

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

FORM 10-KSB

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OF 1934

For the fiscal year ended **September 30, 2001**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF 1934

Commission File No. **0-8924**

HABERSHAM ENERGY COMPANY

(Exact name of Registrant as specified in its charter)

OKLAHOMA

(State or other jurisdiction of
incorporation or organization)

73-0981865

(IRS Employer
Identification No.)

4766 South Holladay Blvd., Holladay Utah 84117

(Address and zip code of principal executive offices)

Registrant's telephone number, including area code: **(801) 308-0011**

Securities registered pursuant to Section 12(b) of the Act: **NONE**

Securities registered pursuant to Section 12(g) of the Act: **NONE**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by the 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and indicate by check mark if the Registrant is not a "small business" as defined in Rule 12b-2 of the Act. ☒ No

Revenue for the year ended September 30, 2001: \$0.

As of December 17, 2001 it is unclear as to the aggregate market value of the Registrant's Securities. This is due to the low or almost non-existing trading of the Registrant's Securities.

As of December 17, 2001 the number of shares outstanding of the Registrant's Common Stock was 4,617,424.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

Habersham Habersham Energy Company (formerly U.S. Mineral & Habersham Energy Company) incorporated under the laws of Oklahoma on April 14, 1975 as an oil and gas exploration, development and operating company. Historically, the Company was operating company. Historically, the Company owned several properties but the Company has not had any business activity since 1995.

ITEM 2. DESCRIPTION OF PROPERTY

ITEM 3. LEGAL PROCEEDINGS

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

PART II

**ITEM 5. MARKET PRICE FOR REGISTRANT S COMMON EQUITY AND
RELATED STOCKHOLDER MATTERS**

Because this report is being prepared in 2001, the Company has trading history for the period reported. During the year ended September 30, 2001 the trading history for trading in the stock of the Company.

The Company has not declared any cash dividends on common stock since its inception. The Board of Directors has no present intention of declaring any dividends. For the foreseeable future, the Company intends to retain all earnings, if any, for use in the development and expansion of its business.

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial Condition

The Company had no revenue during the year ended September 30, 2001, as compared to \$(169,713) at September 30, 2000.

Liquidity and Capital Resources

The Company has no liquid assets and is currently in the process of looking for opportunities to merge with or acquire. At minimum, the Company will need private funding to meet the financial needs of being a reporting company. There is no assurance that the Company will be successful in obtaining necessary funding to develop any business opportunities.

Results of Operations

The Company reported a net loss of \$35,510 for the year ended September 30, 2001, compared to a net loss of \$0 for the previous year. The Company anticipates that a successor business can be acquired or merged.

ITEM 7. FINANCIAL STATEMENTS

- (1) The following financial statements of the Company and its subsidiaries have been filed as part of this report (see Item 8 Financial Statements and Supplementary Data):
- (2) Schedules are omitted because of the absence of conditions under which they are required. The required information is given in the financial statements or notes thereto.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Certified Public Accountant

Financial Statements:

Balance Sheet - September 30, 2001 and 2000.

Statements of Operations - For the years ended September 30, 2001 and September 30, 2000.

Statement of Stockholders' Equity - For the period from October 1, 1998 to September 30, 2001.

Statement of Cash Flows - For the years ended September 30, 2001 and September 30, 2000.

Notes to Financial Statements

/Letterhead/

INDEPENDENT AUDITOR S REPORT

To the Board of Directors
Habersham Energy Company
Salt Lake City, Utah

We have audited the accompanying balance sheet of Habersham Energy Company (an Oklahoma corporation) as of September 30, 2001 and 2000 and the related statements of stockholders' equity, income (deficiency), and cash flows for the years then ended. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes testing the accounting principles used and significant estimates. We believe that our audits provide a basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habersham Energy Company as of September 30, 2001 and 2000, and the results of their operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared on the basis of the assumption that the company will continue as a going concern. As discussed in Note 1, the company has incurred significant operating losses and has a history of cash flow deficiencies. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Bierwolf, Nilson & Associates
December 18, 2001

Habersham Energy Company
Balance Sheet

	September 30, 2001	September 30, 2000
Assets		
<u>Assets</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Stockholders Equity (Deficit)		
<u>Current Liabilities</u>		
Accounts Payable	28,242	169,713
Interest Payable	10,018	-
Note Payable	<u>166,963</u>	<u>-</u>
Total Current Liabilities	205,223	169,713
<u>Commitment and Contingencies (Note 3)</u>	-	-
<u>Stockholders Equity (Deficit)</u>		
Preferred Stock; 1,000,000 Shares at \$.10 Par Value; No Shares Issued and Outstanding (Note 4)	-	-
Common Stock Authorized; 20,000,000 Shares at \$.10 Par Value; 4,617,424 Shares Issued and Outstanding	461,742	461,742
Capital in Excess of Par Value	7,884,033	7,884,033
Accumulated Deficit	<u>(8,550,998)</u>	<u>(8,515,488)</u>
Total Stockholders Equity (Deficit)	<u>(205,223)</u>	<u>(169,713)</u>
Total Liabilities and Stockholders Equity (Deficit)	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Habersham Energy Company
Statements of Operations
For the Years Ended

	September 30, 2001	2000
<u>Revenue</u>	\$ -	\$ -
<u>Expenses</u>		
General & Administrative	25,492	-
Interest Expense	10,018	-
Total Expenses	35,510	-
Net Income (Loss) - Before Taxes	(35,510)	-
Taxes (Note 3)	-	-
Net Income (Loss)	<u>\$ (35,510)</u>	<u>\$ -</u>
Net Loss Per Common Share	<u>\$ (0.01)</u>	<u>\$ -</u>
Weighted Average Outstanding Shares	<u>4,617,424</u>	<u>4,617,424</u>

The accompanying notes are an integral part of these financial statements

Habersham Energy Company
Statement of Stockholders' Equity
For the Period October 1, 1998 to September 30, 2001

	Common Shares	Common Stock	Capital In Excess of Par Value	Retained Earnings (Deficit)
Balance, October 1, 1998	4,617,424	\$ 461,742	\$ 7,884,033	(8,515,488)
Net Income (Loss) for the Year Ended September 30, 1999	-	-	-	-
Balance, September 30, 1999	4,617,424	461,742	7,884,033	(8,515,488)
Net Income (Loss) for the Year Ended September 30, 2000	-	-	-	-
Balance, September 30, 2000	4,617,424	461,742	7,884,033	(8,515,488)
Net Income (Loss) for the Year Ended September 30, 2001	-	-	-	(35,510)
Balance, September 30, 2001	<u>4,617,424</u>	<u>\$ 461,742</u>	<u>\$ 7,884,033</u>	<u>\$ (8,550,998)</u>

The accompanying notes are an integral part of these financial statements

Habersham Energy Company

Statements of Cash Flows

For the Years Ended

	September 30, 2001	September 30, 2000
<u>Cash Provided by Operating Activities</u>		
Net Income (Loss)	\$ (35,510)	\$ -
Decrease/Increase in:		
Accounts payable	(144,221)	-
Interest payable	<u>10,018</u>	<u>-</u>
Net Cash (Used) by Operating Activities	(169,713)	-
<u>Cash Provided by Investing Activities</u>	<u>-</u>	<u>-</u>
<u>Cash Provided by Financing Activities</u>		
Issuance of Note Payable for Cash	<u>169,713</u>	<u>-</u>
Net Cash Provided by Financing Activities	169,713	-
Net Increase (Decrease) in Cash	-	-
Cash at Beginning of Period	<u>-</u>	<u>-</u>
Cash at End of Period	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Cash Paid For:</u>		
Interest	\$ -	\$ -
Taxes	-	-

The accompanying notes are an integral part of these financial statements

Habersham Energy Company
Notes to the Financial Statements
September 30, 2001

NOTE 1 - Summary of Significant Accounting Policies

Organization

Habersham Energy Company (formerly U.S. Mineral & Royalty Corp) incorporated under the laws of Oklahoma on April 14, 1975. Habersham Energy Company is a development and operating company. Historically, Habersham Energy Company has been acquiring producing oil and gas properties but the Company has not been producing since 1995.

Income (Loss) Per Share

The computation of income or (loss) per share of common stock is based on the number of shares outstanding at the date of the financial statements.

Income Taxes

The Company adopted Statement of Financial Accounting Standards No. 109 - Accounting for Income Taxes in the fiscal year ended September 30, 2001 and was applied retroactively.

Statement of Financial Accounting Standards No. 109 - Accounting for Income Taxes requires the use of the asset and liability approach for financial accounting and reporting for income tax purposes. This statement recognizes (a) the amount of taxes payable or refundable for the current period and (b) the deferred tax liabilities and assets for future tax consequences of events that have been recognized in the financial statements or tax returns.

Deferred income taxes result from temporary differences in the recognition of assets and liabilities for tax and financial reporting purposes. There were no transactions for tax and financial reporting purposes in the fiscal year ended September 30, 2001 and earlier years; accordingly, no deferred income taxes were recorded for all years.

The Company has cumulative net operating loss carryforwards at September 30, 2001. No effect has been shown in the financial statements for the net operating loss carryforwards as the likelihood of future tax benefit from such net operating loss carryforwards is remote. Accordingly, the potential tax benefits of the net operating loss carryforwards at September 30, 2001 have been offset by valuation reserves of the same amount.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Use of Estimates

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 and the reported amounts of revenues and expenses during the period. Actual results may differ from those estimates.

September 31, 2001

NOTE 2 - Going Concern

The Company's financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liabilities in the normal course of business. Currently, the Company has no significant assets, nor does it have an established source of revenues sufficient to cover any anticipated operating costs to allow it to continue as a going concern. It is the intent of the Company to obtain additional capital funding and/or a profitable business venture to acquire or merge.

NOTE 3 - Commitments and Contingencies

The Company has an outstanding tax liabilities of approximately \$10,000 Wyoming and \$1,500 from Arapahoe CoWyoming and \$1,500 from Arapahoe CountyWyoming and liabilities from vendors that have been owing since 1994-95 time period whenliabilities from business. There have been no business. There have been no contact with these vendors for several years and of the liabilities will be paid, due to statute of limitations and other time lapsed considerations tax liabilities are real and tax liabilities are real and personal property taxes and are due to limitations. Management estimates that there is a remote possibility that the limitations. Management estimates these liabilities and that the taxing agencies or creditor venthese liabilities and that the taxing agencies or collections on the liabilities.

NOTE 4 - Preferred Stock

The Company has authorized 1,428 share rights as follows:

- outstanding shares are entitled to re-issuance.
- outstanding shares are convertible into 100,000- conversion price formula.
- preferences to liquidation before common stockholders.
- voting rights- voting rights based on a conversion calculation into- voting rights based on a conversion calculation price formula.

No shares are currently outstanding and as such no preferred dividends are accrued.

NOTE 5 - Short Term Debt

During the year, the Company issued a convertible note payable in place of cash. The note is convertible to the Company's common stock at the option of the holder. However, such conversion may be made in amounts that do not result in a change of control to one person or in the issuance of control to one person.

other. The note carries an interest rate of 6% per annum and is due on demand.

PART III

ITEM 8. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following information is furnished with respect to the Company's executive officers. There are no family relationships between executive officers.

Directors and Executive Officers

<u>Name</u>	<u>Age (2001)</u>	<u>Director Since</u>	<u>Position with the Company</u>
Robert Wallace	66	1999	Director/President

Robert Wallace, President and Director, has been a teacher, counselor and school administrator in the Southern California for the last 30 years. Wallace has been involved in several mergers and acquisitions for the past several years.

Mr. Wallace has a bachelor's degree in animal husbandry and a master's degree in counseling psychology from Arizona State University, and a PHD in Counseling Psychology from USC.

ITEM 9. EXECUTIVE COMPENSATION

Compensation of Executive Officers and Directors

None.

Employment Agreements and Other Compensation Arrangements

None.

Compensation of Non-Employee Directors

None.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BIGGEST MANAGEMENT

<u>Name of Beneficial Owner</u>	<u>Position Held</u>	<u>Beneficially Owned</u>	
		<u>Number of shares</u>	<u>Percentage of Outstanding</u>

Robert Wallace	Director	-	-
H. Ross Arnold, III	Shareholder	2,134,820	46.2%
Middle East Associates	Shareholder	337,720	7.3%
Patricia Rapp	Shareholder	240,184	5.2%

Item 12. Certain Relationships and Related Transactions

Other than executive compensation, Other than executive compensation, during the reported year the Registrant has not entered into any transactions with management which are to be reported under this Item.

Item 13. Exhibits, and Reports on Form 8-K

(A) Exhibits

(B) The Registrant filed no current reports on Form 8-K during the last year of the fiscal year ended September 30, 2001.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by a duly authorized person.

Habersham Energy Company, Inc.

By: Robert Wallace

Dated: December 18, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been prepared by the following persons on behalf of the Registrant and in reliance on the information furnished by them:

SIGNATURE

TITLE

DATE _____

/s/ Robert Wallace

Director
(Principal Executive &
Financial Officer)

December 18, 2001