

AVALON HOLDINGS CORP
Form 10-Q
May 09, 2014
2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2014

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 1-14105

AVALON HOLDINGS CORPORATION

(Exact name of registrant as specified in its charter)

Ohio	34-1863889
(State or other jurisdiction	(I.R.S. Employer
of incorporation or organization)	Identification No.)

One American Way, Warren, Ohio 44484-5555

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(330) 856-8800**

Indicate by a 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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) 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 a check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions 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 Act). Yes No

The registrant had 3,191,100 shares of its Class A Common Stock and 612,231 shares of its Class B Common Stock outstanding as of May 5, 2014.

AVALON HOLDINGS CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****AVALON HOLDINGS CORPORATION AND SUBSIDIARIES****Condensed Consolidated Statements of Operations (Unaudited)****(in thousands, except per share amounts)**

	Three Months Ended	
	March 31,	
	2014	2013
Net operating revenues	\$9,983	\$14,669
Costs and expenses:		
Costs of operations	8,514	12,554
Depreciation and amortization	428	404
Selling, general and administrative expenses	1,800	1,900
Loss from operations	(759)	(189)
Other income (expense):		
Interest expense	(5)	(5)
Other income, net	72	79
Loss before income taxes	(692)	(115)
Provision for income taxes	8	29
Net loss	(700)	(144)
Less net loss attributable to non-controlling interest in subsidiary	(1)	
Net loss attributable to Avalon Holdings Corporation	\$(699)	\$(144)
Basic and dilutive loss per share:		
Net loss attributable to Avalon Holdings Corporation common shareholders	\$ (.18)	\$ (.04)
Weighted average shares outstanding – basic and diluted	3,803	3,803

See accompanying notes to condensed consolidated financial statements.

AVALON HOLDINGS CORPORATION AND SUBSIDIARIES**Condensed Consolidated Balance Sheets****(in thousands, except per share amounts)**

	March 31, 2014 (Unaudited)	December 31, 2013
<u>Assets:</u>		
Current Assets:		
Cash and cash equivalents	\$ 7,331	\$ 9,798
Accounts receivable, net	8,000	10,201
Prepaid expenses	400	349
Refundable income taxes	3	3
Other current assets	994	830
Total current assets	16,728	21,181
Property and equipment, less accumulated depreciation and amortization of \$13,838 in 2014 and \$13,556 in 2013	30,108	27,563
Leased property under capital leases, less accumulated depreciation and amortization of \$3,522 in 2014 and \$3,397 in 2013	6,624	6,719
Noncurrent deferred tax asset	8	8
Other assets, net	108	108
Total assets	\$ 53,576	\$ 55,579
<u>Liabilities and Shareholders' Equity</u>		
Current Liabilities:		
Current portion of obligations under capital leases	\$ 57	\$ 56
Accounts payable	6,157	8,101
Accrued payroll and other compensation	555	549
Accrued income taxes	—	1
Other accrued taxes	227	307
Deferred revenues	2,559	2,265