

HOME SOLUTIONS OF AMERICA INC
Form 10QSB
August 14, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2003

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 0-22388

HOME SOLUTIONS OF AMERICA, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

99-0273889
(IRS Employer
Identification No.)

11850 Jones Road, Houston, Texas 77070
(Address of Principal Executive Offices)

(281) 970-9859
(Issuer's Telephone Number, Including Area Code)

(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 No

Edgar Filing: HOME SOLUTIONS OF AMERICA INC - Form 10QSB

The number of shares outstanding of the registrant's common stock, \$.001 par value per share, as of August 7, 2003 was 12,515,871 shares.

Transitional Small Business Disclosure Format: Yes _____ No X

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements.

HOME SOLUTIONS OF AMERICA, INC.
CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Per Share Data)

	June 30, 2003 (unaudited)
ASSETS	
Current assets:	
Cash	\$ 251
Accounts receivable, net of allowance for doubtful accounts of \$68	2,703
Prepaid expenses and other current assets	301
Total current assets	3,255
Property and equipment, net of accumulated depreciation of \$225	2,176
Goodwill	10,815
Deferred income taxes	32
Due from related party	53
Other assets	523
	\$ 16,854
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities:	
Accounts payable and accrued expenses	\$ 1,839
Due to related party	12
Line of credit borrowings	524
Current portion of long-term debt	1,275
Current portion of capital lease obligations	140
Notes payable	161
Notes payable to related party	1,000
Total current liabilities	4,951
Long-term liabilities:	
Long-term debt, net of current portion	4,854
Capital lease obligations, net of current portion	159
Total liabilities	9,964
Commitments and contingencies	
Stockholders' equity:	
Common stock, \$0.001 par value, 50,000 shares authorized; 11,961 shares issued and outstanding	12
Additional paid-in capital	29,116
Accumulated deficit	(22,238)
Total stockholders' equity	6,890
	\$ 16,854

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

HOME SOLUTIONS OF AMERICA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2003	2002	2003	2002
Net Sales	\$ 3,053	\$ -	\$ 6,982	\$ -
Costs and expenses				
Cost of sales	1,712	-	3,784	-
Selling, general and administrative expenses	1,525	487	3,223	897
	3,237	487	7,007	897
Operating loss	(184)	(487)	(25)	(897)
Other income (expense):				
Gain on sale of assets	64	-	64	-
Interest income	1	32	1	63
Interest expense	(209)	(4)	(358)	(4)
	156			
Other income	152	1,105		1,105
Total other income (expense)	8	1,133	(137)	1,164
Income (loss) from continuing operations before income taxes	(176)	646	(162)	267
Income taxes	-	-	-	-
Loss from discontinued operations (including loss on disposal of \$104)	-	-	-	(247)
Net income (loss)	\$ (176)	\$ 646	\$ (162)	\$ 20
Income (loss) per share from continuing operations				
Basic and diluted	\$ (0.02)	\$ 0.07	\$ (0.01)	\$ 0.03
Loss from discontinued operations				
Basic and diluted	\$ -	\$ -	\$ -	\$ (0.03)
Net income (loss) per share				
Basic and diluted	\$ (0.02)	\$ 0.07	\$ (0.01)	\$ 0.00
Weighted average number of common shares outstanding				
Basic	11,337	9,272	11,209	9,756
Diluted	11,337	9,272	11,209	9,756

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

HOME SOLUTIONS OF AMERICA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
(Unaudited)

	2003	Six Months Ended June 30,	2002
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$	(162)	\$ 20
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization		313	15
Allowance for doubtful accounts		(24)	-
Loss on sale of PTP		-	104
Gain on sale of assets for settlement of obligation		(64)	-
Gain on extinguishment of debt		&n	-