

FULLNET COMMUNICATIONS INC  
Form 10-Q  
May 14, 2015

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

**(Mark One)**

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

**For the quarterly period ended March 31, 2015**

**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: 000-27031**

**FULLNET COMMUNICATIONS, INC.**

**(Exact name of registrant as specified in its charter)**

**OKLAHOMA**

**73-1473361**

**(State or other jurisdiction of incorporation or organization)**

**(I.R.S. Employer Identification No.)**

**201 Robert S. Kerr Avenue, Suite 210**

**Oklahoma City, Oklahoma 73102**

**(Address of principal executive offices)**

**(405) 236-8200**

**(Registrant's telephone number)**

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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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§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, 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 Exchange Act). Yes  No

As of May 14, 2015, 9,118,161 shares of the registrant's common stock, \$0.00001 par value, were outstanding.

**FORM 10-Q**

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Exhibit 32.1

Exhibit 32.2

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	<b>MARCH 31, 2015 (Unaudited)</b>	<b>DECEMBER 31, 2014</b>
ASSETS		
CURRENT ASSETS	\$	\$
Cash	677	14,614
Accounts receivable, net	9,079	12,389
Prepaid expenses and other current assets	20,182	9,377
Total current assets	29,938	36,380
PROPERTY AND EQUIPMENT, net	106,660	109,288
OTHER ASSETS AND INTANGIBLE ASSETS	8,261	8,661
	\$	\$
TOTAL ASSETS	144,859	154,329
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES	\$	\$
Accounts payable	212,203	214,917
Accrued and other liabilities	494,823	486,961
Convertible notes payable, related party - current portion	46,811	46,811
Deferred revenue	361,431	354,967
Total current liabilities	1,115,268	1,103,656
CONVERTIBLE NOTES PAYABLE, related party - less current portion	191,501	199,063
Total liabilities	1,306,769	1,302,719
STOCKHOLDERS' DEFICIT		
Preferred stock — \$.001 par value; authorized, 10,000,000 shares; Series A convertible; issued and outstanding, 987,102 shares in 2015 and 2014	504,354	490,905
Common stock — \$.00001 par value; authorized, 40,000,000 shares; issued and outstanding, 9,118,161 shares in 2015 and 2014	91	91
Additional paid-in capital	8,671,551	8,678,869

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Accumulated deficit	(10,337,906)	(10,318,255)
Total stockholders' deficit	(1,161,910)	(1,148,390)
	\$	\$
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	144,859	154,329

See accompanying notes to unaudited condensed consolidated financial statements.

**Table of Contents****FullNet Communications, Inc. and Subsidiaries****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

	<b>Three Months Ended</b>	
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>REVENUES</b>		
Access service revenues	\$ 20,283	\$ 23,789
Co-location and other revenues	428,873	399,988
Total revenues	449,156	423,777
<b>OPERATING COSTS AND EXPENSES</b>		
Cost of access service revenues	21,493	27,214
Cost of co-location and other revenues	72,782	85,417
Selling, general and administrative expenses	362,192	345,694
Depreciation and amortization	8,199	7,915
Total operating costs and expenses	464,666	466,240
<b>LOSS FROM OPERATIONS</b>	<b>(15,510)</b>	