

FINDEX COM INC
Form 10QSB
November 20, 2006

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

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2006.

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____.

Commission File Number: 0-29963

FINDEX.COM, INC.

(Exact name of small business issuer as specified in its charter)

Nevada 88-0379462
(State or other (I.R.S.
jurisdiction of Employer
incorporation Identification
or No.)
organization)

11204 Davenport Street, Suite 100,
Omaha, Nebraska 68154
(Address of principal executive
offices)

(402) 333-1900
(Issuer's telephone number)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 [X] No []**

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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. **Yes** **No**

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 50,038,317 common shares as of November 17, 2006.

Transitional Small Business Disclosure Format (Check one): **Yes** **No**

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Findex.com, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
	September 30, 2006	December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 992	\$ 119,560
Accounts receivable, trade, net	270,209	405,380
Inventory	151,013	214,604
Other current assets	235,887	128,206
Total current assets	658,101	867,750
Property and equipment, net	79,985	114,191
Software license, net	1,384,645	1,762,276
Capitalized software development costs, net	518,216	707,067
Other assets	276,568	253,001
Total assets	\$ 2,917,515	\$ 3,704,285
Liabilities and stockholders' equity		
Current liabilities:		
Note payable	\$ 75,000	\$ ---
Accounts payable, trade	712,411	556,042
Accrued royalties	574,129	472,548
Derivative liabilities	952,914	2,062,462
Other current liabilities	551,991	802,395
Total current liabilities	2,866,445	3,893,447
Long-term obligations	156,961	52,891
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Common stock	49,558	48,620
Paid-in capital	7,595,437	7,461,424
Retained (deficit)	(7,750,886)	(7,752,097)
Total stockholders' equity	(105,891)	(242,053)
Total liabilities and stockholders' equity	\$ 2,917,515	\$ 3,704,285

See accompanying notes.

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Findex.com, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2006	2005	2006	2005
Revenues, net of reserves and allowances	\$ 826,127	\$ 1,023,609	\$ 2,586,197	\$ 3,978,019
Cost of sales	391,771	450,413	1,361,157	1,410,191
Gross profit	434,356	573,196	1,225,040	2,567,828
Operating expenses:				
Sales and marketing	193,223	562,868	580,684	1,297,836
General and administrative	385,658	212,261	1,310,340	1,419,057
Other operating expenses	133,146	152,336	424,567	466,553
Total operating expenses	712,027	927,465	2,315,591	3,183,446
Loss from operations	(277,671)	(354,269)	(1,090,551)	(615,618)
Other expenses, net	(47,898)	(5,234)	(57,929)	(12,009)
Registration rights penalties	---	(158,792)	(49,314)	(277,792)
Gain (loss) on valuation adjustment of derivatives	237,009	(328,121)	1,109,548	(874,992)
Loss before income taxes	(88,560)	(846,416)	(88,246)	(1,780,411)
Income tax (provision) benefit	114,909	(111,976)	89,457	187,182
Net income (loss)	\$			