

NEXT GENERATION MEDIA CORP
Form 10-Q
August 20, 2008

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 June 30, 2008.

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

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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 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 June 30, 2008 there were 12,373,397 shares of common stock, \$0.01 par value issued and outstanding.

2 | Page

Part I - Financial Information

Item 1. Financial Statements

Condensed Consolidated Balance Sheets:		
	June 30, 2008 and December 31, 2007 (Unaudited)	Page 4
Condensed Consolidated Statements of Operations:		
	Three Months Ended June 30, 2008 and 2007 (Unaudited)	5
Condensed Consolidated Statements of Operations:		
	Six Months Ended June 30, 2008 and 2007 (Unaudited)	6
Condensed Consolidated Statements of Cash Flows:		
	Six Months Ended June 30, 2008 and 2007 (Unaudited)	7
Notes to Condensed Consolidated Financial Statements (Unaudited)		8-16
Item 2.	Management's Discussion And Analysis of Financial Condition And Results of Operations	17-20
Item 3. Controls and Procedures		21

Part II - Other Information

Item 1.	Legal Proceedings	21
Item 2.	Changes In Securities And Use Of Proceeds	21
Item 3.	Defaults Upon Senior Securities	22
Item 4.	Submission Of Matters To A Vote Of Security Holders	22
Item 5.	Other Information	22
Item 6.	Exhibits And Reports On Form 8-K	22
Signatures and Certifications		23

NEXT GENERATION MEDIA CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS

	(unaudited)	
	June 30, 2008	December 31, 2007
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	\$ 320,834	\$ 132,909
Accounts receivable, net of allowance of \$29,755 and \$15,608, respectively	208,616	163,596
Inventory	62,274	79,489
Prepaid expenses and other current assets	166,773	48,774
Total current assets	758,497	424,768
 Fixed assets, net	 4,473,963	 4,628,384
 Other assets:		
Goodwill	951,133	951,133
	 \$ 6,183,593	 \$ 6,004,285
LIABILITIES AND DEFICIENCY IN STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 721,456	\$ 430,856
Capital leases payable	65,000	79,453
Notes payable	23,435	27,183
Lines of credit	558,000	210,000
Total current liabilities	1,367,891	747,492
 Long term debt, less current maturities:		
Capital leases payable	171,090	211,557
Notes payable	3,700,000	3,709,541
Total long term liabilities	3,871,090	3,921,098
Total liabilities	5,238,981	4,668,590
 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	(6,556,866)	(6,167,783)
Total stockholders' equity	946,612	1,335,695
	 \$ 6,185,593	 \$ 6,004,285

See the accompanying notes to the unaudited condensed consolidated financial statements

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

	Three months ended June 30,	
	2008	2007
REVENUES:		
Net sales	\$ 1,390,057	\$ 2,084,370
Cost of sales	1,221,577	1,636,164
Gross profit	168,480	448,206
OPERATING EXPENSES:		
Selling and administrative	395,063	529,259
Depreciation	77,211	57,167
Total operating expenses	472,274	586,426
(LOSS) FROM OPERATIONS	(303,794)	(138,220)
Other income	23,866	24,307
Gain on disposal of equipment	-	-
Interest expense, net	(85,346)	(11,714)
Net (loss) before income taxes	(365,274)	(125,627)
Income taxes	-	-
NET (LOSS) BEFORE MINORITY INTEREST	\$ (365,274)	\$ (125,627)
Minority interest	3,577	-
(LOSS) APPLICABLE TO SHAREHOLDERS	\$ (361,697)	\$ (125,627)
Net (loss) per common share-basic (Note A)	\$ (0.01)	\$ (0.01)
Net Loss per common stock-assuming fully diluted (Note A)	(see Note A)	(see Note A)
Weighted average number of common shares outstanding-basic	12,373,397	12,373,397
Weighted average number of common shares outstanding-fully diluted	See Note A	(see Note A)

See the accompanying notes to the unaudited condensed consolidated financial statements

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

	Six months ended June 30,	
	2008	2007
REVENUES:		
Net sales	\$ 2,931,181	\$ 4,146,707
Cost of sales	2,252,864	3,092,649
Gross profit	678,317	1,054,058
OPERATING EXPENSES:		
Selling and administrative	804,624	1,086,459
Depreciation	154,422	106,549
Total operating expenses	959,046	1,193,008
(LOSS) FROM OPERATIONS	(280,729)	(138,950)
Other income	52,871	40,815
Gain on disposal of equipment	-	-
Interest expense, net	(163,227)	(19,372)
Net (loss) before income taxes	(391,085)	(117,507)
Income taxes	-	-
NET (LOSS) BEFORE MINORITY INTEREST	\$ (391,085)	\$ (117,507)
Minority interest	6,674	-
(LOSS) APPLICABLE TO SHAREHOLDERS	\$ (384,411)	\$ (117,507)
Net (loss) per common share-basic (Note A)	\$ (0.01)	\$ (0.01)
Net (loss) per common stock-assuming fully diluted (Note A)	(see Note A)	(see Note A)
Weighted average number of common shares outstanding-basic	12,373,397	12,373,397
Weighted average number of common shares outstanding-fully diluted	(see Note A)	(see Note A)

See the accompanying notes to the unaudited condensed consolidated financial statements

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

	Six months ended June	
	30,	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	\$ (384,411)	\$ (117,507)
Adjustments to reconcile net loss to net cash used in operating activities:		