ASURE SOFTWARE INC Form 10-Q November 19, 2012

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2012

OR

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

For the transition period from to

Commission file number: 0-20008

ASURE SOFTWARE, INC. (Exact Name of Registrant as Specified in its Charter)

Delaware (State of other jurisdiction of incorporation or organization)

110 Wild Basin Road, Suite 100 Austin, Texas (Address of Principal Executive Offices)

(512) 437-2700

(Registrant's Telephone Number, including Area Code)

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 x No o

74-2415696 (I.R.S. Employer Identification No.)

> 78746 (Zip Code)

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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 such shorter period that the registrant was required to submit and post such files). Yes x = No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

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

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

As of November 16, 2012, the registrant had outstanding 5,257,548 shares of its Common Stock, \$0.01 par value.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ASURE SOFTWARE, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (Amounts in thousands, except per share data) (Unaudited)

	-	September 30, 2012		December 31, 2011	
ASSETS					
Current Assets:					
Cash and equivalents	\$	2,746	\$	1,067	
Accounts receivable, net of allowance for doubtful accounts of \$203 and \$19 at					
September 30, 2012 and December 31, 2011, respectively		3,312		1,483	
Notes receivable		24		96	
Inventory		174		116	
Prepaid expenses and other current assets		1,305		338	
Total Current Assets		7,561		3,100	
Property and equipment, net		501		414	
Intangible assets, net		12,339		6,307	
Goodwill		15,296		6,264	
Other		29		-	
Total Assets	\$	35,726	\$	16,085	
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities:					
Line of credit	\$	-	\$	500	
Current portion of notes payable		1,551		349	
Accounts payable		2,208		1,097	
Accrued compensation and benefits		78		141	
Other accrued liabilities		725		536	
Deferred revenue		9,673		4,792	
Total Current Liabilities		14,235		7,415	
		11,200		7,110	
Long-term liabilities:					
Deferred revenue		14		169	
Senior note payable		13,050		-	
Subordinated notes payable		5,354		4,323	
Subordinated convertible notes		283		1,247	
Derivative liability				835	
Other long-term obligations		25		32	
Total Long-Term Liabilities		18,726		6,606	
Tom Long Tom Enginees		10,720		0,000	
Stockholders' Equity:					
Preferred stock, \$.01 par value; 1,500 shares authorized; none issued or outstandin	σ	_	_		
Common stock, \$.01 par value; 11,000 shares authorized; 5,642 and 5,014 shares	6	339		334	
Common stock, 0.01 par value, 11,000 shares authorized, 5,042 and 5,014 shares		557		557	

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issued; 5,258 and 4,630 shares outstanding at September 30, 2012 and		
December 31, 2011, respectively		
Treasury stock at cost, 384 shares at September 30, 2012 and December 31, 2011	(5,017)	(5,017)
Additional paid-in capital	274,136	271,065
Accumulated deficit	(266,590)	(264,190)
Accumulated other comprehensive loss	(103)	(128)
Total Stockholders' Equity	2,765	2,064
Total Liabilities and Stockholders' Equity	\$ 35,726	\$ 16,085

The accompanying notes are an integral part of these condensed consolidated financial statements

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ASURE SOFTWARE , INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Amounts in thousands, except per share data) (Unaudited)

		FOR THE				FOR THE			
	THF	THREE MONTHS ENDED				NINE MONTHS ENDED			
		SEPTEMBER 30,				SEPTEMBER 30,			
	2	2012	201	1		2012		2011	
Revenues	\$	5,659	\$	2,502	\$	14,017	\$	7,293	
Cost of Sales		(936)		(486)					