
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

(Exact name of registrant as specified in its charter)

*(State or Other Jurisdiction
of Incorporation)*

*(Commission
File Number)*

*(I.R.S. Employer
Identification No.)*

(Address of Principal Executive Office) (Zip Code)

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 6, 2018

By: /s/ Michael Mathews
Name: Michael Mathews
Title: Chief Executive Officer

The company's cash loss on an operating basis was \$3.4 million primarily due to the operating loss of (\$2.8) million. In addition, there's the cash flow lag effect from our monthly payment plan ("MPP") program, particularly at USU given they're ramping their MPP program as 58% of their active students are now on the payment plan. An additional \$779,000 net cash was used for capitalized expenses to build out and equip our new campus and for software developed by our technology group in Canada.

The month of August is the start of the seasonal high-point of the enrollment calendar given students' fall start mentality. Aspen University's core business units (Nursing + Other and Doctoral) achieved its strongest enrollment month in history with 476 enrollments, which is over 25% higher than any enrollment month in our core business unit history (comparative does not include enrollments for Aspen's BSN pre-licensure program, as enrollments for the upcoming BSN pre-licensure November semester will primarily be recorded in October). In August, Aspen's core Nursing + Other unit delivered 417 enrollments, while Aspen's Doctoral unit delivered 59 enrollments, both being monthly enrollment records for each unit.

Aspen Group, Inc. will host a conference call to discuss its fiscal year 2019 first quarter (ending July 31, 2018) financial results and business outlook on Thursday, September 6, 2018, at 4:30 p.m. (ET). The conference call can be accessed by dialing toll-free (844) 452-6823 (U.S.) or (731) 256-5216 (international), passcode 6397498. Subsequent to the call, a transcript of the audiocast is available on the investor relations website.

Assets		
Current assets:		
Cash	\$ 10,423,660	\$ 14,612,559
Restricted cash	190,506	190,506
Accounts receivable, net of allowance of \$571,477 and \$468,174, respectively	8,091,147	6,802,723
Prepaid expenses	420,289	199,406
Other receivables	11,094	184,569
Total current assets	<u>19,136,696</u>	<u>21,989,763</u>
Property and equipment:		
Call center equipment	158,064	140,509
Computer and office equipment	257,069	230,810
Furniture and fixtures	1,186,979	932,454
Software	3,119,642	2,878,753
	<u>4,721,754</u>	<u>4,182,526</u>
Less accumulated depreciation and amortization	<u>(1,331,565)</u>	<u>(1,320,360)</u>
Total property and equipment, net	3,390,189	2,862,166
Goodwill	5,011,432	5,011,432
Intangible assets, net	9,366,667	9,641,667
Courseware and Accreditation, net	165,705	138,159
Accounts receivable, secured - net of allowance of \$625,963, and \$625,963, respectively	45,329	45,329
Long term contractual accounts receivable	1,497,762	1,315,050
Other assets and Security Deposits	584,966	584,966
Total assets	<u>\$ 39,198,746</u>	<u>\$ 41,588,532</u>

(Continued)

Liabilities and Stockholders' Equity

Current liabilities:		
Accounts payable	\$ 1,498,984	\$ 2,227,214
Accrued expenses	669,255	658,854
Deferred revenue	2,244,151	1,814,136
Refunds due students	1,118,450	815,841
Deferred rent, current portion	10,729	8,160
Convertible notes payable, current portion	1,050,000	1,050,000
Other current liabilities	230,672	203,371
Total current liabilities	6,822,241	6,777,576
Convertible note payable	1,000,000	1,000,000
Deferred rent	292,229	77,365
Total liabilities	8,114,470	7,854,941
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, 0 issued and outstanding at July 31, 2018 and April 30, 2018	—	—
Common stock, \$0.001 par value; 250,000,000 shares authorized, 18,341,440 issued and 18,324,773 outstanding at July 31, 2018 18,333,521 issued and 18,316,854 outstanding at April 30, 2018	18,341	18,334
Additional paid-in capital	66,744,959	66,557,005
Treasury stock (16,667 shares)	(70,000)	(70,000)
Accumulated deficit	(35,609,024)	(32,771,748)
Total stockholders' equity	31,084,276	33,733,591
Total liabilities and stockholders' equity	\$ 39,198,746	\$ 41,588,532

Revenues	\$ 7,221,305	\$ 4,242,886
Operating expenses		
Cost of revenues (exclusive of depreciation and amortization shown separately below)	3,752,392	1,752,491
General and administrative	5,824,132	3,131,335
Depreciation and amortization	498,105	138,720
Total operating expenses	10,074,629	5,022,546
Operating loss	(2,853,324)	(779,660)
Other income (expense):		
Other income	56,401	18,778
Interest expense	(40,353)	(6,197)
Total other income, net	16,048	12,581
Loss before income taxes	(2,837,276)	(767,079)

Cash flows from operating activities:		
Net loss	\$ (2,837,276)	\$ (767,079)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	121,805	63,000
Depreciation and amortization	498,105	138,720
Stock-based compensation	209,976	159,300
Amortization of prepaid shares for services	8,285	—
Changes in operating assets and liabilities:		
Accounts receivable	(1,592,941)	(699,020)
Prepaid expenses	(229,168)	(48,902)
Accrued interest receivable	—	(18,400)
Other receivables	173,475	(138,966)
Accounts payable	(728,230)	215,431
Accrued expenses	10,401	(54,827)
Deferred rent	217,433	(3,683)
Refunds due students	302,609	80,324
Deferred revenue	430,015	50,017
Other liabilities	27,301	—
Net cash used in operating activities	<u>(3,388,210)</u>	<u>(1,024,085)</u>
Cash flows from investing activities:		
Purchases of courseware and accreditation	(42,917)	(19,000)
Purchases of property and equipment	<u>(735,757)</u>	<u>(261,409)</u>
Net cash used in investing activities	<u>(778,674)</u>	<u>(280,409)</u>
Cash flows from financing activities:		
Disbursements for equity offering costs	(29,832)	(4,707)
Proceeds of warrant exercise	7,817	33,876
Purchase of treasury stock	(7,370,000)	—
Resale of treasury stock	7,370,000	—
Offering costs paid on debt financing	—	(267,323)
Senior secured loan	—	5,000,000
Net cash (used in) provided by financing activities	<u>(22,015)</u>	<u>4,761,846</u>
Net (decrease) increase in cash and restricted cash	(4,188,899)	3,457,352
Cash and restricted cash at beginning of period	<u>14,803,065</u>	<u>2,756,217</u>
Cash and restricted cash at end of period	<u>\$ 10,614,166</u>	<u>\$ 6,213,569</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ —	\$ 3,346
Cash paid for income taxes	\$ —	\$ —
Supplemental disclosure of non-cash investing and financing activities		
Warrants issued as part of senior secured loan	\$ —	\$ 478,428