

Edgar Filing: NIGHTHAWK SYSTEMS INC - Form 10QSB

NIGHTHAWK SYSTEMS INC
Form 10QSB
May 22, 2006

U.S. 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 March 31, 2006

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

For the transition period from _____ to _____

Commission File Number: 0-30786

NIGHTHAWK SYSTEMS, INC

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

Nevada

87-0627349

(State or other jurisdiction of
incorporation or organization)

(I.R.S Employer
Identification No.)

10715 Gulfdale, Suite 200
San Antonio, TX 78216

(Address of principal executive offices)

210 341-4811

(Issuer's telephone number)

(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 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

As of May 22, 2006, there were 69,050,611 shares of common stock, par value \$.001 per share, of the registrant issued and outstanding.

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

Edgar Filing: NIGHTHAWK SYSTEMS INC - Form 10QSB

1

INDEX

Part I	FINANCIAL INFORMATION	
Item 1	Financial Statements (unaudited)	
	Condensed consolidated balance sheet as of March 31, 2006	3
	Condensed consolidated statements of operations for the three months ended March 31, 2006 and 2005	4
	Condensed consolidated statement of stockholders' deficit for the three months ended March 31, 2006	5
	Condensed consolidated statements of cash flows for the three months ended March 31, 2006 and 2005	6
	Notes to condensed consolidated financial statements	8
Item 2	Management's Discussion and Analysis or Plan of Operation	14
Item 3	Controls and Procedures	18
Part II	OTHER INFORMATION	
Item 1	Legal Proceedings	19
Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	19
Item 3	Defaults Upon Senior Securities	19
Item 4	Submissions of Matters to a Vote of Security Holders	19
Item 5	Other Information 24	
Item 6	Exhibits and Reports on Form 8-K	19
	Signatures and Certifications	20

2

NIGHTHAWK SYSTEMS, INC. CONDENSED CONSOLIDATED BALANCE SHEET MARCH 31, 2006

ASSETS

Current assets:

Cash
Accounts receivable, net of allowance for doubtful accounts of \$147
Inventories
Prepays

Total current assets

Furniture, fixtures and equipment, net
Intangible and other assets

LIABILITIES AND STOCKHOLDERS' DEFICIT

Edgar Filing: NIGHTHAWK SYSTEMS INC - Form 10QSB

Current liabilities:

Accounts payable
Accrued expenses
Line of credit
Notes payable:
 Related parties
 Other

Total current liabilities

Long-term liabilities:

Convertible debt

Commitments and contingencies

Stockholders' deficit:

Preferred stock, \$0.001 par value; 5,000,000 shares authorized; no shares issued and outstanding
Common stock; \$0.001 par value; 200,000,000 shares authorized; 66,579,232 issued and outstanding
Additional paid-in capital
Accumulated deficit

Total stockholders' deficit