

NEXIA HOLDINGS INC
Form 10QSB
September 12, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended
June 30, 2005

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from
____ to ____.

Commission file number: 33-22128-D

NEXIA HOLDINGS, INC.

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

Nevada
**(State or other jurisdiction of
incorporation or organization)**

84-1062062
(I.R.S. Employer Identification No.)

59 West 100 South, Salt Lake City, Utah 84101

(Address of principal executive office) (Zip Code)

(801) 575-8073
(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 reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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The number of outstanding shares of the issuer's common stock, \$0.001 par value, as of September 7, 2005 was 3,339,945,384.

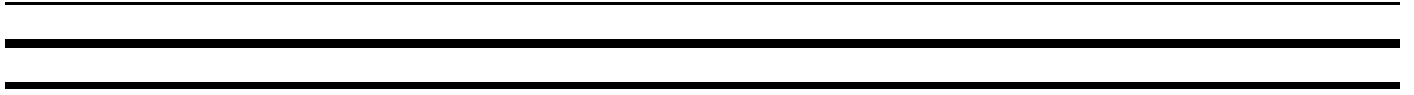


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ITEM 1. FINANCIAL STATEMENTS

As used herein, the term "Nexia" refers to Nexia Holdings, Inc., a Nevada corporation, its subsidiary corporations and predecessors unless otherwise indicated. The accompanying unaudited, consolidated interim financial statements have been prepared in accordance with the instructions to Form 10-QSB pursuant to the Securities and Exchange Commission and, therefore, do not include all information and footnotes necessary for a complete presentation of our financial position, results of operations, cash flows and stockholders' equity in conformity with generally accepted accounting principles in the United States of America. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature.

Our consolidated financial statements are attached hereto as pages F-1 through F-13 and are incorporated herein by this reference.

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NEXIA HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

ASSETS	June 30 2005 (Unaudited)	December 31 2004
CURRENT ASSETS		
Cash and cash equivalents	\$ 680,502	\$ 152,413
Restricted cash	-	80,078
Accounts and notes receivable, trade, net	120,079	108,404
Accounts receivable - related party (Note 3)	70,654	23,808
Notes receivable - net of allowance of \$315,000 and \$315,950 respectively	271,622	137,799
Prepaid expenses	21,479	18,783
Marketable securities	180,614	44,549
TOTAL OF CURRENT ASSETS	1,344,950	565,834
PROPERTY AND EQUIPMENT		
Property and equipment, net	2,124,079	2,935,052
Land	389,295	489,295
TOTAL NET PROPERTY AND EQUIPMENT	2,513,374	3,424,347
OTHER ASSETS		
Loan costs, net	14,092	15,879
TOTAL OTHER ASSETS	14,092	15,879
TOTAL ASSETS	\$ 3,872,416	\$ 4,006,060
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 97,528	\$ 243,441
Accrued liabilities	201,370	209,480
Unearned rent	-	23,094
Deferred revenue	316	356
Refundable deposits	17,892	15,041
Convertible debentures	-	5,000
Current maturities of long-term debt	931,717	120,757

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TOTAL CURRENT LIABILITIES	1,248,823	617,169
LONG-TERM LIABILITIES		
Convertible debenture	200,000	200,000
Long-term debt	979,681	2,732,161
TOTAL LONG-TERM LIABILITIES	1,179,681	2,932,161
TOTAL LIABILITIES	2,428,504	3,549,330
MINORITY INTEREST	94,285	15,315
STOCKHOLDERS' EQUITY (DEFICIT) (Note 5)		
Preferred Series B stock, \$0.001 par value, 50,000,000 shares authorized, 8,000,000 shares issued and outstanding	8,000	8,000
Preferred Series C stock, \$0.001 par value, 5,000,000 shares authorized, 100,000 shares issued and outstanding	100	100
Common stock \$0.001 par value, 10,000,000,000 shares authorized, 3,189,945,834 and 1,747,945,834 shares issued (post reverse split) and outstanding, respectively	3,189,946	1,747,946
Additional paid-in capital	11,273,530	12,396,385
Treasury stock -29,138 and 29,138 shares at cost, respectively	(100,618)	(100,618)
Stock subscriptions receivable	(1,493)	(375,009)
Other comprehensive Loss	(30,355)	(6,767)
Accumulated deficit	(12,989,483)	(13,228,622)
Total Stockholders' Equity	1,349,627	441,415
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,872,416	\$ 4,006,060

The accompanying notes are an integral integral part of these consolidated financial statements.

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NEXIA HOLDINGS, INC. AND SUBSIDIARIES
Consolidated Statements of Operations and Other Comprehensive Income (Loss)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
REVENUE				
Consulting Revenue	\$ -	\$ 34,819	\$ -	\$ 56,433
Rental Revenue	111,186	118,864	207,822	247,011
TOTAL REVENUE	111,186	153,683	207,822	303,444
COSTS OF REVENUE				
Costs associated with consulting revenue	-	143,551	-	252,823
Costs associated with rental revenue	75,791	159,700	188,139	296,649
Interest associated with rental revenue	40,049	59,893	99,041	115,314
TOTAL COST OF REVENUE	115,840	363,144	287,180	664,786
GROSS DEFICIT				
Gross deficit from consulting operations	-	(108,732)	-	(196,390)
Gross deficit from real estate operations	(4,654)	(100,729)	(79,358)	(164,952)
GROSS DEFICIT	(4,654)	(209,461)	(79,358)	(361,342)
EXPENSES				
Impairment of marketable securities	-	2,118	-	187,892
General and administrative expense	179,921	290,674	551,454	859,419
TOTAL EXPENSES	179,921	292,792	551,454	1,047,311