

HYPERFEED TECHNOLOGIES INC
Form 10-Q
August 14, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

**ý Quarterly Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2003

Or

**o 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 0-13093

I.R.S. Employer Identification Number 36-3131704

HYPERFEED TECHNOLOGIES, INC.

(a Delaware Corporation)

300 S. Wacker, Suite 300

Chicago, Illinois 60606

Telephone (312) 913-2800

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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No .

As of August 13, 2003, the registrant had 3,043,805 shares of \$.001 par value common stock outstanding.

HYPERFEED TECHNOLOGIES, INC.

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HYPERFEED TECHNOLOGIES, INC. AND SUBSIDIARY

Consolidated Balance Sheets

June 30, 2003 and December 31, 2002

	June 30, 2003 (Unaudited)	December 31, 2002 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 946,529	\$ 1,096,711
Accounts receivable, less allowance for doubtful accounts of: 2003: \$104,715; 2002: \$82,355	638,759	700,942
Notes receivable, less allowance for doubtful accounts of: 2003: \$75,000; 2002: \$150,000	249,571	199,142
Prepaid expenses and other current assets	429,046	328,128
Total Current Assets	2,263,905	2,324,923
Property and equipment		
Computer equipment	2,371,096	3,345,614
Communication equipment	1,359,624	1,463,954
Furniture and fixtures	82,839	108,947
Leasehold improvements	531,809	531,397
	4,345,368	5,449,912
Less: Accumulated depreciation and amortization	(2,896,565)	(3,762,376)
	1,448,803	1,687,536
Notes receivable, less allowance for doubtful accounts of: 2003: \$75,000	99,571	
Intangible assets, net of accumulated amortization of: 2003: \$40,000; 2002: \$10,000	140,000	170,000
Software development costs, net of accumulated amortization of: 2003: \$2,637,258; 2002: \$3,189,313	1,913,736	2,013,703
Deposits and other assets	64,614	99,428
Total Assets	\$ 5,930,629	\$ 6,295,590
Liabilities and Stockholders Equity		
Current Liabilities		
Note payable	\$ 23,011	\$
Accounts payable	1,314,638	1,249,350
Accrued expenses	318,946	717,519
Accrued restructuring charge	165,884	405,301
Accrued compensation	148,437	106,576
Unearned revenue	1,054,884	1,173,402
Total Current Liabilities	3,025,800	3,652,148
Note payable, less current portion	44,104	
Deferred rent	289,743	36,089

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Unearned revenue, less current portion	17,303	12,536
Total Noncurrent Liabilities	351,150	48,625
Total Liabilities	3,376,950	3,700,773

Stockholders Equity

Common stock, \$.001 par value; authorized 50,000,000 shares; issued and outstanding 3,043,805 shares at June 30, 2003 and 2,503,069 shares at December 31, 2002	3,044	2,503
Additional paid-in capital	46,039,300	44,585,588
Accumulated deficit	(43,488,665)	(41,993,274)
Total Stockholders Equity	2,553,679	2,594,817

Total Liabilities and Stockholders Equity	\$ 5,930,629	\$ 6,295,590
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See Notes to Unaudited Interim Consolidated Financial Statements.

HYPERFEED TECHNOLOGIES, INC. AND SUBSIDIARY

Consolidated Statements of Operations (Unaudited)

	For The Three Months Ended June 30,		For The Six Months Ended June 30,	
	2003	2002	2003	2002
Revenue				
HyperFeed Services	\$ 2,847,394	\$ 4,183,725	\$ 5,877,100	\$ 8,914,021
PCQuote Services	304,480	371,278	624,608	820,025
Total Revenue	3,151,874	4,555,003	6,501,708	9,734,046
Direct Cost of Services				
HyperFeed Services	2,141,994	2,390,408	4,285,081	5,004,416
PCQuote Services	49,490	477,423	109,862	969,988
Total Direct Cost of Services	2,191,484	2,867,831	4,394,943	5,974,404
Gross Margin	960,390	1,687,172	2,106,765	3,759,642