

AMERICAN PUBLIC EDUCATION INC  
Form 10-Q  
May 09, 2013

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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, 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

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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 8, 2013 was 17,605,132.

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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

## AMERICAN PUBLIC EDUCATION, INC.

## Consolidated Balance Sheets

(In thousands)

	As of March 31, 2013 (Unaudited)	As of December 31, 2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 120,550	\$ 114,901
Accounts receivable, net of allowance of \$9,425 in 2013 and \$11,106 in 2012	12,211	10,428
Prepaid expenses	5,056	4,290
Income tax receivable	386	4,953
Deferred income taxes	5,113	6,502
<b>Total current assets</b>	<b>143,316</b>	<b>141,074</b>
Property and equipment, net	85,607	82,840
Note receivable	6,000	6,000
Investments	10,616	6,664
Other assets, net	1,201	1,025
<b>Total assets</b>	<b>\$ 246,740</b>	<b>\$ 237,603</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 15,247	\$ 17,251
Accrued liabilities	11,657	12,042
Deferred revenue and student deposits	29,073	25,777
<b>Total current liabilities</b>	<b>55,977</b>	<b>55,070</b>
Deferred income taxes	12,113	11,380
<b>Total liabilities</b>	<b>68,090</b>	<b>66,450</b>
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; 17,667 issued and outstanding in 2013; 17,752 issued and outstanding in 2012	177	178
Additional paid-in capital	158,561	157,449
Retained earnings	19,912	13,526
<b>Total stockholders' equity</b>	<b>178,650</b>	<b>171,153</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 246,740</b>	<b>\$ 237,603</b>

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 March 31,	
	2013	2012
	(Unaudited)	
Revenues	\$83,840	\$75,822
Costs and expenses:		
Instructional costs and services	28,405	27,853
Selling and promotional	16,539	14,371
General and administrative	17,479	16,072
Depreciation and amortization	3,207	2,656
Total costs and expenses	65,630	60,952
Income from operations before interest income and income taxes	18,210	14,870
Interest income, net	64	21
Income before income taxes	18,274	14,891
Income tax expense	6,850	5,808
Equity investment loss, net of taxes	48	—
Net income	\$11,376	\$9,083
Net Income per common share:		
Basic	\$0.64	\$0.51
Diluted	\$0.63	\$0.50
Weighted average number of common shares:		
Basic	17,764,330	17,854,114
Diluted	17,999,961	18,233,669

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

AMERICAN PUBLIC EDUCATION, INC.  
Consolidated Statements of Cash Flows  
(In thousands)

	Three Months Ended March 31,	
	2013	2012
	(Unaudited)	
Operating activities		
Net income	\$	11,376