

AMERICAN PUBLIC EDUCATION INC
Form 10-Q
August 10, 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 June 30, 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

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

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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 August 6, 2015 was 16,573,944.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN PUBLIC EDUCATION, INC.

Consolidated Balance Sheets (Current Period Unaudited)

(In thousands)

	As of June 30, 2015 (Unaudited)	As of December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 103,724	\$ 115,634
Accounts receivable, net of allowance of \$14,737 in 2015 and \$10,699 in 2014	5,730	6,130
Prepaid expenses	6,570	6,379
Income tax receivable	638	2,029
Deferred income taxes	6,869	6,046
Total current assets	123,531	136,218
Property and equipment, net	108,240	102,424
Investments	12,302	12,051
Goodwill	38,634	38,634
Other assets, net	8,735	8,577
Total assets	\$ 291,442	\$ 297,904
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,051	\$ 11,029
Accrued liabilities	14,190	13,416
Deferred revenue and student deposits	21,374	23,805
Total current liabilities	42,615	48,250
Deferred income taxes	16,487	15,436
Total liabilities	59,102	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; 16,574 issued and outstanding in 2015; 17,152 issued and outstanding in 2014	166	172
Additional paid-in capital	170,469	169,654
Retained earnings	61,705	64,392
Total stockholders' equity	232,340	234,218
Total liabilities and stockholders' equity	\$ 291,442	\$ 297,904

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

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
	(Unaudited)		(Unaudited)	
Revenue	\$80,263	\$85,463	\$165,707	\$174,016
Costs and expenses:				
Instructional costs and services	29,696	30,197	59,956	61,545
Selling and promotional	16,152	16,982	33,171	34,049
General and administrative	18,141	18,491	37,246	38,015
Depreciation and amortization	4,698	3,958	9,287	7,847
Total costs and expenses	68,687	69,628	139,660	141,456
Income from operations before interest income and income taxes	11,576	15,835	26,047	32,560
Interest income	31	98	41	179
Income before income taxes	11,607	15,933	26,088	32,739
Income tax expense	4,548	6,173	10,198	12,500
Equity investment income/(loss), net of taxes	14	42	(24) (1
Net income	\$7,073	\$9,802	\$15,866	\$20,238
Net Income per common share:				
Basic	\$0.42	\$0.56	\$0.93	\$1.16
Diluted	\$0.42	\$0.56	\$	