

VIRTRA SYSTEMS INC
Form 10QSB
August 16, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

(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, 2004

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 000-28381

VIRTRA SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

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Texas
(State or other jurisdiction of incorporation or
organization)

93-1207631
(IRS Employer Identification No.)

440 North Center, Arlington, TX
(Address of principal executive offices)

76011
(Zip Code)

(817) 261-4269

(Registrant's telephone number, including area code)

Check 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 ☐

As of August 6, 2004, the Registrant had outstanding 51,898,686 shares of common stock, par value \$.005 per share.

PART I. FINANCIAL INFORMATION

Item 1.

Financial Statements.

VIRTRA SYSTEMS, INC.

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Notes to Financial Statements

VIRTRA SYSTEMS, INC.

BALANCE SHEET

June 30, 2004 and December 31, 2003

	June 30, 2004 (Unaudited)	December 31, 2003 (Note)
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 27,325	\$ 80,870
Accounts receivable	112,036	162,174
Costs and estimated earnings in excess of billings on uncompleted contracts	<u>162,235</u>	<u>153,100</u>
Total current assets	301,596	396,144
Property and equipment, net	218,588	206,232
Note receivable-related party	67,885	67,885
Intangible assets, net	<u>9,069</u>	<u>18,133</u>
Total assets	<u>\$ 597,138</u>	<u>\$ 688,394</u>

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:		
Notes payable	\$ 702,401	\$ 778,722
Obligations under product financing arrangements	6,425,836	6,045,083
Notes payable-stockholders	910,031	910,031
Accounts payable	992,735	1,118,580
Accrued liabilities	814,525	703,501

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Billings in excess of costs and estimated earnings on uncompleted contracts	<u>-</u>	<u>32,340</u>
Total current liabilities	<u>9,845,528</u>	<u>9,588,257</u>
Redeemable common stock, 490,760 shares at \$.005 par value	<u>2,454</u>	<u>2,454</u>
Stockholders' deficit:		
Common stock, \$.005 par value, 100,000,000 shares authorized, 51,355,733 and 48,568,628 shares issued and outstanding at June 30, 2004 and December 31, 2003, respectively		
	256,779	242,843
Additional paid-in capital	4,870,656	4,174,747
Accumulated deficit	<u>(14,378,279)</u>	<u>(13,319,907)</u>
Total stockholders' deficit	<u>(9,250,844)</u>	<u>(8,902,317)</u>
Total liabilities and stockholders' deficit	<u>\$ 597,138</u>	<u>\$ 688,394</u>

See accompanying notes to financial statements.

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VIRTRA SYSTEMS, INC.

STATEMENT OF OPERATIONS

for the three months and six months ended June 30, 2004 and 2003

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Revenue:				
Custom applications:				
Training/simulation	\$ 234,952	\$ -	\$ 384,254	\$ -
Advertising/promotion	128,041	77,523	264,492	425,524
Other revenue	<u>11,125</u>	<u>3,335</u>	<u>22,250</u>	<u>17,080</u>
 Total revenue	 374,118	 80,858	 670,996	 442,604
 Cost of sales and services	 <u>252,602</u>	 <u>26,412</u>	 <u>413,202</u>	 <u>174,101</u>
 Gross margin	 121,516	 54,446	 257,794	 268,503
 General and administrative expenses	 <u>413,104</u>	 <u>287,973</u>	 <u>796,817</u>	 <u>550,614</u>
 Loss from operations	 <u>(291,588)</u>			