

IZEA, Inc.  
Form 10-Q  
August 13, 2014  
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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 June 30, 2014

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No.: 333-167960

IZEA, INC.  
(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction of  
incorporation or organization)

37-1530765  
(I.R.S. Employer  
Identification No.)

480 N. Orlando Avenue, Suite 200  
Winter Park, FL  
(Address of principal executive offices)

32789  
(Zip Code)

Registrant's telephone number, including area code: (407) 674-6911

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

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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

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

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 August 8, 2014, there were 57,497,631 shares of our common stock outstanding.

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Quarterly Report on Form 10-Q for the period ended June 30, 2014

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## PART I - FINANCIAL INFORMATION

## ITEM 1 - FINANCIAL STATEMENTS

## IZEA, Inc.

## Consolidated Balance Sheets

	June 30, 2014 (Unaudited)	December 31, 2013
Assets		
Current:		
Cash and cash equivalents	\$9,753,049	\$ 530,052
Accounts receivable	1,342,510	1,659,802
Prepaid expenses	197,067	109,960
Other current assets	70,340	83,486
Total current assets	11,362,966	2,383,300
Property and equipment, net of accumulated depreciation of \$245,850 and \$205,070	243,346	156,482
Software development costs, net of accumulated amortization of \$47,406 and \$0	521,469	362,346
Security deposits	52,391	46,574
Total assets	\$12,180,172	\$2,948,702
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$719,128	\$817,057
Accrued expenses	457,506	365,454
Unearned revenue	1,102,015	1,292,228
Current portion of capital lease obligations	57,114	43,852
Total current liabilities	2,335,763	2,518,591
Capital lease obligations, less current portion	31,798	34,013
Deferred rent	71,587	14,179
Warrant liability	10,839,950	1,832,945
Total liabilities	13,279,098	4,399,728
Stockholders' deficit:		
Series A convertible preferred stock; \$.0001 par value; 240 shares authorized; no shares issued and outstanding	—	—
Common stock, \$.0001 par value; 200,000,000 shares authorized; 57,046,381 and 22,560,653 issued and outstanding	5,705	2,256
Additional paid-in capital	23,560,959	24,672,132
Accumulated deficit	(24,665,590 )	(26,125,414 )
Total stockholders' deficit	(1,098,926 )	(1,451,026 )
Total liabilities and stockholders' deficit	\$12,180,172	\$2,948,702

See accompanying notes to the unaudited consolidated financial statements.



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IZEA, Inc.  
Consolidated Statements of Operations  
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2014	2013	2014	2013
Revenue	\$1,969,235	\$1,715,273	\$3,926,275	\$3,100,548
Cost of sales	656,656	770,901	1,306,189	1,347,003
Gross profit	1,312,579	944,372	2,620,086	1,753,545
Operating expenses:				
General and administrative	2,176,514	1,364,569	4,020,654	2,939,161
Sales and marketing	343,283	115,090	504,150	209,259
Total operating expenses	2,519,797	1,479,659	4,524,804	3,148,420
Loss from operations	(1,207,218 )	(535,287 )	(1,904,718 )	(1,394,875 )
Other income (expense):				
Interest expense	(6,051 )	(22,530 )	(15,068 )	(37,996 )
Loss on exchange of warrants and debt	—	—	—	(732 )
Change in fair value of derivatives and notes payable carried at fair value, net	3,239,610	(335,653 )	3,375,211	(343,777 )