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SIRICOMM INC
Form 10QSB
August 10, 2007
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarter Period Ended

June 30, 2007

Commission File No. 0-18399

SIRICOMM, INC.

(Exact name of Company as specified in its Charter)

Delaware

(State or jurisdiction of incorporation or organization)

62-1386759

(IRS Employer Identification No.)

4710 East 32nd Street, Joplin, Missouri

(Address of Principal Executive Office)

64804

(Zip Code)

Company's telephone number, including area code:

(417) 626-9971

Former name, former address and former fiscal year, if changed since last report: N/A

Indicate by check mark whether the Company (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 a shorter period that the Company was required to file such reports), and (2) has been subject to

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such filing requirements for the past 90 days.

Yes

No

The number of shares outstanding of the Company's Common Stock, \$.001 par value, as of August 10, 2007 was 25,327,991.

PART I - FINANCIAL INFORMATION

Item 1: Financial Statements

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SIRICOMM, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>June 30, 2007 (unaudited)</u>	<u>September 30, 2006</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 302,455	\$ 943,137
Accounts receivable	74,146	36,256
Other receivable	-	25,500
Prepaid expenses and other	24,513	12,965
Deposit on Pulse-ST devices	153,120	-
Total current assets	554,234	1,017,858
Property and Equipment, at cost		
Equipment	4,458,771	4,021,922
Network equipment in progress of installation	220,010	385,054
	4,678,781	4,406,976
Less accumulated depreciation	1,951,035	1,167,782
	2,727,746	3,239,194
Software, net of accumulated amortization of \$92,929	667,932	760,856
Prepaid consulting fees	41,310	55,080
Total assets	\$ 3,991,222	\$ 5,072,988
Liabilities and Stockholders' Equity		
Current Liabilities		
Convertible note payable to related party	\$ 456,443	\$ -
Convertible note payable	399,351	-
Note Payable – current portion	331,885	-
Accounts payable	244,246	742,309
Accrued salaries	35,248	26,873
Customer deposit	168,432	-
Capital lease - current portion	1,563	-
Other accrued expenses - network equipment	27,234	185,031
Other accrued expenses	245,529	142,328
Deferred revenue	163,748	148,812
Total current liabilities	2,073,679	1,245,353
Other Long Term Liabilities		
Note Payable – non-current	712,789	-
Capital lease obligation	2,133	-
Asset retirement obligation	238,094	225,960
Total liabilities	3,026,695	1,471,313

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Preferred stock - Series A, cumulative, par value \$.001; 500,000 shares authorized; 213,417 shares issued and outstanding; dividend rate of \$0.025 per share per quarter commencing March 2004; liquidation preference of \$1 per outstanding share cash payment	309,455	293,449
Stockholders' Equity		
Common stock - par value \$.001; 100,000,000 shares authorized; issued and outstanding 2007- 25,327,991 shares, 2006- 25,054,676 shares	25,328	25,055
Additional paid-in capital	21,942,169	20,768,645
Treasury stock, at cost, common; 2007 - 90,000 shares, 2006 - 90,000 shares	(90,000)	(90,000)
Deferred compensation	(76,736)	(261,600)
Retained deficit	(21,145,689)	(17,133,874)
Total stockholders' equity	655,072	3,308,226
Total liabilities and stockholders' equity	\$ 3,991,222	\$ 5,072,988

See Notes to Condensed Consolidated Financial Statements

SIRICOMM, INC.**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	<u>June 30, 2007</u>		<u>June 30, 2006</u>	
	3 Months Ended <u>(Unaudited)</u>	9 Months Ended <u>(Unaudited)</u>	3 Months Ended <u>(Unaudited)</u>	9 Months Ended <u>(Unaudited)</u>
Revenues	\$ 499,399	\$ 1,570,233	\$ 294,913	\$ 650,609
Cost of Goods Sold	-	23,760	-	-
Gross Profit	\$ 499,399	\$ 1,546,473	\$ 294,913	\$ 650,609
Operating Expenses:				
General and administrative	266,941	1,572,745	1,031,437	1,722,318
Salaries	434,377	1,590,619	456,755	1,126,727
Satellite access fees	457,315	1,371,011	441,585	742,798
Impairment loss	-	49,900	-	-
Depreciation and amortization	314,759	877,387	210,455	735,359
Total operating expenses	1,473,392	5,461,662	2,140,232	4,327,202
Operating loss	(973,993)	(3,915,189)	(1,845,319)	(3,676,593)
Other Income (Expense)				
Interest income	6	2,524	25,432	52,543
Gain on forgiveness of debt	95,587	110,560	-	-
Interest expense	(196,088)	(209,710)	(6,541)	(448,817)
Total Other Income (Expense)	(100,495)	(96,626)	18,891	(396,274)
Net loss	\$ (1,074,488)	\$ (4,011,815)	\$ (1,826,428)	\$ (4,072,867)
Add: Dividends declared on preferred stock	(5,335)	(16,005)	(5,336)	(16,008)
Loss available to common shareholders	\$ (1,079,823)	\$ (4,027,820)	\$ (1,831,764)	\$ (4,088,875)
Net loss per share, basic and diluted	\$ (0.04)	\$ (0.16)	\$ (0.07)	\$ (0.18)
Weighted average shares, basic and diluted	25,280,189	25,202,382	25,004,391	22,672,396