

Bridgeline Software, Inc.
Form 10QSB
February 13, 2008

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

FORM 10-QSB

(Mark One)

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

For the quarterly period ended December 31, 2007 or

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 333-139298

Bridgeline Software, Inc.
(Exact Name of Small Business Issuer as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

52-2263942
(I.R.S. Employer
Identification No.)

10 Sixth Road
Woburn, Massachusetts
(Address of Principal Executive Offices)

01801
(Zip Code)

(781) 376-5555
(Issuer's telephone number, including area code)

Check whether the Issuer: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 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 No

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

Edgar Filing: Bridgeline Software, Inc. - Form 10QSB

The number of shares outstanding of the Issuer's common stock, par value \$0.001 per share, as of February 7, 2008 was 9,452,065.

Transitional Small Business Disclosure Format (check one): Yes No

Edgar Filing: Bridgeline Software, Inc. - Form 10QSB

Bridgeline Software, Inc.

Quarterly Report on Form 10-QSB

For the Quarterly Period ended December 31, 2007

Index

		Page
Part I	Financial Information	
Item 1.	Financial Statements (unaudited)	
	Consolidated Balance Sheets as of December 31, 2007 and September 30, 2007	4
	Consolidated Statements of Operations for the three months ended December 31, 2007 and 2006	5
	Consolidated Statements of Cash Flows for the three months ended December 31, 2007 and 2006	6
	Notes to Consolidated Financial Statements	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	12
Item 3.	Controls and Procedures	20
Part II	Other Information	
Item 1.	Legal Proceedings	21
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	21
Item 3.	Defaults Upon Senior Securities	22
Item 4.	Submission of Matters to a Vote of Security Holders	22
Item 5.	Other Information	22
Item 6.	Exhibits	22
Signatures		23

Edgar Filing: Bridgeline Software, Inc. - Form 10QSB

Bridgeline Software, Inc.

Quarterly Report on Form 10-QSB

For the Quarterly Period ended December 31, 2007

Statements contained in this Report on Form 10-QSB that are not based on historical facts are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terminology such as “should,” “could,” “may,” “will,” “expect,” “believe,” “estimate,” “anticipate,” “intends,” “continue,” or similar terms or variations of those terms or the negative of those terms. These statements appear in a number of places in this Form 10-QSB and include statements regarding the intent, belief or current expectations of Bridgeline Software, Inc. Forward-looking statements are merely our current predictions of future events. Investors are cautioned that any such forward-looking statements are inherently uncertain, are not guaranties of future performance and involve risks and uncertainties. Actual results may differ materially from our predictions. Important factors that could cause actual results to differ from our predictions include our limited operating history, our license renewal rate, our inability to manage our future growth efficiently or profitably, our inability to find, complete and integrate additional acquisitions, the acceptance of our products, the performance of our products, our dependence on our management team and key personnel, our ability to hire and retain future key personnel or the impact of competition and our ability to maintain margins or market share. Although we have sought to identify the most significant risks to our business, we cannot predict whether, or to what extent, any of such risks may be realized, nor is there any assurance that we have identified all possible issues which we might face. We assume no obligation to update our forward-looking statements to reflect new information or developments. We urge readers to review carefully the risk factors described in our Registration Statement on Form SB-2 as well as in the other documents that we file with the Securities and Exchange Commission. You can read these documents at www.sec.gov.

Where we say “we,” “us,” “our,” “Company” or “Bridgeline” we mean Bridgeline Software, Inc.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Bridgeline Software, Inc.

Consolidated Balance Sheets
(in thousands)

	December 31, 2007 (unaudited)	September 30, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,768	\$ 5,219
Accounts receivable, net of allowance of \$101	3,033	2,892
Unbilled receivables	471	355
Prepaid expenses	387	192
Total current assets	8,659	8,658
Property and equipment, net	1,055	961
Definite-lived intangible assets	1,355	1,441
Goodwill	14,725	14,426
Other assets	345	273
Total assets	\$ 26,139	\$ 25,759
Liabilities and stockholders' equity		
Current liabilities:		
Capital lease obligations – current	\$ 125	\$ 76
Accounts payable	990	652
Deferred revenue	718	725
Accrued liabilities	1,147	1,266
Total current liabilities	2,980	2,719
Capital lease obligations, less current portion	124	146
Other long term liabilities	19	19
Total liabilities	3,123	2,884
Commitments		
Stockholders' equity:		
Preferred stock - \$0.001 par value; 1,000,000 shares authorized; none issued and outstanding	–	–
Common stock - \$.001 par value; 20,000,000 shares authorized, 8,797,117 and 8,648,950 shares issued and outstanding, respectively	9	9
Additional paid-in capital	29,009	28,908
Accumulated deficit	(6,023)	(6,060)
Accumulated other comprehensive income	21	18
Total stockholders' equity	23,016	22,875
Total liabilities and stockholders' equity	\$ 26,139	\$ 25,759

The accompanying notes are an integral part of these consolidated financial statements

Bridgeline Software, Inc.

Consolidated Statements of Operations
(Dollars in thousands except per share data)
(unaudited)

	December 31, 2007	Three months ended	December 31, 2006
Revenue:			