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

o 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	74-2415696
(State of other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)

110 Wild Basin Road, Suite 100	
Austin, Texas	78746
(Address of Principal Executive Offices)	(Zip Code)

(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

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.

Table of Contents

TABLE OF CONTENTS

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
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
Stockholders' Equity:		
Preferred stock, $.01 par value; 1,500 shares authorized; none issued or outstanding	—	—
Common stock, $.01 par value; 11,000 shares authorized; 5,642 and 5,014 shares	339	334

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

3

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

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