NORTHSTAR ELECTRONICS INC
Form 10-Q
May 20, 2009

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2009

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM N/A to N/A

333-90031
Commission file number

NORTHSTAR ELECTRONICS, INC.
Exact name of small business issuer as specified in its charter

DELAWARE
State or other jurisdiction of organization
#33-0803434
IRS Employee incorporation or Identification No.

SUITE # 410- 409 GRANVILLE STREET,
VANCOUVER, BRITISH COLUMBIA, CANADA V6C 1T2
Address of principal executive offices

(604) 685-0364
Issuer's telephone number

NOT APPLICABLE
Former name, former address and former fiscal year, if changed since last report

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 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[ ]

Indicate by check mark whether the registrant is a large 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 [X]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 [X]No

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[] Not Applicable

Applicable only to corporate issuers

State the number of shares outstanding of each of the issuer's classes of common equity, as

of the latest practicable date.
COMMON SHARES AS OF MAY 1, 2009: 30,380,780

Transitional Small Business Disclosure Format (check one):
Yes[] No[X]

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NORTHSTAR ELECTRONICS, INC. Consolidated Financial Statements

UNAUDITED - PREPARED BY MANAGEMENT

NORTHSTAR ELECTRONICS, INC.
Consolidated Balance Sheets - U.S. Dollars

	March 31 2009 UNAUDITED	December 31 2008 Audited
ASSETS		
Current		
Cash and cash equivalents	$ 69,264	$ 210,348
Accounts receivable	355,004	347,798
Inventory - work in process	193,099	85,732
Investment tax credits receivable	25,376	33,317

Prepaid expenses	48,233	48,037
Total Current Assets	690,976	725,232
Pre contract costs	294,728	330,223
Intangible asset	15,860	16,332
Equipment	49,798	48,972
Total Assets	$1,051,362	$1,120,759
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$1,441,275	$1,453,259
Loans payable	136,937	142,422
Deferred revenue	85,707	59,839
Due to Cabot Management Limited	43,221	44,507
Due to Directors	987,254	952,084
Current portion of long term debt	643,542	497,170
Total Current Liabilities	3,337,936	3,149,281
Long term debt	1,320,060	1,516,988
Total Liabilities	4,657,996	4,666,269
Going Concern (note 1), Contingencies (note 5)		
STOCKHOLDERS' EQUITY		
Authorized		
100,000,000 shares of common stock with a par value of $0.0001 each		
20,000,000 shares of preferred stock with a par value of $0.0001 each		
Issued and outstanding		
30,280,780 shares of common stock (29,960,370 December 31, 2008)	3,029	2,997
Nil shares of preferred stock	-	-
Subscribed - 110,100 preferred series A (51,600 December 31, 2008)	110,100	51,600
Additional paid in capital	4,985,607	4,954,639
Cumulative other comprehensive income (loss)	151,249	88,935
Deficit	(8,856,619)	(8,643,681)
Total Stockholders' Equity (Deficit)	(3,606,634)	(3,545,510)
Total Liabilities and Stockholders' Equity	$1,051,362	$1,120,759

See notes to the consolidated financial statements

NORTHSTAR ELECTRONICS, INC.
Consolidated Statements of Operations
Three Months Ended March 31, 2009 and 2008
Unaudited
U.S.Dollars

	2009	2008
Revenue - note 4	$488,034	$423,545
Cost of goods sold	318,376	224,352
Gross margin	169,658	199,193
Other income	12,442	8,889

	182,100	208,082
Expenses		
Salaries	175,510	307,040
Financial consulting	5,000	0
Finance fees	1,000	49,500
Professional fees	6,126	22,232
Management and administration fees	48,090	0
Research and development	0	0
Advertising and marketing	6,051	16,816
Rent	33,064	32,210
Investor relations	12,500	10,650
Office	20,153	27,320
Travel and business development	12,445	48,165
Interest on debt	78,717	19,296
Telephone and utilities	7,257	14,354
Amortization	3,134	5,134
Bank charges and interest	379	1,919
Foreign exchange	(14,797)	191
Transfer agent	409	344
	395,038	555,171
Net (loss) for period	$(212,938)	$(347,089)
Net (loss) per share	$ (0.01)	$ (0.01)
Weighted average number of shares outstanding	30,129,316	27,814,333

See notes to the consolidated financial statements

NORTHSTAR ELECTRONICS, INC.
Consolidated Statement of Changes in Stockholders' Equity
Three Months Ended March 31, 2009
Unaudited
U.S. Dollars

	Shares	Amount	Additional Paid in Capital	Other Comprehensive Income	Accumulated Deficit	Total (De
Balance December 31, 2008	29,960,370	$2,997	$4,954,639	$88,935	$(8,643,681)	$(3,
Net loss for three months	-	-	-	-	(212,938)	(2
Currency translation adjustment	-	-	-	62,314	-	
Issuance of common stock:						
- for debt	25,833	23	23,477	-	-	
- for cash	84,577	8	6,492	-	-	
- for services	10,000	1	999	-	-	

Balance March 31, 2009	30,280,780	$3,029	$4,985,607	$151,249	$(8,856,619)	$(3,
Series A shares of preferred stock - subscribed						
Total stockholders' equity (deficit)						$(3,

See notes to the consolidated financial statements

NORTHSTAR ELECTRONICS, INC.
Consolidated Statements of Cash Flows
Three Months Ended March 31, 2009 and 2008
Unaudited
U.S.Dollars

	2009	2008
Operating Activities		
Net income (loss)	$(212,938)	$(347,089)
Adjustments to reconcile net income (loss) to net cash used by operating activities		
Amortization	3,134	5,134
Issuance of common stock for services	24,500	68,227
Changes in operating assets and liabilities	(204,670)	166,989
Net cash (used) provided by operating activities	(389,974)	(106,739)
Investing Activities		
Property and equipment	(5,389)	(2,433)
Net cash (used) provided by investing activities	(5,389)	(2,433)
Financing Activities		
Issuance of common shares for cash (net of costs)	65,000	40,000
Increase (repayment) of long term debt	208,471	32,705
Advances from (repayment to) directors	(1,796)	26,812
Net cash (used) provided by financing activities	271,675	99,517
Effect of foreign exchange on translation	(17,395)	(5,433)
Inflow (outflow) of cash	(141,083)	(15,088)
Cash, beginning of period	210,348	34,053
Cash, end of period	$ 69,265	$ 18,965
Supplemental information		
Interest paid	$78,717	$19,296
Shares issued for services	$24,500	$68,227
Corporate income taxes paid	$ 0	$ 0

See notes to the consolidated financial statements

NORTHSTAR ELECTRONICS, INC.
Notes to Consolidated Financial Statements
Three Months Ended March 31, 2009
Unaudited
U.S. Dollars

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

These consolidated financial statements include the accounts of Northstar Electronics, Inc. ("the Company") and its wholly owned subsidiaries Northstar Technical Inc. ("NTI") and Northstar Network Ltd. ("NNL"). All inter-company balances and transactions are eliminated. The Company's business activities are conducted principally in Canada but these financial statements are prepared in accordance with accounting principles generally accepted in the United States with all figures translated into United States dollars for reporting purposes.

These unaudited consolidated interim financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States for interim financial information, are condensed and do not include all disclosures required for annual financial statements. The organization and business of the Company, accounting policies followed by the Company and other information are contained in the notes to the Company's audited consolidated financial statements filed as part of the Company's December 31, 2008 Form 10-K.

In the opinion of the Company's management, this consolidated interim financial information reflects all adjustments necessary to present fairly the Company's consolidated financial position at March 31, 2009 and the consolidated results of operations and the consolidated cash flows for the three months then ended. For the three months ended March 31, 2008, substantially all of the Company's revenues were generated from a contract with a subsidiary of a major US customer. The Company is continually marketing its services for follow on contracts.

The results of operations for the three months ended March 31, 2009 are not necessarily indicative of the results to be expected for the entire fiscal year. The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the three months to March 31, 2009 the Company incurred a net loss of $212,938 (year to December 31, 2008: $1,740,630) and at March 31, 2009 had a working capital deficiency (an excess of current liabilities over current assets) of $2,646,960 (December 31, 2008: $2,424,049), including $643,542 of long term debt due within one year (December 31, 2008: $497,170).

Management has undertaken initiatives for the Company to continue as a going concern: for example, the Company is negotiating to secure an equity financing in the short term and is in discussions with several financing firms. The Company also expects to increase revenues with existing contract sales and new opportunities resulting from prior period sales efforts. As an example, the Company received a US$2.05M contract during the period and has other opportunities closing in the following periods. These initiatives are in recognition that the Company to continue as a going concern must generate sufficient cash flow to cover its obligations and expenses. In addition, management believes these initiatives can provide the Company with a solid base for profitable operations, positive cash flows and reasonable growth. Management is unable to predict the results of its initiatives at this time. Should management be unsuccessful in its initiative to finance its operations the Company's ability to continue as a going concern is not certain. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

2. SHARE CAPITAL COMMON STOCK
3.
During the three months ended March 31, 2009 the following shares of common stock were issued:

For services: 10,000 shares fairly valued at $1,000 - the market value of those services

For cash: 84,577 shares fairly valued for cash of $6,500.

To settle accounts payable: 225,833 fairly valued at $23,500

PREFERRED STOCK
For cash: 110,100 series A shares of preferred stock for $110,100 (inclusive of 65,000 shares for $58,500 received during the three months ended March 31, 2009). The preferred shares bear interest at 10% per annum paid semi annually not in advance and are convertible to shares of common stock of the Company after two years from receipt of funds at a 20% discount to the then current market price of the Company's common stock. The preferred shares may be converted after six months and before two years under similar terms but with a 15% discount to market. At March 31, 2009 the Company had received $110,000 for 110,100 preferred shares.

4. LONG TERM DEBT

Balance owing December 31, 2008	$2,014,158
Increase in funding	208,471
Effect of foreign exchange on translation to US dollars	(259,027)
Balance due March 31, 2009	1,963,602
Less current portion	(643,542)
	$1,320,060

5. REVENUE

	Three months 2009	Three months 2008
Revenue consists of:		
Product sales	$ 0	$ 28,123
Contract sales	488,034	354,779
Government assistance	0	40,643
Other	12,442	8,889
	$ 500,476	$ 432,434

6. CONTINGENCIES

(i) The Company is a defendant in a lawsuit commenced against them in 1999 by their former master distributor. The former distributor has alleged that the Company interfered with the ability of the former distributor to sell products. The Company has filed a counter claim for monies owing by the former distributor to the Company. There has been no action from either side to date.

(ii) The Company is contingently liable to repay $1,997,144 in assistance received under the Atlantic Innovation Fund. The assistance is repayable annually at the rate of 5% of gross revenues from sales of products resulting from the Aquacomm research and development project. Gross revenues are to be calculated for the fiscal year immediately preceding the due date of the respective payment.

Repayment is to continue until the assistance is repaid in full. At March 31, 2009 the Company has accrued $44,157 as repayable.

7. NEW ACCOUNTING PRONOUNCEMENTS

In March 2008, the Financial Accounting Standards Board ("FASB") issued SFAS No. 161, "Disclosure about Derivative Instruments and Hedging Activities - An Amendment of FASB Statement No. 133 ("SFAS No. 161"). SFAS No. 161 requires additional disclosures about an entity's derivative and hedging activities in order to improve the transparency of financial reporting. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The adoption of SFAS No. 161 on January 1, 2009 did not have a material impact on the Company's financial position or results of operations.

In December 2007, the FASB issued SFAS No. 160, "Non-controlling Interests in Consolidated Financial Statements - an amendment of ARB No. 51" ("SFAS No. 160"). SFAS No. 160 requires that non-controlling (or minority) interests in subsidiaries be reported in the equity section of the company's balance sheet, rather than in a mezzanine section of the balance sheet between liabilities and equity. SFAS No. 160 also changes the manner in which the net income of the subsidiary is reported and disclosed in the controlling company's income statement. SFAS No. 160 also establishes guidelines for accounting for changes in ownership percentages and for deconsolidation. SFAS No. 160 is effective for financial statements for fiscal years beginning on or after December 1, 2008 and interim periods within those years. The Company adopted SFAS No. 160 effective January 1, 2009. The adoption of SFAS No. 160 did not have a material impact on the Company's financial position or results of operations.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations" ("SFAS No. 141(R)"). SFAS No. 141(R) replaces SFAS No. 141, "Business Combinations", but retains the requirement that the purchase method of accounting for acquisitions be used for all business combinations. SFAS No. 141(R) expands on the disclosures previously required by SFAS No. 141, better defines the acquirer and the acquisition date in a business combination, and establishes principles for recognizing and measuring the assets acquired (including goodwill), the liabilities assumed and any non-controlling interests in the acquired business. SFAS No. 141(R) also requires an acquirer to record an adjustment to income tax expense for changes in valuation allowances or uncertain tax positions related to acquired businesses. SFAS No. 141(R) is effective for all business combinations with an acquisition date in the first annual period following December 15, 2008. The Company adopted SFAS No. 141(R) effective January 1, 2009. The adoption of SFAS No. 141(R) did not have a material impact on the Company's financial position or results of operations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

The following discussion should be read in conjunction with the accompanying unaudited consolidated financial information for the three month periods ended March 31, 2009 and March 31, 2008 prepared by management and the audited consolidated financial statements for the twelve months ended December 31, 2008 as presented in the Form 10K as filed.

Although the Company has experienced a net loss this quarter, it continues to expend considerable effort securing additional contracts for the contract manufacture and assembly of military/government systems, submarine command and control consoles, multi mode fiber optic cables and precision machined parts and other components for defense systems. As previously indicated, a major contract was awarded from L3 Communications (MAPPS) Inc. for the delivery of new Machine Control Consoles over a 5 year period. This is significant for the Company as it demonstrates its ability to broaden its contract manufacturing customer base.

These consoles are for Halifax Class Frigates for the Canadian Navy.

Additional contracts, expected in the following period, will further demonstrate the Company's ability to continue to broaden its customer base and at the same time increasing contract revenues with existing customers. The Company believes that its overall business prospects look promising and anticipates increased revenues in the near to medium future.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this report and elsewhere (such as in other filings by the Company with the Securities and Exchange Commission ("SEC"), press releases, presentations by the Company of its management and oral statements) may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and "should," and variations of these words and similar expressions, are intended to identify these forward-looking statements. Actual results may materially differ from any forward-looking statements. Factors that might cause or contribute to such differences include, among others, competitive pressures and constantly changing technology and market acceptance of the Company's products and services. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements, which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

THE COMPANY'S SERVICES
The Company, through its subsidiaries, is an underwater sonar technology developer (USTD), a defense electronics contract manufacturer (CM) and a defense systems integrator (DSI).

UNDERWATER SONAR PRODUCTS AND TECHNOLOGIES
A) THE NETMIND SYSTEM
The Company's first underwater sonar product based on core technology is the NETMIND system. It's market is the world's commercial fishing industry and government oceanic research agencies. Our largest customers are the United States National Oceanic and Atmospheric Administration (NOAA) and US State Fishery & Research Institutes.

NETMIND is both a conservation tool as well as an efficiency tool. Electronic sensors attached to a fishing trawl measure the height and width of the net opening, the water temperature, the depth of the net and the volume of fish caught plus other parameters. The sensor information is transmitted via a wireless communications link back to the ship. Use of the equipment helps prevent over fishing and allows fishermen to catch fewer fish and still make profits. This gives regulators flexibility in reducing quotas when attempting to conserve limited fish stocks.

Sales decreased from the same period last year due to seasonal activity and reduction in expenditures in the industry due to uncertainty in fuel costs. Marketing efforts continued but on a more conservative, cost effective basis.

B) DEFENSE SONAR SYSTEMS
The Company is a subcontractor on Lockheed Martin's anti terrorism Swimmer Detection System (SDS). The SDS is a wide band high frequency sonar system designed specifically to detect and classify underwater terrorist threats. The Company, in collaboration with Lockheed Martin Canada, is also involved in the design of a wide band sonar projector. The design and technology is applicable to innovative military sonar products one of which the Company is developing for Lockheed Martin. The Company delivered the first Prototype unit under its Project X contract. A production contract for two additional prototype units is anticipated in the near future.

DEFENSE CONTRACT MANUFACTURING

The Company's wholly owned subsidiary, Northstar Network Ltd., continued work on the Master Purchase Order for the Wing Assembly Upgrade Component for the P-3 ORION aircraft from Lockheed Martin Aeronautics Inc. and essentially passed its first major milestone on the project with completion of First Article Inspections (FAI) for all orders and now moves onto the balance of the initial contracted aircraft. This work extends to the year 2012 and covers 48 aircraft. Significantly more aircraft are now available and although parts for 60 aircraft have been ordered, the number is expected to increase further in following quarters and discussions have been held regarding the impact of greater volumes of aircraft within the origianl timeframe. The Company is manufacturing components for new production service life extension kits for this Lockheed Martin Service Life Extension Program. These components will add more than 15,000 flying hours to each aircraft, representing 15 to 20 additional years of service for this critical maritime patrol and reconnaissance resource.

Another milestone undertaking was completed late in the period with the Company receiving a US$2.05M contract from L-3 Communications MAPPS Inc. for the manufacture of Machine Control Consoles for 12 Canadian Navy frigates. This contract relates to surface naval vessels and for another major defense sub-contractor company. The contract extends over five years.

SYSTEMS INTEGRATION

The Company developed its approach to securing and executing large defense contracts by bringing together affiliate companies. The overall affiliate capability, which is substantial, is presented to the prime contractors. Marketing efforts continue in this area to broaden our exposure for manufacturing opportunities. As an example of efforts, a 5 year contract for the manufacturing of compartment doors for Bombardier's 415 Water Bomber aircraft is anticipated in following quarters.

The aforementioned P3 ORION Master Purchase Order is an example of how Systems Integration works for us. In this project, six subcontractors carry out various tasks, with Northstar bringing all the component parts together for testing, quality control and delivery to the customer.

RESULTS OF OPERATIONS

Comparison of the three months ended March 31, 2009 with the three months ended March 31, 2008.

Revenue from sales for the three month period ended March 31, 2009 was $488,034 compared to $423,545 of revenue from sales recorded during the same period of the prior year. Gross profits decreased from $199,193 (47% of Sales) in the prior period to $169,658 (35% of Sales) in the current period. The gross profit percentage decreased due to financial constraints with operating capital required to process the backlog of orders. This situation is being remedied with the planned injection of operating capital in the following period.

The net loss for the three-month period ended March 31, 2009 was $212,938 compared to a net loss of $347,089 for the three months ended March 31, 2008. This reduction in loss will continue with increased capacity and operating capital. In addition, the Company has invested considerable resources in seeking out additional and future contract manufacturing opportunities and is confident that the efforts will return positive results to the Company over the remainder of 2009.

COMPARISON OF FINANCIAL POSITION AT MARCH 31,2009 WITH MARCH 31, 2008

The Company's working capital deficiency increased at March 31, 2009 to $2,646,960 with current liabilities of $3,337,936 which are in excess of current assets of

$690,976. At December 31, 2008 the Company had a working capital deficiency of $2,424,049.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have adopted various accounting policies that govern the application of accounting principles generally accepted in the United States of America in the preparation of our financial statements. Our significant accounting policies are described in the footnotes to our annual financial statements at December 31, 2008. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Although these estimates are based on our knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results. Certain accounting policies involve significant judgments and assumptions by us and have a material impact on our financial condition and results. Management believes its critical accounting policies reflect its most significant estimates and assumptions used in the presentation of our financial statements. Our critical accounting policies include revenue recognition, accounting for stock based compensation and the evaluation of the recoverability of long-lived and intangible assets. We do not have off-balance sheet arrangements, financings or other relationships with unconsolidated entities or other persons, also known as "special purpose entities".

LIQUIDITY AND CAPITAL RESOURCES

The Company has increased its shareholders' deficit as a result of its efforts to increase its business activity and customer base. Cash outflow for the first quarter ended March 31, 2009 was $(141,083) compared to an outflow of cash of $(15,088) in the comparative prior quarter March 31, 2008. In the quarter, the Company received $65,000 ($40,000 in the comparative prior quarter) from equity funding and received $208,000 (received $32,000 in the comparative quarter) long term debt leaving cash on hand at March 31, 2009 of $69,264 compared to cash on hand of $210,348 at December 31, 2008 and $18,965 at March 31, 2008. Until the Company attains revenues from existing and new contracts above its core base of expenditures, it will be dependent upon equity and loan financings to compensate for the outflow of cash anticipated from operations. As an example, with sufficient operating capital, the Company could have completed an additional $193,099 billing of revenue during the period.

The Company is preparing a private placement preferred share offering pursuant to Regulations D and S with the expectation of raising up to $5,000,000. Any funds so raised are targeted for contract financing, product development, facilities, marketing and general working capital. At this time, although small amounts have been received, no commitment for substantial funding has been made to the Company.

The Company's continued operations are dependent upon obtaining revenues from outside sources or raising additional funds through debt or equity financing

ITEM 3. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures

Based on the evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934) as of the date of this Quarterly Report on Form 10-QSB, our chief executive officer and chief financial officer has concluded that our disclosure controls and procedures are designed to ensure that the information we are required to disclose in the reports 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 and are operating in an effective manner.

(b) Changes in internal controls

There were no changes in our internal controls or in other factors that could affect these controls subsequent to the date of their most recent evaluation.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

No change since previous filing.

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

Options Granted	Date	Exercise Price	Expiry Date
Nil			

Warrants Issued
During the three month period ended March 31, 2009 the Company issued nil share purchase warrants.

Common Stock Issued	Date	Consideration
80,000	January, 2009	services valued at $6,000
155,833	February, 2009	services valued at $18,500
22,077	February, 2009	cash of $1,500
62,500	March, 2009	cash of $5,000

Preferred Stock Subscribed

65,000 series A shares, for cash of $58,500, convertible to shares of common stock - proceeds were used in working capital.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.
No change since previous filing.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.
No change since previous filing.
ITEM 5. OTHER INFORMATION.
No change since previous filing

ITEM 6. EXHIBITS
Exhibit 31.1 - CERTIFICATION SECTION 302

Exhibit 32.1 CERTIFICATION SECTION 906

SIGNATURES
In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

May 14, 2008 Northstar Electronics, Inc.
(Registrant)

By: /s/ Wilson Russell
Wilson Russell, PhD, President and Chief Financial Officer