

PARK CITY GROUP INC  
Form 10-K/A  
October 09, 2015

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K/A  
(Amendment No. 1)

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

For the fiscal year ended June 30, 2015  
or

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

001-34941  
(Commission file number)

PARK CITY GROUP, INC.  
(Exact name of registrant as specified in its charter)

Nevada  
State or other jurisdiction of incorporation

37-1454128  
(IRS Employer Identification No.)

299 South Main Street, Suite 2370  
Salt Lake City, Utah 84111  
(Address of principal executive offices)

(435) 645-2000  
(Registrant's telephone number, including  
area code)

Securities registered pursuant to Section 12(b) of the Act: None

Title of each Class	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	NASDAQ Capital Market

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$0.01 par value per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
 Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the  
Act.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the

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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 (§ 229.405 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

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer (Do not check if a smaller reporting company)	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  
 Yes  No

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the issuer as of December 31, 2014, which is the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$114,182,000 (at a closing price of \$9.02 per share).

As of September 11, 2015, 19,064,108 shares of the Company's \$0.01 par value common stock were outstanding.

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EXPLANATORY NOTE

Park City Group, Inc. (the “Company”) is filing this Amendment No. 1 on Form 10-K/A (this “Amendment”) to amend its Annual Report on Form 10-K for the fiscal year ended June 30, 2015, as filed with the Securities and Exchange Commission (the “SEC”) on September 14, 2015 (the “Original 10-K”). The purpose of this Amendment is to amend Note 1 to the Company’s consolidated financial statement in Part II, “Item 8. Financial Statement and Supplementary Data” solely to correct certain figures in the unaudited pro-forma results of operations for the years ended June 30, 2015 and 2014, with regards to the Company’s acquisition of ReposiTrak, Inc.

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), this Amendment also includes currently dated certifications from the Company’s Chief Executive Officer and Chief Financial Officer as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The certification exhibits have been revised accordingly.

This Amendment should be read in conjunction with the Original 10-K and the Company’s other filings made with the SEC subsequent to the filing of the Original 10-K on September 14, 2015. This Amendment is not intended to, nor does it, reflect events occurring after the filing of the Original 10-K, and does not modify or update the disclosures therein in any way other than as required to reflect the changes described above.

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ANNUAL REPORT ON FORM 10-K/A OF PARK CITY GROUP, INC.  
FOR THE YEAR ENDED JUNE 30, 2015

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Exhibit 31	Certifications of the Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	
Exhibit 32	Certifications pursuant to 18 U.S.C. Sec. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	

## FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements. The words or phrases “would be,” “will allow,” “intends to,” “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” or similar expressions are intended to identify “forward-looking statements.” Actual results could differ materially from those projected in the forward looking statements as a result of a number of risks and uncertainties, including the risk factors set forth below and elsewhere in this Report. See “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations.” Statements made herein are as of the date of the filing of this Form 10-K with the Securities and Exchange Commission and should not be relied upon as of any subsequent date. Unless otherwise required by applicable law, we do not undertake, and specifically disclaim any obligation, to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.

PART II

ITEM 8. FINANCIAL STATEMENTS

The information required hereunder in this Annual Report on Form 10-K is set forth in the financial statements and the notes thereto beginning on Page F-1.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibits, Financial Statements and Schedules

Exhibit Number	Description
2.1	Agreement and Plan of Merger and Reorganization, Dated August 28, 2008 (1)
2.2	Form of Stock Purchase Agreement (1)
2.3	Form of Stock Voting Agreement (1)
2.4	Form of Promissory Note (2)
3.1	Articles Of Incorporation (3)
3.2	Certificate Of Amendment (4)
3.3	Certificate of Amendment (5)
3.4	Bylaws (3)
4.1	Certificate of Designation of the Series A Convertible Preferred Stock (6)
4.2	Certificate of Designation of the Series B Convertible Preferred Stock (7)
10.1	Subordinated Promissory Note, dated April 1, 2009, issued to Riverview Financial Corporation (8)
10.2	Amendment to Loan Agreement and Note, by and between U.S. Bank National Association and the Company, dated September 15, 2009 (9)
10.3	Term Loan Agreement, by and between U.S. Bank National Association and the Company, dated May 5, 2010 (10)
10.4	Amendment to Loan Agreement and Note, by and between U.S. Bank National Association and the Company, dated May 5, 2010 (10)
10.5	Promissory Note, dated August 25, 2009, issued to Baylake Bank (10)
10.6	ReposiTrak Omnibus Subscription Agreement (11)
10.7	ReposiTrak Promissory Note (11)
10.8	Fields Employment Agreement(14)
10.9	Services Agreement(14)
10.10	Form of Securities Purchase Agreement (15)
14.1	Code of Ethics and Business Conduct (12)
21	List of Subsidiaries (13)
23	Consent of HJ & Associates, LLC, dated October 9, 2015 *
31.1	Certification of Principal Executive Officer pursuant to Section 302 of Sarbanes Oxley Act of 2002 *
31.2	Certification of Principal Financial Officer pursuant to Section 302 of Sarbanes Oxley Act of 2002 *
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350 *

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- (1) Incorporated by reference from our Form 8-K dated September 3, 2008.
- (2) Incorporated by reference from our Form 8-K dated September 15, 2008.
- (3) Incorporated by reference from our Form DEF 14C dated June 5, 2002.
- (4) Incorporated by reference from our Form 10-QSB for the year ended Sept 30, 2005.
- (5) Incorporated by reference from our Form 10-KSB dated September 29, 2006.
- (6) Incorporated by reference from our Form 8-K dated June 27, 2007.
- (7) Incorporated by reference from our Form 8-K dated July 21, 2010.
- (8) Incorporated by reference from our Form 8-K dated September 30, 2009.
- (9) Incorporated by reference from our Form 8-K dated October 1, 2009.
- (10) Incorporated by reference from our Form 8-K dated August 25, 2009.
- (11) Incorporated by reference from our Annual Report on Form 10-K dated September 23, 2014.
- (12) Incorporated by reference from our Form 10-KSB dated September 30, 2008.
- (13) Incorporated by reference from our Form 10-K dated September 13, 2011.
- (14) Incorporated by reference from our Form 10-K dated September 11, 2014.
- (15) Incorporated by reference from our Form 8-K dated May 13, 2015

\* Filed herewith



SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PARK CITY GROUP, INC.  
(Registrant)

Date: October 9, 2015

By: /s/ Randall K. Fields

Principal Executive Officer,  
Chairman of the Board and Director

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
Park City Group, Inc.  
Salt Lake City, Utah

We have audited the accompanying consolidated balance sheets of Park City Group, Inc. and Subsidiaries as of June 30, 2015 and 2014, and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for each of the three years in the period ended June 30, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Park City Group, Inc. and Subsidiaries as of June 30, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2015, in conformity with U.S. generally accepted accounting principles.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Park City Group, Inc. and Subsidiaries' internal control over financial reporting as of June 30, 2015, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and our report dated September 14, 2015 expressed an unqualified opinion on the effectiveness of Park City Group, Inc.'s internal control over financial reporting.

/s/ HJ & Associates, LLC  
HJ & Associates, LLC  
Salt Lake City, Utah  
September 14, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
Park City Group, Inc.  
Salt Lake City, Utah

We have audited Park City Group, Inc. and Subsidiaries' internal control over financial reporting as of June 30, 2015, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Park City Group, Inc. and Subsidiaries' management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Park City Group, Inc. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of June 30, 2015, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of Park City Group, Inc. and Subsidiaries and our report dated September 14, 2015 expressed an unqualified opinion.

/s/ HJ & Associates, LLC  
HJ & Associates, LLC  
Salt Lake City, Utah  
September 14, 2015

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PARK CITY GROUP, INC.  
Condensed Consolidated Balance Sheets

	June 30, 2015	June 30, 2014
Assets		
Current Assets:		
Cash and cash equivalents	\$ 11,325,572	\$ 3,352,559
Receivables, net of allowance of \$94,000 and \$70,000 at June 30, 2015 and 2014, respectively	1,640,591	2,857,983
Prepaid expense and other current assets	463,427	250,855
<b>Total current assets</b>	<b>13,429,590</b>	<b>6,461,397</b>
Property and equipment, net	764,442	740,753
Other assets:		
Deposits and other assets	14,866	14,866
Note receivable	-	2,996,664
Customer relationships	2,006,951	1,918,019
Goodwill	20,190,935	4,805,933
<b>Total other assets</b>	<b>22,212,752</b>	