

IDT CORP
Form 10-Q
June 09, 2016

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 APRIL 30, 2016

or

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

Commission File Number: 1-16371

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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 June 6, 2016, the registrant had the following shares outstanding:

Class A common stock, \$.01 par value: 1,574,326 shares outstanding (excluding 1,698,000 treasury shares)

Class B common stock, \$.01 par value: 21,454,677 shares outstanding (excluding 3,930,919 treasury shares)

IDT CORPORATION

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

IDT CORPORATION

CONSOLIDATED BALANCE SHEETS

	April 30, 2016	July 31, 2015
	(Unaudited) (Note 1)	
	(in thousands, except per share data)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 101,135	\$ 110,361
Restricted cash and cash equivalents	99,846	91,035
Marketable securities	46,637	40,287
Trade accounts receivable, net of allowance for doubtful accounts of \$4,027 at April 30, 2016 and \$5,645 at July 31, 2015	53,517	58,543
Receivable from sale of interest in Fabrix Systems Ltd.	4,788	8,471
Prepaid expenses	16,442	17,304
Other current assets	14,392	14,344
Total current assets	336,757	340,345
Property, plant and equipment, net	89,939	91,316
Goodwill	13,747	14,388
Other intangibles, net	958	1,277
Investments	12,327	12,344
Deferred income tax assets, net	7,984	13,324
Other assets	7,566	12,688
Total assets	\$ 469,278	\$ 485,682
Liabilities and equity		
Current liabilities:		
Trade accounts payable	\$ 26,695	\$ 29,140
Accrued expenses	119,845	139,272
Deferred revenue	88,570	86,302
Customer deposits	96,109	84,454
Income taxes payable	456	391
Notes payable—current portion	—	6,353
Other current liabilities	3,659	3,000
Total current liabilities	335,334	348,912
Other liabilities	2,180	1,830

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Total liabilities	337,514	350,742
Commitments and contingencies		
Equity:		
IDT Corporation stockholders' equity:		
Preferred stock, \$.01 par value; authorized shares—10,000; no shares issued	—	—
Class A common stock, \$.01 par value; authorized shares—35,000; 3,272 shares issued and 1,574 shares outstanding at April 30, 2016 and July 31, 2015	33	33
Class B common stock, \$.01 par value; authorized shares—200,000; 25,386 and 25,276 shares issued and 21,455 and 21,755 shares outstanding at April 30, 2016 and July 31, 2015, respectively	254	253
Additional paid-in capital	406,873	403,146
Treasury stock, at cost, consisting of 1,698 and 1,698 shares of Class A common stock and 3,931 and 3,521 shares of Class B common stock at April 30, 2016 and July 31, 2015, respectively	(115,316)	(110,543)
Accumulated other comprehensive (loss) income	(782)	771
Accumulated deficit	(160,316)	(159,829)
Total IDT Corporation stockholders' equity	130,746	133,831
Noncontrolling interests	1,018	1,109
Total equity	131,764	134,940
Total liabilities and equity	\$469,278	\$485,682

See accompanying notes to consolidated financial statements.

IDT CORPORATION

CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2016	2015	2016	2015
	(in thousands, except per share data)			
Revenues	\$355,154	\$383,930	\$1,128,186	\$1,190,981
Costs and expenses:				
Direct cost of revenues (exclusive of depreciation and amortization)	293,220	316,508	937,455	989,052
Selling, general and administrative (i)	51,594	53,792	155,738	168,184
Depreciation and amortization	5,518	4,617	15,543	13,462
Research and development	—	—	—	1,656