

Intelli Check Mobilisa, Inc
Form 10-Q
August 12, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No.: 001-15465

Intelli-Check – Mobilisa, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

11-3234779
(I.R.S. Employer Identification No.)

191 Otto Street, Port Townsend, WA 98368
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (360) 344-3233

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares outstanding of the issuer's Common Stock:

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Class	Outstanding at August 11, 2008
Common Stock, \$.001 par value	25,180,109

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PART I – FINANCIAL INFORMATION**Item 1. FINANCIAL STATEMENTS****INTELLI-CHECK – MOBILISA, INC.****CONSOLIDATED BALANCE SHEETS**

	June 30, 2008 (Unaudited)	December 31, 2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,253,363	\$ 392,983
Marketable securities and short-term investments	800,000	1,650,000
Accounts receivable, net of allowance of \$10,000 as of June 30, 2008 and December 31, 2007	1,784,436	1,076,732
Inventory	143,959	62,784
Other current assets	382,356	543,571
Total current assets	4,364,114	3,726,070
PROPERTY AND EQUIPMENT, net	535,132	81,464
GOODWILL	37,615,522	-
INTANGIBLE ASSETS, net	13,986,728	23,961
DEFERRED ACQUISITION COSTS	-	208,000
OTHER ASSETS	52,835	34,916
Total assets	\$ 56,554,331	\$ 4,074,411
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 340,138	\$ 150,099
Accrued expenses	672,664	533,609
Deferred revenue	1,772,350	1,278,869
Income taxes payable	168,732	-
Total current liabilities	2,953,884	1,962,577
OTHER LIABILITIES	785,560	91,681
Total liabilities	3,739,444	2,054,258
STOCKHOLDERS' EQUITY:		
Common stock - \$.001 par value; 40,000,000 shares authorized; 25,174,654 and 12,281,728 shares issued and outstanding, respectively	25,175	12,282
Additional paid-in capital	98,114,510	46,668,941
Accumulated deficit	(45,324,798)	(44,661,070)
Total stockholders' equity	52,814,887	2,020,153

Total liabilities and stockholders' equity	\$	56,554,331	\$	4,074,411
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See accompanying notes to financial statements

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INTELLI-CHECK – MOBILISA, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
REVENUES	\$ 2,709,998	\$ 739,476	\$ 3,863,132	\$ 1,424,595
COST OF REVENUES	(670,082)	(249,859)	(1,005,572)	(487,162)
Gross profit	2,039,916	489,617	2,857,560	937,433
OPERATING EXPENSES				
Selling	472,083	440,657	717,943	805,920
General and administrative	1,123,328	856,683	1,838,150	1,360,251
Research and development	667,710	293,385	1,007,014	550,045
Total operating expenses	2,263,121	1,590,725		