

VASOMEDICAL, INC
Form 10-Q
August 14, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 June 30, 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: 0-18105

VASOMEDICAL, INC.

(Exact name of registrant as specified in its charter)

Delaware 11-2871434
(State or other jurisdiction (IRS Employer Identification
of Number)
incorporation or
organization)

180 Linden Ave., Westbury, New York 11590
(Address of principal executive offices)

Registrant's Telephone Number (516) 997-4600

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

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

Number of Shares Outstanding of Common Stock, \$.001 Par Value, at August 9, 2014 – 155,552,283

Vasomedical, Inc. and Subsidiaries

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PART I – FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

Vasomedical, Inc. and Subsidiaries
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (in thousands, except share data)

	June 30, 2014	December 31, 2013
ASSETS		
(unaudited)		
CURRENT ASSETS		
Cash and cash equivalents	\$9,986	\$7,961
Short-term investments	111	111
Accounts and other receivables, net of an allowance for doubtful accounts and commission adjustments of \$3,685 at June 30, 2014 and \$3,764 at December 31, 2013	7,526	13,570
Receivables due from related parties	21	21
Inventories, net	1,901	1,618
Deferred commission expense	2,297	2,312
Other current assets	517	338
Total current assets	22,359	25,931
PROPERTY AND EQUIPMENT , net of accumulated depreciation of \$1,366 at June 30, 2014 and \$1,281 at December 31, 2013	351	365
GOODWILL	3,279	3,303
OTHER ASSETS , net	5,243	3,918
	\$31,232	\$33,517
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$480	\$597
Accrued commissions	2,298	2,161
Accrued expenses and other liabilities	4,591	5,571
Sales tax payable	184	230
Deferred revenue - current portion	9,183	10,541
Deferred tax liability, net	112	112
Notes payable due to related party	3	3
Total current liabilities	16,851	19,215
LONG-TERM LIABILITIES		
Deferred revenue	8,529	7,478
Other long-term liabilities	520	359
Total long-term liabilities	9,049	7,837
COMMITMENTS AND CONTINGENCIES (NOTE N)		
STOCKHOLDERS' EQUITY		
Preferred stock, \$.01 par value; 1,000,000 shares authorized; no shares issued and outstanding at June 30, 2014, and December 31, 2013	-	-
Common stock, \$.001 par value; 250,000,000 shares authorized;		

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165,860,370 and 164,705,382 shares issued at June 30, 2014 and December 31, 2013, respectively; 155,679,363 and 155,223,981 shares outstanding at June 30, 2014 and December 31, 2013, respectively	166	165
Additional paid-in capital	61,831	61,508
Accumulated deficit	(54,781)	(53,561)
Accumulated other comprehensive income	78	108
Treasury stock, at cost, 10,181,007 and 9,481,101 shares at June 30, 2014 and December 31, 2013, respectively	(1,962)	(1,755)
Total stockholders' equity	5,332	6,465
	\$31,232	\$33,517

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

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Vasomedical, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)

(in thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Revenues				
Equipment sales	\$ 770	\$ 1,090	\$ 1,254	\$ 1,967
Equipment rentals and services	410	415	776	822
Commissions	6,684	6,391	12,926	12,400
Total revenues	7,864	7,896	14,956	15,189
Cost of revenues				