

NORTH AMERICAN DATACOM INC
Form 10-Q/A
May 17, 2001

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

Form 10-Q/A

(Mark one)

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

For the quarterly period ended: March 31, 2001

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

For the transition period from _____ to _____

Commission file number: 33-17679

North American DataCom, Inc.

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

Delaware

(State or other jurisdiction of incorporation or organization)

84-1067694

(IRS Employer Identification No.)

751 County Road 989, Building 1000, Iuka, MS

(Address of principal executive offices)

38852

(Zip Code)

662-424-5050

(Issuer's telephone number)

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 report (s)), and (2) has been subject to such filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Common Stock, \$.0001 par value, 98,656,448 shares outstanding as of May 10, 2001.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

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NORTH AMERICAN DATACOM, INC.

Consolidated Balance Sheets as of March 31, 2001 (Unaudited) and June 30, 2000

ASSETS	March 31, 2001	June 30, 2000
Current Assets	\$	\$
Cash and Cash Equivalents	78,868	20,948
Accounts Receivable, Net of Allowance of \$2,400 for March 31 and June 30, 2000	134,916	37,848
Notes Receivable, Net of Long-term Maturities	-	2,920
Inventories	5,728	438
Employee Advances	2,555	102,555
Total Current Assets	222,066	164,709
Investments (Note 3)	-	90,000
Property and Equipment		

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Conduit and Optic Fiber	14,524,203	14,396,891
Computers and Equipment	727,233	717,416
Communications Equipment and Wireless Towers	626,169	371,688
Software	351,124	-
Other Equipment	65,215	77,278
Vehicle	34,201	-
Leasehold Property and Improvements	15,960	15,880
Office Furniture	3,681	3,231
Total Property and Equipment	16,347,786	15,582,384
Less Accumulated Depreciation and Amortization	(87,287)	(35,945)
Net Property and Equipment	16,260,499	15,546,439
Advance to Affiliate (Note 5)	200,000	-
Other Assets (Note 6)	470,480	449,832
TOTAL ASSETS	\$ 17,153,046	\$ 16,250,980
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Trade Note Payable, Net of Unamortized Discount (Note 4)	\$ 15,118,000	15,152,173
Accounts Payable	1,104,249	24,034
Accrued Expenses and Other Liabilities (Note 8)	364,288	275,552
Convertible Notes Payable	33,541	-
Total Current Liabilities	16,620,078	15,451,759
Payable to Director	-	23,917
TOTAL LIABILITIES	\$ 16,620,078	\$ 15,475,676
Commitments and Contingencies	-	-
Stockholders' Equity		
Convertible Preferred Stock, No Par Value; 400,000 Shares		
Authorized	-	-
Series B Convertible Preferred Stock, \$.0001 Par Value; 6% Cumulative; 500,000 Shares Authorized; 1,504 and 300 Shares		
Issued and Outstanding as of March 31, 2001 and June 30, 2000.	1,503,641	300,000
Common Stock, \$.0001 Par Value 150,000,000 Shares Authorized, 98,656,448 shares issued and outstanding as March 31, 2001 and 97,992,758 Shares Issued and Outstanding at June 30, 2000	9,865	9,798
Additional Paid-In Capital	3,880,963	2,667,567

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Other Accumulated Comprehensive Income	(189,200)	(99,200)
Retained Earnings (Accumulated Deficit)	(4,672,301)	(2,102,861)
Total Stockholders' Equity	532,968	775,304
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 17,153,046	\$ 16,250,980

See Accompanying Notes to Condensed Consolidated Financial Statements

NORTH AMERICAN DATACOM, INC.

Condensed Consolidated Statements of Operation

	(Unaudited)			
	For the Three Months Ended March 31, 2001	For the Three Months Ended March 31, 2000	For the Nine Months Ended March 31, 2001	For the Nine Months Ended March 31, 2000
Net Service Revenues	\$ 201,911	\$ 69,787	\$ 358,284	\$ 167,997
Cost of Services	60,345	22,420	157,071	29,742
Gross Profit	141,566	47,367	201,213	138,255
Expenses:				
Selling, General and Administrative	731,727	326,568	2,245,174	1,009,792
Operating Loss	(590,161)	0	(2,043,961)	(871,537)
Other Income (Expense), Net	(176,410)	876,263	(525,473)	6,233
Loss Before Income Tax Expense (Benefit)	(766,571)	(279,201)	(2,569,433)	(865,304)
Income Tax Expense (Benefit)	-	-	-	-
Net Loss	\$ (766,571)	\$ (279,271)	\$ (2,569,433)	\$ (865,304)
Basic and Diluted Loss Per Common Share (Note 1)	\$ (0.01)	\$ (0.003)	\$ (0.03)	\$ (0.01)
Weighted Average Number of Common Shares Outstanding				
Basic and Diluted (Note 1)	98,656,448	4,106,655	98,546,362	41,837,863

See Accompanying Notes to Condensed Consolidated Financial Statements

NORTH AMERICAN DATACOM, INC.

Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

	For the Three Months Ended March 31, 2001	For the Three Months Ended March 31, 2000	For the Nine Months Ended March 31, 2001	For the Nine Months Ended March 31, 2000
Net loss	\$ (766,571)	\$ (279,271)	\$ (2,2569,433)	\$ (865,304)
Net change in unrealized loss on investments (Note 3)	-	(41,650)	(90,000)	(41,650)
Comprehensive loss	\$ (766,571)	\$ (320,921)	\$ (2,659,433)	\$ (906,954)

See Accompanying Notes to Condensed Consolidated Financial Statements

NORTH AMERICAN DATACOM, INC.

Condensed Consolidated Statements of Changes in Stockholders Equity

(Unaudited)

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	Series B Preferred Stock		Common Stock		Additional	Accumulated	Net Unrealized Loss on	Stockholders'
	Shares	Amount	Shares	Par Value	Paid-In Capital	Deficit	Investments	Equity
Balance, June 30, 2000	300	\$300,000	97,992,758	\$9,798	\$2,667,567	\$(2,102,861)	\$(99,200)	\$775,304
Issuance of Series B preferred stock	500	500,000	-	-	-	-	-	500,000
Sale of common Stock	-	-	317,500	32	634,968	-	-	635,000
Sale of common Stock	-	-	150,000	15	442,110	-	-	442,125
Exercise of stock options to acquire common stock	-	-	11,542	1	9,999	-	-	10,000
Exercise of stock options to acquire common stock	-	-	115,423	12	9,988	-	-	10,000
Issuance of shares for services	-	-	1,000	-	2,000	-	-	2,000
Net unrealized loss from investments	-	-	-	-	-	-	(30,000)	(30,000)
Net loss for the period ended September 30, 2000	-	-	-	-	-	(869,086)	-	(869,086)
Balance, September 30, 2000	800	\$800,000	98,588,223	\$9,858	\$3,766,632	\$(2,971,947)	\$(129,200)	\$(1,475,343)
Issuance of shares for services	-	-	20,225	2	44,188	-	-	44,190
Issuance of shares for financial services rendered	-	-	30,000	3	59,997	-	-	60,000
Issuance of shares for financial services rendered	-	-	3,000	1	8,842	-	-	8,843
Exercise of stock options to acquire common stock	-	-	15,000	1	1,304	-	-	1,305
Issuance of Series B preferred stock	326	325,904	-	-	-	-	-	325,904
Net change in unrealized loss from investments	-	-	-	-	-	-	(60,000)	(60,000)
Net loss for the period ended December 31, 2000	-	-	-	-	-	(933,784)	-	(933,784)
Balance, December 31, 2000	1,126	\$1,125,904	98,656,448	\$9,865	\$3,880,963	\$(3,905,731)	\$(189,200)	\$(921,801)
Issuance of Series B preferred stock	378	\$377,738	-	-	-	-	-	377,738
Net change in unrealized loss from investments	-	-	-	-	-	-	(60,000)	(60,000)
Net loss for the period ended March 31, 2001	-	-	-	-	-	(766,571)	-	(766,571)
Balance, March 31, 2001	1,504	\$1,503,641	98,656,448	\$9,865	\$3,880,963	\$(4,672,301)	\$(189,200)	\$532,968

See Accompanying Notes to Condensed Consolidated Financial Statements

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NORTH AMERICAN DATACOM, INC.
 Condensed Consolidated Statement of Cash Flows
 (Unaudited)

	For the Nine Months Ended March 31, 2001	For the Nine Months ended March 31, 2000
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss	\$ (2,569,433)	\$ (865,304)
Adjustment to reconcile net loss to net cash used for Operating Activities:		
Depreciation and amortization (Note 4)	649,786	30,374
Changes in operating assets and liabilities, net of acquisitions::		
Increase (Decrease) in accounts receivable	(97,068)	(16,001)
Increase (Decrease) in notes receivable	2,920	(129,105)
Increase (Decrease) in inventory	(5,290)	-
Increase (Decrease) in other assets and employee advances	57,680	(38,037)
Increase (Decrease) in accounts payable and accrued expenses	1,283,984	(146,448)
NET CASH USED BY OPERATING ACTIVITIES	(677,421)	(1,165,521)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(801,347)	(179,529)
Purchase of investments	-	(52,851)
Advance to affiliate (Note 5)	(200,000)	-
NET CASH USED FOR INVESTING ACTIVITIES	(1,001,347)	(232,380)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock (Note 7)	1,098,431	979,971
Payments on trade note payable	(575,000)	-
Proceeds from sale of preferred stock (Note 7)	1,203,641	-
Increase notes payable	(23,917)	(54,112)
Proceeds from issuance of convertible notes payable	33,541	81,915
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,736,696	1,007,774
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	57,928	(389,127)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,940	722,353
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 78,868	\$ 333,226
Supplemental schedule of non-cash operating activities:		
Issuance of common stock for payment of accounts payable	\$ 115,032	\$ -

See Accompanying Notes to