

PARK CITY GROUP INC
Form 10-Q
February 07, 2019

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 December 31, 2018

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 001-34941

PARK CITY GROUP, INC.
(Exact name of small business issuer as specified in its charter)

Nevada 37-1454128
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

299 South Main Street, Suite 2225 Salt Lake City, UT 84111
(Address of principal executive offices)

(435) 645-2000
(Registrant's telephone number)

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 and 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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	Accelerated filer
Non-accelerated filer	Smaller reporting company
	Emerging growth company

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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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange 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: Common Stock, \$0.01 par value, 19,853,395 shares as of February 6, 2019.

PARK CITY GROUP, INC.

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Exhibit 31	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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PARK CITY GROUP, INC.

Consolidated Condensed Balance Sheets (Unaudited)

Assets	December 31, 2018	June 30, 2018
Current assets		
Cash	\$16,682,282	\$14,892,439
Receivables, net allowance for doubtful accounts of \$346,204 and \$153,220 at December 31, 2018 and June 30, 2018, respectively	4,588,663	4,222,348
Contract asset – unbilled current portion	2,727,921	3,502,287
Prepaid expense and other current assets	1,028,417	1,116,387
Total current assets	25,027,283	23,733,461
Property and equipment, net	1,725,221	1,896,348
Other assets:		
Deposits, and other assets	18,691	18,691
Contract asset – unbilled long-term portion	3,175,125	1,194,574
Investments	477,884	477,884
Customer relationships	854,100	919,800
Goodwill	20,883,886	20,883,886
Capitalized software costs, net	119,895	168,926
Total other assets	25,529,581	23,663,761
Total assets	\$52,282,085	\$49,293,570
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$838,151	\$1,490,434
Accrued liabilities	1,336,526	745,694
Contract liability - deferred revenue	2,671,296	2,335,286
Lines of credit	4,660,000	3,230,000
Current portion of notes payable	36,768	188,478
Total current liabilities	9,542,741	7,989,892
Long-term liabilities		
Notes payable, less current portion	258,209	1,592,077
Other long-term liabilities	-	7,275
Total liabilities	9,800,950	9,589,244

Commitments and contingencies

Stockholders' equity:

Preferred stock; \$0.01 par value, 30,000,000 shares authorized; Series B Preferred, 700,000 shares authorized; 625,375 issued and outstanding at December 31, 2018 and June 30, 2018;	6,254	6,254
Series B-1 Preferred, 550,000 shares authorized; 212,402 shares issued and outstanding at December 31, 2018 and June 30, 2018.	2,124	2,124
Common stock, \$0.01 par value, 50,000,000 shares authorized; 19,839,261 and 19,773,548 issued and outstanding at December 31, 2018 and June 30, 2018, respectively.	198,395	197,738
Additional paid-in capital	77,129,244	76,711,887
Accumulated deficit	(34,854,882)	(37,213,677)
Total stockholders' equity	42,481,135	39,704,326
Total liabilities and stockholders' equity	\$52,282,085	\$49,293,570

See accompanying notes to consolidated condensed financial statements.

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PARK CITY GROUP, INC.
Consolidated Condensed Statements of Operations (Unaudited)

Three
Months
Ended