

ISSUER DIRECT CORP
Form 10-Q
May 07, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: March 31, 2015
or

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

For the transition period from: _____ to _____

ISSUER DIRECT CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	1-10185	26-1331503
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

500 Perimeter Park Drive, Suite D, Morrisville NC 27560
(Address of Principal Executive Office) (Zip Code)

(919) 481-4000
(Registrant's telephone number, including area code)

N/A
(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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, 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 such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date

2,323,243 shares of common stock were issued and outstanding as of May 7, 2015.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ISSUER DIRECT CORPORATION
CONSOLIDATED BALANCE SHEETS

	March 31, 2015 (unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$2,775,258	\$1,721,343
Accounts receivable, (net of allowance for doubtful accounts of \$518,223 and \$460,564, respectively)	1,638,172	2,013,464
Deferred income tax asset – current	91,118	7,290
Other current assets	380,314	311,666
Total current assets	4,884,862	4,053,763
Furniture, equipment and improvements, net	145,431	145,384
Goodwill	2,241,872	2,241,872
Intangible assets (net of accumulated amortization of \$1,763,100 and \$1,517,366, respectively)	3,487,900	3,733,634
Other noncurrent assets	27,997	28,286
Total assets	\$10,788,062	\$10,202,939
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$383,980	\$255,615
Accrued expenses	1,193,973	1,105,122
Income Tax Payable	133,023	135,533
Note payable – related party (net of debt discount of \$327,062 and \$535,397, respectively)	1,339,611	1,131,276
Deferred revenue	795,012	877,120
Total current liabilities	3,845,599	3,504,666
Deferred tax liability	508,330	633,778
Other long term liabilities	49,585	56,733
Total liabilities	4,403,514	4,195,177
Stockholders' equity:		
Preferred stock, \$0.001 par value, 30,000,000 shares authorized, no shares issued and outstanding as of March 31, 2015 and December 31, 2014.	-	-
Common stock \$0.001 par value, 100,000,000 shares authorized, 2,318,243 and 2,316,743 shares issued and outstanding as of March 31, 2015 and December 31, 2014, respectively.	2,318	2,317
Additional paid-in capital	5,857,312	5,725,470
Accumulated other comprehensive loss	(39,005)	(47,283)
Retained earnings	563,923	327,258
Total stockholders' equity	6,384,548	6,007,762

Total liabilities and stockholders' equity	\$10,788,062	\$10,202,939
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The accompanying notes are an integral part of these unaudited financial statements.

ISSUER DIRECT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended	
	March 31, 2015	March 31, 2014
Revenues	\$3,043,782	\$3,494,356
Cost of services	912,877	1,027,591
Gross profit	2,130,905	2,466,765
Operating costs and expenses:		
General and administrative	879,782	1,286,253
Sales and marketing expenses	566,056	445,612
Product development	98,632	77,911
Depreciation and amortization	268,341	281,866
Total operating costs and expenses	1,812,811	2,091,642
Operating income	318,094	375,123
Net interest expense	(244,850)	(362,055)
Net income before income taxes	73,244	13,068
Income tax benefit (expense)	163,421	(50,010)
Net income (loss)	\$236,665	\$(36,942)
Income (loss) per share – basic	\$0.10	\$(0.02)
Income (loss) per share – fully diluted	\$0.10	\$(0.02)
Weighted average number of common shares outstanding – basic	2,317,110	2,016,240
Weighted average number of common shares outstanding – fully diluted	2,360,540	2,016,240

The accompanying notes are an integral part of these unaudited financial statements.

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