

NEXT GENERATION MEDIA CORP
Form 10-Q
November 20, 2009

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 September 30, 2009.

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: 000-28083

NEXT GENERATION MEDIA CORP.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

88-0169543
(I.R.S. Employer Identification No.)

7644 Dynatech Court, Springfield, VA
(Address of principal executive offices)

22153
(Zip Code)

703-644-0200
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 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.

Edgar Filing: NEXT GENERATION MEDIA CORP - Form 10-Q

Large accelerated filer Accelerated filer Non-accelerated filer 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

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock. As of September 30, 2009 there were 12,373,397 shares of common stock, \$0.01 par value issued and outstanding.

Part I - Financial Information

Item 1. Financial Statements

Condensed Consolidated Balance Sheets:

September 30, 2009 and December 31, 2008 (Unaudited and Audited) 3

Condensed Consolidated Statements of Operations:

Three Months Ended September 30, 2009 and 2008 (Unaudited) 4

Condensed Consolidated Statements of Operations:

Nine Months Ended September 30, 2009 and 2008 (Unaudited) 5

Condensed Consolidated Statements of Cash Flows:

Nine Months Ended September 30, 2009 and 2008 (Unaudited) 6

Notes to Condensed Consolidated Financial Statements (Unaudited)

7

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

15

Item 3. Controls and Procedures

19

Part II - Other Information

20

Item 1. Legal Proceedings

20

Item 2. Changes In Securities And Use Of Proceeds

20

Item 3. Defaults Upon Senior Securities

20

Item 4. Submission Of Matters To A Vote Of Security Holders

20

Item 5. Other Information

20

Item 6. Exhibits And Reports On Form 8-K

20

Signatures

21

NEXT GENERATION MEDIA CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS

	(unaudited)	
	September 30, 2009	December 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	\$ 318,805	\$ 466,193
Accounts receivable, net of allowance of \$26,640 and \$117,173, respectively	424,175	367,450
Prepaid expenses and other current assets	90,276	95,109
Total current assets	833,256	928,754
Fixed assets, net	4,039,403	4,246,654
Total assets	\$ 4,872,659	\$ 5,175,406
LIABILITIES AND DEFICIENCY IN STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 1,344,977	\$ 1,125,115
Obligation under capital leases, current	25,237	65,763
Notes payable, current	—	9,697
Deferred revenue	72,876	—
Lines of credit	650,000	650,000
Total current liabilities	2,093,090	1,850,575
Long term debt, less current maturities:		
Obligation under capital leases	107,589	132,505
Customer deposit	12,000	—
Notes payable	3,700,000	3,700,000
Total long term liabilities	3,819,589	3,832,505
Total liabilities	5,912,679	5,683,080
DEFICIENCY IN STOCKHOLDERS' EQUITY		
Common stock, par value \$0.01 per share; 50,000,000 shares authorized, 12,373,397 shares issued and outstanding	123,734	123,734
Additional paid in capital	7,379,744	7,379,744
Accumulated deficit	(8,543,498)	(8,011,152)
Total stockholders' equity	(1,040,020)	(507,674)
	\$ 4,872,659	\$ 5,175,406

See the accompanying notes to the unaudited condensed consolidated financial statements

NEXT GENERATION MEDIA CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended September 30,	
	2009	2008
REVENUES:		
Net sales	\$ 472,338	\$ 1,211,324
Cost of sales	257,865	1,094,126
Gross profit	214,473	117,198
OPERATING EXPENSES:		
Selling and administrative	208,998	—
Depreciation	68,808	76,837
Total operating expenses		