

ISSUER DIRECT CORP  
Form 10-Q  
November 03, 2016

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: September 30, 2016

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) (Commission (I.R.S. Employer  
of Incorporation)              File Number) 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

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preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  
No

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

Large accelerated filer    Accelerated filer  
Non-accelerated filer    Smaller reporting company

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 2,859,944 shares of common stock were issued and outstanding as of November 3, 2016.



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## PART I – FINANCIAL INFORMATION

ITEM 1.  
FINANCIAL STATEMENTSISSUER DIRECT CORPORATION  
CONSOLIDATED BALANCE SHEETS

	September 30,	December 31,
	2016	2015
ASSETS	(unaudited)	
Current assets:		
Cash and cash equivalents	\$5,135,430	\$4,215,145
Accounts receivable (net of allowance for doubtful accounts of \$474,806 and \$396,884, respectively)	1,323,109	1,253,628
Other current assets	386,110	252,468
Total current assets	6,844,649	5,721,241
Capitalized software (net of accumulated amortization of \$155,406 and \$25,133, respectively)	1,696,871	723,962
Fixed assets (net of accumulated depreciation of \$302,214 and \$262,797, respectively)	170,995	175,497
Deferred income tax asset - noncurrent	-	97,974
Other long-term assets	18,253	18,301
Goodwill	2,241,872	2,241,872
Intangible assets (net of accumulated amortization of \$3,219,125 and \$2,512,704, respectively)	1,484,875	2,191,296
Total assets	\$12,457,515	\$11,170,143
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$288,488	\$385,285
Accrued expenses	687,835	995,999
Income taxes payable	195,164	199,613
Deferred revenue	940,065	822,481
Total current liabilities	2,111,552	2,403,378
Deferred income tax liability	211,124	94,566
Other long-term liabilities	120,438	113,222
Total liabilities	2,443,114	2,611,166
Commitments and contingencies		
Stockholders' equity:	-	-

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Preferred stock, \$0.001 par value, 30,000,000 shares authorized, no shares issued and outstanding as of September 30, 2016 and December 31, 2015.

Common stock \$0.001 par value, 100,000,000 shares authorized, 2,847,444 and 2,785,044 shares issued and outstanding as of September 30, 2016 and December 31, 2015, respectively.	2,847	2,785
Additional paid-in capital	8,912,428	8,202,605
Other accumulated comprehensive loss	(24,693)	(35,154)
Retained earnings	1,123,819	388,741
Total stockholders' equity	10,014,401	8,558,977
Total liabilities and stockholders' equity	\$12,457,515	\$11,170,143

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		For the nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Revenues	\$2,872,983	\$2,787,105	\$9,284,346	\$8,937,276
Cost of services	739,431	843,007	2,333,234	2,655,425
Gross profit	2,133,552	1,944,098	6,951,112	6,281,851
Operating costs and expenses:				
General and administrative	839,364	759,843	2,481,620	2,546,966
Sales and marketing	651,606	519,826	1,947,305	1,730,446
Product development	132,627	63,297	291,519	256,393
Depreciation and amortization	215,666	268,775	779,813	800,515
Total operating costs and expenses	1,839,263	1,611,741	5,500,257	5,334,320
Operating income	294,289	332,357	1,450,855	947,531
Other income (expense):				
Other income (expense), net	(7,418)	-	74,634	-
Interest income (expense), net	1,036	(137,150)	2,993	(623,025)
Total other income (expense)	(6,382)			