AMERICAN PUBLIC EDUCATION INC
Form 11-K
June 29, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

[X] Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2014

[ ] Transition report pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the transition period from ____________________ to ____________________

Commission file number 001-33810

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

AMERICAN PUBLIC EDUCATION

RETIREMENT PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

American Public Education, Inc.
111 West Congress Street
Charles Town, West Virginia 25414

American Public Education Retirement Plan

Financial Report
December 31, 2014

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Report of Independent Registered Public Accounting Firm

To the Participants and 401(k) Committee of the
American Public Education Retirement Plan:

We have audited the accompanying statements of net assets available for benefits of the American Public Education Retirement Plan (the Plan) as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits for the year ended December 31, 2014. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the year ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying schedule of assets (held at end of year) as of December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the American Public Education Retirement Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedule, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying schedule is fairly stated in all material respects in relation to the financial statements as a whole.

/s/ Stout, Causey & Horning, P.A.
Sparks, Maryland
June 29, 2015

American Public Education Retirement Plan

Statements Of Net Assets Available For Benefits
December 31, 2014 and 2013

	2014	2013
Assets		
Investments at fair value	$59,602,977	$47,306,842
Receivables:		
Employer contributions	35,178	39,667
Total assets	59,638,155	47,346,509
Liabilities	-	-
Net assets available for benefits	$59,638,155	$47,346,509

See Notes To Financial Statements.

American Public Education Retirement Plan

Statement Of Changes In Net Assets Available For Benefits
Year Ended December 31, 2014

Additions to net assets attributable to:	
Contributions:	
Employee	$6,949,411
Employer	3,211,477
Rollovers	824,044
Total contributions	10,984,932
Transfers:	
Asset transfer from NES (Note 1)	874,152
Total transfers	874,152
Investment income:	
Net depreciation in fair value of investments	(70,277)
Interest and dividends	3,320,248
Total investment income	3,249,971
Total additions	15,109,055
Deductions from net assets attributable to:	
Benefits paid to participants	2,814,156
Administrative expenses	3,253
Total deductions	2,817,409
Net increase	12,291,646
Net assets available for benefits:	
Beginning of year	47,346,509
Ending of year	$59,638,155

See Notes To Financial Statements.

American Public Education Retirement Plan
Notes to Financial Statements

Note 1. Plan Description and Summary of Significant Accounting Policies

The following description of the American Public Education Retirement Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General:

Effective January 1, 2014, the Plan Sponsor changed from American Public University System, Inc. to American Public Education, Inc. ("APEI" or the "Company") and the Plan name changed from the American Public University System Retirement Plan to the American Public Education Retirement Plan. The Plan is a 401(k) profit sharing plan covering all eligible employees under the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Eligibility:

All employees of the Company are eligible for participation in the Plan except for employees covered by a collective bargaining agreement, non-resident aliens who do not receive income from the Company which constitutes United States income, and residents of Puerto Rico. Participants are eligible to participate in the Plan beginning on the first day of the calendar quarter after their date of hire.

Effective November 1, 2013, APEI acquired National Education Seminars, Inc. ("NES") from certain selling stockholders (the "Sellers"). The Sellers continued to maintain a 401(k) profit sharing plan in which NES employees were eligible to participate until November 1, 2013, at which time the NES employees became eligible to participate in, and make contributions to, the Plan. Effective February 1, 2014, the Sellers transferred all assets attributable to the NES employees to the Plan.

Contributions:

Each year participants may contribute a specified dollar amount or percentage of their gross annual earnings not to exceed the lesser of 60% of compensation or ERISA and Internal Revenue Service ("IRS") limits. Participants who have attained the age of 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds and APEI common stock as investment options. The Company makes a safe harbor non-elective contribution equal to 100% of the first 3% and 50% of the next 2% of each participant's eligible compensation deferred into the Plan. Additional amounts may be contributed at the discretion of the Company. Contributions are subject to certain IRS limitations.

Participant accounts:

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contribution and (b) Plan earnings/losses, and charged with administrative expenses, if applicable. Allocations are based on participant's earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting:

Participants are immediately vested in their voluntary contributions, the safe harbor non-elective contributions, and any non-elective Company contribution to the Plan, plus actual earnings thereon.

Payment of benefits:

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant’s vested interest in his or her account, or annual installments over a ten-year period. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. If a participant’s account balance is less than $1,000 upon termination of service, the Plan Administrator will direct the trustee to make a lump-sum distribution.

American Public Education Retirement Plan
Notes to Financial Statements

Note 1. Plan Description and Summary of Significant Accounting Policies (Continued)

Payment of benefits (Continued):

In addition, participants may make withdrawals from their account upon attainment of age 59 1/2. Participants may also make withdrawals from their vested balance for reasons of financial hardship under specific guidelines set forth in the Plan. As of December 31, 2014 and 2013, there were no net assets of the Plan allocated to participants who had elected to withdraw from the Plan but had not been paid by year-end.

Hardship withdrawals:

Hardship withdrawals are allowed in accordance with the Plan's provisions, subject to a $500 minimum.

Administrative expenses:

The Plan's direct administrative expenses are paid by either the Plan or the Plan Sponsor as provided by the Plan document. The Plan paid direct administrative expenses of $3,253 during the year ended December 31, 2014.

A summary of the Plan's significant accounting policies follows:

Basis of accounting:

The accompanying financial statements are prepared under the accrual method of accounting whereby investment income is recognized when earned and expenses are recognized when incurred.

Use of estimates:

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires the Plan's management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment valuation and income recognition:

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes the Plan's gains and losses on investments bought, sold, and held during the year.

Payment of benefits:

Benefits are recorded when paid.

Income taxes:

GAAP requires the Plan's management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken any uncertain tax positions that more likely than not would not be sustained upon examination by a tax authority. Management has evaluated the Plan's tax positions and concluded that the Plan has maintained its tax-exempt status and has taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. The Plan recognizes interest and penalties accrued on any unrecognized tax exposures as a component of income tax expense. The Plan does not have any amounts accrued relating to interest and penalties as of December 31, 2014 and 2013. With few exceptions, the Plan is no longer subject to income tax examinations by U.S. Federal, state or local tax authorities for years before 2011.

American Public Education Retirement Plan
Notes to Financial Statements

Note 1. Plan Description and Summary of Significant Accounting Policies (Continued)

Subsequent events:

The Plan has evaluated subsequent events through the report issuance date and determined there were no material events that warrant disclosure, except those described in Note 8.

Note 2. Plan Investments

The following is a summary of the investments held by the Plan as of December 31, 2014 and 2013. Individual investments representing more than 5% of the Plan's net assets are separately identified:

	2014		2013
Fidelity Contrafund	$ 2,800,638	*	$ 2,610,759
Fidelity Growth Company	3,437,111		2,805,971
Fidelity Freedom 2020	3,195,914		2,367,572
Fidelity Freedom 2030	3,910,046		2,834,331
Fidelity Freedom 2035	3,784,649		2,810,733
Fidelity Freedom 2040	4,364,397		3,015,883
Other investments	38,110,222		30,861,593
	$ 59,602,977		$ 47,306,842

* Amount was less than 5% of Plan assets in the year indicated.

During the year ended December 31, 2014, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value by $70,277 as follows:

Mutual funds	$78,961
APEI Common Stock	(149,238)
	$(70,277)

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, "Fair Value Measurements," defines fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2. Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

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