

AMERICAN SHARED HOSPITAL SERVICES
Form 10-Q
November 10, 2016

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 September 30, 2016 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 001-08789

American Shared Hospital Services

(Exact name of registrant as specified in its charter)

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California (State or other jurisdiction of incorporation or organization)	94-2918118 (IRS Employer Identification No.)
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Two Embarcadero Center, Suite 410, San Francisco, California (Address of Principal Executive Offices)	94111 (Zip Code)
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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 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 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

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

As of November 7, 2016, there are outstanding 5,367,647 shares of the Registrant's common stock.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AMERICAN SHARED HOSPITAL SERVICES

CONDENSED CONSOLIDATED BALANCE SHEETS

	(unaudited) September 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,846,000	\$2,209,000
Restricted cash	250,000	50,000
Accounts receivable, net of allowance for doubtful accounts of \$100,000 at September 30, 2016 and \$100,000 at December 31, 2015	4,307,000	3,038,000
Other receivables	119,000	107,000
Prepaid expenses and other current assets	733,000	603,000
Total current assets	7,255,000	6,007,000
Property and equipment:		
Medical equipment and facilities	95,417,000	83,267,000
Office equipment	535,000	721,000
Deposits and construction in progress	7,821,000	10,796,000
	103,773,000	94,784,000
Accumulated depreciation and amortization	(52,180,000)	(47,661,000)
Net property and equipment	51,593,000	47,123,000
Investment in equity securities	579,000	579,000
Other assets	427,000	405,000
Total assets	\$59,854,000	\$54,114,000

(unaudited)

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	September 30, 2016	December 31, 2015
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$297,000	\$375,000
Employee compensation and benefits	250,000	156,000
Other accrued liabilities	1,533,000	1,162,000
Current portion of long-term debt	1,861,000	2,674,000
Current portion of obligations under capital leases	5,369,000	4,331,000
Total current liabilities	9,310,000	8,698,000
Long-term debt, less current portion	4,611,000	6,923,000
Long-term capital leases, less current portion	15,364,000	9,190,000
Deferred revenue, less current portion	636,000	719,000
Deferred income taxes	3,782,000	3,404,000
Shareholders' equity:		
Common stock (10,000,000 authorized; 5,368,000 shares issued and outstanding at September 30, 2016 and 5,364,000 shares at December 31, 2015)	10,376,000	10,376,000
Additional paid-in capital	5,895,000	5,734,000
Retained earnings	4,498,000	4,020,000
Total equity-American Shared Hospital Services	20,769,000	20,130,000
Non-controlling interest in subsidiary	5,382,000	5,050,000
Total shareholders' equity	26,151,000	25,180,000
Total liabilities and shareholders' equity	\$59,854,000	\$54,114,000

See accompanying notes

AMERICAN SHARED HOSPITAL SERVICES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Medical services revenue	\$ 4,884,000	\$ 3,875,000	\$ 13,640,000	\$ 12,386,000
Costs of revenue:				
Maintenance and supplies	163,000	252,000	657,000	866,000
Depreciation and amortization	1,687,000	1,521,000	4,898,000	4,619,000
Other direct operating costs	638,000	648,000	2,117,000	2,048,000
	2,488,000	2,421,000	7,672,000	7,533,000
Gross Margin	2,396,000	1,454,000	5,968,000	4,853,000
Selling and administrative expense	999,000	904,000	2,911,000	2,704,000
Interest expense	501,000	235,000	1,219,000	900,000
Operating income	896,000	315,000	1,838,000	1,249,000
(Loss) on write down investment in equity securities	-	-	-	(2,114,000)