

CAREGUIDE INC  
Form 10-Q/A  
June 04, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

**Amendment No. 1**

**FORM 10-Q/A**

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

For the quarterly period ended: March 31, 2007

**OR**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 0-22319

## **CAREGUIDE, INC.**

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

Delaware

(State or other jurisdiction of  
incorporation or organization)

16-1476509

(I.R.S. Employer Identification No.)

4401 N.W. 124<sup>th</sup> Avenue, Coral Springs, FL 33065

(Address of principal executive offices)

(954) 796-3714

(Issuer's telephone number, including area code)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange 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 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

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of May 14, 2007, 67,538,976 shares of the Company's common stock, par value \$0.01 per share, were outstanding.

**EXPLANATORY NOTE**

CareGuide, Inc. is filing this Amendment No. 1 to its Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2007 solely to include the certifications of its Chief Executive Officer and Chief Financial Officer. Those certifications were omitted from the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 15, 2007.

Except for including the certifications noted above, no other information is being amended by this Form 10-Q/A.

**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****CareGuide, Inc. and Subsidiaries  
Consolidated Balance Sheets***(Dollars in thousands, except shares and par values)*

	<b>March 31, 2007 (unaudited)</b>	<b>December 31, 2006</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,982	\$ 5,975
Restricted cash available for current liabilities	3,006	4,717
Securities available for sale	24	24
Securities held for trading	306	284
Notes receivable	-	308
Accounts receivable, net of allowance for doubtful accounts of \$585 and \$544, respectively	3,866	3,503
Prepaid expenses and other current assets	449	587
Current assets of discontinued operations	343	344
Total current assets	9,976	15,742
Property and equipment, net	2,611	2,948
Intangibles and other assets, net	5,595	5,963
Goodwill	32,673	32,629
Restricted cash	909	908
<b>Total assets</b>	<b>\$ 51,764</b>	<b>\$ 58,190</b>
<b>Liabilities and stockholders equity</b>		
Current liabilities:		
Claims payable	\$ 5,231	\$ 7,260
Line of credit	8,000	8,000
Accounts payable and accrued expenses	4,358	4,932
Deferred revenue	177	1,500
Current tax liability	336	344
Current portion of lease obligations	372	365
Current liabilities of discontinued operations	417	425
Total current liabilities	18,891	22,826
Long-term liabilities:		
Notes payable	6,601	6,520
Lease obligations, net of current portion	1,011	1,107
Deferred tax liability	7	7
Total liabilities	26,510	30,460
Commitments and contingencies		
Stockholders equity:		
Common stock, \$.01 par value, 80,000,000 shares authorized; 67,538,976 shares issued and outstanding	675	675
Additional paid-in capital	62,717	62,474
Other comprehensive loss	(32)	(32)
Accumulated deficit	(38,106)	(35,387)
Total stockholders equity	25,254	27,730
<b>Total liabilities and stockholders equity</b>	<b>\$ 51,764</b>	<b>\$ 58,190</b>

See notes to unaudited consolidated financial statements.



**CareGuide, Inc. and Subsidiaries**  
**Consolidated Statements of Operations (unaudited)**

(In thousands, except per share data)

	<b>Three Months Ended March 31,</b>	
	<b>2007</b>	<b>2006</b>
Revenues:		
Capitation revenue	\$ 3,032	\$ 8,705
Administrative and fee revenue	5,139	6,956
Total revenues	8,171	15,661
Cost of services direct service costs, excluding depreciation and amortization of \$583 and \$340, respectively	6,735	11,731
Gross profit	1,436	3,930
Operating costs and expenses:		
Selling, general and administrative expense	2,989	2,614
Depreciation and amortization	762	549
Total operating costs and expenses	3,751	3,163
Operating (loss) income from continuing operations	(2,315)	767
Other income (expense):		
Interest and other income	104	110
Trading portfolio gain (loss)	22	(16)
Interest expense	(489)	(402)
(Loss) income from continuing operations before income taxes and discontinued operations	(2,678)	459
Income tax (expense) benefit	(44)	21
(Loss) income from continuing operations	(2,722)	480
Income from discontinued operations	3	-
Net (loss) income	(2,719)	480
Accretion of preferred stock	-	(11)
Net (loss) income attributable to common stockholders	\$ (2,719)	\$ 469
Net comprehensive (loss) income attributable to common stockholders	\$ (2,719)	\$ 468
Net (loss) income per common share-basic and diluted:		
(Loss) income from continuing operations	\$ (0.04)	\$ 0.01
Discontinued operations	-	-
Net (loss) income	\$ (0.04)	\$ 0.01
Weighted average common shares outstanding:		
Basic	67,539	51,072
Diluted	67,539	57,514

See notes to unaudited consolidated financial statements.

**CareGuide, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows (unaudited)**

*(Dollars in thousands)*

	<b>Three Months Ended March 31,</b>	
	<b>2007</b>	<b>2006</b>
<b>Cash provided by (used in) operating activities:</b>		
Cash received from customers	\$ 6,483	\$ 11,534
Direct provider costs and claims settlements paid	(4,560)	(4,711)
Salary and benefits paid	(4,021)	(4,222)
Rent expense paid	(391)	(500)
Professional fees paid	(561)	(27)
Other operating expenses paid	(2,742)	(1,227)
Other income received	104	110
Interest expense paid	(191)	(166)
Income taxes paid	(51)	(4)
Net cash (used in) provided by operating activities	(5,930)	787
<b>Cash provided by (used in) investing activities:</b>		
Purchases of property and equipment	(38)	(30)
Restricted deposits, net	1,710	1,099
Collection of notes receivable	310	-
Cash (used in) acquired in merger, net of acquisition costs	(45)	4,327
Net cash provided by investing activities	1,937	5,396
<b>Cash used in financing activities:</b>		
Principal payments of capital lease obligations	-	(120)
Net cash used in financing activities	-	(120)
Net (decrease) increase in cash and cash equivalents	(3,993)	6,063
Cash and cash equivalents, beginning of period	5,975	2,336
Cash and cash equivalents, end of period	\$ 1,982	\$ 8,399

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