BUCKLE INC
Form 10-Q
December 13, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended November 3, 2018

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from ____________ to ____________

Commission File Number: 001-12951

THE BUCKLE, INC.
(Exact name of Registrant as specified in its charter)

Nebraska	47-0366193
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2407 West 24th Street, Kearney, Nebraska 68845-4915
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (308) 236-8491

____
(Former name, former address, and former fiscal year if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for a shorter period that the registrant was required to submit and post such files). Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o; Accelerated filer þ;
Non-accelerated filer o; Smaller reporting company o;

Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

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

The number of shares outstanding of the Registrant's Common Stock, $0.01 par value, as of December 7, 2018, was 49,017,975.

THE BUCKLE, INC.

FORM 10-Q
INDEX

THE BUCKLE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands Except Share and Per Share Amounts)
(Unaudited)

ASSETS	November 3, 2018	February 3, 2018
CURRENT ASSETS:		
Cash and cash equivalents	$ 177,918	$ 165,086
Short-term investments	45,605	50,833
Receivables	8,266	8,588
Inventory	145,473	118,007
Prepaid expenses and other assets	19,862	18,070
Total current assets	397,124	360,584
PROPERTY AND EQUIPMENT	460,523	459,043
Less accumulated depreciation and amortization	(324,044)	(309,497)
	136,479	149,546
LONG-TERM INVESTMENTS	18,322	21,453
OTHER ASSETS	7,170	6,533
Total assets	$ 559,095	$ 538,116
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 48,400	$ 29,387
Accrued employee compensation	17,996	22,307
Accrued store operating expenses	21,851	15,646
Gift certificates redeemable	13,907	18,202
Income taxes payable	—	12,364
Total current liabilities	102,154	97,906
DEFERRED COMPENSATION	13,804	15,154
DEFERRED RENT LIABILITY	30,287	33,808
Total liabilities	146,245	146,868
COMMITMENTS		
STOCKHOLDERS' EQUITY:		
Common stock, authorized 100,000,000 shares of $.01 par value; 49,017,975 and 48,816,170 shares issued and outstanding at November 3, 2018 and February 3, 2018, respectively	490	488
Additional paid-in capital	147,584	144,279
Retained earnings	264,776	246,570
Accumulated other comprehensive loss	—	(89)

Total stockholders’ equity	412,850	391,248
Total liabilities and stockholders’ equity	$ 559,095	$ 538,116

See notes to unaudited condensed consolidated financial statements.

THE BUCKLE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands Except Per Share Amounts)
(Unaudited)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
SALES, Net of returns and allowances	$215,107	$ 224,307	$621,084	$ 632,208
COST OF SALES (Including buying, distribution, and occupancy costs)	128,950	133,379	376,305	385,424
Gross profit	86,157	90,928	244,779	246,784
OPERATING EXPENSES:				
Selling	50,612	50,684	144,361	144,281
General and administrative	9,244	9,307	30,696	29,113
	59,856	59,991	175,057	173,394
INCOME FROM OPERATIONS	26,301	30,937	69,722	73,390
OTHER INCOME, Net	1,332	808	3,791	2,642
INCOME BEFORE INCOME TAXES	27,633	31,745	73,513	76,032
PROVISION FOR INCOME TAXES	7,157	11,841	19,040	28,360
NET INCOME	$20,476	$ 19,904	$54,473	$ 47,672
EARNINGS PER SHARE:				
Basic	$0.42	$ 0.41	$1.13	$ 0.99
Diluted	$0.42	$ 0.41	$1.12	$ 0.99
Basic weighted average shares	48,379	48,218	48,379	48,218
Diluted weighted average shares	48,611	48,339	48,584	48,331

See notes to unaudited condensed consolidated financial statements.

THE BUCKLE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)
(Unaudited)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
NET INCOME	$20,476	$ 19,904	$54,473	$ 47,672
OTHER COMPREHENSIVE INCOME, NET OF TAX:				
Change in unrealized loss on investments, net of tax of $0, $0, $31, and $2, respectively	—	—	89	3
Other comprehensive income	—	—	89	3
COMPREHENSIVE INCOME	$20,476	$ 19,904	$54,562	$ 47,675

See notes to unaudited condensed consolidated financial statements.

THE BUCKLE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Amounts in Thousands Except Share and Per Share Amounts)
(Unaudited)

	Number of Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
FISCAL 2018						
BALANCE, February 4, 2018	48,816,170	$ 488	$ 144,279	$ 246,570	$ (89)	$ 391,248
Net income	—	—	—	54,473	—	54,473
Dividends paid on common stock, ($0.75 per share)	—	—	—	(36,656)	—	(36,656)
Issuance of non-vested stock, net of forfeitures	201,805	2	(2)	—	—	—
Amortization of non-vested stock grants, net of forfeitures	—	—	3,307	—	—	3,307
Change in unrealized loss on investments, net of tax	—	—	—	—	89	89
Cumulative effect of change in accounting upon adoption of ASC Topic 606	—	—	—	389	—	389
BALANCE, November 3, 2018	49,017,975	$ 490	$ 147,584	$ 264,776	$ —	$ 412,850
FISCAL 2017						
BALANCE, January 29, 2017	48,622,780	$ 486	$ 139,398	$ 290,737	$ (82)	$ 430,539
Net income	—	—	—	47,672	—	47,672
Dividends paid on common stock, ($0.75 per share)	—	—	—	(36,575)	—	(36,575)
Issuance of non-vested stock, net of forfeitures	218,500	2	(2)	—	—	—
Amortization of non-vested stock grants, net of forfeitures	—	—	4,274	—	—	4,274
Change in unrealized loss on investments, net of tax	—	—	—	—	3	3
BALANCE, October 28, 2017	48,841,280	$ 488	$ 143,670	$ 301,834	$ (79)	$ 445,913

See notes to unaudited condensed consolidated financial statements.

THE BUCKLE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)
(Unaudited)

	Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$54,473	$47,672
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	20,308	23,143
Amortization of non-vested stock grants, net of forfeitures	3,307	4,274
Deferred income taxes	(857)	(1,581)
Other	539	427
Changes in operating assets and liabilities:		
Receivables	874	(41)
Inventory	(27,770)	(3,127)
Prepaid expenses and other assets	(1,792)	(2,294)
Accounts payable	19,724	16,456
Accrued employee compensation	(4,311)	(12,007)
Accrued store operating expenses	6,205	2,349
Gift certificates redeemable	(4,295)	(6,346)
Income taxes payable	(12,916)	(9,646)
Deferred rent liabilities and deferred compensation	(4,871)	(659)
Net cash flows from operating activities	48,618	58,620
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(7,797)	(10,959)
Change in other assets	188	122
Purchases of investments	(53,083)	(44,712)
Proceeds from sales/maturities of investments	61,562	42,215
Net cash flows from investing activities	870	(13,334)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of dividends	(36,656)	(36,575)
Net cash flows from financing activities	(36,656)	(36,575)
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,832	8,711
CASH AND CASH EQUIVALENTS, Beginning of period	165,086	196,536
CASH AND CASH EQUIVALENTS, End of period	$177,918	$205,247

See notes to unaudited condensed consolidated financial statements.

THE BUCKLE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THIRTEEN AND THIRTY-NINE WEEKS ENDED NOVEMBER 3, 2018 AND OCTOBER 28, 2017
(Dollar Amounts in Thousands Except Share and Per Share Amounts)
(Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments necessary for the fair presentation of the results of operations for the interim periods have been included. All such adjustments are of a normal recurring nature. Because of the seasonal nature of the business, results for interim periods are not necessarily indicative of a full year's operations. The accounting policies followed by the Company and additional footnotes are reflected in the consolidated financial statements for the fiscal year ended February 3, 2018, included in The Buckle, Inc.'s 2017 Form 10-K. The condensed consolidated balance sheet as of February 3, 2018 is derived from audited financial statements.

For purposes of this report, unless the context otherwise requires, all references herein to the “Company”, “Buckle”, “we”, “us”, or similar terms refer to The Buckle, Inc. and its subsidiary.

The Company follows generally accepted accounting principles (“GAAP”) established by the Financial Accounting Standards Board (“FASB”). References to GAAP in these notes are to the FASB Accounting Standards Codification (“ASC”).

There were no significant changes to the Company's significant accounting policies as disclosed in Note A to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2018, except as set forth below.

Revenue Recognition - Retail store sales are recorded, net of expected returns, upon the purchase of merchandise by customers. Online sales are recorded, net of expected returns, when the merchandise is tendered for delivery to the common carrier. Shipping fees charged to customers are included in revenue and shipping costs are included in selling expenses. Merchandise returns are estimated based upon the historical average sales return percentage and recognized at the transaction value. The Company also recognizes a return asset and a corresponding adjustment to cost of sales for the Company's right to recover returned merchandise, which is measured at the estimated carrying value, less any expected recovery costs. The Company recognizes revenue from sales made under its layaway program upon delivery of the merchandise to the customer.

The Company records the sale of gift cards and gift certificates as a current liability and recognizes a sale when a customer redeems the gift card or gift certificate. Gift card and gift certificate breakage is recognized as revenue in proportion to the redemption pattern of customers by applying an estimated breakage rate. The estimated breakage rate is based on historical issuance and redemption patterns and is re-assessed by the Company on a regular basis. The Company recognizes a current liability for the down payment and subsequent installment payments made when merchandise is placed on layaway and recognizes layaways as a sale at the time the customer makes final payment and picks up the merchandise.

Sales tax collected from customers is excluded from revenue and is included as part of "accrued store operating expenses" on the Company's consolidated balance sheets.

The Company's Guest Loyalty program allows participating guests to earn points for every qualifying purchase, which (after achievement of certain point thresholds) are redeemable as a discount off a future purchase. Reported revenue is net of both current period reward redemptions and accruals for estimated future rewards earned under the Guest Loyalty program. A liability has been recorded for future rewards based on the Company's estimate of how many earned points will turn into rewards and ultimately be redeemed prior to expiration, which is included in "accrued store operating expenses."

Through partnership with Comenity Bank, the Company offers a private label credit card ("PLCC"). Customers with a PLCC are enrolled in our B-Rewards incentive program and earn points for every qualifying purchase made on their card. At the end of each rewards period, customers who have exceeded a minimum point threshold receive a reward to be redeemed on a future purchase. The B-Rewards program also provides other discount and promotional opportunities to cardholders on a routine basis. Reported revenue is net of both current period reward redemptions, current period discounts and promotions, and accruals for estimated future rewards earned under the B-Rewards program. A liability has been recorded for future rewards based on the Company's estimate of how many earned points will turn into rewards and ultimately be redeemed prior to expiration, which is included in "gift certificates redeemable" on the Company's consolidated balance sheets.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification ("ASC") Topic 605, Revenue Recognition. The new revenue recognition standard requires entities to recognize revenue in a way that depicts the transfer of promised 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. In preparation for the implementation of the new standard, the Company determined the adoption of Topic 606 would affect the timing of recognition and the income statement classification of gift card and gift certificate breakage, the timing of revenue recognition for sales of merchandise shipped to customers, and the presentation of the allowance for estimated sales returns. The Company adopted Topic 606 on February 4, 2018, using the modified retrospective transition method. Under this transition method, the prior period comparative information has not been adjusted and continues to be reported under Topic 605, with the cumulative effect of adopting the new standard recorded as a $389 adjustment increasing retained earnings as of February 4, 2018.

The effect of the adoption of ASU 2014-09 on our consolidated balance sheet as of November 3, 2018 was as follows:

	As Reported	Adjustments	Excluding Topic 606 Adjustments
Consolidated Balance Sheet Amounts			
Inventory	$145,473	$ 1,373	$ 144,100
Accrued store operating expenses	21,851	1,677	20,174
Accounts payable	48,400	(693)	49,093
Retained earnings	264,776	389	264,387

The adoption of ASU 2014-09 did not have a material impact on the Company's results of operations for either the thirteen or thirty-nine week periods ended November 3, 2018. The adoption did, however, impact the income statement classification of gift card and gift certificate breakage. For the thirty-nine week period ended November 3, 2018, the Company recognized $576 of gift card and gift certificate breakage as revenue. For the thirty-nine week period ended October 28, 2017, the Company recognized $900 of breakage in "other income."

2. Revenues

The Company is a retailer of medium to better priced casual apparel, footwear, and accessories for fashion conscious young men and women. The Company operates its business as one reportable segment. The Company sells its merchandise through its retail stores and e-Commerce platform. The Company had 453 stores located in 43 states throughout the United States as of November 3, 2018 and 461 stores in 44 states as of October 28, 2017. During the thirty-nine week period ended November 3, 2018, the Company did not open any new stores, substantially remodeled

3 stores, and closed 4 stores; which includes no substantial remodels and 2 closed stores during the third quarter. During the thirty-nine week period ended October 28, 2017, the Company opened 1 new store, substantially remodeled 7 stores, and closed 7 stores; which includes no new stores, no substantial remodels, and 2 closed stores during the third quarter.

For the thirty-nine week periods ended November 3, 2018 and October 28, 2017, online revenues accounted for 11.2% and 10.2%, respectively, of the Company's net sales. No sales to an individual customer or country, other than the United States, accounted for more than 10% of net sales.

The following is information regarding the Company's major product lines, stated as a percentage of the Company's net sales:

Merchandise Group	Thirteen Weeks Ended November 3, 2018	Thirteen Weeks Ended October 28, 2017	Thirty-Nine Weeks Ended November 3, 2018	Thirty-Nine Weeks Ended October 28, 2017
Denims	42.9 %	43.4 %	39.4 %	39.5 %
Tops (including sweaters)	34.3	33.7	33.1	32.5
Accessories	8.1	8.5	8.7	9.0
Sportswear/Fashions	1.9	2.5	8.2	8.6
Footwear	6.8	6.3	6.7	6.3
Outerwear	2.8	2.3	1.4	1.3
Casual bottoms	1.4	1.4	1.1	1.4
Other	1.8	1.9	1.4	1.4
	100.0 %	100.0 %	100.0 %	100.0 %

3. Earnings Per Share

Basic earnings per share data are based on the weighted average outstanding common shares during the period. Diluted earnings per share data are based on the weighted average outstanding common shares and the effect of all dilutive potential common shares.

	Thirteen Weeks Ended November 3, 2018			Thirteen Weeks Ended October 28, 2017		
	Net Income	Weighted Average Shares (a)	Per Share Amount	Net Income	Weighted Average Shares (a)	Per Share Amount
Basic EPS	$20,476	48,379	$ 0.42	$19,904	48,218	$ 0.41
Effect of Dilutive Securities:						
Non-vested shares	—	232	—	—	121	—
Diluted EPS	$20,476	48,611	$ 0.42	$19,904	48,339	$ 0.41

	Thirty-Nine Weeks Ended November 3, 2018			Thirty-Nine Weeks Ended October 28, 2017		
	Net Income	Weighted Average Shares (a)	Per Share Amount	Net Income	Weighted Average Shares (a)	Per Share Amount
Basic EPS	$54,473	48,379	$ 1.13	$47,672	48,218	$ 0.99
Effect of Dilutive Securities:						
Non-vested shares	—	205	(0.01)	—	113	—
Diluted EPS	$54,473	48,584	$ 1.12	$47,672	48,331	$ 0.99

(a) Shares in thousands.

10

4. Investments

The following is a summary of investments as of November 3, 2018:

	Amortized Cost or Par Value	Gross Unrealized Gains	Gross Unrealized Losses	Other-than-Temporary Impairment	Estimated Fair Value
Held-to-Maturity Securities:					
State and municipal bonds	$ 50,123	$ 3	$ (70)	$ —	$ 50,056
Trading Securities:					
Mutual funds	$ 12,973	$ 831	$ —	$ —	$ 13,804

The following is a summary of investments as of February 3, 2018:

	Amortized Cost or Par Value	Gross Unrealized Gains	Gross Unrealized Losses	Other-than-Temporary Impairment	Estimated Fair Value
Available-for-Sale Securities:					
Auction-rate securities	$ 1,725	$ —	$ (120)	$ —	$ 1,605
Held-to-Maturity Securities:					
State and municipal bonds	$ 55,527	$ 9	$ (76)	$ —	$ 55,460
Trading Securities:					
Mutual funds	$ 13,746	$ 1,408	$ —	$ —	$ 15,154

The amortized cost and fair value of debt securities by contractual maturity as of November 3, 2018 is as follows:

	Amortized Cost	Fair Value
Held-to-Maturity Securities		
Less than 1 year	$ 45,605	$45,538
1 - 5 years	4,518	4,518
	$ 50,123	$50,056

As of February 3, 2018, $1,605 of available-for-sale securities are classified as long-term investments. As of November 3, 2018 and February 3, 2018 $4,518 and $4,694 of held-to-maturity securities are classified in long-term investments. Trading securities are held in a Rabbi Trust, intended to fund the Company's deferred compensation plan, and are classified in long-term investments.

The Company's investments in auction-rate securities ("ARS") are classified as available-for-sale and reported at fair market value. As of February 3, 2018, the reported investment amount is net of $120 of temporary impairment to account for the impairment of certain securities from their stated par value. The $120 temporary impairment is reported, net of tax, as an "accumulated other comprehensive loss" of $89 in stockholders' equity as February 3, 2018. The investments considered temporarily impaired, all of which had been in loss positions for over a year, were successfully redeemed during fiscal 2018 at par value plus accrued interest. As of February 3, 2018, all of the Company's investments in ARS were classified in long-term investments.

5. Fair Value Measurements

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. Financial assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 – Quoted market prices in active markets for identical assets or liabilities. Short-term and long-term investments with active markets or known redemption values are reported at fair value utilizing Level 1 inputs.
- Level 2 – Observable market-based inputs (either directly or indirectly) such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or inputs that are corroborated by market data.
- Level 3 – Unobservable inputs that are not corroborated by market data and are projections, estimates, or interpretations that are supported by little or no market activity and are significant to the fair value of the assets.

As of November 3, 2018 and February 3, 2018, the Company held certain assets that are required to be measured at fair value on a recurring basis including available-for-sale and trading securities.

The Company's financial assets measured at fair value on a recurring basis are as follows:

	Fair Value Measurements at Reporting Date Using			
November 3, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Trading securities (including mutual funds)	$13,804	$ —	$ —	$13,804

	Fair Value Measurements at Reporting Date Using			
February 3, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Available-for-sale securities:				
Auction-rate securities	$—	$ 50	$ 1,555	$1,605

Trading securities (including mutual funds)	15,154	—	—	15,154
Totals	$15,154	$ 50	$ 1,555	$16,759

Securities included in Level 1 represent securities which have a known or anticipated upcoming redemption as of the reporting date and those that have publicly traded quoted prices. ARS included in Level 2 represent securities which have not experienced a successful auction subsequent to the end of fiscal 2007. The fair market value for these securities was determined by applying a discount to par value based on auction prices for similar securities and by utilizing a discounted cash flow model, using market-based inputs, to determine fair value. The Company used a discounted cash flow model to value its Level 3 investments, using estimates regarding recovery periods, yield, and liquidity. The assumptions used are subjective based upon management's judgment and views on current market conditions, and resulted in $120 of the Company's recorded temporary impairment as of February 3, 2018. The use of different assumptions would have resulted in a different valuation and related temporary impairment charge.

Changes in the fair value of the Company’s financial assets measured at fair value on a recurring basis are as follows:

	Thirty-Nine Weeks Ended November 3, 2018 Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Available-for-Sale Securities	Trading Securities	
	Auction-rate Securities	Mutual Funds	Total
Balance, beginning of year	$1,555	$ —	$1,555
Total gains and losses:			
Included in net income	—	—	—
Included in other comprehensive income	120	—	120
Purchases, Issuances, Sales, and Settlements:			
Sales	(1,675)	—	(1,675)
Balance, end of quarter	$—	$ —	$—

	Thirty-Nine Weeks Ended October 28, 2017 Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Available-for-Sale Securities	Trading Securities	
	Auction-rate Securities	Mutual Funds	Total
Balance, beginning of year	$1,625	$ —	$1,625
Total gains and losses:			
Included in net income	—	—	—
Included in other comprehensive income	5	—	5
Purchases, Issuances, Sales, and Settlements:			
Sales	(75)	—	(75)
Balance, end of quarter	$1,555		