

AMERICAN SHARED HOSPITAL SERVICES  
Form 10-Q  
May 14, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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, 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)



## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## AMERICAN SHARED HOSPITAL SERVICES

## CONDENSED CONSOLIDATED BALANCE SHEETS

	(unaudited)	
ASSETS	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
<b>Total current assets</b>	<b>5,853,000</b>	<b>14,247,000</b>
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 )	(46,572,000 )
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
<b>Total assets</b>	<b>\$ 58,953,000</b>	<b>\$ 67,528,000</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	(unaudited)	
	March 31, 2015	December 31, 2014

Edgar Filing: AMERICAN SHARED HOSPITAL SERVICES - Form 10-Q

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
<b>Total current liabilities</b>	<b>7,583,000</b>	<b>16,251,000</b>
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
<b>Total shareholders' equity</b>	<b>26,434,000</b>	<b>26,154,000</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 58,953,000</b>	<b>\$ 67,528,000</b>

See accompanying notes

**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	-	15,000
Interest and other income	6,000	9,000
Income (loss) before income taxes	462,000	(79,000 )
Income tax expense (benefit)	130,000	(30,000 )
Net income (loss)	332,000	(49,000 )
Less: Net income attributable to non-controlling interest	(204,000 )	(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

3

**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)	128,000	(95,000 )
Less comprehensive income attributable to the non-controlling interest	-	-
Comprehensive income (loss) attributable to American Shared Hospital Services	\$ 128,000	\$ (95,000 )

See accompanying notes

## 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 Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Sub-Total ASHS	Non-controlling Interests in 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



Edgar Filing: AMERICAN SHARED HOSPITAL SERVICES - Form 10-Q

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