

CORDIA CORP
Form 10QSB
August 15, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 Exchange Act

For the transition period from _____ to _____.

Commission File Number:

CORDIA CORPORATION

(Exact Name of Small Business Issuer as Specified in Its Charter)

Nevada

11-2917728

(State or Other Jurisdiction of (I.R.S. Employer Identification No.)

Incorporation or Organization)

2500 Silverstar Road, Suite 500, Orlando, Florida 32804

(Address of Principal Executive Offices)

866-777-7777

(Issuer's Telephone Number, Including Area Code)

APPLICABLE ONLY TO ISSUERS INVOLVED IN
BANKRUPTCY PROCEEDINGS DURING THE
PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

As of August 5, 2005, there were 4,607,210 shares of the issuer's common stock outstanding.

Transitional Small Business Disclosure Format (check one):

Yes No

CORDIA CORPORATION

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Item 1. Financial Statements.**CORDIA CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

ASSETS	June 30, <u>2005</u> (unaudited)	December 31, <u>2004</u>
Current Assets		
Cash and cash equivalents	\$ 265,357	\$ 300,119
Cash - restricted	1,361,057	-
Accounts receivable, less allowance for doubtful accounts of \$2,945,674 (2005) and \$627,158 (2004)	6,007,769	4,423,423
Prepaid expenses	572,309	324,420
Accrued usage receivable	285,000	263,014
TOTAL CURRENT ASSETS	8,491,492	5,310,976
Property and equipment, at cost		
Office and computer equipment	456,569	236,597
Computer software	260,977	-
Leasehold Improvements	113,693	-
	831,239	236,597
Less: Accumulated depreciation/amortization	(147,962)	(59,182)
NET PROPERTY AND EQUIPMENT	683,277	177,415
Other Assets		
Security deposits	129,814	59,064
TOTAL ASSETS	\$9,304,548	\$5,547,455
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	\$2,774,926	\$3,316,121
Accrued expenses	3,717,023	2,154,910

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Unearned income	1,257,714	867,728
Loans payable - other	57,000	57,000
TOTAL CURRENT LIABILITIES	7,806,663	6,395,759
Noncurrent Liabilities		
Deferred rent	4,260	2,840
Commitments and Contingencies		
Stockholders' Equity (Deficit)		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized,		
1,500,000 shares issued and outstanding	1,500	-
Common stock, \$0.001 par value; 100,000,000 shares authorized,		
4,607,210 (2005) and 4,541,210 (2004) shares issued and outstanding	4,607	4,541
Additional paid-in capital	5,304,937	3,660,087
Accumulated deficit	(3,721,386)	(4,459,774)
	1,589,658	(795,146)
Less: Treasury stock, at cost, 117,694 (2005) and 77,694 (2004) common shares	(95,998)	(55,998)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	1,493,660	(851,144)
	\$	\$
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	9,304,548	5,547,455

See notes to condensed consolidated financial statements.

CORDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Six Months Ended June 30,		Three Months Ended June 30,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues				
	\$	\$		\$
Telecommunications Revenue	18,937,569	3,397,671	\$ 9,808,379	1,818,242
Other	374,713	315,716	210,079	126,713
	19,312,282	3,713,387	10,018,458	1,944,955
Operating Expenses				
Resale and Wholesale Line Charges	10,003,113	1,598,381	4,978,400	802,611
Sales and Marketing	2,166,126	648,331	1,291,893	342,016
Provision for Doubtful Accounts	2,309,399	69,711	1,237,459	57,561
General and Administrative	3,877,426	1,522,650	2,015,916	743,543
Depreciation	88,780	18,032	55,761	9,012
	18,444,844	3,857,105	9,579,429	1,954,743
Operating Income (Loss)	867,438	(143,718)	439,029	(9,788)
Other Income (Expenses)				
Other expenses	(14,466)	(1,255)	(9,935)	(1,100)
Interest income (expense)	7,830	(5,746)	8,878	(2,705)
	(6,636)	(7,001)	(1,057)	(3,805)

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Net Income (Loss)	\$860,802	(\$150,719)	\$437,972	(\$13,593)
Basic Income (Loss) per share	\$0.19	(\$0.03)	\$0.10	\$ -
Weighted Average Common Shares Outstanding	4,504,890	4,968,577	4,503,254	4,534,512
Diluted Income (Loss) per share	\$0.14	(\$0.03)	\$0.07	\$ -
Weighted Average Common and Common Equivalent Shares Outstanding	5,943,675	4,968,577		