

AMERICAN PUBLIC EDUCATION INC
Form 10-Q
May 11, 2015

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2015

or

- 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: - 001-33810

AMERICAN PUBLIC EDUCATION, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
Incorporation or organization)

01-0724376
(I.R.S. Employer
Identification No.)

111 West Congress Street
Charles Town, West Virginia 25414
(Address, including zip code, of principal executive offices)

(304) 724-3700
(Registrant's telephone number, including area code)

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 has submitted electronically and posted on its corporate 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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See the definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a 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

The total number of shares of common stock outstanding as of May 7, 2015 was 17,146,418.

AMERICAN PUBLIC EDUCATION, INC.
FORM 10-Q
INDEX

Page

PART I – FINANCIAL INFORMATION

<u>Item 1. Financial Statements</u>	<u>3</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>11</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>18</u>
<u>Item 4. Controls and Procedures</u>	<u>18</u>

PART II – OTHER INFORMATION

<u>Item 1. Legal Proceedings</u>	<u>18</u>
<u>Item 1A. Risk Factors</u>	<u>18</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>19</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>20</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>20</u>
<u>Item 5. Other Information</u>	<u>20</u>
<u>Item 6. Exhibits</u>	<u>20</u>
<u>SIGNATURES</u>	<u>21</u>

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN PUBLIC EDUCATION, INC.
Consolidated Balance Sheets (Current Period Unaudited)
(In thousands)

	As of March 31, 2015 (Unaudited)	As of December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 112,337	\$ 115,634
Accounts receivable, net of allowance of \$13,550 in 2015 and \$10,699 in 2014	9,241	6,130
Prepaid expenses	6,954	6,379
Income tax receivable	1,947	2,029
Deferred income taxes	6,009	6,046
Total current assets	136,488	136,218
Property and equipment, net	104,278	102,424
Investments	12,013	12,051
Goodwill	38,634	38,634
Other assets, net	9,094	8,577
Total assets	\$ 300,507	\$ 297,904
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 6,251	\$ 11,029
Accrued liabilities	15,017	13,416
Deferred revenue and student deposits	23,741	23,805
Total current liabilities	45,009	48,250
Deferred income taxes	16,031	15,436
Total liabilities	61,040	63,686
Commitments and contingencies (Note 2)		
Stockholders' equity:		
Preferred stock, \$.01 par value; Authorized shares - 10,000; no shares issued or outstanding	—	—
Common stock, \$.01 par value; Authorized shares - 100,000; 17,146 issued and outstanding in 2015; 17,152 issued and outstanding in 2014	171	172
Additional paid-in capital	169,279	169,654
Retained earnings	70,017	64,392
Total stockholders' equity	239,467	234,218
Total liabilities and stockholders' equity	\$ 300,507	\$ 297,904

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

AMERICAN PUBLIC EDUCATION, INC.
Consolidated Statements of Income (Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2015	2014
	(Unaudited)	
Revenue	\$ 85,444	\$ 88,553
Costs and expenses:		
Instructional costs and services	30,260	31,348
Selling and promotional	17,019	17,067
General and administrative	19,105	19,524
Depreciation and amortization	4,589	3,889
Total costs and expenses	70,973	71,828
Income from operations before interest income and income taxes	14,471	16,725
Interest income	10	81
Income before income taxes	14,481	16,806
Income tax expense	5,650	6,327
Equity investment loss, net of taxes	38	43
Net income	\$ 8,793	\$ 10,436
Net Income per common share:		
Basic	\$ 0.51	\$ 0.59
Diluted	\$ 0.51	\$ 0.59
Weighted average number of common shares:		
Basic	17,183,952	17,599,199
Diluted	17,353,529	17,805,473

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

