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ACME COMMUNICATIONS INC
Form 10-Q/A
May 22, 2001

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q/A

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2001

OR

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

COMMISSION FILE NUMBER: 333-84191

ACME COMMUNICATIONS, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

33-0866283
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

2101 E. FOURTH STREET, SUITE 202 A
SANTA ANA, CALIFORNIA, 92705
(714) 245-9499
(ADDRESS AND TELEPHONE NUMBER OF PRINCIPAL EXECUTIVE OFFICES)

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, and (2) has been subject to such filing
requirements for the past 90 days. Yes No

As of May 11, 2001, ACME Communications, Inc. had 16,750,000 shares of
common stock outstanding.

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ACME COMMUNICATIONS, INC.

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FORM 10-Q

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ACME Communications, Inc. hereby amends its Quarterly Report on Form 10-Q for the quarter ended March 31, 2001, initially filed with the Securities and Exchange Commission on May 11, 2001, by correcting a typographical error in the March 31, 2001 balance of the accrued liabilities on the Balance Sheet in Item 1 of Part 1 thereof. There are no other revisions or restatements to our original filing made through this amended filing.

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ACME COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	AS OF	A
	DECEMBER 31,	MAR
	2000	2
	-----	---
		(UN
		(IN THOUSANDS)

ASSETS

Current assets:

Cash and cash equivalents

\$ 31,037

\$

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Accounts receivable, net	15,005	
Current portion of programming rights	12,477	
Prepaid expenses and other current assets	2,444	
Deferred income taxes	1,139	

Total current assets	62,102	
Property and equipment, net	29,471	
Programming rights, net of current portion	10,984	
Intangible assets, net	287,748	2
Other assets	9,140	

Total assets	\$ 399,445	\$ 3
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,337	\$
Accrued liabilities	9,354	
Current portion of programming rights payable	12,108	
Current portion of obligations under lease	2,271	

Total current liabilities	31,070	
Programming rights payable, net of current portion	10,205	
Obligations under lease, net of current portion	7,258	
Other liabilities	250	
Deferred income taxes	15,614	
10 7/8% senior discount notes	175,000	1
12% senior secured notes	54,722	

Total liabilities	294,119	2

Stockholders' equity:		
Preferred stock, \$.01 par value; 10,000,000 shares authorized, no shares issued and outstanding	--	
Common stock, \$.01 par value; 16,750,000 shares issued and and outstanding	168	
Additional paid-in capital	130,808	1
Accumulated deficit	(25,650)	(

Total stockholders' equity	105,326	

Total liabilities and stockholders' equity	\$ 399,445	\$ 3
	=====	=====

See the notes to the consolidated financial statements

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	FOR THE THREE MONTHS ENDED MARCH 31,	
	2000	2001
	(IN THOUSANDS)	
Net revenues	\$ 16,218	\$ 16,481
Operating expenses:		
Station operating expenses	12,655	13,585
Depreciation and amortization	5,444	5,223
Corporate expenses	908	965
Equity-based compensation	132	132
	-----	-----
Operating loss	(2,921)	(3,424)
Other income (expenses):		
Interest income	297	430
Interest expense	(6,356)	(7,144)
Other expense	(1)	(49)
	-----	-----
Loss before income taxes	(8,981)	(10,187)
Income tax benefit	2,791	3,295
	-----	-----
Net loss	\$ (6,190)	\$ (6,892)
	=====	=====
Net loss per share, basic and diluted	\$ (0.37)	\$ (0.41)
	=====	=====
Basic and diluted weighted average common shares outstanding	16,750,000	16,750,000
	=====	=====

See the notes to the consolidated financial statements.

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ACME COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(IN THOUSANDS)

	COMMON STOCK		ADDITIONAL	ACCUMULATED
	SHARES	AMOUNT	PAID-IN CAPITAL	DEFICIT
	-----	-----	-----	-----
Balance at December 31, 2000	16,750	\$168	\$130,808	\$ (25,650)
Equity-based compensation	--	--	132	--
Net loss	--	--	--	(6,892)

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Balance at March 31, 2001 (unaudited)	----- 16,750 =====	----- \$168 =====	----- \$130,940 =====	----- \$(32,542) =====
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See the notes to the consolidated financial statements.

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ACME COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2000	2001
	(IN THOUSANDS)	
Cash flows from operating activities:		
Net loss	\$ (6,190)	\$ (6,892)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,444	5,223
Amortization of program rights	2,949	3,515
Amortization of debt issuance costs	280	387
Amortization of discount on 10 7/8% senior discount notes	4,280	--
Amortization of discount on 12% senior secured notes	1,579	1,801
Equity-based compensation	132	132
Deferred taxes	(2,791)	(3,335)
Changes in assets and liabilities:		
Decrease in accounts receivables, net	1,964	2,641
(Increase) decrease in prepaid expenses	141	(300)
Increase in other assets	(1,143)	(172)
Increase (decrease) in accounts payable	273	(286)
Increase (decrease) in accrued expenses	(4,402)	5,143
Payments for programming rights	(2,988)	(3,531)
Increase (decrease) in other liabilities	(210)	2
	-----	-----
Net cash provided by (used in) operating activities	(682)	4,328
Cash flows from investing activities:		
Purchase of property and equipment	(1,193)	(1,790)
Purchases of and deposits for station interests	(322)	--
	-----	-----
Net cash used in investing activities	(1,515)	(1,790)
Cash flows from financing activities:		
Payments on capital lease facilities	(389)	(554)
	-----	-----
Net cash used in financing activities	(389)	(554)

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Net increase (decrease) in cash	(2,586)	1,984
Cash at beginning of period	23,846	31,037
	-----	-----
 Cash at end of period	 \$ 21,260	 \$ 33,021
	=====	=====
Cash Payments for:		
Interest	\$ 212	\$ 258
Taxes	\$ 181	\$ 157
	=====	=====
Non-Cash Transactions:		
Program rights in exchange for program rights payable	\$ 586	\$ 53
	=====	=====

See the notes to the consolidated financial statements.

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ACME COMMUNICATIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2000 AND MARCH 31, 2001

(1) FORMATION AND DESCRIPTION OF THE BUSINESS

FORMATION

ACME Communications, Inc. (the "Company") was formed on July 23, 1999, in preparation for and in conjunction with an initial public offering of its stock.

On September 27, 1999, the Board of Advisors of ACME Television Holdings, LLC and its members and the Board of Directors of the Company and its stockholder approved a merger and reorganization (the "Reorganization"), whereby the Company became the direct parent of ACME Television Holdings. As a result of the Reorganization, the Company is the ultimate parent of ACME Intermediate Holdings, LLC, ("ACME Intermediate") and its wholly-owned subsidiary ACME Television, LLC. All transactions contemplated as part of The Reorganization closed on October 5, 1999.

DESCRIPTION OF THE BUSINESS

ACME Communications is a holding company with no independent operations other than its indirect wholly-owned subsidiary, ACME Television. ACME Television, through its wholly-owned subsidiaries, owns and operates the following ten commercially licensed broadcast television stations located throughout the United States:

STATION	CHANNEL	MARKET	RANK	NETWORK AFFILIATION
-----	-----	-----	----	-----
KPLR	11	St. Louis, MO	22	WB
KWBP	32	Portland, OR	23	WB

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KUWB	30	Salt Lake City, UT	36	WB
KWBQ	19	Albuquerque-Santa Fe, NM	50	WB
KASY	50	Albuquerque-Santa Fe, NM	50	UPN
WBXX	20	Knoxville, TN	56	WB
WTVK	46	Ft. Myers-Naples, FL	63	WB
WBDT	26	Dayton, OH	69	WB
WIWB	14	Green Bay-Appleton, WI	81	WB
WBUI	23	Champaign-Springfield-Decatur, IL	83	WB

(2) PRESENTATION OF INTERIM FINANCIAL STATEMENTS

Unless the context requires otherwise, references to the Company refer to ACME Communications, Inc and its wholly-owned subsidiaries. Segment information is not presented because all of the Company's revenues are attributed to a single reportable segment -- television broadcasting.

The accompanying consolidated financial statements for the three months ended March 31, 2001 and 2000 are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States of America, the instructions to this Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, such financial statements include all adjustments (consisting of normal recurring accruals) considered necessary for the fair presentation of the financial position and the results of operations, and cash flows for these periods. As permitted under the applicable rules and regulations of the Securities and Exchange

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Commission, these financials statements do not include all disclosures and footnotes normally included with annual consolidated financial statements, and accordingly, should be read in conjunction with the consolidated financial statements, and the notes thereto, included in the Company's Annual Report on Form 10-K filed with the SEC on March 30, 2001. The results of operations presented in the accompanying financial statements are not necessarily indicative of the results that may be expected for the year ending December 31, 2001.

(3) LOSS PER COMMON SHARE

The Company calculates loss per share in accordance with Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share. SFAS No. 128 requires a presentation of basic earnings per share ("EPS") and diluted EPS. Basic EPS includes no dilution and is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution from securities that could share in the earnings of the Company, similar to fully diluted EPS under APB No. 15. In calculating diluted EPS, no potential shares of common stock are to be included in the computation when a loss from continuing operations available to common stockholders exists. The statement requires dual presentation of basic and diluted EPS by entities with complex capital structures.

Stock options outstanding amounting to 3,260,391 shares at March 31, 2001, were not included in the computation of diluted EPS because to do so would have been antidilutive.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ACME Communications, Inc.

Date: May 18, 2001

By: /s/ THOMAS ALLEN

Thomas Allen
Executive Vice President/CFO
(Principal accounting officer)

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