

PAR TECHNOLOGY CORP
Form 10-Q
November 14, 2014

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 Quarter Ended September 30, 2014. Commission File Number 1-9720
OR

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

For the Transition Period From _____ to _____
Commission File Number _____

PAR TECHNOLOGY CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	16-1434688
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
PAR Technology Park	
8383 Seneca Turnpike	
New Hartford, New York	13413-4991
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (315) 738-0600

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. See definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

The number of shares outstanding of registrant's common stock, as of November 1, 2014 – 15,545,074 shares.

TABLE OF CONTENTS
FORM 10-Q

PART I
FINANCIAL INFORMATION

<u>Item Number</u>		<u>Page</u>
Item 1.	Financial Statements (unaudited)	
	<u>Consolidated Statements of Operations for the three months and nine months ended September 30, 2014 and September 30, 2013</u>	1
	<u>Consolidated Statements of Comprehensive Loss for the three months and nine months ended September 30, 2014 and September 30, 2013</u>	2
	<u>Consolidated Balance Sheets at September 30, 2014 and December 31, 2013</u>	3
	<u>Consolidated Statements of Cash Flows for the nine months ended September 30, 2014 and September 30, 2013</u>	4
	<u>Notes to Unaudited Interim Consolidated Financial Statements</u>	5
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	24
Item 4.	<u>Controls and Procedures</u>	25
	PART II OTHER INFORMATION	
Item 1A.	<u>Risk Factors</u>	26
Item 4.	<u>Mine Safety Disclosures</u>	26
Item 5.	<u>Other Information</u>	26
Item 6.	<u>Exhibits</u>	28
	<u>Signatures</u>	29
	<u>Exhibit Index</u>	30

Table of Contents

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

(Unaudited)

	For the three months ended September 30, 2014	For the three months ended September 30, 2013	For the nine months ended September 30, 2014	For the nine months ended September 30, 2013
Net revenues:				
Product	\$ 22,018	\$ 22,673	\$ 63,563	\$ 68,846
Service	14,141	14,697	43,311	46,031
Contract	20,132	18,168	63,360	66,851
	56,291	55,538	170,234	181,728
Costs of sales:				
Product	14,160	15,492	42,878	46,806
Service	10,088	11,042	30,472	33,498
Contract	18,791	16,649	59,358	62,440
	43,039	43,183	132,708	142,744
Gross margin	13,252	12,355	37,526	38,984
Operating expenses:				
Selling, general and administrative	9,379	8,616	28,155	28,315
Research and development	4,017	3,730	11,642	11,576
Amortization of identifiable intangible assets	31	-	31	-
	13,427	12,346	39,828	39,891
Operating income (loss) from continuing operations	(175)	9	(2,302)	(907)
Other income (expense) net	(20)	152	308	373
Interest expense	(21)	(16)	(63)	(42)
Income (loss) from continuing operations before benefit for income taxes	(216)	145	(2,057)	(576)
Benefit for income taxes	107	300	440	900
Income (loss) from continuing operations	(109)	445	(1,617)	324
Discontinued operations				
Loss on discontinued operations (net of tax)	-	(5)	-	(211)
Net Income (loss)	\$ (109)	\$ 440	\$ (1,617)	\$ 113
Basic Earnings per Share:				

Edgar Filing: PAR TECHNOLOGY CORP - Form 10-Q

Income (loss) from continuing operations	(0.01)	0.03	(0.10)	0.02
Loss from discontinued operations	-	(0.00)	-	(0.01)
Net income (loss)	\$ (0.01)	\$ 0.03	\$ (0.10)	\$ 0.01
Diluted Earnings per Share:				
Income (loss) from continuing operations	(0.01)	0.03	(0.10)	0.02
Loss from discontinued operations				