

Data Storage Corp
Form 10-Q
May 20, 2014

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 March 31, 2014

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

For the transition period from _____ to _____

Commission File No. 001-35384

DATA STORAGE CORPORATION
(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of
incorporation or organization)

98-0530147
(I.R.S. Employer
Identification No.)

401 Franklin Avenue
Garden City, N.Y
(Address of principal executive
offices)

11530
(Zip Code)

Registrant's telephone number, including area code: (212) 564-4922

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

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to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company filer. See definition 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 type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input checked="" type="checkbox"/>

(Do not check if a 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 May 15, 2014, 36,125,845 shares of common stock, par value \$0.001 per share, were outstanding.

DATA STORAGE CORPORATION

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PART I

ITEM 1. Financial Statements

DATA STORAGE CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2014	December 31, 2013
	(UNAUDITED)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 146,458	\$ 87,675
Accounts receivable (less allowance for doubtful accounts of \$15,000 in 2014 and \$26,801 in 2013)	366,501	258,567
Prepaid compensation	6,209	9,052
Prepaid expenses and other current assets	101,585	171,584
Total Current Assets	620,753	526,878
Property and Equipment:		
Property and equipment	3,862,847	3,859,528
Less—Accumulated depreciation	(2,844,441)	(2,728,547)
Net Property and Equipment	1,018,406	1,130,981
Other Assets:		
Goodwill	2,201,828	2,201,828
Investment in joint venture – at equity	-	-
Other assets	3,608	3,608
Intangible assets, net	597,521	658,769
Employee loan	48,198	45,730
Total Other Assets	2,851,155	2,909,935
Total Assets	4,490,314	4,567,794
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	904,608	984,866
Revolving credit facility	100,292	100,292
Due to related party	218,802	207,848
Dividend payable	351,297	330,811
Deferred revenue	688,688	703,941
Leases payable	817,690	736,636
Loans payable	70,405	47,312
Convertible debt – related parties net of discount	693,653	186,215
Contingent collateral obligation	350,000	356,204
Total Current Liabilities	4,195,435	3,654,125
Deferred rental obligation	2,593	5,187
Due to officer	903,869	801,875

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Leases payable long term	21,116	86,180
Convertible debt – related parties	-	500,000
Total Long Term Liabilities	927,578	1,393,242
Total Liabilities	5,123,013	5,047,367
Stockholders' Deficit:		
Preferred Stock, \$.001 par value; 10,000,000 shares authorized; 1,401,786 shares issued and outstanding in each period	1,402	1,402
Common stock, par value \$0.001; 250,000,000 shares authorized; 36,125,845 shares issued and outstanding in each period	36,126	36,126
Additional paid in capital	12,574,832	12,540,018
Accumulated deficit	(13,245,059)	(13,057,119)
Total Stockholders' Deficit	(632,699)	