangalis, as Attorney-In-Fact for each of the Persons indicated)		February 16, 2016

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EXHIBIT INDEX
PURSUANT TO ITEM 601 OF REG. S-K

Exhibit Number		Description
3.1	—	Restated Articles of Incorporation. (Incorporated by reference to Exhibit 3.1 to Registration Statement No. 333-10867 on Form S-3).
3.2	—	Articles of Amendment to Restated Articles of Incorporation. (Incorporated by reference to Exhibit 3.1 to Form 10-Q for the fiscal quarter ended September 30, 1996).
3.3	—	Statement of Resolution Establishing Series of Shares of Series D Junior Participating Preferred Stock, dated July 27, 1998. (Incorporated by reference to Exhibit 3.2 to Form 10-Q for the fiscal quarter ended June 30, 1998).
3.4	—	Bylaws, as amended. (Incorporated by reference to Exhibit 3.4 to Form 10-K for the year ended December 31, 2013).
4.1	—	Senior Indenture dated as of February 1, 1993 by and between the Company and The Bank of New York, as trustee. (Incorporated by reference as Exhibit 4.1 to Form S-4 filed September 2, 2004 (File No. 333-118763)).
4.2	—	Agreement of Resignation, Appointment of Acceptance, dated October 21, 2005, among the Company, The Bank of New York and The Bank of New York Trust Company, N.A., appointing a successor trustee for the Senior Indenture dated as of February 1, 1993. (Incorporated by reference to Exhibit 4.1 to Form 10-Q for the fiscal quarter ended June 30, 2005).
10.1	—	Retirement Plan For Non-Employee Directors. (Incorporated by reference to Exhibit 10.1 to Form 10-K for the fiscal year ended December 31, 1991).
10.2	—	First Amendment to Retirement Plan For Non-Employee Directors. (Incorporated by reference to Exhibit 10.2 to Form 10-K for the fiscal year ended December 31, 2000).
10.3	—	Second Amendment to Retirement Plan for Non-Employee Directors. (Incorporated by reference to Exhibit 10.3 to Form 10-K for the fiscal year ended December 31, 2010).
10.4	—	Employment Agreement, dated December 28, 2006, between SCI Executive Services, Inc. and R.L. Waltrip (including Non-Competition Agreement and Amendment to Employment Agreement, dated November 11, 1991, among the Company, R. L. Waltrip and Claire Waltrip). (Incorporated by reference to Exhibit 10.4 to Form 10-K for the fiscal year ended December 31, 2006).
10.5	—	Amendment to Employment and Noncompetition Agreement, dated November 30, 2007, between SCI Executive Services, Inc. and R. L. Waltrip. (Incorporated by reference to Exhibit 10.5 to Form 10-K for the fiscal year ended December 31, 2007).
10.6	—	Amendment to Employment and Noncompetition Agreement, dated December 1, 2010, between SCI Executive Services, Inc. and R.L. Waltrip. (Incorporated by reference to Exhibit 10.7 to Form 10-K for the fiscal year ended December 31, 2010).
10.7	—	Employment and Noncompetition Agreement, dated January 1, 2004, between SCI Executive Services, Inc. and Thomas L. Ryan. (Incorporated by reference to Exhibit 10.9 to Form 10-K for the fiscal year ended December 31, 2003).
10.8	—	Addendum to Employment and Noncompetition Agreement, dated December 1, 2005, between SCI Executive Services, Inc. and Thomas L. Ryan. (Incorporated by reference to Exhibit 10.12 to Form 10-K for the fiscal year ended December 31, 2005).
10.9	—	Amendment to Employment and Noncompetition Agreement, dated November 30, 2007, between SCI Executive Services, Inc. and Thomas L. Ryan. (Incorporated by reference to Exhibit 10.8 to Form 10-K for fiscal year ended December 31, 2007).
10.10	—	Amendment to Employment and Noncompetition Agreement, dated December 1, 2010, between SCI Executive Services, Inc. and Thomas L. Ryan. (Incorporated by reference to Exhibit 10.11 to Form 10-K for the fiscal year ended December 31, 2010).

10.11	—	Employment and Noncompetition Agreement, dated January 1, 2004, between SCI Executive Services, Inc. and Michael R. Webb. (Incorporated by reference to Exhibit 10.10 to Form 10-K for the fiscal year ended December 31, 2003).
10.12	—	Addendum to Employment and Noncompetition Agreement, dated December 1, 2005, between SCI Executive Services, Inc. and Michael R. Webb. (Incorporated by reference to Exhibit 10.14 to Form 10-K for the fiscal year ended December 31, 2005).
10.13	—	Amendment to Employment and Noncompetition Agreement, dated November 30, 2007, between SCI Executive Services, Inc. and Michael R. Webb. (Incorporated by reference to Exhibit 10.11 to Form 10-K for the fiscal year ended December 31, 2007).

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Exhibit Number		Description
10.14	—	Amendment to Employment and Noncompetition Agreement, dated December 1, 2010, between SCI Executive Services, Inc. and Michael R. Webb. (Incorporated by reference to Exhibit 10.15 to Form 10-K for the fiscal year ended December 31, 2010).
10.15	—	Employment and Noncompetition Agreement, dated December 28, 2006 between SCI Executive Services, Inc. and Eric D. Tanzberger. (Incorporated by reference to Exhibit 10.11 to Form 10-K for the fiscal year ended December 31, 2006).
10.16	—	Amendment to Employment and Noncompetition Agreement, dated November 30, 2007, between SCI Executive Services, Inc. and Eric D. Tanzberger. (Incorporated by reference to Exhibit 10.13 to Form 10-K for the fiscal year ended December 31, 2007).
10.17	—	Amendment to Employment and Noncompetition Agreement , dated December 1, 2010, between SCI Executive Services, Inc. and Eric D. Tanzberger. (Incorporated by reference to Exhibit 10.18 to Form 10-K for the fiscal year ended December 31, 2010).
10.18	—	Employment and Noncompetition Agreement, dated December 28, 2006, between SCI Executive Services, Inc. and Sumner J. Waring, III. (Incorporated by reference to Exhibit 10.9 to Form 10-K for the fiscal year ended December 31, 2006).
10.19	—	Amendment to Employment and Noncompetition Agreement, dated November 30, 2007, between SCI Executive Services, Inc. and Sumner J. Waring, III. (Incorporated by reference to Exhibit 10.15 to Form 10-K for the fiscal year ended December 31, 2009).
10.20	—	Amendment to Employment and Noncompetition Agreement, dated December 1, 2010, between SCI Executive Services, Inc. and Sumner J. Waring, III. (Incorporated by reference to Exhibit 10.21 to Form 10-K for the fiscal year ended December 31, 2010).
10.21	—	Form of Employment and Noncompetition Agreement pertaining to non-senior officers. (Incorporated by reference to Exhibit 10.12 to Form 10-K for the fiscal year ended December 31, 2003).
10.22	—	Form of Addendum to Employment and Noncompetition Agreement pertaining to the preceding exhibit. (Incorporated by reference to Exhibit 10.20 to Form 10-K for the fiscal year ended December 31, 2005).
10.23	—	Form of Amendment to Employment and Noncompetition Agreement dated November 30, 2007, between SCI Executive Services, Inc. and non-senior officers. (Incorporated by reference to Exhibit 10.18 to Form 10-K for the fiscal year ended December 31, 2007).
10.24	—	Form of Amendment to Employment and Noncompetition Agreement, dated December 1, 2010, between SCI Executive Services, Inc. and non-senior officers. (Incorporated by reference to Exhibit 10.25 to Form 10-K for the fiscal year ended December 31, 2010).
10.25	—	Amended 1996 Incentive Plan. (Incorporated by reference to Appendix A to Proxy Statement dated April 6, 2007).
10.26	—	Amended and Restated Incentive Plan. (Incorporated by reference to Appendix B to Proxy Statement dated April 1, 2011).
10.27	—	Supplemental Executive Retirement Plan for Senior Officers (as amended and restated effective as of January 1, 1998). (Incorporated by reference to Exhibit 10.28 to Form 10-K for the fiscal year ended December 31, 1998).
10.28	—	First Amendment to Supplemental Executive Retirement Plan for Senior Officers. (Incorporated by reference to Exhibit 10.28 to Form 10-K for the fiscal year ended December 31, 2000).
10.29	—	SCI 401(k) Retirement Savings Plan, consisting of the Charles Schwab Defined Contribution Plan and Trust, Basic Plan Document #01; the Adoption Agreements to the SCI 401(k) Retirement Savings Plan and the SCI Union 401(k) Retirement Savings Plan, each as amended effective July 1, 2014, and the Directed Employee Benefit Trust Agreement between Service Corporation International and Charles Schwab Bank. (Incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarterly period ended June 30, 2014).
10.30	—	

		Amended and Restated Director Fee Plan. (Incorporated by reference to Annex C to Proxy Statement dated April 1, 2011).
10.31	—	Amendment One to the Service Corporation International Amended and Restated Director Fee Plan, dated May 12, 2015. (Incorporated by reference to Exhibit 10.1 to Form 8-K dated May 18, 2015).
10.32	—	Form of Indemnification Agreement for officers and directors. (Incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarterly period ended September 30, 2004).
10.33	—	Form of Executive Deferred Compensation Plan as Amended and Restated Effective December 8, 2009. (Incorporated by reference to Exhibit 10.42 to Form 10-K for the fiscal year ended December 31, 2009.)
10.34	—	Amendment One to Executive Deferred Compensation Plan. (Incorporated by reference to Exhibit 10.50 to Form 10-K for the fiscal year ended December 31, 2010).
10.35	—	Amendment Two to Executive Deferred Compensation Plan. (Incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarterly period ended September 30, 2014).

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Exhibit Number		Description
10.36	—	Amendment Three to Executive Deferred Compensation Plan. (Incorporated by reference to Exhibit 10.35 to Form 10-K for the fiscal year ended December 31, 2014).
10.37	—	Form of Performance Unit Grant Award Agreement.
10.38	—	Credit Agreement, dated as of July 2, 2013 among Service Corporation International, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for the lenders (Incorporated by reference to Exhibit 10.1 to Form 8-K dated July 8, 2013.)
10.39	—	First Amendment to Credit Agreement, dated as of October 19, 2015, among Service Corporation International, the guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent for the lenders. (Incorporated by reference to Exhibit 10.1 to Form 8-K dated October 22, 2015.)
12.1	—	Ratio of Earnings to Fixed Charges.
21.1	—	Subsidiaries of the Company.
23.1	—	Consent of Independent Registered Public Accounting Firm (PricewaterhouseCoopers LLP).
24.1	—	Powers of Attorney.
31.1	—	Certification of Thomas L. Ryan as Principal Executive Officer in satisfaction of Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	—	Certification of Eric D. Tanzberger as Principal Financial Officer in satisfaction of Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	—	Certification of Periodic Financial Reports by Thomas L. Ryan as Principal Executive Officer in satisfaction of Section 906 of the Sarbanes- Oxley Act of 2002.
32.2	—	Certification of Periodic Financial Reports by Eric D. Tanzberger as Principal Financial Officer in satisfaction of Section 906 of the Sarbanes-Oxley Act of 2002.
101	—	Interactive data file.

In the above list, the management contracts or compensatory plans or arrangements are set forth in Exhibits 10.1 through 10.37.

Pursuant to Item 601(b)(4) of Regulation S-K, there are not filed as exhibits to this report certain instruments with respect to long-term debt under which the total amount of securities authorized thereunder does not exceed 10 percent of the total assets of Registrant and its subsidiaries on a consolidated basis. Registrant agrees to furnish a copy of any such instrument to the Commission upon request.