

AMERICAN PUBLIC EDUCATION INC
Form 10-Q
November 05, 2013

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 September 30, 2013

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.

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Large accelerated filer x

Accelerated filer o

Non-accelerated filer o

Smaller reporting company o

(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 o No x

The total number of shares of common stock outstanding as of November 4, 2013 was 17,519,893.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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

	As of September 30, 2013 (Unaudited)	As of December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 143,780	\$ 114,901
Accounts receivable, net of allowance of \$11,497 in 2013 and \$11,106 in 2012	7,004	10,428
Prepaid expenses	4,131	4,290
Income tax receivable	1,891	4,953
Deferred income taxes	4,011	6,502
Total current assets	160,817	141,074
Property and equipment, net	88,097	82,840
Note receivable	6,000	6,000
Investments	10,557	6,664
Other assets, net	1,266	1,025
Total assets	\$ 266,737	\$ 237,603
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 12,179	\$ 17,251
Accrued liabilities	14,193	12,042
Income taxes payable	—	—
Deferred revenue and student deposits	28,762	25,777
Total current liabilities	55,134	55,070
Deferred income taxes	10,364	11,380
Total liabilities	65,498	66,450
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; 17,679 issued and outstanding in 2013;		
17,844 issued;		
and outstanding in 2012	177	178
Additional paid-in capital	161,891	157,449

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Retained earnings	39,171	13,526
Total stockholders' equity	201,239	171,153
Total liabilities and stockholders' equity	\$ 266,737	\$ 237,603

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

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
	(Unaudited)		(Unaudited)	
Revenues	\$81,777	\$77,122	\$246,542	\$227,516
Costs and expenses:				
Instructional costs and services	28,139	26,436	83,751	80,538
Selling and promotional	15,989	14,430	48,573	43,276
General and administrative	16,766	15,978	51,403	48,191
Depreciation and amortization	3,376	2,760	9,895	8,131
Total costs and expenses	64,270	59,604	193,622	180,136
Income from operations before interest income and income taxes	17,507	17,518	52,920	47,380
Interest income, net	77	30	230	17
Income before income taxes	17,584	17,548	53,150	47,397
Income tax expense	6,612	6,724	20,006	18,249