

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: 1999-07-27 | Period of Report: 1999-06-30  
SEC Accession No. 0001050502-99-000503

(HTML Version on [secdatabase.com](http://secdatabase.com))

FILER

**COGENCO INTERNATIONAL INC**

CIK: 730729 | IRS No.: 840914754 | State of Incorporation: CO | Fiscal Year End: 0331  
Type: 10QSB | Act: 34 | File No.: 002-87052-D | Film No.: 99670815  
SIC: 8711 Engineering services

Mailing Address  
1775 SHERMAN ST  
SUITE 1001  
DENVER CO 80203

Business Address  
1775 SHERMAN STREET  
SUITE 1001  
DENVER CO 80203  
3038940234

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-QSB

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE  
----- SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1999

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: 2 - 87052 - D  
-----

Cogenco International, Inc.  
-----

(Exact name of Registrant as specified in its charter)

Colorado  
-----

(State or other jurisdiction of  
incorporation or organization)

84-0914754  
-----

(IRS Employer Identification  
Number)

Suite 1001, 1775 Sherman Street, Denver, Colorado 80203  
-----

(Address of principal executive offices and Zip Code)

(303) 894-0234  
-----

(Registrant's telephone number)

N/A  
---

(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 X No

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of the issuer's classes of common stock, as of July 23, 1999 is 1,788,756 shares, \$.01 par value.

COGENCO INTERNATIONAL, INC.  
(A Development Stage Company)

INDEX  
-----

## PART I. FINANCIAL INFORMATION

Balance Sheet - March 31, 1999 and June 30, 1999 (unaudited)	1
Statement of Operations - For the Three Months Ended June 30, 1998 and 1999 and Cumulative Amounts from Inception of the Development Stage (July 26, 1990) through June 30, 1999 (unaudited)	2
Statement of Stockholders' Equity - For the Three Months Ended June 30, 1999 (unaudited)	3
Statement of Cash Flows - For the Three Months Ended June 30, 1998 and 1999 and Cumulative Amounts from Inception of the Development Stage (July 26, 1990) through June 30, 1999 (unaudited)	4
Notes to Unaudited Financial Statements	5
Management's Discussion and Analysis of Financial Condition and Results of Operations	6
PART II. OTHER INFORMATION	6

COGENCO INTERNATIONAL, INC.  
(A Development Stage Company)  
BALANCE SHEET  
March 31, 1999 and June 30, 1999  
(Unaudited)

ASSETS  
-----

	March 31, 1999	June 30, 1999
	-----	-----
Current asset:		
Cash, in interest bearing accounts	\$ 94,735	\$ 90,364
Computer equipment, at cost, net of accumulated depreciation of \$2,569 (March) and \$2,694 (June)	1,003	878
	-----	-----
	\$ 95,738	\$ 91,242
	=====	=====

STOCKHOLDERS' EQUITY  
-----

Stockholders' equity:		
Preferred stock, \$.01 par value; 10,000,000 shares authorized, no shares issued and outstanding	\$ -	\$ -
Common stock, \$.01 par value; 50,000,000 shares authorized, 1,788,756 shares issued and outstanding	17,888	17,888
Additional paid-in capital	2,054,400	2,054,400
Accumulated deficit (including \$611,585 deficit accumulated during the development stage)	(1,976,550)	(1,981,046)
	-----	-----
Total stockholders' equity	\$ 95,738	\$ 91,242
	=====	=====

See accompanying notes.

COGENCO INTERNATIONAL, INC.  
(A Development Stage Company)  
STATEMENT OF OPERATIONS

For the Three Months Ended June 30, 1998 and 1999 and Cumulative Amounts  
from Inception of the Development Stage (July 26, 1990) Through June 30, 1999  
(Unaudited)

	Three Months Ended 1998	June 30 1999	Cumulative amounts from Inception
	----	----	-----
<b>Revenues:</b>			
Interest income	\$ 1,137	\$ 1,054	\$ 34,071
<b>Costs and expenses:</b>			
Legal fees - related party (Note 3)	5,760	1,460	162,253
Consulting and travel expenses - related party	7,515	-	152,380
Dry hole costs (Note 3)	-	-	123,086
General and administration	3,136	3,965	205,243
Depreciation	195	125	2,694
	-----	-----	-----
Total costs and expenses	16,606	5,550	645,656
	-----	-----	-----
Net loss (Note 2)	\$(15,469)	\$(4,496)	\$(611,585)
	=====	=====	=====
Basic and diluted loss per common share	\$ (0.01)	*	\$ (0.47)
	=====	=====	=====
Weighted average number of common shares outstanding	1,788,756	1,788,756	1,298,866
	=====	=====	=====

\* Less than \$.01 per share

See accompanying notes.

2

<TABLE>

COGENCO INTERNATIONAL, INC.  
(A Development Stage Company)  
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)  
For the Three Months Ended June 30, 1999  
(Unaudited)

<CAPTION>

	Common stock Shares	Amount	Additional paid-in capital	Accumulated deficit	Total stockholders' equity
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
Balance at March 31, 1999	1,788,756	\$ 17,888	\$2,054,400	\$ (1,976,550)	\$95,738
Net loss for the three months ended June 30, 1999	-	-	-	(4,496)	(4,496)
	-----	-----	-----	-----	-----
Balance, June 30, 1999	1,788,756	\$ 17,888	\$2,054,400	\$ (1,981,046)	\$91,242
	=====	=====	=====	=====	=====

</TABLE>

See accompanying notes.

COGENCO INTERNATIONAL, INC.  
(A Development Stage Company)  
STATEMENT OF CASH FLOWS

For The Three Months Ended June 30, 1998 and 1999 and Cumulative Amounts  
from Inception of the Development Stage (July 26, 1990) Through June 30, 1999  
(Unaudited)

	Three Months Ended June 30, 1998	1999	Cumulative amounts from Inception
	-----	-----	-----
Cash flows from operating activities:			
Net loss	\$ (15,469)	\$ (4,496)	\$ (611,585)
Adjustment to reconcile net loss to net cash used in operating activities:			
Depreciation expense	195	125	2,694
Consulting fees paid directly by common stock purchasers	-	-	50,000
Increase in interest receivable	(440)	-	-
Increase in accounts payable	3,930	-	4,997
	-----	-----	-----
Net cash used in operations	(11,784)	(4,371)	(553,894)
Cash flows from investing activities:			
Purchase of certificate of deposit	(100,000)	-	-
Purchase of computer equipment	-	-	(3,572)
	-----	-----	-----
Net cash used in investing activities	(100,000)	-	(3,572)
Cash flows from financing activities:			
Proceeds from sale of common stock	-	-	647,800
Short-term borrowings	-	-	100,000
Repayments of short-term borrowings	-	-	(100,000)
	-----	-----	-----
Net cash provided by financing activities	-	-	647,800
	-----	-----	-----
Net increase (decrease) in cash	(111,784)	(4,371)	90,334
Cash and cash equivalents at beginning of year	117,617	94,735	30
	-----	-----	-----
Cash and cash equivalents at end of year	\$ 5,833	\$ 90,364	\$ 90,364
	=====	=====	=====

See accompanying notes.

COGENCO INTERNATIONAL, INC.  
(A Development Stage Company)  
NOTES TO UNAUDITED FINANCIAL STATEMENTS  
June 30, 1999

1. Basis of presentation

The accompanying financial statements have been prepared by the Company, without audit. In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting of only normal recurring accruals) necessary for a fair presentation of the financial position as of March 31, 1999 and June 30, 1999, and the results of operations and cash flows for the periods ended June 30, 1998 and 1999.

Concentration of credit risk:

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash. The Company places its cash with high quality financial institutions, which deposits are insured up to \$100,000 per institution by the Federal Deposit Insurance Corporation (FDIC).

2. Income taxes

No provision for income taxes is required at March 31, 1999 and June 30, 1999 because, in management's opinion, the effective tax rate for the years will be zero.

As of March 31, 1999 and June 30, 1999, total deferred tax assets and valuation allowance are as follows:

	March 31, 1999 ----	June 30, 1999 ----
Deferred tax assets resulting from loss carryforward	\$ 237,000	\$ 239,000
Valuation allowance	(237,000)	(239,000)
	-----	-----
	\$ -	\$ -
	=====	=====

3. Related party transactions

For the period of inception of the development stage to June 30, 1999, the Company incurred legal costs of \$88,221, from a law firm which was formerly a principal stockholder. A former principal of that law firm is a relative of an officer and director of the Company.

For the three months ended June 30, 1998, and 1999, and from inception of the development stage, the Company incurred legal costs of \$5,760, \$1,460 and \$74,032, respectively, from a law firm in which a principal of the law firm is a relative of an officer and director of the Company.

During the three months ended June 30, 1998, the Company reimbursed travel expenses of \$7,515 to the Company's president.

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

Material Changes in Financial Condition

At June 30, 1999, the Company had working capital of \$91,242 as compared to working capital of \$95,738 on March 31, 1999. The decrease is attributable primarily to a net operating loss for the three month period of \$4,496. This was caused principally by costs and expenses consisting of legal fees of \$1,460, accounting fees of \$3,275, miscellaneous expenses of \$815 with minimal offsetting interest and miscellaneous income of \$1,054. No charges have been made for management of the Company for the three month period ended June 30, 1999 since the officers of the Company waived any management fees payable by the Company. No charge has been made for rent, since the cost would be minimal. The Company expects to continue incurring expenses for seeking and evaluating business prospects until it acquires or participates in a business opportunity. Since the Company became inoperative in 1988, its management has been seeking an appropriate acquisition candidate to acquire.

Material Changes in Results of Operations

The Company is not operating in any business at this time but is continuing to seek out business opportunities and, if appropriate financing is obtained,

will operate in the oil and gas business. It is anticipated that the Company will continue to incur losses in the near future.

Management has considered the impact of the year 2000 on its operations and believes that some of its software and hardware may not be year 2000 compliant. The Company intends to upgrade its hardware and software, as necessary to achieve year 2000 compliance. Management does not believe the costs to upgrade the Company's hardware and software will have a material effect on the results of operations.

PART II

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits

Exhibit 27 - Financial Data Schedule

B. Reports on Form 8-K

During the quarter ended June 30, 1999, the Registrant has filed no reports on Form 8-K.

6

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 26, 1999

/s/ David W. Brenman

-----  
David W. Brenman, President

7

<TABLE> <S> <C>

<ARTICLE>

5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE REGISTRANT'S FORM 10-QSB FOR THE QUARTER ENDED June 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY TO SUCH FORM 10-QSB.

</LEGEND>

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	Mar-31-1999
<PERIOD-START>	Apr-01-1999
<PERIOD-END>	Jun-30-1999
<CASH>	90,364
<SECURITIES>	0
<RECEIVABLES>	0
<ALLOWANCES>	0
<INVENTORY>	0
<CURRENT-ASSETS>	90,364
<PP&E>	3,572
<DEPRECIATION>	(2,694)
<TOTAL-ASSETS>	91,242
<CURRENT-LIABILITIES>	0
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	17,888
<OTHER-SE>	73,354
<TOTAL-LIABILITY-AND-EQUITY>	91,242
<SALES>	0
<TOTAL-REVENUES>	1,054
<CGS>	0
<TOTAL-COSTS>	0
<OTHER-EXPENSES>	5,550
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	0
<INCOME-PRETAX>	(4,496)
<INCOME-TAX>	0
<INCOME-CONTINUING>	(4,496)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(4,496)
<EPS-BASIC>	(0.00)
<EPS-DILUTED>	(0.00)



</TABLE>