

Edgar Filing: NIGHTHAWK SYSTEMS INC - Form 10QSB

NIGHTHAWK SYSTEMS INC
Form 10QSB
November 14, 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 September 30, 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 November 14, 2006 there were 77,066,699 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

INDEX

Part I	FINANCIAL INFORMATION	
Item 1	Financial Statements (unaudited)	
	Condensed consolidated balance sheet as of September 30, 2006	2
	Condensed consolidated statements of operations for the three and nine month periods ended September 30, 2006 and 2005	3
	Condensed consolidated statement of stockholders' deficit for the nine months ended September 30, 2006	4
	Condensed consolidated statements of cash flows for the nine months ended September 30, 2006 and 2005	5
	Notes to condensed consolidated financial statements	7
Item 2	Management's Discussion and Analysis or Plan of Operation	11
Item 3	Controls and Procedures	15
Part II	OTHER INFORMATION	
Item 1	Legal Proceedings	16
Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	16
Item 3	Defaults Upon Senior Securities	16
Item 4	Submissions of Matters to a Vote of Security Holders	16
Item 5	Other Information	16
Item 6	Exhibits and Reports on Form 8-K	16
	Signatures and Certifications	17

-1-

NIGHTHAWK SYSTEMS, INC. CONDENSED CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2006

ASSETS

Current assets:

Cash		\$	121,790
Accounts receivable, net of allowance for doubtful accounts of \$1,654			152,057
Inventories			104,625
Prepays			793,130
	Total current assets		1,171,602
Furniture, fixtures and equipment, net			19,299
Intangible and other assets			24,200
			\$ 1,215,101

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:

Accounts payable		\$	221,249
Accrued expenses			384,441
Line of credit			19,792
Notes payable:			
Related parties			12,716

Edgar Filing: NIGHTHAWK SYSTEMS INC - Form 10QSB

Other	338,601

Total current liabilities	976,799

Long-term liabilities:	
Convertible debt	2,849,320

Commitments and contingencies	
Stockholders' deficit:	
Preferred stock, \$0.001 par value; 5,000,000 shares authorized; no shares issued and outstanding; liquidation preference	\$ -
Common stock; \$0.001 par value; 200,000,000 shares authorized; 74,480,015 issued and outstanding	74,480
Additional paid- in capital	7,919,493
Accumulated deficit	(10,604,991)

Total stockholders' deficit	(2,611,018)

	\$ 1,215,101
	=====