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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2016

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: **000-55151**

SPINDLE, INC.

(Exact name of registrant as specified in its charter)

Nevada	**20-8241820**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8700 East Vista Bonita, Suite 260 **Scottsdale, AZ**	**85255**
(Address of principal executive offices)	(Zip Code)

(800) 560-9198
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities 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 [X] 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] 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. 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 [X]

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

Common shares outstanding as of May 11, 2016: 64,804,679.

SPINDLE, INC.

Table of Contents

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial reporting and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). While these statements reflect all normal recurring adjustments which are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the financial statements and footnotes thereto, which are included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 as filed with the SEC on March 30, 2016.

SPINDLE, INC.
CONDENSED BALANCE SHEETS

	MARCH 31, 2016 (unaudited)	DECEMBER 31, 2015
ASSETS		
Current assets:		
Cash	$ 293,323	$ 161,226
Accounts receivable, net	264,179	105,096
Prepaid expenses and deposits	120,302	1,789,547
Inventory	10,579	10,579
Total current assets	688,383	2,066,448
Other assets:		
Property and equipment, net	19,457	16,921
Goodwill, net	4,636,212	4,636,212
Other intangible assets, net	1,415,018	1,422,750
Total other assets	6,070,687	6,075,883
TOTAL ASSETS	$ 6,759,070	$ 8,142,331
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 271,013	$ 342,201
Advances	186,000	190,000
Accrued liabilities - related party	381,831	14,437
Notes payable, net	63,053	66,053
Total current liabilities	901,897	612,691
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.001 par value, 300,000,000 shares authorized, 60,998,740 and 64,296,519 shares issued and outstanding as of March 31, 2016 and December 31, 2015, respectively	60,999	64,297
Common stock authorized and unissued, 1,073,792 and 696,853 shares as of March 31, 2016 and December 31, 2015, respectively	1,074	697
Additional paid-in capital	25,876,253	26,576,761
Accumulated deficit	(20,081,153)	(19,112,115)
Total stockholders' equity	5,857,173	7,529,640
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 6,759,070	$ 8,142,331

See accompanying notes to these unaudited condensed financial statements.

SPINDLE, INC.
UNAUDITED CONDENSED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED MARCH 31,	
	2016	2015
Revenue:		
Sales income	$ 214,973	$ 165,047
Cost of sales	11,014	47,482
Gross profit	203,959	117,565
Expenses:		
Depreciation and amortization	109,696	147,959
Promotional and marketing	1,526	26,505
Consulting	130,962	84,293
Salaries and wages (including share-based compensation)	541,510	761,430
Directors fees	52,240	45,000
Professional fees	119,720	150,718
General and administrative	104,645	48,588
Total operating expenses	1,060,299	1,264,493
Net operating loss	(856,340)	(1,146,928)
Other expense:		
Loss in legal settlement	115,000	-
Other income	(2,892)	-
Interest expense	590	561
Interest expense - related party	-	28
Total other expense	112,698	589
Loss before provision for income taxes	(969,038)	(1,147,517)
Provision for income taxes	-	-
Net loss	$ (969,038)	$ (1,147,517)
Weighted average number of common shares outstanding - basic and diluted	65,968,433	42,173,217
Net (loss) per share - basic and fully diluted	$ (0.01)	$ (0.03)

See accompanying notes to these unaudited condensed financial statements.

SPINDLE, INC.
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

	THREE MONTHS ENDED MARCH 31,	
	2016	**2015**
Operating activities		
Net loss	$ (969,038)	$ (1,147,517)
Adjustments to reconcile net loss to net cash used in operating activities:		
Shares issued for services	74,375	75,646
Shares issued for services - related parties	32,940	7,250
Depreciation and amortization	109,696	147,959
Amortization of debt discount - related party	-	28
Options issued for services	374,008	478,957
Loss on legal settlement	115,000	-
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(159,083)	14,080
Decrease in prepaid expenses	59,245	17,147
Increase in inventory	-	(5,600)
Decrease in deposits and other assets	-	500
(Decrease) increase in accounts payable and accrued expenses	(71,188)	100,905
Increase in expenses - related party	367,394	49,160
Increase in deferred revenue	-	3,291
Net cash used in operating activities	(66,651)	(258,194)
Investing activities		
Purchase of license agreement	-	(30,000)
Purchase of fixed assets	(3,863)	-
Additions to capitalized software development	(100,639)	(108,976)
Net cash used in investing activities	(104,502)	(138,976)
Financing activities		
Payment for share repurchase	(100,000)	-
Net proceeds (payments) for advances	(4,000)	255,000
Payments for notes payable - related party	(3,000)	-
Proceeds from the sale of common stock	410,250	100,000
Net cash provided by financing activities	303,250	355,000
Net (decrease) increase in cash	132,097	(42,170)
Cash - beginning	161,226	169,807
Cash - ending	$ 293,323	$ 127,637
Supplemental disclosures		
Cash paid for interest	$ 590	$ 561
Cash paid for income taxes	$ -	$ -
Shares issued for prepaid expenses	$ -	$ 67,854
Shares issued for accounts payable	$ -	$ 50,000
Shares returned for legal settlement	$ (1,595,000)	$ -

See accompanying notes to these unaudited condensed financial statements.

NOTE 1. BASIS OF PRESENTATION

The interim condensed financial statements included herein, presented in accordance with United States generally accepted accounting principles ("GAAP") and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these interim condensed financial statements be read in conjunction with the financial statements of the Company for the year ended December 31, 2015 and notes thereto included in the Company's Annual Report on Form 10-K. The Company follows the same accounting policies in the preparation of interim reports.

Results of operations for the interim periods are not indicative of annual results.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

The Company considers cash and cash equivalents to include all stable, highly liquid investments with an original maturity of three months or less from the date of purchase.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

Revenue is derived on a per message/notification basis through the Company's patented technologies and a modular, adaptable platform designed to create multi-channel messaging gateways for all types of connected devices. The Company also earns revenue for services, such as programming, licensure on Software as a Service ("SaaS") basis, and on a performance basis, such as when a client acquires a new customer through our platform. Revenue is recognized in accordance with Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," as revised by SAB No. 104. As such, the Company recognizes revenue when persuasive evidence of an arrangement exists, title transfer has occurred, the price is fixed or readily determinable, and collectability is probable. Sales are recorded net of sales discounts.

Accounts receivable, net

Accounts receivable is reported at the customers' outstanding balances, less any allowance for doubtful accounts. An allowance for doubtful accounts on accounts receivable is charged to operations in amounts sufficient to maintain the allowance for uncollectible accounts at a level management believes is adequate to cover any probable losses. Management determines the adequacy of the allowance based on historical write-off percentages and information collected from individual customers. Accounts receivable are charged off against the allowance when collectability is determined to be permanently impaired. Interest is not accrued on overdue accounts receivable.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Inventory

Inventories consist of merchandise held for sale in the ordinary course of business, including cost of freight and other miscellaneous acquisition costs, and are stated at the lower of cost or market. The Company records a write-down for inventories which have become obsolete or are in excess of anticipated demand or net realizable value. The Company periodically performs a detailed inventory review that considers multiple factors including demand forecasts, market conditions, product life cycle status, product development plans and current sales levels. If actual demand or market conditions for the Company's products are less favorable than forecasted or if unforeseen changes negatively affect the utility of the Company's inventory, additional inventory write-downs may be required.

Property and equipment

Property and equipment are stated at cost. Major renewals and improvements are charged to the asset accounts while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed. At the time property and equipment are retired or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are credited or charged to income.

Depreciation is computed on the straight-line and accelerated methods for financial reporting and income tax reporting purposes based upon the following estimated useful lives:

Computer software	3 years
Computer hardware	5 years
Office furniture	7 years

Long-lived assets

The Company accounts for its long-lived assets in accordance with Accounting Standards Codification ("ASC") Topic 360-10-05, "Accounting for the Impairment or Disposal of Long-Lived Assets." ASC Topic 360-10-05 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the historical cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the carrying value of an asset by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value or disposable value.

Fair value of financial instruments

We account for non-recurring fair value measurements of our non-financial assets and liabilities in accordance with ASC 820-10 Fair Value Measurement. This guidance defines fair value, establishes a framework for measuring fair value and addresses required disclosures about fair value measurements. This standard establishes a three-level hierarchy for fair value measurements based upon the significant inputs used to determine fair value. Observable inputs are those which are obtained from market participants external to the Company while unobservable inputs are generally developed internally, utilizing management's estimates, assumptions and specific knowledge of the assets/liabilities and related markets. The three levels are defined as follows:

Level 1 - Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar instruments in markets that are not active, or by model-based techniques in which all significant inputs are observable in the market.

Level 3 -Valuation is derived from model-based techniques in which at least one significant input is unobservable and based on the company's own estimates about the assumptions that market participants would use to value the asset or liability.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

If the only observable inputs are from inactive markets or for transactions which the Company evaluates as "distressed", the use of Level 1 inputs should be modified by the company to properly address these factors, or the reliance of such inputs may be limited, with a greater weight attributed to Level 3 inputs.

Due to the short-term nature of our financial assets and liabilities, we consider their carrying amounts to approximate fair value.

Goodwill

The Company accounts for goodwill in accordance with ASC Topic 805-30-25, "Accounting for Business Combinations" ("ASC Topic 805-30-25") and ASC Topic 350-20-35, "Accounting for Goodwill - Subsequent Measurement" ("ASC Topic 350-20-35").

ASC Topic 805-30-25 requires that the acquirer recognize goodwill as of the acquisition date as the excess of the fair value of the consideration transferred over the fair value of the net acquisition-date amounts of the identifiable assets and liabilities assumed.

ASC Topic 350-20-35 requires that goodwill acquired in a purchase and determined to have an indefinite useful life is not amortized, but instead tested for impairment annually or more frequently when events or circumstances indicate that the carrying value of a reporting unit more likely than not exceeds its fair value. The Company's annual goodwill impairment testing date is December 31 of each year. The Company first assesses qualitative factors to determine whether it's necessary to perform the two-step goodwill impairment test. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value. If the qualitative assessment results in an indication that it's more likely than not that the fair value of a reporting unit is less than its carrying amount, then a quantitative assessment must be performed. Management has determined that the Company has one reporting unit for purposes of testing goodwill.

The quantitative analysis involves estimating the fair value of its reporting unit utilizing a combination of valuation methods including market capitalization, the income approach and cash flows. Income and cash flow forecasts were used in the evaluation of goodwill based on management's estimate of future performance. If goodwill is determined to be impaired as a result of this analysis, an impairment loss is recorded equal to the difference between the asset's carrying value and fair value. The Company recorded an impairment to its goodwill for each of the years ended December 31, 2015 and 2014 as further discussed in Note 10.

Capitalized software development costs

The Company capitalizes internal software development costs subsequent to establishing technological feasibility of a software application. Capitalized software development costs represent the costs associated with the development of the Company's software applications used to generate revenue from our customers. Amortization of such costs is recorded on a software application-by-application basis, based on the greater of the proportion of current year sales to the total of current and estimated future sales for the applications or the straight-line method over the remaining estimated useful life of the software application. The Company continually evaluates the recoverability of capitalized software costs and charges to operations amounts that are deemed unrecoverable for projects it abandons. The Company recorded an impairment to its software development costs for the year ended December 31, 2015.

Stock-based compensation

The Company accounts for stock-based payments to employees in accordance with ASC 718, "Stock Compensation" ("ASC 718"). Stock-based payments to employees include grants of stock, grants of stock options and issuance of warrants that are recognized in the statement of operations based on their fair values at the date of grant.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Company accounts for stock-based payments to non-employees in accordance with ASC 505-50, "Equity-Based Payments to Non-Employees" ("ASC 505-50"). Stock-based payments to non-employees include grants of stock, grants of stock options and issuances of warrants that are recognized in the statement of operations based on the value of the vested portion of the award over the requisite service period as measured at its then-current fair value as of each financial reporting date. The Company calculates the fair value of option grants and warrant issuances utilizing the Black-Scholes pricing model. The amount of stock-based compensation recognized during a period is based on the value of the portion of the awards that are ultimately expected to vest. ASC 718 requires forfeitures to be estimated at the time stock options are granted and warrants are issued to employees and non-employees, and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term "forfeitures" is distinct from "cancellations" or "expirations" and represents only the unvested portion of the surrendered stock option or warrant.

The Company estimates forfeiture rates for all unvested awards when calculating the expense for the period. In estimating the forfeiture rate, the Company monitors both stock option and warrant exercises as well as employee termination patterns. The resulting stock-based compensation expense for both employee and non-employee awards is generally recognized as compensation under ASC Topic 505-50, In accordance with ASC 505-50, the cost of stock-based compensation is measured at the grant date based on the value of the award and is recognized over the vesting period. The value of the stock-based award is determined using the Black-Scholes option-pricing model, whereby compensation cost is the excess of the fair value of the award as determined by the pricing model at the grant date or other measurement date over the amount that must be paid to acquire the stock.

Loss per share

The Company reports earnings (loss) per share in accordance with ASC Topic 260-10, "Earnings per Share." Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted earnings (loss) per share has not been presented since the effect of the assumed conversion of warrants and debt to purchase common shares would have an anti-dilutive effect. Potential common shares as of March 31, 2016 that have been excluded from the computation of diluted net loss per share amounted to 3,390,000 shares and include 400,000 warrants and 2,990,000 options. Of the 2,990,000 potential common shares that could be issued upon the exercise of the options at March 31, 2016, 1,332,501 had not vested.

Income taxes

The Company accounts for its income taxes under the provisions of ASC Topic 740, "Income Taxes." The method of accounting for income taxes under ASC 740 is an asset and liability method. The asset and liability method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between tax bases and financial reporting bases of other assets and liabilities.

Recent accounting pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change.

In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-09, *"Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting"* ("ASU 2016-09"). ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 is effective for us beginning January 1, 2017. Early adoption is permitted. We are currently evaluating the potential impact of adopting this guidance on our consolidated financial statements.

NOTE 3 - GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has incurred a net loss of ($969,038) for the three months ended March 31, 2016, and at March 31, 2016, has an accumulated deficit of ($20,081,153).

In order to continue as a going concern, the Company may need, among other things, additional capital resources. There are no assurances that without generating new revenue during 2016 that the Company will be successful without additional financing. Should revenues not grow sufficiently and the Company not be able to secure additional financing through the sale of its securities or debt, it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might arise from this uncertainty.

NOTE 4. ACCOUNTS RECEIVABLE, NET

Accounts receivable consist of the following at:

	MARCH 31, 2016		DECEMBER 31, 2015	
Due from customers and vendors	$	32,562	$	26,773
Due from sale of residual assets		75,374		75,374
Due from processing activity		156,243		2,949
Total accounts receivable, net	$	264,179	$	105,096

NOTE 5. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses and deposits consist of the following at:

	MARCH 31, 2016		DECEMBER 31, 2015	
Prepaid insurance	$	32,725	$	44,275
Prepaid license and trademark fees		--		1,610,000
Prepaid consulting fees		84,877		129,751
Other prepaid expenses		2,700		5,521
Total prepaid expenses and deposits	$	120,302	$	1,789,547

NOTE 6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following at:

	MARCH 31, 2016	DECEMBER 31, 2015
Office furniture & equipment	$ 35,710	$ 31,847
Less: accumulated depreciation	(16,253)	(14,926)
Total property and equipment, net	$ 19,457	$ 16,921

During the three months ended March 31, 2016 and 2015, the Company recorded depreciation expense of $1,327 and $1,306, respectively.

NOTE 7. OTHER INTANGIBLE ASSETS, NET

Other intangible assets, net consist of the following at:

	MARCH 31, 2016 GROSS	ACCUMULATED AMORTIZATION	MARCH 31, 2016 NET
Capitalized software costs	$ 2,149,636	$ (869,384)	$ 1,280,252
License agreements and contracts	75,000	-	75,000
Domain names	85,000	(25,234)	59,766
	$ 2,309,636	$ (894,618)	$ 1,415,018

	DECEMBER 31, 2015 GROSS	ACCUMULATED AMORTIZATION	DECEMBER 31, 2015 NET
Capitalized software costs	$ 2,048,998	$ (763,684)	$ 1,285,314
License agreements and contracts	75,000	-	75,000
Domain names	85,000	(22,564)	62,436
	$ 2,208,998	$ (786,248)	$ 1,422,750

NOTE 8. RESIDUAL CONTRACTS

On June 4, 2015, the Company entered into an agreement to sell the Parallel Solutions, Inc.("PSI") residual income stream for a purchase price of $753,740. As a result of this transaction, $373,124 was recorded as a gain on sale of assets for the year ended December 31, 2015. As of March 31, 2016, the Company has received $678,366 of the purchase price and the balance of $75,374 is recorded to accounts receivable, net on the Company's balance sheet.

NOTE 9. GOODWILL

	MARCH 31, 2016	DECEMBER 31, 2015
Goodwill	$ 5,976,198	$ 5,976,198
Less: accumulated impairment loss	(1,339,986)	(1,339,986)
Total goodwill, net	$ 4,636,212	$ 4,636,212

In connection with the acquisition on March 20, 2013, the Company assumed certain liabilities and acquired substantially all of the assets of MeNetwork. The Company recorded goodwill related to this acquisition of $2,679,970. During its annual evaluation of goodwill, the Company determined that the carrying amount of goodwill related to MeNetwork, exceeded its fair value. As a result, the Company recorded an impairment loss, to other expense, of $669,993 for each of the years ended December 31, 2015 and December 31, 2014. These charges reflect the impact of partially sun setting assets acquired from MeNetwork in conjunction with the Company's integration of Yowza!!

In connection with the acquisition of Yowza!!, the Company recorded related goodwill of $3,291,932. During its annual evaluation of goodwill, the Company determined that the fair value of goodwill exceeded its carrying amount and as a result no impairment charge has been recorded.

NOTE 10. NOTES PAYABLE NET

On December 15, 2011, the Company issued a Promissory Grid Note ("Note") to a former director of the Company whereby formalizing various advances previously received from the former director in the amount of $51,300 and allowing for future advances of up to $250,000. The note is non-interest bearing, unsecured and matured on December 15, 2014. The Company imputed interest at a rate of 2% per annum and recorded a discount in the amount of $10,640. In connection with one of the previous advances in the amount of $25,000, the Company issued warrants to purchase up to 250,000 shares of the Company's common stock at a price per share of $1.00 resulting in an additional discount of $17,709. The total discount attributable to the Note totaled $28,349 and was amortized to interest expense over the term of the Note. During the three months ended March 31, 2016, the Company repaid $3,000 of the principal balance of the Note.

During the three months ended March 31, 2015, interest expense of $28 related to amortization of the discount and interest on the unpaid note was recorded.

NOTE 11. STOCKHOLDERS' EQUITY

The Company is authorized to issue up to 300,000,000 shares of common stock, par value $0.001. During the three months ended March 31, 2016, the Company:

- Authorized the issuance of 3,038,889 shares of common stock for cash proceeds totaling $410,250. Of these, 316,668 shares with a value of $42,750 were registered under the Form S-1 filed with the SEC on April 6, 2016. The Form S-1 has an effective date of April 18, 2016. These 316,668 shares were unissued at March 31, 2016. We also issued 2,722,221 shares for cash proceeds from investors totaling $367,500.

- Authorized the issuance of 90,000 shares of common stock to a member of our Board of Directors in accordance with the terms of his consulting agreement. The shares were valued at $13,200 and as of March 31, 2016, 45,000 of these shares were unissued.

- Authorized the issuance of 81,011 shares of common stock as payment for legal fees. The estimated fair value of these shares totaled $10,208 and as of March 31, 2016, these shares were unissued.

NOTE 11. STOCKHOLDERS' EQUITY, CONTINUED

- Authorized the issuance of 476,667 shares of common stock valued at $71,407 to two members of our Advisory Board and a consultant as compensation for advisory services. Of these, 416,667 shares with a value of $64,167 were registered under the Form S-1 filed with the SEC on April 6, 2016. All 476,667 shares were unissued at March 31, 2016.

- Authorized the issuance of 92,593 shares of common stock valued at $12,500 to our Chief Executive Officer as compensation for services. As of March 31, 2016 these shares were unissued.

- Issued 680,000 previously authorized shares with a value of $187,650 to directors of the Company for services in accordance with consulting agreements and repayment of advances.

Also, in accordance with a settlement agreement signed between the Company and Help Worldwide, Inc. ("HWW") that terminated the license agreement between the two entities, HWW returned 6,500,000 of the 7,000,000 shares of Spindle restricted common stock issued to HWW for the license fee in May 2015. The LPO license agreement was terminated amicably and not due to default or breach by any party. In conjunction with the settlement agreement, 200,000 shares of Spindle stock were returned to the Company by one of the principals of HWW, and the associated warrants were cancelled. The entire transaction resulted in a loss to the Company of $115,000.

NOTE 12. WARRANTS AND OPTIONS

On March 11, 2015 the Board of Directors approved a private placement offering (the "Offering") comprised of a unit (the "Unit"). Each Unit consists of one share of the Company's common stock and one three-year warrant to purchase one share of the Company's common stock. During the three months ended March 31, 2015, the Company sold 200,000 units under this offering. These warrants were cancelled in March of 2016 in relation to the HWW settlement agreement described in Note 12.

The following is a summary of the status of all of the Company's stock warrants and options as of March 31, 2016:

	Number of Warrants and Options	*Weighted-Average Exercise Price*	*Weighted Average Remaining Contractual Life (in years)*
Outstanding at December 31, 2014	3,710,834		
Granted	1,341,250		
Exercised	-		
Forfeited/Cancelled	(1,462,084)		
Outstanding at December 31, 2015	3,590,000	$ 0.442	7.38
Exercisable at December 31, 2015	2,194,167	$ 0.557	6.15
Outstanding at December 31, 2015	3,590,000		
Granted	-	-	
Exercised	-	-	
Forfeited/Cancelled	(200,000)	-	
Outstanding at March 31, 2016	3,390,000	$ 0.550	7.43
Exercisable at March 31, 2016	2,057,499	$ 0.557	6.75

NOTE 13. SUBSEQUENT EVENTS

In March, 2016, 3,038,889 shares were purchased by various investors under the Securities Purchase Agreement in conjunction with our November 17, 2015 private placement offering. As of March 31, 2016, 2,722,221 of these shares had been issued. The shares are expected to become freely trading in the public market as of April 6, 2016, the effective registration date.

On April 18, 2016, Tony VanBrackle informed the board of directors (the “Board”) of Spindle, Inc. (the “Company”) that effective immediately he would resign from his position as an Independent Director to enable him to better fulfill his duties as an adviser to the Company under the consulting agreement in effect. Additionally, on April 20, 2016, the Board voted to appoint Mr. VanBrackle to the Board of Advisors. Mr. VanBrackle has served as an Independent Director since November 17, 2014 and as a consultant to the Company since November 1, 2015. Over the past quarter Mr. VanBrackle has had increasing involvement in the Company both in time and direction as he operates as a consultant to grow the direct sales teams and call center sales.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This Quarterly Report on Form 10-Q (the "*Quarterly Report")* contains forward-looking statements about Spindle Inc.'s (*"SPDL*," "*we*," "*us*," or the "*Company*") business, financial condition and prospects that reflect management's assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our management's assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, Spindle's actual results may differ materially from those indicated by the forward-looking statements. You should not place undue reliance on these forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, whether our services are accepted in the marketplace, our ability to expand our customer base, managements' ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

There may be other risks and circumstances that management may be unable to predict. When used in this Quarterly Report, words such as, *"believes," "expects," "intends," "plans," "anticipates," "estimates"* and similar expressions are intended to identify forward-looking statements, although there may be certain forward-looking statements not accompanied by such expressions.

The forward-looking statements are made as of the date of this report. We undertake no obligation to publicly update or revise any forward-looking statements included in this Quarterly Report.

Overview

We were originally incorporated in the State of Nevada on January 8, 2007 as "Coyote Hills Golf, Inc." We were previously an online retailer of golf-related apparel, equipment and supplies. Prior to the acquisition of the assets of Spindle Mobile, Inc. (Spindle Mobile"), as described below, we generated minimal revenues from the golf-related business.

On December 2, 2011, we acquired certain assets and intellectual property from Spindle Mobile, a Delaware corporation in the business of data processing, mobile payment fields and other related fields, in exchange for approximately 80% or the Company's issued and outstanding common stock, which shares were distributed to the stockholders of Spindle Mobile, pursuant to the terms and conditions of an asset purchase agreement.

Concurrent with the closing of the Spindle Mobile Agreement, we amended our articles of incorporation to change our name from ""Coyote Hills Golf, Inc." to "Spindle, Inc." Additionally, we changed our authorized capital from 100,000,000 shares of common stock and 100,000,000 shares of preferred stock, $0.001 par value to 300,000,000 shares of common stock, $0.001 par value, and 50,000,000 preferred stock, $0.001 par value. The actions were approved on November 11, 2011, by the consent of the majority stockholders who represented 90% of our issued and outstanding common stock, and were effective on December 2, 2011.

Because our operating expenses exceed our revenues, we have relied primarily on sales of our securities and loans from related parties to fund our operations. We will continue to require substantial funds to support our operations and carry out our business plan. Our working capital requirements and the cash flow provided by future operating activities, if any, will vary greatly from quarter to quarter, depending on the volume of business during the period and payment terms with our partners. We may not be successful in raising additional funds as needed or if successful we may not be able to raise funds on terms that are favorable to us. We cannot guarantee that we will ever be profitable. As a result, our independent registered accounting firm has expressed doubt about our ability to continue as a going concern.

Our potential revenue streams are relatively new and have only recently begun to contribute materially to our operations. As a result, we are unable to forecast future revenue. Our management is hopeful that as our base of operations continues to grow, we will see a corresponding increase in licensing and transactional revenue.

Results of Operations

Revenues and Cost of Sales

Revenues from ongoing operations are be derived from our patented conversion and networked payment processes under the Spindle product line and licensing of our intellectual property. During the three months ended March 31, 2016, the Company generated $214,973 in revenues from its payment and transactional platform. The cost of sales, which are comprised of equipment cost of goods sold, web hosting fees, merchant and interchange fees, and commissions paid to the independent sales agents, for the three months ended March 31, 2016 were $11,014. This compares to revenues during the three months ended March 31, 2015 of $165,047 and cost of sales of $47,482. Gross profit during the three months ended March 31, 2016 and 2015 was $203,959 and $117,565, respectively.

The period-over-period increase in revenues and gross profit is due to management's decision to focus the majority of resources over the past few months on platform integration and development at the expense of short-term revenue generation, realizing that it was more important to bring a full-featured comprehensive platform to the market, rather than trying to sell a piecemeal solution.

Management also reviewed the profitability of our sub-merchant and reseller relationships, which resulted in the strategic cancellation of contracts that did not generate positive cash flow to the Company. Management believes that the full technology platform has now reached the stage where the Company can begin to aggressively sell its solutions to the market. We expect to see increases in licensing and transactional revenue in future periods by bringing the full platform to market in a methodical and strategic manner.

As stated previously, we only recently changed our business direction by exiting the micro-merchant market in favor of traditional brick-and-mortar and ecommerce merchants. Under our MSP sponsorship, our potential revenue streams are relatively new and have only recently begun to contribute materially to our operations. As a result, we are unable to accurately forecast future revenue.

EBITDA

We define Adjusted EBITDA as operating income before depreciation, amortization of intangible assets, stock-based compensation, and special charges. We use Adjusted EBITDA to evaluate the underlying performance of our business, and a summary of Adjusted EBITDA, reconciling GAAP amounts (i.e., items reported in accordance with GAAP) to Adjusted EBITDA amounts (i.e., items included within Adjusted EBITDA as defined directly above) for the fiscal quarters ended March 31, 2016 and 2015 follows:

	For the Three Months Ended March 31,						GAAP Change		Adjusted EBITDA Change	
	2016			2015						
	GAAP	Adjustments	Adjusted EBITDA	GAAP	Adjustments	Adjusted EBITDA	$	%	$	%
Revenue										
Sales income	$ 214,973	$ -	$ 214,973	$ 165,047	$ -	$ 165,047	$ 49,926	30%	$ 49,926	30%
Cost of sales	11,014	-	11,014	47,482	-	47,482	(36,468)	-77%	(36,468)	-77%
Gross profit	203,959	-	203,959	117,565	-	117,565	86,394	73%	86,394	73%
Expenses										
Depreciation and amortization	109,696	(109,696)	-	147,959	(147,959)	-	(38,263)	-26%	-	0%
Promotional and marketing	1,526	-	1,526	26,505	-	26,505	(24,979)	-94%	(24,979)	-94%
Consulting	130,962	(127,762)	3,200	84,293	(64,645)	19,648	46,669	55%	(16,448)	-84%
Salaries and wages (including equity compensation)	541,510	(386,508)	155,002	761,430	(486,207)	275,223	(219,920)	-29%	(120,221)	-44%
Directors fees	52,240	(52,240)	-	45,000	(45,000)	-	7,240	16%	-	0%
Professional fees	119,720	-	119,720	150,718	(11,000)	139,718	(30,998)	-21%	(19,998)	-14%
General and administrative	104,645	(11,550)	93,095	48,588	-	48,588	56,057	#	44,507	92%
Total operating expenses	1,060,299	(687,756)	372,543	1,264,493	(754,811)	509,682	(204,194)	-16%	(137,139)	-27%
Net Operating Loss / Adjusted EBITDA	**$(856,340)**	**$ 687,756**	**$(168,584)**	**$(1,146,928)**	**$ 754,811**	**$(392,117)**	**$ 290,588**	-25%	**$ 223,532**	**-57%**

- represents a value greater than 100% change

We have presented Adjusted EBITDA above because we believe it conveys useful information to investors regarding our operating results. We believe it provides an additional way for investors to view our operations, when considered with both our GAAP results and the reconciliation to net income (loss). By including this information we can provide investors with a more complete understanding of our business. Specifically, we present Adjusted EBITDA as supplemental disclosure because of the following and believe that:

- Adjusted EBITDA is a useful tool for investors to assess the operating performance of our business without the effect of interest, income taxes, and other non-operating expenses as well as depreciation and amortization which are non-cash expenses;
- It is useful to provide investors with a standard operating metric used by management to evaluate our operating performance; and
- The use of Adjusted EBITDA is helpful to compare our results to other companies.

Even though we believe Adjusted EBITDA is useful for investors, it does have limitations as an analytical tool. Thus, we strongly urge investors not to consider this metric in isolation or as a substitute for net income (loss) and the other statement of operations data prepared in accordance with GAAP. Some of these limitations include the fact that:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Adjusted EBITDA does not reflect income or other taxes or the cash requirements to make any tax payments; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, thereby potentially limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of performance in compliance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and providing Adjusted EBITDA only as supplemental information.

Operating Expenses

In the course of our operations, we incur operating expenses composed largely of general and administrative costs and professional fees. General and administrative expenses are essentially the cost of doing business, and encompass, without limitation, the following: research and development; licenses; taxes; general office expenses, such as postage, supplies and printing; rent; utilities; bank charges; website costs; and other miscellaneous expenditures not otherwise classified. Accounting fees include: auditing by our independent registered public accountants, bookkeeping, tax preparation fees for filing Federal and State income tax returns and other accounting-specific consulting services. Professional fees include: transfer agent fees for printing stock certificates; consulting costs for marketing and advertising; general business development; legal fees; and costs related to the preparation and submission of reports and information statements with the SEC.

For the three months ended March 31, 2016, we incurred operating expenses in the amount of $1,060,299, as compared to $1,264,493 for the three months ended March 31, 2015. The amounts for the three months ended March 31, 2016 are comprised of $109,696 in depreciation and amortization expense related to our intellectual property and fixed assets; $1,526 in promotional and marketing; $130,962 in consulting fees; $541,510 in salaries and wages; $52,240 in directors' fees; $119,720 in professional fees; and $104,645 in general and administrative expenses.

Operating expenses are lower in 2016 compared to the three months ended March 31, 2015, due to Management's focus on controlling costs, mainly in the areas of payroll and professional fees. We expect these costs, especially payroll, to increase at a rate directly proportional to our growth.

Interest Income and Expense

During the three months ended March 31, 2016, we recognized interest expense of $590. This compares to $589 in interest expense for the three months ended March 31, 2015.

Net Losses

We have experienced net losses in all periods since our inception. Our net loss for the three months ended March 31, 2016 was $969,038. Net losses are attributable to the Company's increase in G&A costs and the result of the HWW settlement agreement which is described in Note 12. During the three months ended March 31, 2015, we incurred a net loss of $1,147,517, which was mainly attributable to the Company's acquisition and development of Yowza!!, ongoing Payment Card Services (PCI) certifications and maintenance, extensive internal software development, and deployment of the Company's initial suite of payment products.

We anticipate incurring ongoing operating losses and cannot predict when, if at all, we may expect these losses to plateau or narrow.

Liquidity and Capital Resources

Cash used in operating activities during the three months ended March 31, 2016 was $66,651 compared to $258,194 of cash used in operations during the comparable period ended March 31, 2015. The decrease in the use of cash for operating activities in 2016 is mainly due to the Company managing cash more efficiently, including the reduction of payroll costs and professional fees.

During the three months ended March 31, 2016, net cash used by investing activities totaled $104,502, of which $3,863 as used for the purchase of new fixed assets and $100,639 is attributable to labor costs related to software development costs. During the comparable three-month period ended March 31, 2015, net cash used in investing activities totaled $138,976, of which $30,000 was utilized in the acquisition of a license agreement related to the upcoming sales efforts of the Yowza!! POS solution and $108,976 is attributable to labor costs related to software development.

During the three months ended March 31, 2016, net cash provided by financing activities totaled $303,250, comprised of $410,250 received from investors for purchases of our common stock, offset by $100,000 paid as part of the HWW settlement to repurchase outstanding warrants and $7,000 in repayments of notes and advances to the Company. In comparison, during the three months ended March 31, 2015, financing activities provided $355,000 comprised of $100,000 which was received from investors purchasing shares of our common stock and $255,000 which was classified as an advance to the Company.

As of March 31, 2016, we had $293,323 of cash on hand, none of which is restricted. Our management believes this amount may be sufficient to maintain our operations for at least the next 12 months. We are actively pursuing opportunities to raise additional capital through sales of our equity and/or debt securities for cash. We cannot assure you that, if needed, any financing can be obtained or, if obtained, that it will be on reasonable terms. As such, our principal accountants have expressed doubt about our ability to continue as a going concern because our revenues do not cover our cash expenditures.

This report discusses our financial statements, which have been prepared in accordance with GAAP. The preparation of the financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, we evaluate our estimates and judgments, including those related to revenue recognition, recoverability of intangible assets, and contingencies and litigation.

We base our estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources, primarily the valuation of intangible assets. The methods, estimates and judgments we use in applying these most critical accounting policies have a significant impact on the results we report in our financial statements.

Critical Accounting Policies

Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, the terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. Please see Note 2 to our financial statements for a more complete description of our significant accounting policies.

Intangible assets and software development costs

Management regularly reviews property, equipment, intangibles and other long-lived assets for possible impairment. This review occurs annually, or more frequently if events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. If there is indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. Management believes that the accounting estimate related to impairment of the Company's property and equipment, is a "critical accounting estimate" because: (1) it is highly susceptible to change from period to period because it requires management to estimate fair value, which is based on assumptions about cash flows and discount rates; and (2) the impact that recognizing an impairment would have on the assets reported on our balance sheet, as well as net income, could be material. Management's assumptions about cash flows and discount rates require significant judgment because actual revenues and expenses have fluctuated in the past and are expected to continue to do so.

The Company reviews the carrying value of intangible assets for impairment whenever events and circumstances indicate that the carrying value may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to the amount by which the carrying value exceeds the fair value. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition and other economic factors.

Revenue recognition

We recognize revenue when all of the following conditions are satisfied: (1) there is persuasive evidence of an arrangement; (2) the service has been provided to the customer; (3) the amount of fees to be paid by the customer is fixed or determinable; and (4) the collection of our fees is probable.

Sales related to long-term contracts for services (such as engineering, product development and testing) extending over several years are accounted for under the percentage-of-completion method of accounting. Sales under these contracts are recorded based on the ratio of actual costs incurred to total estimated costs expected to be incurred related to the contract under the cost-to-cost method utilizing budgeted milestones or tasks as designated per each contract. Anticipated losses on contracts are recognized in full in the period in which losses become probable and estimable.

For all other sales of products or services the Company recognizes revenues based on the terms of the customer agreement. The customer agreement takes the form of either a contract or a customer purchase order and each provides information with respect to the product or service being sold and the sales price. If the customer agreement does not have specific delivery or customer acceptance terms, revenue is recognized at the time of shipment of the product to the customer.

Stock-Based Compensation

We record stock based compensation in accordance with the guidance in ASC Topic 718 which requires us to recognize expense related to the fair value of our employee stock option awards. This eliminates accounting for share-based compensation transactions using the intrinsic value and requires instead that such transactions be accounted for using a fair-value-based method. We recognize the cost of all share-based awards on a graded vesting basis over the vesting period of the award.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or retained earnings.

Off-Balance Sheet Arrangements

As of March 31, 2016, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

Item 3. Quantitative and Qualitative Disclosure About Market Risks.

This item is not applicable as we are a smaller reporting company.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in company reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported, within the periods specified in the SEC's rules and forms. Disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

We conducted an evaluation, with the participation of our Chief Executive Officer (principal executive officer) and Interim Chief Financial Officer (principal financial officer), of the effectiveness of our disclosure controls and procedures as of March 31, 2016. Due to the Company's limited resources and number of employees, there is limited segregation of duties which leads to the irregular review of various reconciliation and control procedures. Based on that evaluation, our Chief Executive Officer and Interim Chief Financial Officer concluded that as of March 31, 2016, our disclosure controls and procedures were ineffective as a result of limited resources and personnel resulting in a lack of segregation of duties.

Changes in internal controls over financial reporting

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

There are no other material pending legal proceedings, to which the Company or any director, officer or affiliate of the registrant, any owner of record or beneficially of more than five percent of any class of voting securities of the Company, or any associate of any such director, officer, affiliate of the registrant, or security holder is a party or any of its subsidiaries is a party or of which any of their property is the subject.

Item 1A. Risk Factors.

Our significant business risks are described in our Annual Report on Form 10-K filed with the SEC on March 30, 2016 which is incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the three months ended March 31, 2016, the Company:

- Authorized the issuance of 3,038,889 shares of common stock for cash proceeds totaling $410,250. Of these, 316,668 shares with a value of $42,750 were registered under the Form S-1 filed with the SEC on April 6, 2016. The Form S-1 has an effective date of April 18, 2016. These 316,668 shares were unissued at March 31, 2016. We also issued 2,722,221 shares for cash proceeds from investors totaling $367,500.

- Authorized the issuance of 90,000 shares of common stock to a member of our Board of Directors in accordance with the terms of his consulting agreement. The shares were valued at $13,200 and as of March 31, 2016, 45,000 of these shares were unissued.

- Authorized the issuance of 81,011 shares of common stock as payment for legal fees. The estimated fair value of these shares totaled $10,208 and as of March 31, 2016, these shares were unissued.

- Authorized the issuance of 476,667 shares of common stock valued at $71,407 to two members of our Advisory Board and a consultant as compensation for advisory services. Of these, 416,667 shares with a value of $64,167 were registered under the Form S-1 filed with the SEC on April 6, 2016. All 476,667 shares were unissued at March 31, 2016.

- Authorized the issuance of 92,593 shares of common stock valued at $12,500 to our Chief Executive Officer as compensation for services. As of March 31, 2016 these shares were unissued.

- Issued 680,000 previously authorized shares with a value of $187,650 to directors of the Company for services in accordance with consulting agreements and repayment of advances.

Also, in accordance with a settlement agreement signed between the Company and Help Worldwide, Inc. ("HWW") that terminated the license agreement between the two entities, HWW returned 6,500,000 of the 7,000,000 shares of Spindle restricted common stock issued to HWW for the license fee in May 2015. The LPO license agreement was terminated amicably and not due to default or breach by any party. In conjunction with the settlement agreement, 200,000 shares of Spindle stock were returned to the Company by one of the principals of HWW, and the associated warrants were cancelled. The entire transaction resulted in a loss to the Company of $115,000.

The Company relied on Section 4(a)(2) of the Securities Act of 1933 for issuing the above securities, inasmuch as the offers and sales were made solely to accredited investors and there was no form of general solicitation or general advertising relating to the offer.

We have never declared cash dividends, nor do we intend to declare cash dividends in the foreseeable future. We plan to retain our cash to finance the continuing development of the business. Future cash dividends, if any, will depend upon financial condition, results of operations, capital requirements, compliance with certain restrictive debt covenants, as well as other factors considered relevant by our Board of Directors.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit No.	Description
2.1	Asset Purchase Agreements, dated December 2, 2011, by and by and between Coyote Hills Golf, Inc., a Nevada corporation, Spindle Mobile, Inc., Mitch Powers, Stephanie Erickson, and Kamiar Khatami (2)
2.2	Addendum No. 1 to Asset Purchase Agreement entered into on March 29, 2012 between Spindle, Inc., Spindle Mobile, Inc., Mitch Powers, Stephanie Erickson and Kamiar Khatami (3)
2.3	Asset Purchase Agreement entered into on December 10, 2013 between Spindle, Inc. and Y Dissolution, Inc. (1)
2.4	Asset Purchase Agreement entered into on December 31, 2012 between Spindle, Inc. and Parallel Solutions Inc. (1)
2.5	Asset Purchase Agreement entered into on March 1, 2013 between Spindle, Inc. and MeNetwork, Inc. (4)
2.6	First Amendment and Waiver to Asset Purchase Agreement entered into on December 12, 2014 between Spindle, Inc. and Ashton Craig Page (5)
3.1	Articles of Incorporation, as amended(1)
3.2	By-Laws(1)
4.1	Specimen Common Stock Certificate of the Company (5)
31.1	Rule 13a-14(a) / 15d-14(a) Certifications of the Chief Executive Officer
31.2	Rule 13a-14(a) / 15d-14(a) Certifications of the Chief Financial Officer
32.1	Certification under Section 906 of the Sarbanes-Oxley Act (18 U.S.C. Section 1350)
101.INS	XBRL Instance*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation*
101.DEF	XBRL Taxonomy Extension Definition*
101.LAB	XBRL Taxonomy Extension Label*
101.PRE	XBRL Taxonomy Extension Presentation *

*Filed Herewith
**Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company will furnish supplemental copies of any omitted schedules as exhibits to the SEC upon request.
+ Indicates a management contract or compensatory plan.

(1) Incorporated by reference to the registrant's Form 10 Registration Statement filed with the SEC on February 25, 2014.
(2) Incorporated by reference to the Current Report on Form 8-K filed by the registrant with the SEC on December 6, 2011.
(3) Incorporated by reference to the Annual Report on Form 10-K for the year ended December 31, 2011 filed by the registrant with the SEC on March 30, 2012.
(4) Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended March 30, 2013 filed by the registrant with the SEC on September 3, 2013.
(5) Incorporated by reference to the Registration Statement on Form S-1 filed by the registrant with the SEC on February 3, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SPINDLE, INC.
(Registrant)

Signature	Title	Date
/s/ William Clark William Clark	Chief Executive Officer, Principal Executive Officer	May 13, 2016
/s/ John Devlin John Devlin	Chief Financial Officer, Interim Principal Financial Officer	May 13, 2016

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Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Securities and Exchange Commission Release 34-46427

I, William Clark, certify that:

1. I have reviewed this report on Form 10-Q of Spindle, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2016

/s/ William Clark
William Clark
Chief Executive Officer
Principal Executive Officer

Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Securities and Exchange Commission Release 34-46427

I, John Devlin, certify that:

1. I have reviewed this report on Form 10-Q of Spindle, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2016

/s/ John Devlin
John Devlin
Interim Chief Financial Officer and
Interim Principal Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the report of Spindle, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William Clark, acting in the capacity of as the Principal Executive Officer of the Company, and I, John Devlin, acting in the capacity as the Principal Financial Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ William Clark
William Clark
Chief Executive Officer
Principal Executive Officer

/s/ John Devlin
John Devlin
Interim Chief Financial Officer
Interim Principal Financial Officer

May 13, 2016