

NEOGENOMICS INC
Form 10QSB
July 19, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-QSB

Quarterly report pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934.

For the quarterly period ended June 30, 2006.

Transition report pursuant to Section 13 or 15(d) of the Exchange Act for the transition period from _____
_____ to _____.

Commission File Number: 333-72097

NeoGenomics, Inc.

(Exact name of registrant as specified in charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

74-2897368

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

12701 Commonwealth Drive, Suite 9, Fort Myers, FL 33913

(Address of principal executive offices)

(239) 768-0600

(Registrant's Telephone Number, Including Area Code)

Check whether the registrant: (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 shell company (as defined in Rule 12b-2 of the Exchange Act)_ **Yes No**

State the number of shares outstanding of each of the issuer's classes of common equity, as of July 18, 2006.

26,328,365

Transitional Small Business Disclosure Format: **YES () NO ()**

NeoGenomics, Inc.

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PART I

FORWARD-LOOKING STATEMENTS

This Form 10-QSB contains forward-looking statements relating to NeoGenomics, Inc., a Nevada corporation (referred to individually as the Parent Company or collectively with all of its subsidiaries as the Company or NeoGenomics in this Form 10-QSB), which represent the Company's current expectations or beliefs including, but not limited to, statements concerning the Company's operations, performance, financial condition and growth. For this purpose, any statements contained in this Form 10-QSB that are not statements of historical fact are forward-looking statements. Without limiting the generality of the foregoing, words such as may, anticipation, intend, could, estimate, or continue or the negative or other comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, such as credit losses, dependence on management and key personnel, variability of quarterly results, and the ability of the Company to continue its growth strategy and competition, certain of which are beyond the Company's control. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual outcomes and results could differ materially from those indicated in the forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

NeoGenomics, Inc.**CONSOLIDATED BALANCE SHEET AS OF****June 30, 2006****(unaudited)****ASSETS****CURRENT ASSETS:**

Cash and cash equivalents	\$ 274,353
Accounts receivable (net of allowance for doubtful accounts of \$51,555)	1,032,674
Inventories	76,299
Other current assets	81,665
Total current assets	1,464,991

PROPERTY AND EQUIPMENT (net of accumulated depreciation of \$354,939)	839,225
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OTHER ASSETS	19,186
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TOTAL	\$ 2,323,402
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LIABILITIES AND STOCKHOLDERS DEFICIT**CURRENT LIABILITIES:**

Accounts payable	\$ 433,021
Deferred revenue	89,970
Short-term portion of equipment lease and notes payable	83,670
Accrued compensation	112,397
Accrued and other liabilities	69,019
Total current liabilities	788,077

LONG TERM LIABILITIES:

Line of credit (net of unamortized discount of \$66,228)	1,533,772
Long-term portion of equipment lease	106,065
Total long term liabilities	1,639,837

TOTAL LIABILITIES	2,427,914
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STOCKHOLDERS DEFICIT:

Common stock, \$.001 par value, 100,000,000 shares authorized; 26,328,365 shares issued and outstanding	26,328
Additional paid-in capital	10,700,948
Deferred Stock Compensation	(79,078)
Accumulated deficit	(10,752,710)
Total stockholders deficit	(104,512)

TOTAL	\$ 2,323,402
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See notes to consolidated financial statements.

NeoGenomics, Inc.**CONSOLIDATED STATEMENTS OF OPERATIONS****(unaudited)**

	For the Six-Months Ended June 30, 2006	For the Six-Months Ended June 30, 2005	For the Three-Months Ended June 30, 2006	For the Three-Months Ended June 30, 2005
REVENUE	\$ 3,111,292	\$ 575,080	\$ 1,767,492	\$ 344,888
COST OF REVENUE	1,302,614	347,005	725,816	182,391
GROSS PROFIT	1,808,678	228,075	1,041,676	162,497
OTHER OPERATING EXPENSES:				
Selling, general and administrative	1,392,784	545,401	802,100	291,831
Interest expense	148,206	79,205	78,321	52,024
Total other operating expenses	1,540,990	624,606	880,421	343,855
NET INCOME (LOSS)	\$ 267,688	\$ (396,531)	\$ 161,255	\$ (181,358)
NET INCOME (LOSS) PER SHARE:				
Basic	\$ 0.01	\$ (0.02)	\$ 0.01	\$ (0.01)
Diluted	\$ 0.01	\$ (0.02)	\$ 0.01	\$ (0.01)
WEIGHTED AVERAGE NUMBER				
OF SHARES OUTSTANDING :				
Basic	25,531,132	21,952,046	26,301,619	22,157,538
Diluted	27,951,298	21,952,046	29,709,673	22,157,538