

INFORMATION ANALYSIS INC
Form 10-Q
August 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 June 30, 2015

OR

- 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 000-22405

Information Analysis Incorporated
(Exact Name of Registrant as Specified in Its Charter)

Virginia	54-1167364
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

11240 Waples Mill Road

Suite 201
Fairfax, Virginia 22030

(703) 383-3000
(Registrant's telephone number, including area code)

Not applicable
(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 Web site, if

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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. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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 August 10, 2015, 11,201,760 shares of common stock, par value \$0.01 per share, of the registrant were outstanding.

INFORMATION ANALYSIS INCORPORATED
FORM 10-Q

Index

	Page
PART I. FINANCIAL INFORMATION	
<u>Item 1. Financial Statements (unaudited except for the balance sheet as of December 31, 2014)</u>	3
<u>Balance Sheets as of June 30, 2015 and December 31, 2014</u>	3
<u>Statements of Operations and Comprehensive Loss for the three months ended June 30, 2015 and 2014</u>	4
<u>Statements of Operations and Comprehensive Loss for the six months ended June 30, 2015 and 2014</u>	5
<u>Statements of Cash Flows for the six months ended June 30, 2015 and 2014</u>	6
<u>Notes to Financial Statements</u>	7
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	11
<u>Item 4. Controls and Procedures</u>	14
PART II. OTHER INFORMATION	
<u>Item 1. Legal Proceedings</u>	15
<u>Item 1A. Risk Factors</u>	15
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	15
<u>Item 3. Defaults Upon Senior Securities</u>	15
<u>Item 4. Mine Safety Disclosures</u>	15
<u>Item 5. Other Information</u>	15
<u>Item 6. Exhibits</u>	15
<u>SIGNATURES</u>	16

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

INFORMATION ANALYSIS INCORPORATED
BALANCE SHEETS

	June 30, 2015 (Unaudited)	December 31, 2014 (see Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$2,399,099	\$2,450,006
Accounts receivable, net	796,979	970,621
Prepaid expenses and other current assets	340,367	759,982
Notes receivable, current	-	3,896
Total current assets	3,536,445	4,184,505
Property and equipment, net	47,449	53,675
Notes receivable, long-term	-	5,102
Other assets	6,281	6,281
Total assets	\$3,590,175	\$4,249,563
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$125,208	\$32,327
Commissions payable	951,224	1,017,047
Deferred revenue	315,459	737,994
Accrued payroll and related liabilities	240,617	255,703
Other accrued liabilities	42,038	116,097
Total liabilities	1,674,546	2,159,168
Stockholders' equity:		
Common stock, par value \$0.01, 30,000,000 shares authorized; 12,844,376 shares issued, 11,201,760 shares outstanding as of June 30, 2015 and December 31, 2014	128,443	128,443
Additional paid-in capital	14,619,601	14,613,887
Accumulated deficit	(11,902,204)	(11,721,724)
Treasury stock, 1,642,616 shares at cost	(930,211)	(930,211)
Total stockholders' equity	1,915,629	2,090,395
Total liabilities and stockholders' equity	\$3,590,175	\$4,249,563

The accompanying notes are an integral part of the financial statements

INFORMATION ANALYSIS INCORPORATED
 STATEMENTS OF OPERATIONS AND
 COMPREHENSIVE LOSS
 (Unaudited)

	For the three months ended June 30,	
	2015	2014
Revenues:		
Professional fees	\$997,435	\$789,054
Software sales	312,438	235,253
Total revenues	1,309,873	1,024,307
Cost of revenues:		
Cost of professional fees	592,259	479,751
Cost of software sales	281,411	227,387
Total cost of revenues	873,670	707,138
Gross profit	436,203	317,169
Selling, general and administrative expenses	434,274	425,989
Commissions expense	100,193	55,076
Loss from operations	(98,264)	(163,896)
Other income	2,615	2,597
Loss before provision for income taxes	(95,649)	(161,299)