

DEVRY INC
Form 10-Q
November 04, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended: September 30, 2011

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: 1-13988

DeVry Inc.

(Exact name of registrant as specified in its charter)

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DELAWARE
(State or other jurisdiction of
Incorporation or organization)

36-3150143
(I.R.S. Employer
Identification No.)

3005 HIGHLAND PARKWAY

DOWNERS GROVE, ILLINOIS
(Address of principal executive offices)

60515
(Zip Code)

Registrant's telephone number; including area code:
(630) 515-7700

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, 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 Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) 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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: October 28, 2011
67,276,972 shares of Common Stock, \$0.01 par value

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DEVRY INC.

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2011

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Table of Contents**DEVRY INC.****CONSOLIDATED BALANCE SHEETS****(Unaudited)**

	September 30, 2011	June 30, 2011	September 30, 2010
	(Dollars in thousands)		
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 322,918	\$ 447,145	\$ 450,994
Marketable Securities and Investments	2,337	2,575	2,330
Restricted Cash	5,697	2,308	11,142
Accounts Receivable, Net	151,428	114,689	161,323
Deferred Income Taxes, Net	21,712	24,457	24,202
Prepaid Expenses and Other	41,139	33,476	30,784
Total Current Assets	545,231	624,650	680,775
Land, Buildings and Equipment:			
Land	61,378	54,404	54,097
Buildings	352,043	314,274	288,858
Equipment	426,345	402,179	347,689
Construction In Progress	51,860	63,310	47,441
	891,626	834,167	738,085
Accumulated Depreciation	(375,841)	(365,923)	(339,565)
Land, Buildings and Equipment, Net	515,785	468,244	398,520
Other Assets:			
Intangible Assets, Net	321,250	195,462	193,898
Goodwill	589,780	523,620	516,104
Perkins Program Fund, Net	13,450	13,450	13,450
Other Assets	26,431	25,077	20,158
Total Other Assets	950,911	757,609	743,610
TOTAL ASSETS	\$ 2,011,927	\$ 1,850,503	\$ 1,822,905
LIABILITIES:			
Current Liabilities:			
Accounts Payable	\$ 65,678	\$ 63,611	\$ 74,527
Accrued Salaries, Wages and Benefits	77,925	107,829	73,565
Accrued Expenses	50,128	47,097	79,399
Advance Tuition Payments	18,135	22,362	19,653
Deferred Tuition Revenue	250,830	75,532	245,269
Total Current Liabilities	462,696	316,431	492,413
Other Liabilities:			
Deferred Income Taxes, Net	75,490	69,029	45,307
Deferred Rent and Other	67,851	68,772	55,638

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Total Other Liabilities	143,341	137,801	100,945
TOTAL LIABILITIES	606,037	454,232	593,358
NON-CONTROLLING INTEREST	7,176	6,755	5,633
SHAREHOLDERS EQUITY:			
Common Stock, \$0.01 Par Value, 200,000,000 Shares Authorized; 67,765,000; 68,635,000 and 70,271,000 Shares Issued and Outstanding at September 30, 2011, June 30, 2011 and September 30, 2010, Respectively	739	738	735
Additional Paid-in Capital	256,159	248,418	229,688
Retained Earnings	1,424,866	1,367,972	1,128,326
Accumulated Other Comprehensive Income	5,348	15,729	12,704
Treasury Stock, at Cost (6,171,000; 5,148,000 and 3,216,000 Shares, Respectively)	(288,398)	(243,341)	(147,539)
TOTAL SHAREHOLDERS EQUITY	1,398,714	1,389,516	1,223,914
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 2,011,927	\$ 1,850,503	\$ 1,822,905

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

Table of Contents**DEVRY INC.****CONSOLIDATED STATEMENTS OF INCOME****(Dollars in Thousands Except Per Share Amounts)****(Unaudited)**

	For the Three Months Ended September 30,	
	2011	2010
REVENUES:		
Tuition	\$ 486,487	\$ 486,339
Other Educational	32,551	35,089
Total Revenues	519,038	521,428
COSTS AND EXPENSES:		
Cost of Educational Services	238,248	228,081
Student Services and Administrative Expense	200,925	181,532
Total Operating Costs and Expenses	439,173	409,613
Operating Income	79,865	111,815
INTEREST AND OTHER (EXPENSE) INCOME:		
Interest Income	184	423
Interest Expense	(522)	(254)
Net Interest and Other (Expense) Income	(338)	169
Income Before Income Taxes	79,527	111,984
Income Tax Provision	22,215	38,623
NET INCOME	57,312	73,361
Net Loss Attributable to Non-controlling Interest	172	240
NET INCOME ATTRIBUTABLE TO DEVRY INC.	\$ 57,484	\$ 73,601
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO DEVRY INC. SHAREHOLDERS:		
Basic	\$ 0.84	\$ 1.04
Diluted	\$ 0.83	\$ 1.03

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

Table of Contents**DEVRY INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

	Three Months Ended September 30,	
	2011	2010
	(Dollars in Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 57,312	\$ 73,361
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Stock-Based Compensation Expense	4,899	5,250
Depreciation	17,513	13,721
Amortization	2,483	1,522
Provision for Refunds and Uncollectible Accounts	21,297	26,368
Deferred Income Taxes	9,256	(172)
(Gain) Loss on Disposals of Land, Buildings and Equipment	(63)	10
Changes in Assets and Liabilities:		
Restricted Cash	(3,389)	(9,040)
Accounts Receivable	(58,627)	(68,248)
Prepaid Expenses and Other	(6,668)	(1,651)
Accounts Payable	1,145	(15,839)
Accrued Salaries, Wages, Benefits and Expenses	(25,110)	13,367
Advance Tuition Payments	(3,930)	(1,312)
Deferred Tuition Revenue	170,518	158,642
NET CASH PROVIDED BY OPERATING ACTIVITIES	186,636	