

SIENA TECHNOLOGIES, INC.
Form 10QSB
November 19, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

(Mark One)

- o **QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2007

OR

- o **TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission file number 000-25499

SIENA TECHNOLOGIES, INC.

(Exact name of small business issuer as specified in its charter)

Nevada
State or other jurisdiction of
Incorporation or organization

88-0390360
(IRS Employer
Identification Number)

5625 South Arville Street, Suite E, Las Vegas
Nevada
(Address of principal executive offices)

89118
(Zip Code)

(702) 889-8777

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(Issuer's telephone number, including area code)

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 for such shorter period that the Issuer 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 shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 14, 2007 there were 42,163,691 shares of common stock issued and outstanding, \$0.001 par value.

Transitional Small Business Disclosure Format (check one) Yes No

SIENA TECHNOLOGIES, INC. AND SUBSIDIARIES
(Formerly Network Installation Corp.)
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PART I FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS.**

SIENA TECHNOLOGIES, INC.
(Formerly Network Installation Corp.)

Consolidated Balance Sheets

	September 30, 2007	December 31, 2006
	(Unaudited)	
ASSETS:		
CURRENT ASSETS:		
Cash	\$ 39,855	\$ 7,808
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$15,902 (\$11,044 at 2006)	629,948	1,388,169
Inventories	641,182	511,817
Costs in Excess of Billings	355,673	590,484
Current Assets of Discontinued Operations		41,981
Prepaid Expenses and Other Current Assets	359,476	22,152
Total Current Assets	2,026,134	2,562,411
Fixed Assets, Net of Accumulated Depreciation of \$641,611 (\$568,296 at 2006)	190,400	250,687
OTHER ASSETS:		
Goodwill	7,344,216	7,344,216
Patents	5,679	5,679
Investment in Tuscany Services LLC	354,851	
Assets Held for Sale		771,325
Total Other Assets	7,704,746	8,121,220
TOTAL ASSETS	\$ 9,921,280	\$ 10,934,318
LIABILITIES & STOCKHOLDERS DEFICIT:		
CURRENT LIABILITIES		
Bank Loans Payable	\$ 289,118	\$ 606,089
Accounts Payable and accrued expenses	1,398,135	1,937,463
Billings in Excess of Costs	830,218	924,963
Current Liabilities of Discontinued Operations	223,737	391,836
Current Portion of Notes Payable	66,285	36,264
Current Portion of Related Party Notes Payable	392,518	303,303
Factor Advances Payable	-	
Fair Market Value of Derivative Liabilities	274,260	1,827,108

Total Current Liabilities	3,474,271	6,027,026
LONG-TERM DEBT		
Notes Payable	1,351,782	1,215,797
Related Party Notes Payable	8,540,804	6,665,816
Litigation Settlement Obligation	45,000	
Total Long-Term Debt	9,937,586	7,881,613
STOCKHOLDERS DEFICIT:		
Common Stock, \$.001 par value; 100,000,000 shares authorized 42,163,691 and 34,125,937 shares issued and outstanding at September 30, 2007 and December 31, 2006, respectively	42,163	34,126
Additional Paid-in Capital	29,451,998	29,204,486
Shares to be Issued	116,411	116,994
Accumulated Deficit	(33,101,148)	(32,329,927)
Total Stockholders Deficit	(3,490,577)	(2,974,321)
TOTAL LIABILITIES AND STOCKHOLDERS DEFICIT	\$ 9,921,280	\$ 10,934,318

The accompanying notes are an integral part of these consolidated financial statements.

SIENA TECHNOLOGIES, INC.
(Formerly Network Installation Corp.)

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Nine Months Ended		Three Months Ended	
	September 30,		September 30,	
	2007	2006, as restated	2007	2006, as restated
REVENUE				
Sales	\$ 5,032,524	\$ 15,919,577	\$ 2,239,018	\$ 4,174,364
Cost of Goods Sold	3,534,071	12,805,115	1,651,929	3,165,793
GROSS PROFIT	1,498,454	3,114,462	587,089	1,008,571
OPERATING EXPENSES				
Investor Relations	181,777	243,985	71,595	72,142
Salaries	2,325,181	1,698,215	363,962	612,978
Other Operating Expenses	1,579,765	2,215,276	451,536	593,874
Total Operating Expenses	4,086,723	4,157,476	887,093	1,278,994
LOSS FROM CONTINUING OPERATIONS	(2,588,269)	(1,043,014)	(300,004)	(270,423)
OTHER INCOME (EXPENSE)				
Interest Expense	(569,283)	(1,419,690)	(213,218)	(155,770)
Employee Stock Option Expense	(138,147)	(161,546)	-	(68,085)
Fair Value Adjustment	2,598,028	2,865,881	(100,866)	(259,168)
Gain on debt restructuring	(45,149)	1,229,954	-	
Gain on disposition of Assets	(28,401)	(298,799)	14,102	(201,407)
Total Other Income (Expense)	1,817,048	(2,215,800)	(299,982)	(684,430)
LOSS FROM DISCONTINUED OPERATIONS		(408,263)		-

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Net (Loss) Income	\$ (771,222)	\$ 764,523	\$ (799,124)	\$ (954,853)
Basic (Loss) Earnings Per Common Share	\$ (0.019)	\$ 0.02	\$ (0.02)	\$ (0.03)
Weighted Average Shares Used to Compute:				
Basic (Loss) Earnings Per Common Share	39,942,075	35,837,851	42,636,991	29,180,914

The accompanying notes are an integral part of these consolidated financial statements.

SIENA TECHNOLOGIES, INC.
(Formerly Network Installation Corp.)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended	
	June 30,	
	2007	2006 As Restated
CASH USED IN OPERATING ACTIVITIES:		
Net (loss) income	\$ (771,222)	\$ 764,523
Adjustments to reconcile net (loss) income to net cash used in operating activities		
Stock issued for services		