

Edgar Filing: Casita Enterprises, Inc. - Form 10-Q

Casita Enterprises, Inc.
Form 10-Q
August 13, 2008

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

FORM 10-Q

Quarterly Report under Section 13 or 15 (d) of
Securities Exchange Act of 1934

For the Period ended June 30, 2008

Commission File Number 333-147104

CASITA ENTERPRISES, INC.
(Exact name of Registrant as specified in its charter)

Nevada
(State of Incorporation)

20-8457250
(IRS Employer ID Number)

1093 East Main Street, Suite 508
El Cajon, CA 92021
(775) 352-4133

(Address and telephone number of principal executive offices)

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, a non-accelerated filer or a smaller reporting company.

Large accelerated filer ☐

Accelerated Filer ☐

Non-accelerated filer ☐

Smaller reporting company ☒

(Do Not Check if a Smaller Reporting Company)

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

The number of registrant's shares of common stock, \$0.001 par value, outstanding as of August 8, 2008 was 9,000,000.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Casita Enterprises Inc.
(A Development Stage Company)
Balance Sheet

June 30,
2008

ASSETS

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CURRENT ASSETS	
Cash	\$ 4,616

Total Current Assets	4,616

TOTAL ASSETS	\$ 4,616
	=====
LIABILITIES & STOCKHOLDERS' EQUITY	
LIABILITIES	
Accounts Payable	\$ --
Loan Payable - Director	3,645

TOTAL LIABILITIES	3,645

STOCKHOLDERS' EQUITY	
Common Stock; 50,000,000 shares authorized; par value \$.001 9,000,000 shares issued and outstanding at June 30, 2008	9,000
Additional Paid-in Capital	27,000
Deficit accumulated during the Development Stage	(35,029)

TOTAL STOCKHOLDERS' EQUITY	971

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,616
	=====

See accompanying notes to the financial statements

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CASITA ENTERPRISES INC.
(A Development Stage Company)
Statement of Operations

	Three months ended June 30, 2008	Three months ended June 30, 2007	Six months ended June 30, 2008	February 1 through June 30, 2007
	-----	-----	-----	-----
REVENUES				
Revenues	\$ --	\$ --	\$ --	\$ --
	-----	-----	-----	-----
TOTAL REVENUES	--	--	--	--
OPERATING EXPENSE				
Administrative Expense	(13,592)	(3,445)	(21,471)	(3,445)
	-----	-----	-----	-----
NET (LOSS)	\$ (13,592)	\$ (3,445)	\$ (21,471)	\$ (3,445)
	=====	=====	=====	=====

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Basic and Diluted (loss) per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
	=====	=====	=====	=====
Weighted average number of common shares outstanding	9,000,000	2,500,000	8,765,000	1,569,000
	=====	=====	=====	=====

See accompanying notes to the financial statements

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CASITA ENTERPRISES INC.
(A Development Stage Company)
Statement of Cash Flows

	Six months ended June 30, 2008 -----	February 12, 2007 through June 30, 2007 -----
CASH FLOW FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (21,471)	\$ (3,445)
Changes in operating assets & liabilities		
Loan payable from Director	--	--
Accounts Payable	(2,000)	75
	-----	-----
Net cash (used in) operating activities	(23,471)	(3,370)
CASH FLOW FROM INVESTING ACTIVITIES		
Net cash provided by (used in) investing activities	--	--
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	16,000	10,000
	-----	-----
Net cash provided by financing activities	16,000	10,000
Net increase in cash	(7,471)	6,630
Cash at beginning of period	12,087	--
	-----	-----
Cash at end of period	\$ 4,616	\$ 6,630
	=====	=====

See accompanying notes to the financial statements

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CASITA ENTERPRISES, INC.
(A Development Stage Company)
Notes to Financial Statements
June 30, 2008

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NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Casita Enterprises, Inc. (the Company) was incorporated under the laws of the State of Nevada on February 12, 2007. The Company was formed to provide IT services to small businesses. The Company is in the development stage. Its activities to date have been limited to capital formation, organization, development of its business plan and raising capital to implement its plan. The Company has not commenced operations.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Company's financial statements are prepared using the accrual method of accounting and have been prepared in accordance with accounting principles generally accepted in the United State. The Company has elected a December 31, year-end.

These interim financial statements for the three and six month periods ended June 30, 2008 and 2007, and for the period from February 12, 2007 (inception) to June 30, 2008, are not audited. These financial statements reflect all adjustments that, in the opinion of management, are necessary to present fairly the results of operations for the interim periods presented. All adjustments are of a normal recurring nature, unless otherwise disclosed. The Company suggests that these financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2007. The results of operations for the three and six month periods ended June 30, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008.

B. BASIC AND DILUTED EARNINGS PER SHARE

In February 1997, the FASB issued SFAS No. 128, "Earnings Per Share", which specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. SFAS No. 128 supersedes the provisions of APB No. 15, and requires the presentation of basic earnings (loss) per share and diluted earnings (loss) per share. The Company has adopted the provisions of SFAS No. 128 effective February 12, 2007 (inception).

Basic net loss per share amounts is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted earnings per share are the same as basic earnings per share due to the lack of dilutive items in the Company.

C. CASH EQUIVALENTS

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At June 30, 2008, the Company did not have any cash equivalents.

D. STOCKHOLDERS' EQUITY

The Company accounts for stock transactions with nonemployees based on the fair value of the consideration received. Stock transactions with employees are accounted for based on the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more readily determinable.

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June 30, 2008

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. USE OF ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. INCOME TAXES

Income taxes are provided in accordance with Statement of Financial Accounting Standards No. 109 (SFAS 109), Accounting for Income Taxes. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carryforwards.

Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

G. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash deposits. This cash is on deposit with a large federally insured bank. The Company has not experienced any losses in cash balances and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

H. RECENT ACCOUNTING PRONOUNCEMENTS

The Company does not expect any recent accounting pronouncements to have a material impact on its financial statements.

NOTE 3. GOING CONCERN

The accompanying financial statements are presented on a going concern basis. The Company had no revenues during the period from February 12, 2007 (inception) to June 30, 2008 and has a deficit accumulated during the development stage as of June 30, 2008 of \$35,029. This condition raises substantial doubt about the Company's ability to continue as a going concern. Management's plans are to raise funds through debt or equity offerings, to fund its operations over the next twelve months.

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CASITA ENTERPRISES, INC.
(A Development Stage Company)
Notes to Financial Statements
June 30, 2008

NOTE 4. RELATED PARTY TRANSACTIONS

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On March 6, 2007, the Company issued 2,500,000 shares of common stock to its President and sole Director for \$10,000.

While the company was seeking additional capital, the director advanced funds to the company to pay for organizational costs and other expenses incurred. These funds are interest free with no specific terms of repayment. The balance due the director on June 30, 2008 was \$3,645.

NOTE 5. INCOME TAXES

	As of June 30, 2008

Deferred tax assets:	
Net operating loss carryforwards	\$ 35,029
Other	0

Gross deferred tax assets	11,910
Valuation allowance	(11,910)

Net deferred tax assets	\$ 0
	=====

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carryforwards are expected to be available to reduce taxable income. As the achievement of required future taxable income is uncertain, the Company has recorded a valuation allowance for the full amount of the deferred tax asset related to the net operating loss carryforward.

NOTE 6. NET OPERATING LOSSES

As of June 30, 2008, the Company has a net operating loss carryforward of approximately \$35,029. The net operating loss carryforward begins to expire twenty years from the date the loss was incurred.

NOTE 7. STOCKHOLDERS' EQUITY

On March 9, 2007 the Company issued a total of 2,500,000 shares of common stock to the sole director for cash at \$0.004 per share for a total of \$10,000.

On July 25, 2007 the Company issued a total of 2,500,000 shares of common stock to 4 investors for cash at \$0.004 per share for a total of \$10,000 (625,000 shares each for \$2,500).

In January 2008 the Company completed an offering of 4,000,000 shares of common stock. The shares were sold at \$0.004 per share for a total of \$16,000.

The stockholders' equity section of the Company contains the following classes of capital stock as of December 31, 2007:

- * Common stock, \$0.001 par value: 50,000,000 shares authorized; 9,000,000 shares issued and outstanding.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, the industry in which we operate and other matters, as well as management's beliefs and

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assumptions and other statements regarding matters that are not historical facts. These statements include, in particular, statements about our plans, strategies and prospects. For example, when we use words such as "projects," "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "should," "would," "could," "will," "opportunity," "potential" or "may," variations of such words or other words that convey uncertainty of future events or outcomes, we are making forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (Securities Act) and Section 21E of the Securities Exchange Act of 1934 (Exchange Act). Our forward-looking statements are subject to risks and uncertainties. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors.

These and other risks and uncertainties that could affect our actual results are discussed in this report and in our other filings with the SEC, particularly in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2007 in the section entitled "Risk Factors."

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, events, levels of activity, performance, or achievements. We do not assume responsibility for the accuracy and completeness of the forward-looking statements other than as required by applicable law. We do not undertake any duty to update any of the forward-looking statements after the date of this report to conform them to actual results, except as required by the federal securities laws.

OVERVIEW

Casita Enterprises, Inc. plans to market and sell its computer installations and maintenance services to small and medium-sized businesses. Our mission is to provide computer network services to businesses seeking a solution for installing and maintaining their computer systems. Information Technology (IT) refers to multiple products and services that turn data into useful, meaningful, accessible information. The Information Technology industry has three main components: computer hardware, software, and services. Large companies often have sophisticated IT departments to install, manage, and maintain their computer networks. Small and medium-sized businesses often find developing an in-house IT department to be prohibitively expensive, and a full time staff unnecessary. They are, however, in need of qualified computer technicians. We intend to provide our clients with outsource IT services and computer network installations.

For 2008 our operational goals include:

While working to implement our business plan, we have relied upon our director to loan funds required to maintain our startup operations. Our director is now considering outside sources of funding to replace the funding provided by our director. During our current year, as we seek additional funding, we intend to

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reduce the level of our operations in order to maintain our cash flow and incur a lower level of expenses until more financial resources are available. We plan to seek funds through sales of our equity securities or through outside debt.

When we have sufficient funding, we plan to hire two IT technical service personnel that our director has now located in order to meet our company's technical personnel skill requirements. We plan to purchase computer service equipment as soon as we hire service personnel. Based upon our ability to find competent service personnel, we believe we will be able to offer our IT services to business customers by the end of this year.

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We currently pay our president a management fee of \$450 per month which also includes the use of his existing shop area of approximately 700 square feet. We estimate our total costs and expenses for 2008 to be: \$4,500 for officer salary and use of shop space, employee costs for two salaries of IT service technicians \$6,000, purchase of furniture and equipment \$2,100, telephone & utilities \$2,000, costs of website and marketing \$2,100, auto fuel and maintenance \$1,300. Based upon these estimates for the coming year, total cost of operations will be approximately \$18,000.

We will only be able to begin delivering bids for IT services to business customers after hiring our service technicians. We anticipate we will be successful in winning enough bids for IT services to begin providing IT services by December 2008. After completing IT services and invoicing our customers, we anticipate receiving revenues from our customers' payments to us during the first quarter of 2009. Our budgeted costs and projected sales are estimates based upon our president's past experience in this same type of business. Our president has verbally agreed to loan the company interest free funds in the event we have a shortfall in operating capital in our start-up phase during the next twelve months. This potential cash shortfall has been taken into account by our president in his estimates of costs necessary to begin our operations, and maintain enough positive cash flow during the time needed to assemble job bids, submit bids, win bids, provide customers services, invoice customers, and receive payment from customers. Our president has the experience to know that while all of these service sales steps necessary to finally collect payment from customers are based upon reasonable time estimates, we must be prepared for the reality of delays in the actual receipt of customer payments.

LIQUIDITY AND CAPITAL RESOURCES

Our cash balance at June 30, 2008 was \$4,616. We believe our existing cash balance will only be sufficient to fund our operations for the next twelve months if our director continues to loan funds to us. Our director has loaned the company \$3,645 and has agreed to loan the company funds as needed. The loan is non-interest bearing and has no specific terms of repayment. In the event our director does not provide such funding if it becomes necessary our business may fail and investors will likely lose their money. We are a development stage company and have generated no revenue to date. We have sold \$36,000 in equity securities to pay for our operations.

RESULTS OF OPERATIONS

We have generated no revenues since inception and have incurred \$35,029 in expenses from inception (February 12, 2007) through June 30, 2008. For the three

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month periods ended June 30, 2008 and 2007 we incurred \$13,592 and \$3,445 in expenses. These costs consisted of operating and administrative expenses.

The following table provides selected financial data about our company for the period ended June 30, 2008.

Balance Sheet Data:	6/30/08
-----	-----
Cash	\$4,616
Total assets	\$4,616
Total liabilities	\$3,645
Shareholders' equity	\$ 971

In March 2007, our director purchased 2,500,000 shares of common stock for \$10,000. In July 2007, four non-affiliated investors purchased 2,500,000 shares

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of common stock for a total of \$10,000. In January 2008, we successfully completed an offering of 4,000,000 shares of our common stock to forty non-affiliated investors for total proceeds of \$16,000.

Our cash balance has been materially reduced this year. We will need additional funds which we plan to raise through sales of our equity securities and loans from banks or third parties to continue our business plan. No assurances can be given that we will be able to raise additional funds to satisfy our financial requirements. At some point, even with reduced operations, we may determine we our business operations will cease due to a lack of financial resources. We may look for other potential business opportunities that might be available to us. There are no assurances that we will find other business opportunities, or find business opportunities that meet our goals, or that we will have financial resources required to take advantage of any possible business opportunities.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Our management team, under the supervision and with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act, as of the last day of the fiscal period covered by this report, June 30, 2008. The term disclosure controls and procedures means our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include,

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without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our principal executive officer and our principal financial officer concluded that, as of June 30, 2008, our disclosure controls and procedures were effective at a reasonable assurance level.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting during the fiscal quarter ended June 30, 2008 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

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There have been no material changes to the risks to our business described in our Annual Report on Form 10-K for the year ended December 31, 2007 filed with the SEC on March 27, 2008.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

Exhibit No. -----	Exhibit -----	Incorporated by Reference or Filed Herewith -----
3.1	Articles of Incorporation	Incorporated by reference to the Registration Statement on Form SB-2 filed with the SEC on 11/2/07, File No. 333-147104
3.2	Bylaws	Incorporated by reference to the Registration Statement on Form SB-2 filed with the SEC on 11/2/0707, File No. 333-147104
31.1	Section 302 Certification of Chief Executive Officer	Filed herewith
31.2	Section 302 Certification of Chief Financial Officer	Filed herewith
32	Section 906 Certification of Chief Executive Officer and Chief Financial Officer	Filed herewith

SIGNATURES

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

Casita Enterprises, Inc. (Registrant)

/s/ Jose Cisneros

Jose Cisneros
(Principal Executive Officer, Principal Financial Officer,

August 12, 2008

Date

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Principal Accounting Officer & Sole Director)