

ICAD INC  
Form 10-Q  
May 10, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2006

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 1-9341

ICAD, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation or organization)

02-0377419  
(I.R.S. Employer Identification No.)

4 Townsend West, Suite 17, Nashua, NH  
(Address of principal executive offices)

03063  
(Zip Code)

(603) 882-5200  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark 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 requirement 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.

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



As of the close of business on May 5, 2006 there were 36,863,386 shares outstanding of the registrant 's Common Stock, \$.01 par value.

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iCAD, INC.

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## iCAD, INC.

## Consolidated Balance Sheets

<u>Assets</u>	<b>March 31, 2006 (unaudited)</b>	<b>December 31, 2005</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,233,402	\$ 4,604,863
Trade accounts receivable, net of allowance for doubtful accounts of \$463,000 in 2006 and \$450,000 in 2005	2,814,555	3,958,392
Inventory	3,097,089	2,517,467
Prepaid and other current assets	274,111	176,133
<b>Total current assets</b>	<b>9,419,157</b>	<b>11,256,855</b>
<b>Property and equipment:</b>		
Equipment	3,140,901	3,038,344
Leasehold improvements	120,012	120,012
Furniture and fixtures	149,803	149,803
	<b>3,410,716</b>	<b>3,308,159</b>
Less accumulated depreciation and amortization	1,691,121	1,523,724
<b>Net property and equipment</b>	<b>1,719,595</b>	<b>1,784,435</b>
<b>Other assets:</b>		
Patents, net of accumulated amortization	204,988	224,519
Technology intangibles, net of accumulated amortization	4,193,987	4,348,008
Tradename, distribution agreements and other, net of accumulated amortization	342,450	398,733
Goodwill	43,515,285	43,515,285
<b>Total other assets</b>	<b>48,256,710</b>	<b>48,486,545</b>
<b>Total assets</b>	<b>\$ 59,395,462</b>	<b>\$ 61,527,835</b>
<b><u>Liabilities and Stockholders' Equity</u></b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 4,546,868	\$ 4,250,574
Accrued interest	55,169	48,167
Accrued salaries and other expenses	1,256,949	1,868,736
Deferred revenue	679,002	499,279
Current maturities of note payable	1,500,000	1,500,000
<b>Total current liabilities</b>	<b>8,037,988</b>	<b>8,166,756</b>
Loans payable to related party	258,906	258,906
Note payable, less current maturities	—	375,000
<b>Total liabilities</b>	<b>8,296,894</b>	<b>8,800,662</b>
<b>Commitments and contingencies</b>		
<b>Stockholders' equity:</b>		
Preferred stock, \$ .01 par value: authorized 1,000,000 shares; issued and outstanding		

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6,374 in 2006 and 2005, with an aggregate liquidation value of \$1,739,000 in 2006 and 2005, plus 7% annual dividend	64	64
Common stock, \$ .01 par value: authorized 50,000,000 shares; issued 36,931,262 shares in 2006 and 2005; outstanding 36,863,386 shares in 2006 and 2005	369,312	369,312
Additional paid-in capital	130,758,719	130,781,430
Accumulated deficit	(79,079,263)	(77,473,369)
Treasury stock at cost (67,876 common shares)	(950,264)	(950,264)
Total stockholders' equity	51,098,568	52,727,173
Total liabilities and stockholders' equity	\$ 59,395,462	\$ 61,527,835

*See accompanying notes to consolidated financial statements.*

**iCAD, INC.**

**Consolidated Statements of Operations**  
(unaudited)

	<b>Three Months Ended March 31, 2006</b>	<b>Three Months Ended March 31, 2005</b>
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Sales