

ASPEN GROUP, INC.
Form 10-Q
September 14, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

**□ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended **July 31, 2016**

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: 000-55107

Aspen Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

27-1933597

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

1660 S Albion Street, Suite 525

Denver, CO

(Address of principal executive offices)

80222

(Zip Code)

Registrants telephone number: (303) 333-4224

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(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

Class
Common Stock, \$0.001 par value per share

Outstanding as of September 14, 2016
137,958,145 shares

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ASPEN GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	July 31, 2016 (Unaudited)	April 30, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 480,317	\$ 783,796
Accounts receivable, net of allowance of \$449,946 and \$449,946, respectively	2,760,765	2,179,852
Prepaid expenses	214,230	123,055
Total current assets	3,455,312	3,086,703
Property and equipment:		
Call center equipment	33,731	79,199
Computer and office equipment	73,674	67,773
Furniture and fixtures	155,453	114,964
Software	2,321,367	2,567,383
	2,584,225	2,829,319
Less accumulated depreciation and amortization	(1,391,623)	(1,680,687)
Total property and equipment, net	1,192,602	1,148,632
Courseware, net	183,480	194,932
Accounts receivable, secured - related party, net of allowance of \$625,963, and \$625,963, respectively	45,329	45,329
Other assets	54,176	31,175
Total assets	\$ 4,930,899	\$ 4,506,771

(Continued)

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

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)

	July 31, 2016 (Unaudited)	April 30, 2016
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 418,699	\$ 9,201
Accrued expenses	250,267	176,974
Deferred revenue	1,203,234	1,013,434
Refunds Due Students	121,938	110,883
Deferred rent, current portion	8,156	2,345
Convertible notes payable, current portion	50,000	50,000
Total current liabilities	2,052,294	1,362,837
Line of credit	248,783	1,783
Loan payable officer - related party	1,000,000	1,000,000
Convertible notes payable - related party	300,000	300,000
Deferred rent	47,066	29,169
Total liabilities	3,648,143	2,693,789
Commitments and contingencies - See Note 8		
Stockholders equity:		
Common stock, \$0.001 par value; 250,000,000 shares authorized, 135,158,145 issued and 134,958,145 outstanding at April 30, 2016, 138,158,145 issued and 137,958,145 outstanding at July 31, 2016	137,959	134,958
Additional paid-in capital	26,325,671	26,353,451
Treasury stock (200,000 shares)	(70,000)	(70,000)
Accumulated deficit	(25,110,874)	(24,605,427)
Total stockholders equity	1,282,756	1,812,982
Total liabilities and stockholders equity	\$ 4,930,899	\$ 4,506,771

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

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended July 31,	
	2016	2015
Revenues	\$ 2,756,815	\$ 1,705,861
Operating expenses		
Cost of revenues (exclusive of depreciation and amortization shown separately below)	896,059	774,109
General and administrative	2,182,078	1,477,617
Depreciation and amortization	151,049	143,459
Total operating expenses	3,229,186	2,395,185
Operating loss	(472,371)	(689,324)
Other income (expense):		
Other income	57	3,733
Interest expense	(33,133)	(33,115)
Total other expense, net	(33,076)	(29,382)
Loss before income taxes	(505,447)	(718,706)
Income tax expense (benefit)		
Net loss	\$ (505,447)	\$ (718,706)
Net loss per share allocable to common stockholders - basic and diluted	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding: basic and diluted	135,845,102	128,188,025

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

ASPEN GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED July 31, 2016
(Unaudited)

	Common Stock		Additional		Treasury		Accumulated		Total
	Shares	Amount	Paid-In		Stock		Deficit		Stockholders'
			Capital						Equity
Balance at April 30, 2016	134,958,145	\$ 134,958	\$ 26,353,451		\$ (70,000)		\$ (24,605,427)		\$ 1,812,982
Attorney fees associated with Registration Statement			(1,388)						(1,388)
Stock-based compensation			95,607						