

K12 INC  
Form 10-Q  
October 24, 2018  
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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 EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2018

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: 001-33883

K12 Inc.

(Exact name of registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)	95-4774688 (I.R.S. Employer Identification No.)
2300 Corporate Park Drive Herndon, VA (Address of Principal Executive Offices)	20171 (Zip Code)

(703) 483-7000

(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, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 October 19, 2018, the Registrant had 40,193,564 shares of common stock, \$0.0001 par value per share outstanding.

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For the Quarterly Period Ended September 30, 2018

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## PART I — FINANCIAL INFORMATION

## Item 1. Financial Statements (Unaudited).

K12 INC.

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2018	June 30, 2018 (audited)
	(In thousands except share and per share data)	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 143,049	\$ 231,113
Accounts receivable, net of allowance of \$12,222 and \$12,384 at September 30, 2018 and June 30, 2018, respectively	283,806	176,319
Inventories, net	18,116	31,134
Prepaid expenses	25,205	10,278
Other current assets	15,028	10,388
Total current assets	485,204	459,232
Property and equipment, net	37,002	28,868
Capitalized software, net	54,163	55,488
Capitalized curriculum development costs, net	52,952	53,558
Intangible assets, net	17,209	17,951
Goodwill	90,197	90,197
Deposits and other assets	48,075	36,669
Total assets	\$ 784,802	\$ 741,963
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Current portion of capital lease obligations	\$ 17,083	\$ 13,353
Accounts payable	39,062	29,362
Accrued liabilities	14,016	14,345
Accrued compensation and benefits	18,729	36,050
Deferred revenue	69,434	23,114
Total current liabilities	158,324	116,224
Capital lease obligations, net of current portion	20,609	12,665
Deferred rent, net of current portion	3,015	3,270
Deferred tax liability	17,878	12,577
Other long-term liabilities	9,280	10,038
Total liabilities	209,106	154,774

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Commitments and contingencies	—	—
Stockholders' equity		
Common stock, par value \$0.0001; 100,000,000 shares authorized; 45,573,280 and 44,902,567 shares issued; and 40,238,537 and 39,567,824 shares outstanding at September 30, 2018 and June 30, 2018, respectively	4	4