

Edgar Filing: NORTHSTAR ELECTRONICS INC - Form 10-Q

NORTHSTAR ELECTRONICS INC  
Form 10-Q  
November 16, 2009

U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 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  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  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

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

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equity, as of the latest practicable date. COMMON SHARES AS OF NOVEMBER 14, 2009: 31,209,709

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

### PART I - FINANCIAL INFORMATION

NORTHSTAR ELECTRONICS, INC.		
Consolidated Balance Sheets - U.S. Dollars		
	September 30 2009 UNAUDITED	December 31 2008 audited
ASSETS	-----	
Current		
Cash and cash equivalents	\$ 49,143	\$ 210,348
Accounts receivable	583,586	347,798
Inventory - work in process	202,755	85,732
Investment tax credits receivable	-	33,317
Prepaid expenses	45,693	48,037
-----		
Total Current Assets	881,177	725,232
Pre contract costs	265,826	330,223
Intangible asset	18,680	16,332
Equipment	54,973	48,972
-----		
Total Assets	\$1,220,656	\$1,120,759
-----		
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$1,691,150	\$1,453,259
Loans payable	320,785	142,422
Deferred revenue	373,702	59,839
Due to Cabot Management Limited	50,906	44,507
Due to Directors	1,150,266	952,084
Current portion of long term debt	525,783	497,170
-----		
Total Current Liabilities	4,112,592	3,149,281
Long term debt	1,641,010	1,516,988
-----		
Total Liabilities	5,753,602	4,666,269
Going Concern (note 1), Contingencies (note 5)		
STOCKHOLDERS' DEFICIENCY		
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		
31,209,709 shares of common stock (29,960,370 December 31, 2008)	3,121	2,997
Nil shares of preferred stock	-	-
Subscribed - 110,100 preferred series A	110,100	51,600

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(51,600 December 31, 2008)

Additional paid in capital	5,139,253	4,954,639
Cumulative other comprehensive income (loss)	(339,887)	88,935
Deficit	(9,445,533)	(8,643,681)
Total Stockholders' Equity (Deficit)	(4,532,946)	(3,545,510)
Total Liabilities and Stockholders' Deficiency	\$1,220,656	\$1,120,759

See notes to the consolidated financial statements

NORTHSTAR ELECTRONICS, INC.  
Consolidated Statements of Operations  
Three Months and Nine Months Ended September 30, 2009  
Unaudited  
U.S. Dollars

	THREE MONTHS		NINE MONTHS	
	2009	2008	2009	2008
Sales	\$1,531,612	\$875,049	\$615,378	\$2,257,445
Cost of goods sold	1,150,582	690,449	571,404	1,686,193
Gross margin	381,030	184,600	43,974	571,252
Other income (expense)	6,996	4,972	13	4,972
Recovery of research and development	-	132,006	-	60,758
Operating Expenses	189,572	104,745	576,224	520,032
Salaries	189,322	211,772	566,821	846,881
Management and administration fees	58,107	30,000	151,197	72,650
Professional fees	13,407	22,926	62,479	49,941
Investor relations	3,000	2,114	15,500	23,264
Finance fees	12,854	0	29,284	49,500
Rent	36,338	39,570	99,806	102,870
Research and development	-	26,329	-	40,120
Office	20,234	4,942	77,662	54,512
Travel and business development	(10,324)	2,110	4,193	86,175
Interest on debt	117,697	66,201	285,979	132,359
Heat, light and telephone	14,770	14,690	31,045	44,901
Amortization	(21,147)	6,204	10,787	16,574
Transfer agent	889	491	889	1,092
Bad debts	42,434	-	42,434	-
Total operating expenses	477,581	437,349	1,378,076	1,520,839
Net income (loss) for the period	\$(288,009)	\$(332,604)	\$(801,852)	\$(1,000,807)
Net loss per share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.03)
Weighted average number of shares outstanding	30,462,501	29,094,349	30,432,096	28,615,260

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The accompanying notes are an integral part of the financial statements

NORTHSTAR ELECTRONICS, INC.  
 Consolidated Statement of Changes in Stockholders' Equity  
 Nine Months Ended September 30, 2009  
 Unaudited  
 U.S. Dollars

	Shares	Amount	Additional Paid in Capital	Other Comprehensive Income	Accumulated Deficit	Total S (Def
Balance December 31, 2008	29,960,370	\$2,997	\$4,954,639	\$88,935	\$(8,643,681)	\$(3,5
Net loss for nine months	-	-	-	-	(801,852)	(8
Currency translation adjustment	-	-	-	(428,822)	-	(4
Issuance of common stock:						
- for debt	903,137	90	83,716	-	-	
- for cash	180,292	18	86,482	-	-	
- for services	165,910	16	14,416	-	-	
Balance September 30, 2009	31,209,709	\$3,121	\$5,139,253	\$(339,887)	\$(9,445,533)	\$(4,6
Series A shares of preferred stock - subscribed						1
Total stockholders' equity (deficit)						\$(4,5

See notes to the consolidated financial statements

NORTHSTAR ELECTRONICS, INC.  
 Consolidated Statements of Cash Flows  
 Nine Months Ended September 30, 2009  
 Unaudited  
 U.S. Dollars

September 30  
 2009 2008

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OPERATING ACTIVITIES		
Net (loss)	\$ (801,852)	\$ (1,000,807)
Adjustments to reconcile net (loss) to net cash used by operating activities:		
Amortization	10,787	16,224
Issuance of common stock for services	14,432	78,227
Changes in operating assets and liabilities	158,335	654,201
Net cash (used by) operating activities	(618,298)	(252,155)
INVESTING ACTIVITIES		
Recovery (acquisition) of property and equipment	(9,828)	(18,023)
Net cash (used by) investing activities	(9,828)	(18,023)
FINANCING ACTIVITIES		
Issuance of common stock for cash - net	228,806	105,000
Increase of long term debt	90,409	54,644
Advances from (repayment to) directors	130,235	267,353
Net cash provided by financing activities	449,450	426,997
EFFECT OF FOREIGN CURRENCY TRANSLATION ON CASH	17,471	(133,910)
INFLOW (OUTFLOW) OF CASH	(161,205)	22,909
Cash, beginning of period	210,348	34,053
CASH, END OF PERIOD	\$49,143	\$56,962
=====		
SUPPLEMENTAL INFORMATION		
Interest paid	\$285,979	\$132,359
Shares issued for services	\$ 14,432	\$ 78,227
Corporate income taxes paid	\$ 0	\$ 0

The accompanying notes are an integral part of the financial statements

NORTHSTAR ELECTRONICS, INC.  
Notes to Consolidated Financial Statements  
Nine Months Ended September 30, 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 intercompany balances and transactions are eliminated. The Company was incorporated May 11, 1998 in the State of Delaware and had no operations other than organizational activities prior to the January 2000 merger with NTI described as follows: On January 26, 2000 the Company completed the acquisition of 100% of the shares of NTI. The Company, with the former shareholders of NTI receiving a majority of the total shares then issued and outstanding, effected the merger through the issuance of 4,901,481 shares of common stock from treasury. The transaction has been accounted for as a reverse takeover resulting in the consolidated financial statements including the results of operations of the acquired subsidiary prior to the merger.

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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 September 30, 2009 and the consolidated results of operations and the consolidated cash flows for the nine months then ended. For the nine months ended September 30, 2009: 80% of the Company's revenues were generated from a contract with a subsidiary of a major US customer and 20% were generated from a major Canadian customer. The Company is continually marketing its services for follow on contracts.

The results of operations for the nine months ended September 30, 2009 are not necessarily indicative of the results to be expected for the entire fiscal year. The accompanying consolidated interim financial statements have been prepared assuming the Company will continue as a going concern and contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the nine months to September 30, 2009 the Company incurred a net loss of \$801,852 (year to December 31, 2008: \$1,740,630) and at September 30, 2009 had a working capital deficiency (an excess of current liabilities over current assets) of \$3,231,415 (December 31, 2008: \$2,424,049), including \$525,783 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 continues to negotiate to secure an equity financing in the short term and is in discussions with several possible accredited investors. The Company also expects to increase revenues from product and contract sales. As well, the Company continues to seek manufacturing assembly contracts that will result in increased revenue. 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 During the nine months ended September 30, 2009 the following shares of common stock were issued:

For services: 165,910 shares fairly valued at \$14,432 - the market value of those services

For cash: 180,292 shares fairly valued for cash of \$86,500. To settle accounts

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payable: 903,137 fairly valued at \$83,806.

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 nine months ended September 30, 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 September 30, 2009 the Company had received \$110,100 for 110,100 preferred shares but had not issued the shares.

### 3. LONG TERM DEBT

Balance owing December 31, 2008	\$2,014,158
Increase in funding	152,635
	-----
Balance due September 30, 2009	2,166,793
Less current portion	(525,783)
	-----
	\$1,641,010
	=====

### 4. REVENUE

	Nine months 2009	Nine months 2008
Revenue consists of:		
NETMIND sales	\$ 23,240	\$ 174,806
Contract sales	2,229,233	1,356,806
Government assistance	0	132,006
Other	4,972	6,996
	-----	-----
	\$ 2,257,445	\$1,670,614
	=====	=====

5. 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 September 30, 2009 the Company has accrued \$52,235 as repayable.

### 6. NEW ACCOUNTING PRONOUNCEMENTS

Management does not believe that any recently issued, but not yet effective accounting pronouncements if currently adopted would have a material effect on the accompanying consolidated financial statements.

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### 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 nine month periods ended September 30, 2009 and September 30, 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 in 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.

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) PROJECT X The company completed the design and final manufacture of a custom underwater sonar array for this project for Lockheed Martin Canada during the quarter. The specialized product was delivered for its final testing after which an additional unit will be manufactured under contract as a prototype. Subsequent to that event and review with LMC's customer, manufacturing contracts are anticipated for up to 40 units. This unit production is expected the close of the first half of 2010.

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.

#### DEFENSE CONTRACT MANUFACTURING

The Company has been awaiting further opportunities for submarine console work or Lockheed Martin Manassas. During the quarter it received the opportunity



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to bid on a contract that would likely be awarded in the first quarter, 2010. It would be for approximately 20 consoles. A formal response will be prepared during the following quarter for upgrading submarine command and control consoles to Lockheed Martin Naval Electronics and Surveillance Systems, Manassas, Virginia. Additional cabinet manufacturing is anticipated with these prospective systems.

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 totaling US\$6,807,191. This work extends to the year 2012 and 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.

In addition to the P3 Project, work was in full development for the manufacture/assembly of the first prototype Machine Control Console for L3 Communication MAPPS Ltd. for the Canadian Navy Frigate Upgrade program. Over 60 units will be delivered under this US\$2.6M contract.

SYSTEMS INTEGRATION The Company is developing 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.

The aforementioned P3 ORION Master Purchase Order and the L3 Communications contract are examples of how Systems Integration works for us. In these projects, six subcontractors carry out various tasks, with Northstar bringing all the component parts together for engineering, testing, quality control and delivery to the customer.

### RESULTS OF OPERATIONS

Comparison of the three and nine months ended September 30, 2009 with the three and nine months ended September 30, 2008.

Gross revenues from sales, miscellaneous and research and development recovery for the three month period ended September 30, 2009 were \$875,049 compared to \$615,378 in the comparative prior three month period. Gross revenues from sales, miscellaneous and research and development recovery for the nine month period ended September 30, 2009 were \$2,257,445 compared to \$1,531,612 in the comparative prior nine month period.

The comparative increase in revenue is the direct result of the Lockheed Martin P3 contract and the Lockheed Martin Project X contract. Gross margins increased from \$381,030 (25%) in the prior nine month period to \$571,252 (21%) in the current nine month period.

The net loss for the three month period ended September 30, 2009 was \$(288,009) compared to a net loss of \$(332,604) for the three months ended September 30, 2008. The loss resulted from expenses associated with time-related production demands on the P3 project. Over this past quarter, the Company continued to invest 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 ensuing months and years. Salaries were \$566,821 for the nine months and \$846,881 for the comparative prior period ended September 30, 2008 as the Company continues to reduce its variable costs. During the three month period, the company reduced its work force and operating costs for NETMIND operations.

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The Company is actively pursuing contracts for its sonar capabilities in military and anti terrorist applications as well the Company has bid on several contract manufacturing military project applications.

Salaries may increase with new projects anticipated in the aeronautics area, commensurate with corresponding increases in revenues.

Cost recoveries of \$nil were down from \$132,006 recovered in the comparative prior nine month period. Little R&D work is being undertaken as all efforts are concentrated on large-scale manufacturing contracts and future bid opportunities at this time.

### COMPARISON OF FINANCIAL POSITION AT SEPTEMBER 30,2009 WITH DECEMBER 31, 2008

The Company's working capital deficiency increased at September 30, 2009 to \$3,231,415 with current liabilities of \$4,112,592 which are in excess of current assets of \$881,177. At December 31, 2008 the Company had a working capital deficiency of \$2,424,049. As production increased on the P3 Project, greater purchasing of materials and sub-contractor costs increases worsened the working capital position which constricted production deliveries as well. An operating line of credit (US\$800,000.) for contract manufacturing was undertaken during the quarter and subsequently put in place subsequent to the quarter end.

### 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 from operations for the nine months ended September 30, 2009 was \$(618,298) compared to a cash outflow of \$(252,155) in the comparative prior nine month period. During the nine months ended September 30, 2009 the Company received \$86,500 from equity funding and received \$90,409 long term debt leaving cash on hand at September 30, 2009 of \$49,143 compared to cash on hand of \$210,348 at December 31, 2008. Until the Company receives revenues from new contracts and/or increases its product sales revenue, it will be dependent upon equity and loan financings to compensate for the outflow of cash anticipated from operations.

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The Company is preparing a private placement preferred share offering pursuant to Regulations D and S with the expectation of obtaining 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, no commitment for 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-Q, 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 September 30, 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
54,048	April, 2009	cash of \$55,000
115,910	May, 2009	services valued at \$10,432
675,304	August, 2009	services valued at \$60,306
41,667	August, 2009	cash of \$3,750
40,000	September, 2009	services valued at \$3,000

Preferred Stock Subscribed 23,610 series A shares, for cash of \$21,250, 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.

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ITEM 5. OTHER INFORMATION. No change since previous filing

ITEM 6. EXHIBITS No change since previous filing.

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.

November 16, 2009      Northstar Electronics, Inc.  
(Registrant)

By: /s/ Wilson Russell

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Wilson Russell, PhD, President and Chief Financial Officer