

Access Integrated Technologies, Inc. d/b/a Cinedigm Digital Cinema Corp.
Form 10-Q
August 12, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2009

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from --- to ---

Commission File Number: 000-51910

Access Integrated Technologies, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

22-3720962
(I.R.S. Employer Identification No.)

55 Madison Avenue, Suite 300, Morristown New Jersey 07960
(Address of Principal Executive Offices, Zip Code)

(973-290-0080)
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 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

Yes No

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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).

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

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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

As of August 11, 2009, 28,020,060 shares of Class A Common Stock, \$0.001 par value, and 733,811 shares of Class B Common Stock, \$0.001 par value, were outstanding.

ACCESS INTEGRATED TECHNOLOGIES, INC.
d/b/a CINEDIGM DIGITAL CINEMA CORP.
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PART I - FINANCIAL INFORMATION
 ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

ACCESS INTEGRATED TECHNOLOGIES, INC.
 d/b/a CINEDIGM DIGITAL CINEMA CORP.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In thousands, except for share data)

	March 31, 2009	June 30, 2009
ASSETS		
(Unaudited)		
Current assets		
Cash and cash equivalents	\$26,329	\$ 19,009
Accounts receivable, net	13,884	14,270
Deferred costs, current portion	3,936	4,158
Unbilled revenue, current portion	3,082	3,249
Prepaid and other current assets	1,798	2,919
Note receivable, current portion	616	322
Total current assets	49,645	43,927
Property and equipment, net	243,124	242,452
Intangible assets, net	10,707	9,942
Capitalized software costs, net	3,653	3,733
Goodwill	8,024	8,024
Deferred costs, net of current portion	3,967	4,509
Unbilled revenue, net of current portion	1,253	1,163
Note receivable, net of current portion	959	919
Security deposits	424	427
Accounts receivable, net of current portion	386	386
Restricted cash	255	255
Total assets	\$322,397	\$ 315,737

See accompanying notes to Unaudited Condensed Consolidated Financial Statements

ACCESS INTEGRATED TECHNOLOGIES, INC.
d/b/a CINEDIGM DIGITAL CINEMA CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except for share data)
(continued)

	March 31, 2009	June 30, 2009
(Unaudited)		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$14,954	\$15,846
Current portion of notes payable	25,248	26,068
Current portion of deferred revenue	5,535	5,381
Current portion of customer security deposits	314	314
Current portion of capital leases	175	965
Total current liabilities	46,226	48,574
Notes payable, net of current portion	225,957	223,307
Capital leases, net of current portion	5,832	5,833
Fair value of interest rate swap	4,529	3,846
Deferred revenue, net of current portion	1,057	1,813
Customer security deposits, net of current portion	9	9
Total liabilities	283,610	283,382
Commitments and contingencies (see Note 7)		
Stockholders' Equity		
Preferred stock, 15,000,000 shares authorized; issued and outstanding: Series A 10% - \$0.001 par value per share; 20 shares authorized; 8 shares issued and outstanding at March 31, 2009 and June 30, 2009, respectively. Liquidation preference \$4,050		
	3,476	3,503
Class A common stock, \$0.001 par value per share; 65,000,000 shares authorized; 27,544,315 and 27,871,500 shares issued and 27,492,875 and 27,820,060 shares outstanding at March 31, 2009 and June 30, 2009, respectively		
	27	27
Class B common stock, \$0.001 par value per share; 15,000,000 shares authorized; 733,811 shares issued and outstanding, at March 31, 2009 and June 30, 2009, respectively		
	1	1
Additional paid-in capital	173,565	174,252
Treasury stock, at cost; 51,440 Class A shares	(172)	(172)
Accumulated deficit	(138,110)	(145,256)
Total stockholders' equity	38,787	32,355
Total liabilities and stockholders' equity	\$322,397	\$315,737

See accompanying notes to Unaudited Condensed Consolidated Financial Statements

ACCESS INTEGRATED TECHNOLOGIES, INC.
d/b/a CINEDIGM DIGITAL CINEMA CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for share and per share data)
(Unaudited)

	For the Three Months Ended June 30,	
	2008	2009
Revenues	\$20,570	\$18,666
Costs and Expenses:		
Direct operating (exclusive of depreciation and amortization shown below)	5,797	5,462
Selling, general and administrative	4,833	3,869
Provision for doubtful accounts	28	128
Research and development	7	40
Stock-based compensation	158	325
Depreciation of property and equipment	8,135	8,153
Amortization of intangible assets	947	765
Total operating expenses	19,905	18,742
Income (loss) from operations		