

FULLNET COMMUNICATIONS INC

Form 10-Q

November 14, 2013

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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 September 30, 2013

**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)**

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 November 14, 2013, 9,118,161 shares of the registrant's common stock, \$0.00001 par value, were outstanding.

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	<b>SEPTEMBER 30, 2013 (Unaudited)</b>	<b>DECEMBER 31, 2012</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 18,658	\$ 10,847
Accounts receivable, net	15,088	15,671
Prepaid expenses and other current assets	11,929	6,403
Total current assets	45,675	32,921
PROPERTY AND EQUIPMENT, net	48,993	61,299
OTHER ASSETS	12,426	16,858
TOTAL	\$ 107,094	\$ 111,078
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 117,026	\$ 482,286
Accrued and other current liabilities	481,010	1,077,023
Convertible notes payable, related party - current	39,608	304,206
Deferred revenue	231,254	198,837
Total current liabilities	868,898	2,062,352
CONVERTIBLE NOTES PAYABLE, related party less current portion	242,040	-
Total liabilities	1,110,938	2,062,352
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred stock — \$.001 par value; authorized, 10,000,000 shares; Series A convertible issued and outstanding, 987,102 and no shares in 2013 and 2012, respectively	987	-

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Common stock — \$.00001 par value; authorized, 40,000,000 and 10,000,000 shares in 2013 and 2012, respectively; issued and outstanding, 9,118,161 shares in 2013 and 2012	91	91
Additional paid-in capital	9,140,597	8,417,050
Accumulated deficit	(10,145,519)	(10,368,415)
 Total stockholders' deficit	 (1,003,844)	 (1,951,274)
 TOTAL	 \$ 107,094	 \$ 111,078

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>Nine Months Ended</b>	
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	<b>September 30, 2013</b>	<b>September 30, 2012</b>
<b>REVENUES</b>				
Access service revenues	\$ 29,640	\$ 36,580	\$ 95,936	\$ 127,901
Co-location and other revenues	391,881	364,687	1,128,891	1,077,214