

IONATRON, INC.
Form 10-Q
November 09, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2007

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 001-14015

IONATRON, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or
Organization)

77-0262908
(IRS Employer Identification
Number)

3716 East Columbia Street, Suite 120
Tucson, Arizona
(Address of Principal Executive Offices)

85714
(Zip Code)

Registrant's telephone number, including area code (520) 628-7415

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)
Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. As of November 7, 2007, there were 79,590,469 shares of the issuer's common stock, par value \$.001 per share, outstanding.

IONATRON, INC.
September 30, 2007

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PART I FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

IONATRON, INC.
CONSOLIDATED BALANCE SHEETS

	September 30, 2007	December 31, 2006
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 16,942,067	\$ 22,123,792
Accounts receivable - net	1,877,469	640,082
Inventory	1,455,220	2,832,752
Securities available-for-sale	8,500,000	8,500,000
Prepaid expenses and deposits	186,156	639,728
Other receivables	1,237	2,918
Total current assets	28,962,149	34,739,272
Property and equipment - net	1,776,758	2,205,278
Other assets	34,516	72,776
Intangible assets - net	98,400	135,300
TOTAL ASSETS	\$ 30,871,823	\$ 37,152,626
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable - net	\$ 1,259,451	\$ 570,572
Accrued expenses	411,785	638,925
Accrued compensation	764,339	818,779
Customer deposits	492,877	284,279
Current portion of capital lease obligations	17,413	46,974
Total current liabilities	2,945,865	2,359,529
Capital lease obligations	4,491	30,536
Deferred rent	125,034	112,641
Total liabilities	3,075,390	2,502,706
Commitments and contingencies		
Stockholders' equity		
Series A Convertible Preferred stock, \$.001 par value, 2,000,000 shares authorized and 690,000 shares issued and outstanding at September 30, 2007 and December 31, 2006.	690	690
Common stock, \$.001 par value, 125,000,000 shares authorized; 79,189,151 shares issued and outstanding at September 30, 2007 and 78,171,267 shares issued and outstanding at December 31, 2006	79,189	78,171
Additional paid-in capital	64,296,743	60,488,633
Accumulated deficit	(36,580,189)	(25,917,574)
Total stockholders' equity	27,796,433	34,649,920
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 30,871,823	\$ 37,152,626

See accompanying notes to consolidated financial statements (unaudited)

IONATRON, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended September 30,	
	2007	2006
Revenue	\$ 3,608,584	\$ 1,537,314
Cost of revenue	4,143,906	1,539,077
Gross loss	(535,322)	(1,763)
Operating expenses:		
General and administrative	4,348,838	2,492,610
Selling and marketing	76,340	144,522
Research and development	548,895	967,850
Total operating expenses	4,974,073	3,604,982
Operating loss	(5,509,395)	(3,606,745)
Other (expense) income		
Interest expense	(453)	(2,122)
Interest income	341,872	255,093
Other	-	500
Total other	341,419	253,471
Loss before provision for income taxes	(5,167,976)	(3,353,274)