AMERICAN SHARED HOSPITAL SERVICES

Form 10-Q

May 14, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q
(Mark One)
$_{\rm X}$ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2015 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 1-08789
American Shared Hospital Services
(Exact name of registrant as specified in its charter)

California 94-2918118 (State or other jurisdiction of (IRS Employer Incorporation or organization) Identification No.)

Four Embarcadero Center, Suite 3700, San Francisco, California 94111 (Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (415) 788-5300

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 requirements for the past 90 days. Yes x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer " Accelerated Filer " Non-Accelerated Filer " Smaller reporting company x

As of May 1, 2015, there are outstanding 5,361,000 shares of the Registrant's common stock.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AMERICAN SHARED HOSPITAL SERVICES

CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	(unaudited) March 31, 2015	December 31, 2014	
Current assets:			
Cash and cash equivalents	\$ 927,000	\$ 1,059,000	
Restricted cash	50,000	50,000	
Certificate of deposit	-	9,000,000	
Accounts receivable, net of allowance for doubtful accounts of \$100,000 at March 31, 2015 and \$100,000 at March 31, 2014	3,867,000	3,192,000	
Other receivables	191,000	131,000	
Prepaid expenses and other current assets	451,000	448,000	
Current deferred tax assets	367,000	367,000	
Total current assets	5,853,000	14,247,000	
Property and equipment:			
Medical equipment and facilities	85,431,000	82,151,000	
Office equipment	721,000	721,000	
Deposits and construction in progress	11,433,000	13,736,000	
	97,585,000	96,608,000	
Accumulated depreciation and amortization	(47,711,000)
Net property and equipment	49,874,000	50,036,000	
Investment in equity securities	2,709,000	2,709,000	
Other assets	517,000	536,000	
Total assets	\$ 58,953,000	\$ 67,528,000	
LIABILITIES AND	(unaudited)		
SHAREHOLDERS' EQUITY	March 31, 2015	December 31, 2014	

Current liabilities: Accounts payable	\$ 301,000	\$ 421,000
Employee compensation and benefits	111,000	179,000
Other accrued liabilities	1,126,000	763,000
Current portion of long-term debt	2,016,000	2,005,000
Current portion of obligations under capital leases	4,029,000	4,103,000
Advances on line of credit	-	8,780,000
Total current liabilities	7,583,000	16,251,000
Long-term debt, less current portion	8,186,000	8,586,000
Long-term capital leases, less current portion	12,420,000	12,190,000
Deferred revenue, less current portion	857,000	874,000
Deferred income taxes	3,473,000	3,473,000
Shareholders' equity:		
Common stock (5,361,000 shares at March 31, 2015 and 5,361,000 shares at December 31, 2014)	10,376,000	10,376,000
Additional paid-in capital	5,544,000	5,508,000
Retained earnings	5,670,000	5,542,000
Total equity-American Shared Hospital Services	21,590,000	21,426,000
Non-controlling interest in subsidiary	4,844,000	4,728,000
Total shareholders' equity	26,434,000	26,154,000
Total liabilities and shareholders' equity	\$ 58,953,000	\$ 67,528,000

See accompanying notes

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AMERICAN SHARED HOSPITAL SERVICES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months ended March 31, 2015 2014			
Medical services revenue	\$ 4,117,000	\$ 4,064,000		
Costs of revenue:				
Maintenance and supplies	333,000	487,000		
Depreciation and amortization	1,505,000	1,611,000		
Other direct operating costs	682,000	677,000		
	2,520,000	2,775,000		
Gross Margin	1,597,000	1,289,000		
Selling and administrative expense	821,000	922,000		
Interest expense	320,000	470,000		
Operating income (loss)	456,000	(103,000)	
Gain foreign currency transactions Interest and other income	- 6,000	15,000 9,000		
Income (loss) before income taxes	462,000	(79,000)	
Income tax expense (benefit)	130,000	(30,000)	
Net income (loss) Less: Net income attributable to non-controlling interest	332,000 (204,000	(49,000 (47,000)	
Net income (loss) attributable to American Shared Hospital Services	\$ 128,000	\$ (96,000)	
Net income (loss) per share:				
Earnings (loss) per common share - basic	\$ 0.02	\$ (0.02)	
Earnings (loss) per common share - diluted	\$ 0.02	\$ (0.02)	

See accompanying notes

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AMERICAN SHARED HOSPITAL SERVICES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

	Three months ended March 30,		
	2015	2014	
Net income (loss) attributable to American Shared Hospital Services	\$ 128,000	\$ (96,000)
Other comprehensive income: Foreign currency translation adjustments	-	1,000	
Total comprehensive income (loss) Less comprehensive income attributable to the non-controlling interest	128,000	(95,000 -)
Comprehensive income (loss) attributable to American Shared Hospital Services	\$ 128,000	\$ (95,000)

See accompanying notes

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AMERICAN SHARED HOSPITAL SERVICES

CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2013 AND 2014 AND THREE MONTH PERIOD MARCH 31, 2015

	Common	Common	Additional Paid-in	Accumulate Other Comprehen (Loss)	Ret ained	Sub-Total	Non-controll Interests in	
	Shares	Stock	Capital	Income	Earnings	ASHS	Subsidiaries Total	
Balances at January 1, 2013	4,606,000	8,578,000	4,902,000	(357,000)	6,806,000	19,929,000	4,901,000	24,830,000
Stock-based compensation expense	3,000	-	88,000	-	-	88,000	-	88,000
Non-controlling interest investment in subsidiaries	-	-	-	-	-	-	184,000	184,000
Cash distributions to non-controlling interests	-	-	-	-	-	-	(792,000)	(792,000)
Cumulative translation adjustment	-	-	-	(85,000)	-	(85,000)	(57,000)	(142,000)
Net (loss) income	-	-	-	-	(312,000)	(312,000)	199,000	(113,000)
Balances at December 31, 2013	4,609,000	8,578,000	4,990,000	(442,000)	6,494,000	19,620,000	4,435,000	24,055,000
Repurchase of common stock	(1,000)	(2,000)	-	-	-	(2,000)	-	(2,000)
Stock-based compensation expense	3,000	-	373,000	-	-	373,000	-	373,000

Private placement common stock	750,000	1,800,000	-	-	-	1,800,000	-	1,800,000
Fair value of warrants issued with promissory notes	-	-	145,000	-	-	145,000	-	145,000