BROADWIND ENERGY, INC.

FORM 10QSB
(Quarterly Report of Financial Condition)

Filed 11/14/06 for the Period Ending 09/30/06

Address	3240 S. CENTRAL AVENUE CICERO, IL 60804
Telephone	708-780-4800
CIK	0001120370
Symbol	BWEN
SIC Code	3360 - Nonferrous Foundries (castings)
Industry	Misc. Capital Goods
Sector	Capital Goods
Fiscal Year	12/31

TOWER TECH HOLDINGS INC.

FORM 10QSB
(Quarterly Report of Financial Condition)

Filed 11/14/2006 For Period Ending 9/30/2006

Address	980 MARITIME DRIVE SUITE 6
	MANITOWOC, Wisconsin 54220
Telephone	(920) 684-5531
CIK	0001120370
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB
(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2006

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from ________________ to _______________

0-31313
(Commission file number)

TOWER TECH HOLDINGS INC.
(Exact name of small business issuer as specified in its charter)

NEVADA (State or other jurisdiction of incorporation or organization)	88-0409160 (IRS Employer Identification No.)

100 MARITIME DRIVE, SUITE 3C, MANITOWOC, WISCONSIN 54220
(Address of principal executive offices)

(920) 684-5531
(Issuer's telephone number)

980 MARITIME DRIVE, SUITE 6, MANITOWOC, WISCONSIN 54220
(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 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 [X] No [ ]

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:
As of November 13, 2006 - 35,000,000 shares of common stock

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

TOWER TECH HOLDINGS, INC. AND SUBSIDIARY
(A Development Stage Company)

Consolidated Balance Sheets

	(Unaudited) September 30, 2006	(Audited) December 31, 2005
ASSETS		
Current assets:		
Cash	$ -	$ 166,023
Accounts receivable	276,448	179,842
Inventories	463,125	283,428
Prepaid expenses	14,195	8,362
Total current assets	753,768	637,655
Property and equipment:		
Machinery and equipment	2,907,241	2,640,188
Office equipment	32,276	30,584
Leasehold improvements	314,759	314,759
	3,254,276	2,985,531
Less accumulated depreciation and amortization	552,309	309,614
Net property and equipment	2,701,967	2,675,917
Bond issuance fees, net of amortization of $1,673 and $418, respectively	15,058	16,313
TOTAL ASSETS	$ 3,470,793	$ 3,329,885
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Bank overdraft	$ 40,530	$ -
Notes payable	588,346	440,000
Notes payable - related party	4,107,816	3,356,625
Current maturities of long-term debt	95,000	98,000
Accounts payable	1,540,774	1,169,299
Accrued liabilities	1,480,028	585,174
Customer deposits	450,936	208,866
Total current liabilities	8,303,430	5,857,964
Long-term debt, less current maturities	826,212	896,827
Commitments and contingencies		
Shareholders' deficit:		
Common stock, $.001 par value: 100,000,000 shares authorized; 35,000,000 and 22,750,000 shares issued and outstanding, respectively	35,000	22,750
Preferred stock, no par value: 10,000,000 shares authorized; no shares issued and outstanding	-	-
Additional paid in capital	855,977	427,727
Accumulated deficit in the development stage	(6,549,826)	(3,875,383)
Total shareholders' deficit	(5,658,849)	(3,424,906)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	$ 3,470,793	$ 3,329,885

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

TOWER TECH HOLDINGS, INC. AND SUBSIDIARY
(A Development Stage Company)

Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended		Cumulative from October 17, 2003 (Inception) to
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005	September 30, 2006
Net sales	$ 707,705	$ 511,836	$ 1,321,548	$ 1,144,353	$ 3,288,522
Cost of sales	1,056,158	1,365,490	2,645,896	2,573,793	6,655,234
Gross loss	(348,453)	(853,654)	(1,324,348)	(1,429,440)	(3,366,712)
Merger transaction costs	25	-	250,025	-	250,025
Product development	10,568	9,326	37,504	34,780	276,667
Selling, general and administrative expenses	230,590	146,123	738,347	445,309	2,041,435
Total operating expenses	241,183	155,449	1,025,876	480,089	2,568,127
Loss from operations	(589,636)	(1,009,103)	(2,350,224)	(1,909,529)	(5,934,839)
Other income (expense):					
Miscellaneous expense, net	-	20,713	-	15,104	(3,337)
Realized loss on foreign currency transactions	-	-	(3,083)	-	(16,359)
Interest expense	(111,812)	(63,029)	(321,136)	(143,659)	(595,291)
Total other expense, net	(111,812)	(42,316)	(324,219)	(128,555)	(614,987)
Net loss	$ (701,448)	$ (1,051,419)	$ (2,674,443)	$ (2,038,084)	$ (6,549,826)
Net loss per common share (basic and diluted)	$ (0.02)	$ (0.05)	$ (0.08)	$ (0.09)	$ (0.26)
Weighted average shares outstanding:					
Basic and diluted	35,000,000	22,750,000	33,339,744	22,750,000	25,429,333

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

TOWER TECH HOLDINGS, INC. AND SUBSIDIARY
(A Development Stage Company)

Consolidated Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended September 30, 2006	For the Nine Months Ended September 30, 2005	Cumulative from October 17, 2003 (Inception) to September 30, 2006
Cash flows from operating activities:			
Net loss	$ (2,674,443)	$ (2,038,084)	$ (6,549,826)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	242,695	168,790	552,309
Amortization of bond issuance fees	1,255	-	1,673
Contributed facilities (free rent) by shareholders	-	-	227,925
Contributed services by shareholders	190,500	156,000	398,500
Common stock issued for merger transaction costs	250,000	-	250,000
Changes in operating assets and liabilities:			
Accounts receivable	(96,606)	(220,435)	(276,448)
Inventories	(179,697)	81,084	(463,125)
Prepaid expenses	(5,833)	(15,557)	(14,195)
Accounts payable	128,879	497,947	1,204,546
Accrued liabilities	894,854	513,304	1,480,028
Customer deposits	242,070	(46,002)	450,936
Net cash used in operating activities	(1,006,326)	(902,953)	(2,737,677)
Cash flows from investing activity:			
Purchases of property and equipment	(26,149)	(809,441)	(2,599,048)
Net cash used for investing activities	(26,149)	(809,441)	(2,599,048)
Cash flows from financing activities:			
Increase (decrease) in bank overdraft	40,530	(5,775)	40,530
Increase in notes payable	1,208,537	767,200	4,686,162
Proceeds from long-term debt	60,000	1,434,000	2,734,000
Payments on long-term debt	(442,615)	(420,000)	(2,121,788)
Payment for bond issuance fees	-	(7,531)	(16,731)
Proceeds from sale of common stock	-	-	40,000
Distributions to shareholders	-	-	(25,448)
Net cash provided by financing activities	866,452	1,767,894	5,336,725
Net increase (decrease) in cash	(166,023)	55,500	-
Cash at beginning of period	166,023	-	-
Cash at end of period	$ -	$ 55,500	$ -

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

TOWER TECH HOLDINGS INC. AND SUBSIDIARY
(A Development Stage Company)

Notes to Consolidated Financial Statements
(Unaudited)

1. BASIS OF PRESENTATION AND DESCRIPTION OF BUSINESS

The accompanying unaudited consolidated financial information has been prepared by Tower Tech Holdings, Inc. and Subsidiary (the "Company") in accordance with accounting principles generally accepted in the United States of America for interim financial information and the instructions to Form 10-QSB and Article 10 of Regulation S-X of the Securities and Exchange Commission (SEC). Accordingly, it does not include all of the information and notes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair statement of this financial information have been included. Financial results for the interim nine-month period ended September 30, 2006 are not necessarily indicative of the results that may be expected for the year ending December 31, 2006. The December 31, 2005 consolidated balance sheet was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. This financial information should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2005.

2. ORGANIZATION

Tower Tech Holdings, Inc. (formerly Blackfoot Enterprises, Inc. (Blackfoot)) was incorporated under the laws of the State of Nevada on July 10, 1996.

On November 18, 2005, Blackfoot entered into a Share Exchange Agreement whereby it agreed to issue 25,250,000 shares of its common stock to acquire all of the outstanding shares of Tower Tech Systems, Inc. (Tower Tech), a private corporation incorporated under the laws of the State of Wisconsin. Tower Tech engineers and manufactures wind turbine extension towers.

As part of the Share Exchange Agreement, immediately prior to the closing of the transaction on February 6, 2006, 2,500,000 restricted common shares were issued to a consultant for services provided in connection with this business combination transaction, which were valued at $250,000. These 2,500,000 shares were part of the 25,250,000 shares described above.

Upon completion of the transaction on February 6, 2006, Tower Tech became a wholly-owned subsidiary of Blackfoot and Blackfoot changed its name to Tower Tech Holdings, Inc. Since this transaction resulted in the existing shareholders of Tower Tech acquiring control of Blackfoot, for financial reporting purposes, the business combination has been accounted for as an additional capitalization of Blackfoot (a reverse acquisition with Tower Tech as the accounting acquirer).

Operations of Tower Tech are the continuing operations of the Company.

Notes to Consolidated Financial Statements, Continued
(Unaudited)

The accompanying financial statements as of December 31, 2005 and September 30, 2006 and for the nine months ended September 30, 2006 present the historical financial information of Tower Tech. The outstanding common shares of Tower Tech at December 31, 2005 have been restated to reflect the shares issued upon reorganization. The accompanying financial statements as of September 30, 2006 and for the nine months ended September 30, 2006 present the historical financial information of Tower Tech for the nine months ended September 30, 2006 consolidated with Blackfoot from the date of reorganization (February 6, 2006) to September 30, 2006.

3. COMPANY'S CONTINUED EXISTENCE

The Company incurred significant operating losses during its years of operations. At September 30, 2006, the Company has a negative working capital position of $7,549,662 and a shareholders' deficit of $5,658,849. Furthermore, the Company is highly leveraged with debt. It is management's opinion that these facts raise substantial doubts about the Company's ability to continue as a going concern without additional debt or equity financing.

In order to meet its working capital needs over the next twelve months, the Company merged with Blackfoot Enterprises, Inc. on February 6, 2006 and began publicly trading its stock, and entered into an equity financing agreement with an outside investor (see Note 8). In addition, the Company signed contracts in June 2006 to produce 24 four-section towers and 10 three-section towers for a Spanish conglomerate.

4. DEVELOPMENT STAGE OPERATIONS

The Company was incorporated on October 17, 2003 and was inactive during 2003. Five hundred shares of no par value common stock were sold for $40,000 in 2004. Development of the manufacturing process began in July 2004 after the acquisition and installation of necessary manufacturing equipment. Operations prior to that time were devoted primarily to securing orders and purchasing capital assets. In February 2005, the first wind turbine extension towers were delivered and additional towers were completed throughout the remainder of 2005 and first quarter of 2006. Due to lack of funding and manufacturing inefficiencies, the Company temporarily suspended production in February 2006. The Company began recalling manufacturing employees in June 2006; however, the Company still considered itself to be in the development stage at September 30, 2006, due to its lack of efficiencies in the manufacturing process.

5. REVENUE RECOGNITION

The Company recognizes revenue when persuasive evidence of an arrangement exists, transfer of title has occurred or services have been rendered, the selling price is fixed or determinable, collectability is reasonably assured and delivery has occurred per the contract terms. Customer deposits and other receipts are generally deferred and recognized when earned.

Revenue is recognized on a contract-by-contract basis. Depending on the terms of the contract, revenue may be earned via building of tower sections, building of complete towers, or modifications to existing towers or sections.

Warranty costs are estimated and accrued based on historical rates or known costs of corrections.

6. NOTES PAYABLE

Notes payable consist of the following:

	September 30, 2006	December 31, 2005
THIRD PARTY		
Prime plus 1% (9.25% at September 30, 2006) note, due December 13, 2006	$ 100,000	$ 100,000
7.5% note, note in default	60,000	-
Prime plus 2.5% (10.75% at September 30, 2006) note, note in default	428,346	-
Prime plus 1% (9.25% at September 30, 2006) note, retired in July, 2006	-	90,000
Prime plus 2.5% (10.75% at September 30, 2006) note, retired in July, 2006	-	250,000
Total third party notes payable	$ 588,346	$ 440,000

RELATED PARTY		
5% notes, due on demand, unsecured	$ 416,500	$ 266,000
Shareholder notes at prime plus 1.5% (8.75% at December 31, 2005) notes, due on demand, unsecured, changed to fixed rate notes (8% on January 1, 2006)	3,691,316	3,090,625
Total related party notes payable	$ 4,107,816	$ 3,356,625

New debt consists of a note for $428,346 issued on July 25, 2006 at prime plus 2.5% due on October 25, 2006. During the nine months ended September 30, 2006, the Company received additional loans at 5% totaling $154,500 from related parties. These notes are due on demand. Shareholder notes increased by a net amount of $600,691. The terms of these notes were changed as of January 1, 2006 to a fixed rate of 8%.

7. LONG-TERM DEBT

Long-term debt consisted of the following:

	September 30, 2006	December 31, 2005
ASSOCIATED BANK		
Prime plus .5% (8.75% at September 30, 2006), due in monthly installments of $8,710 including interest, due September 15, 2012, secured by substantially all assets of the Company and personal guarantees of the shareholders	$ 519,673	$ 569,621
WISCONSIN BUSINESS DEVELOPMENT FINANCE CORPORATION		
6.796% note, due in monthly installments of $4,982 including interest, due September 1, 2015, secured by substantially all assets of the Company and personal guarantees of the shareholders	401,539	425,206
Total long-term debt	921,212	994,827
Less current maturities	95,000	98,000
Total long-term debt, less current maturities	$ 826,212	$ 896,827

Notes to Consolidated Financial Statements, Continued
(Unaudited)

8. EQUITY FINANCING

On June 27, 2006, the Company entered into an investment agreement with Dutchess Private Equities Fund, L.P. to purchase up to $15,000,000 of the Company's common stock over the course of 24 months at the sole discretion of the Company. The amount that the Company shall be entitled to request from each purchase
(puts) shall be equal to, at the Company's election, either (i) $250,000 or (ii) 200% of the average daily volume (U.S. market only) of the common stock for the ten trading days prior to the applicable put notice date, multiplied by the average of the three daily closing bid prices immediately preceding the put date. The purchase price will be 94% of the lowest closing "best bid" price of the common stock during the five-day trading period after the put notice date. At September 30, 2006, there were no closed sale transactions or outstanding purchase requests.

9. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company subcontracts a portion of its labor from RBA, Inc., a corporation controlled by one of the Company's shareholders. The Company's billings from RBA, Inc. for the nine months ended September 30, 2006 were $341,438, and for the year ended December 31, 2005 were $653,358 for contracted labor, equipment set up, and general maintenance. At September 30, 2006 and December 31, 2005, $370,893 and $286,872 was owed to RBA, Inc. and was included in accounts payable, respectively.

Interest expense of $221,783 was incurred on shareholder and related party notes during the nine months ended September 30, 2006 and $100,720 during the year ended December 31, 2005, and included in accrued liabilities at September 30, 2006 and December 31, 2005, respectively.

During the year ended December 31, 2005, the Company's shareholders provided managerial services to the Company without charge. The Company determined the fair value of these services to be $208,000. This amount was recorded as selling, general and administrative expense and contributed capital. For the period ended September 30, 2006, the value was determined to be $190,500.

One of the Company's shareholders purchased equipment in the amount of $155,852 during the quarter ended June 30, 2006. That amount is included in fixed assets and remains in accounts payable at September 30, 2006.

Rent is also payable to a related party. Rent expense for the nine months ended September 30, 2006 and year ended December 31, 2005 was $299,878 and $343,874, respectively. Amounts outstanding and included in accrued liabilities at September 30, 2006 and December 31, 2005 are $508,519 and $210,225, respectively.

Notes to Consolidated Financial Statements, Continued
(Unaudited)

10. COMMITMENTS AND CONTINGENCIES

As of December 31, 2005, the Company had disputes over service billings related to contracted tower work from two vendors totaling $333,827. The Company is in disagreement over these billings with the vendors and do not believe they owe the stated amounts. As of September 30, 2006, the Company has not resolved these matters and it is more likely than not that the Company will pay some amount to settle these liabilities. The Company's best estimate of this potential contingent liability is 50% of the total which is approximately $167,000 and this amount is included in accrued liabilities at September 30, 2006.

The Company is also subject to legal proceedings in the normal course of business. Management believes these proceedings will not have a material adverse effect on the financial statements.

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

GENERAL

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related footnotes for the year ended December 31, 2005 included in our Annual Report on Form 10-KSB. The discussion of results, causes and trends should not be construed to imply any conclusion that such results or trends will necessarily continue in the future.

OVERVIEW

Effective February 6, 2006, an arrangement was completed between the company, then known as Blackfoot Enterprises, Inc. and Tower Tech Systems, Inc., a Wisconsin corporation ("Tower Tech"), whereby the shareholders of Tower Tech exchanged all of their common shares for 25,250,000 shares of Blackfoot common stock (the "Acquisition").

Immediately following the Acquisition, the former shareholders of Tower Tech held approximately 72.1% of Blackfoot's total issued and outstanding common shares. Tower Tech was thereby deemed to be the acquiror and surviving company for accounting purposes. Accordingly, the transaction has been accounted for as a reverse acquisition using the purchase method whereby the assets and liabilities of Blackfoot have been recorded at their fair market values and operating results have been included in the company's financial statements from the effective date of purchase. The net assets of Tower Tech are included in the balance sheet at their historical book values and its historical results of operations have been presented for the comparative prior period.

TOWER TECH

We, through Tower Tech, engineer and manufacture wind turbine extension towers. Tower Tech was incorporated in October 2003 and was inactive during 2003. Development of the manufacturing process began in July 2004 after the acquisition and installation of necessary manufacturing equipment. Operations prior to that time were devoted primarily to securing orders and purchasing capital assets. In February 2005, we completed our manufacturing for Clipper Windpower the largest wind tower in the country to specifications, erected in Wyoming. Tower Tech entered into a Tower Production Agreement in May 2005 with Vestas Towers Inc., pursuant to which Tower Tech has become a preferred tower supplier to Vestas and towers were completed throughout the remainder of 2005 and the first quarter of 2006. The first purchase order under that agreement was a production run for Vestas that served as Tower Tech's "proving run," during which final adjustments were made to the capital and production plans. Following the proving run, Tower Tech temporarily suspended production in February 2006 while it focused on capital raising, production line improvements, and contract and purchase order negotiations with current and future customers.

We followed up those plant improvements with a third production contract with an affiliate of Gamesa Eolica, the second largest wind tower integrator in the industry. We received an order for 32 towers, similar in size to the towers we produced for Vestas, and quickly increased the order by two additional towers. We began production of the order in July 2006 on a labor-only basis, and that order was well underway by the end of September 2006. Gamesa announced its intention to increase that order by another two towers, and that contract amendment is currently under negotiations. During the period, Tower Tech achieved a contract production rate of 100 towers per year.

We have a limited history of operations and through September 30, 2006, have generated limited revenues from our manufacturing operations. Therefore, we still consider the Company to be a development stage company as of September 30, 2006. However, management believes that the chances for success are good. There are multiple customers vying for control of our orderbook beginning in 2007, and the market continues to firm as wind energy is the fastest growing electricity-generating technology in the world, according to the Department of Energy's National Renewable Energy Laboratory in December 2004.

We have been unprofitable since inception in October 2003 and we may incur substantial additional operating losses for at least the foreseeable future as we continue to refine our manufacturing processes. Accordingly, our activities to date are not as broad in depth or scope as the activities we may undertake in the future, and our historical operations and financial information are not necessarily indicative of our future operating results. We have incurred net losses since inception. As of September 30, 2006, our accumulated deficit was $6,549,826.

The report of Tower Tech's independent registered public accounting firm on the financial statements for the year ended December 31, 2005, included an explanatory paragraph relating to the uncertainty of Tower Tech's ability to continue as a going concern. Tower Tech incurred a significant operating loss during the year ended December 31, 2005. At December 31, 2005, Tower Tech reported a negative working capital position of $5,220,309 and had a shareholders' deficit of $3,424,906. Furthermore, Tower Tech is highly leveraged with debt. These factors raise substantial doubt about Tower Tech's ability to continue as a going concern without additional debt or equity financing. There can be no assurance that the Company will be able to reach a level of operations that would finance its day-to-day activities.

We have financed our operations and internal growth primarily through capital contributed by shareholders and borrowings from both shareholders and financial institutions. Management believes that the company has exhausted its ability to borrow additional funds and that additional capital for its operations would have to be raised through the sale of equity. Accordingly, management first sought and closed the Blackfoot acquisition transaction, and now has underway a carefully positioned program to raise the additional capital management believes is required to meet its revenue, profitability and strategic goals.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities. Management reviews its estimates on an on going basis. Management bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. The following critical accounting policies relate to the more significant judgments and estimates used in the preparation of the financial statements:

REVENUE RECOGNITION. We recognize revenue when persuasive evidence of an arrangement exists, transfer of title has occurred or services rendered, the selling price is fixed or determinable, collectibility is reasonably assured and delivery has occurred per the contract terms. Customer deposits and other receipts are generally deferred and recognized when earned. Revenue is recognized on a contract-by-contract basis. Depending on the terms of the contract, revenue may be earned by the building of tower sections, building a complete tower, or modification to existing towers or sections. Warranty costs are estimated and accrued based on historical rates or known costs of corrections.

INVENTORIES. Inventories are stated at the lower of cost or market, with cost determined using the first-in, first-out (FIFO) basis. Market value encompasses consideration of all business factors including price, contract terms and usefulness.

PROPERTY AND EQUIPMENT. Property and equipment are stated at cost. Expenditures for additions and improvements are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently as incurred. Properties sold or otherwise disposed of are removed from the property accounts, with gains or losses on disposal credited or charged to operations.

Depreciation, for financial reporting purposes, is provided over the estimated useful lives of the respective assets, which range from 5 to 15 years, using the straight-line method.

RESEARCH AND DEVELOPMENT. Research and development costs in the product development process are expensed as incurred. Assets that are acquired for research and development activities and have alternative future uses in addition to a current use are included in equipment and depreciated over the assets' estimated useful lives. Research and development costs consist primarily of contract engineering costs for outsourced design or development, equipment and material costs relating to all design and prototype development activities.

RESULTS OF OPERATIONS - THREE MONTHS ENDED SEPTEMBER 30, 2006 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2005

REVENUES. Tower Tech recognized its first revenue from sales in March 2005. For the three months ended September 30, 2005, net sales were $511,836 with cost of sales, $1,365,490, exceeding revenues due to extraordinary start-up and ramp-up costs. In comparison, net sales were $707,705 for the three months ended September 30, 2006 with cost of sales of $1,056,158. The production during the quarter ended September 30, 2006 was pursuant to the start-up of the production contract with Gamesa. Much of the production accomplished during the quarter will be reflected in the total revenues for the quarter ended December 31, 2006. For this phase of our production agreement with Gamesa, all of the manufacturing was performed on a labor-only basis. It is intent of management that future production activities will be conducted on a full-in basis, including materials and transport/logistics. During the quarter, Tower Tech met its production efficiency targets.

PRODUCT DEVELOPMENT EXPENSES. Product development expenses consist primarily of contract engineering costs for outsourced design or development, equipment and material costs relating to all design and prototype development activities. For the three months ended September 30, 2006, these expenses were $10,568, as compared to $9,326 for the comparable period in 2005. Management expects these costs to vary in direct proportion to sales until such time as Tower Tech is operating at full capacity.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses increased from $146,123 in 2005 to $230,590 in 2006. This increase is primarily due to increases in expenses for salaries, insurance and professional fees.

INTEREST EXPENSE. Interest expense was $111,812 in 2006, compared to $63,029 for the comparable 2005 period. The increase was due to increases in corporate debt incurred to fund ramp-up and administrative costs as explained above.

NET LOSS. Net loss decreased by $349,971 to $701,448 for the three months ended September 30, 2006 from a net loss of $1,051,419 for the comparable 2005 period. The lower net loss is largely a result of what management believes were the higher ramp-up costs associated with the proving run production during the 2005 period.

RESULTS OF OPERATIONS - NINE MONTHS ENDED SEPTEMBER 30, 2006 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 2005

REVENUES. For the nine months ended September 30, 2006, net sales were $1,321,548 with cost of sales, $2,645,896, exceeding revenues due to ramp-up costs associated with a new production run for Gamesa and because of excess manufacturing overhead costs, due to lack of volume. In comparison, net sales were $1,144,353 for the nine months ended September 30, 2005 with cost of sales of $2,573,793. Following our "proving run" activities earlier in the year, we developed a production modification plan, including the replacement of non-performing welding equipment, adjustments to plant layout, automation of specific production elements, and adjustments to inspection and quality control activities that has driven the labor cost per tower down by 39% and increased our production capacity by nearly 100%.

MERGER TRANSACTION COSTS. Merger transaction costs consist primarily of consulting services provided by and direct expenses, such as legal and accounting fees and stock issuance costs, paid by Integritas, Inc. These services and expenses were directly related to the Blackfoot acquisition transaction in February 2006.

PRODUCT DEVELOPMENT EXPENSES. Product development expenses consist primarily of contract engineering costs for outsourced design or development, equipment and material costs relating to all design and prototype development activities. For the nine months ended September 30, 2006, these expenses were $37,504, as compared to $34,780 for the comparable period in 2005. Management expects these costs to vary in direct proportion to sales until such time as Tower Tech is operating at full capacity.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses increased from $445,309 in 2005 to $738,347 in 2006 due to increased expenses for salaries (increased head count), insurance and professional fees.

INTEREST EXPENSE. Interest expense was $321,136 in 2006, compared to $143,659 for the comparable 2005 period. The increase was due to increases in corporate debt incurred to fund ramp-up and administrative costs as explained above.

NET LOSS. Net loss increased by $636,359 to $2,674,443 for the nine months ended September 30, 2006 from a net loss of $2,038,084 for the comparable 2005 period. The larger net loss reflects the cost of suspension of our production in the spring of 2006 in order to retool the production line and process in advance of starting the Gamesa production run, as well as our accounting policy not to recognize the substantial body of work-in-process during the ramp-up of the Gamesa production run as revenue.

LIQUIDITY AND CAPITAL RESOURCES

We have financed our operations since inception primarily through capital contributed by shareholders and borrowing from shareholders and from financial institutions with personal guarantees being provided by the shareholders. From inception to September 30, 2006, shareholders contributed $227,925 in the form of free rent and $398,500 in the form of management salaries. At September 30, 2006, notes payable to related parties was $4,107,816 and long-term debt was $826,212. For the nine months ended September 30, 2006, net cash from financing activities of $866,452 was provided primarily by additional borrowings.

On December 31, 2005, each of Messrs. Allie, Fox, Wergin, and Brickner agreed to maintain a line of credit for the benefit of Tower Tech through December 31, 2006 in the following amounts indicated in the table below. Tower Tech has drawn down against the lines of credit and at December 31, 2005 and September 30, 2006, the amounts set forth in the table below were owed to these persons. Tower Tech will pay interest at a fixed rate of 8% per annum. The line of credit agreements were amended as of April 1, 2006 to increase the amounts available as set forth below.

LENDER	AMOUNT AVAILABLE PER 12/31/05 LINE OF CREDIT AGREEMENTS	AMOUNT OWED TO LENDER AT 12/31/05	AMOUNT AVAILABLE PER LINE OF CREDIT AGREEMENTS AS AMENDED 4/1/06	AMOUNT OWED TO LENDER AT 9/20/06
Christopher C. Allie	$ 775,000	$ 712,533	$ 1,500,000	$ 830,326
Terence P. Fox	$ 1,015,000	$ 1,009,833	$ 1,750,000	$ 1,131,882
Daniel P. Wergin	$ 775,000	$ 755,759	$ 1,750,000	$ 938,108
Raymond L. Brickner III	$ 650,000	$ 612,500	$ 1,750,000	$ 791,000

At September 30, 2006, we had no cash and a working capital deficiency of $7,549,662, as compared to cash of $166,023 and a working capital deficiency of $5,220,309 at December 31, 2005. The decrease in cash and increase in the working capital deficiency were due primarily to the loss for the nine-month period, as cash used in operating activities was $1,006,326 for the nine months ended September 30, 2006 as compared to $902,953 for the 2005 period.

PLAN OF OPERATION

We expect to continue to incur negative cash flows and net losses for at least the foreseeable future. Based upon our current plans, management believes that it will need external funding of approximately $3,500,000 to cover its operational and capital expenses through the end of the current fiscal year. However, changes in our business strategy, relationship with Vestas, or marketing plans or other events affecting its operating plans and expenses may result in the expenditure of existing cash before that time. If this occurs, our ability to meet our cash obligations as they become due and payable will depend on our ability to sell securities, borrow funds or some combination thereof. We may not be successful in raising necessary funds on acceptable terms, or at all.

On June 27, 2006, we entered into an Investment Agreement with Dutchess Private Equities Fund, L.P. ("Dutchess"). Pursuant to this Agreement, Dutchess shall commit to purchase up to $15,000,000 of our common stock over the course of 24 months at the sole discretion of the Company. The amount that we shall be entitled to request from each purchase ("Puts") shall be equal to, at our election, either (i) $250,000 or (ii) 200% of the average daily volume (U.S. market only) of the common stock for the 10 trading days prior to the applicable put notice date, multiplied by the average of the 3 daily closing bid prices immediately preceding the put date. The put date shall be the date that Dutchess receives a put notice of a draw down by us. The purchase price shall be set at 94% of the lowest closing Best Bid price of the common stock during the pricing period. The pricing period shall be the 5 consecutive trading days immediately after the put notice date. There are put restrictions applied on days between the put date and the closing date with respect to that particular Put. During this time, we shall not be entitled to deliver another put notice. Further, we shall reserve the right to withdraw that portion of the Put that is below 90% of the lowest closing bid prices for the 10-trading day period immediately preceding each put notice.

We were obligated to file a registration statement with the Securities and Exchange Commission ("SEC") covering the shares of common stock underlying the Investment Agreement within 30 days after the closing date. In addition, we are obligated to use all commercially reasonable efforts to have the registration statement declared effective by the SEC within 120 days after the filing of the registration statement. We and Dutchess mutually agreed to defer the filing of the registration statement until such time as the market for our stock improves.

Once the registration statement is declared effective, we may initiate Puts to Dutchess. We believe that the Dutchess financing arrangement will satisfy the capital requirements of the company and allow for expansion, addition of equipment, increased production and reaching an economy of scale that will move the company to profitability.

We will remain focused on manufacturing and selling wind towers and monopiles to the wind energy industry over the next twelve months. We will improve our manufacturing production process through the acquisition of additional efficiency-enhancing equipment as well as the implementation of throughput-enhancing production methodologies. To date we have nearly doubled our production capacity from what it was at the close of 2005. We do not anticipate that we will hire back a significant number of employees as we increase our plant capacity in early 2007 to approximately 150 towers per year, and, in fact, we project that our total employment may actually decline during capacity expansion with the addition of this labor-saving equipment and these significant process improvements. Expanded production capacity is a result of significant improvements in efficiency and productivity generated by our recent installation of one (1) PullMax X93 Plate Beveler, providing bevels for high quality welds at speeds ranging from 6 to 12 feet per minute, and four (4) Lincoln Electric automatic submerged arc welding units, consisting of Lincoln Electric AC-1200 Amp Power Source, Lincoln Electric DC-1000 Amp Power Source and Lincoln Electric NA3 Control Units. The Lincoln Electric unit is the industry's leading welding system, and is specifically designed to deposit more weld metal at faster travel speeds, thereby eliminating production bottlenecks and unnecessary costs. We are currently in negotiations to procure additional equipment, including an advanced coating system that will improve the quality of our tower coating while reducing, significantly, the labor required to paint the towers.

We are in negotiations with multiple customers for control of our 2007-2008 production capacity, which we are estimating to reflect more than $100 million in revenues, based upon "full-in" contracts, which include materials and transport/logistics, instead of labor-only contracts that we have done thus far. We anticipate completing those negotiations before the end of the fourth quarter, 2006.

We have also applied to become a "Port-of-Entry" in order to secure further improvements in efficiency and to make the plant more competitive in the future. "Port of Entry" status will not only allow the company to reduce its shipping and related costs, but will also create an additional revenue stream for the company, as we will be able to charge fees to others for ingress and egress.

OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2006, we did not have any off-balance sheet arrangements.

FORWARD-LOOKING STATEMENTS

The forward-looking comments contained in this discussion involve risks and uncertainties. Actual results may differ materially from those discussed here due to factors such as, among others, limited operating history, difficulty in developing and refining manufacturing operations, and competition.

ITEM 3. CONTROLS AND PROCEDURES

As required by SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures at the end of the period covered by this report. This evaluation was carried out under the supervision and with the participation of our management, including our principal executive officer and principal financial officer. Based on this evaluation, these officers have concluded that the design and operation of our disclosure controls and procedures are effective. There were no changes in our internal control over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Disclosure controls and procedures are our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that 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. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

It should be noted that the Company does not have a formal audit committee. Its board of directors oversees the responsibilities of the audit committee. The board is fully aware that there is a lack of segregation of duties due to the small number of employees dealing with general administrative and financial matters. However, the board has determined that considering the employees involved and the control procedures in place, risks associated with such a lack of segregation are insignificant and the potential benefits of adding employees to clearly segregate duties does not justify the expenses associated with such increases at this time.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

Not applicable

ITEM 6. EXHIBITS

REGULATION S-B NUMBER	EXHIBIT
2.1	Share Exchange Agreement by and among Blackfoot Enterprises, Inc. and the shareholders of Tower Tech Systems, Inc. and Tower Tech Systems, Inc. dated as of November 7, 2005 (1)
3.1	Articles of Incorporation (2)
3.2	Certificate of Amendment to Articles of Incorporation (3)
3.3	Bylaws (2)
10.1	Tower Production Agreement (4)
10.2	Associated Bank loan documents (4)
10.3	Wisconsin Business Development Finance Corporation loan documents (4)
10.4	Lease agreement with City Centre, LLC (4)
10.5	Promissory note to BFM LLC dated January 28, 2005 (4)
10.6	Promissory note to Choice Inc dated May 25, 2005 (4)

REGULATION S-B NUMBER	EXHIBIT
10.7	Promissory note to 43 Enterprises dated October 20, 2005 (4)
10.8	Promissory note to Choice Inc. dated October 21, 2005 (4)
10.9	Promissory note to City Centre LLC dated November 11, 2005 (4)
10.10	Promissory note to City Centre LLC dated December 30, 2005 (4)
10.11	Line of credit agreements with related parties (4)
10.12	April 1, 2006 amended line of credit agreements with related parties (6)
10.13	Promissory note to City Centre LLC dated April 7, 2006 (6)
10.14	Investment Agreement, dated as of June 27, 2006, by and between Tower Tech Holdings, Inc. and Dutchess Private Equities Fund, L.P. (5)
10.15	Registration Rights Agreement, dated as of June 27, 2006, by and between Tower Tech Holdings, Inc. and Dutchess Private Equities Fund, L.P. (5)
21.1	Subsidiaries of Tower Tech Holdings Inc. (4)
31.1	Rule 13a-14(a) Certification of Chief Executive Officer
31.2	Rule 13a-14(a) Certification of Chief Financial Officer
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Chief Executive Officer
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Chief Financial Officer

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(1) Incorporated by reference to the exhibits to the registrant's current report on Form 8-K, filed November 21, 2005.
(2) Incorporated by reference to the exhibits to the registrant's registration statement on Form 10-SB filed August 11, 2000.
(3) Incorporated by reference to the exhibits to the registrant's current report on Form 8-K, filed February 10, 2006.
(4) Incorporated by reference to the exhibits to the registrant's annual report for the fiscal year ended December 31, 2005.
(5) Incorporated by reference to the exhibits to the registrant's current report on Form 8-K, filed June 30, 2006.
(6) Incorporated by reference to the exhibits to the registrant's quarterly report on Form 10-QSB, filed August 14, 2006.

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.

TOWER TECH HOLDINGS INC.

November 14, 2006	*By: /s/ SAMUEL W. FAIRCHILD*
	Samuel W. Fairchild *Chief Executive Officer*
November 14, 2006	*By: /s/ DANIEL P. WERGIN*
	Daniel P. Wergin *Chief Financial Officer*

EXHIBIT 31.1

RULE 13A-14(a) CERTIFICATION

I, Samuel W. Fairchild, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Tower Tech Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information;

and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 14, 2006 *\/s/ SAMUEL W. FAIRCHILD*

Samuel W. Fairchild
Chief Executive Officer

EXHIBIT 31.2

RULE 13A-14(a) CERTIFICATION

I, Daniel P. Wergin, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Tower Tech Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the small business issuer as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information;

and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 14, 2006 *\/s/ DANIEL P. WERGIN*

Daniel P. Wergin
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO**

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Tower Tech Holdings Inc. (the "Company") on Form 10-QSB for the period ended September 30, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Samuel W. Fairchild, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SAMUEL W. FAIRCHILD
--
Samuel W. Fairchild
Chief Executive Officer

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO**

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Tower Tech Holdings Inc. (the "Company") on Form 10-QSB for the period ended September 30, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel P. Wergin, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DANIEL P. WERGIN
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Daniel P. Wergin
Chief Financial Officer