

CAREER EDUCATION CORP
Form 10-Q
May 02, 2018

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 MARCH 31, 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: 0-23245

CAREER EDUCATION CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	36-3932190
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)
231 N. Martingale Road	
Schaumburg, Illinois	60173
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (847) 781-3600

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 website, 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, 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

Number of shares of registrant's common stock, par value \$0.01, outstanding as of April 27, 2018: 69,611,001

CAREER EDUCATION CORPORATION

FORM 10-Q

TABLE OF CONTENTS

	Page
PART I—FINANCIAL INFORMATION	
Item 1. Financial Statements	
<u>Condensed Consolidated Balance Sheets</u>	1
<u>Unaudited Condensed Consolidated Statements of Income and Comprehensive Income</u>	2
<u>Unaudited Condensed Consolidated Statements of Cash Flows</u>	3
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	4
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	21
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	32
Item 4. <u>Controls and Procedures</u>	32
PART II—OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	34
Item 1A. <u>Risk Factors</u>	34
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	34
Item 6. <u>Exhibits</u>	34
<u>SIGNATURES</u>	36

CAREER EDUCATION CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)

	March 31, 2018 (unaudited)	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents, unrestricted	\$ 24,198	\$ 18,110
Restricted cash	789	789
Restricted short-term investments	4,570	5,070
Short-term investments	158,038	156,178
Total cash and cash equivalents, restricted cash and short-term investments	187,595	180,147
Student receivables, net of allowance for doubtful accounts of \$19,986 and \$20,533		
as of March 31, 2018 and December 31, 2017, respectively	23,915	18,875
Receivables, other, net	1,335	1,163
Prepaid expenses	10,182	7,722
Inventories	1,013	1,112
Other current assets	833	1,319
Assets of discontinued operations	513	382
Total current assets	225,386	210,720
NON-CURRENT ASSETS:		
Property and equipment, net of accumulated depreciation of \$213,056 and \$213,825		
as of March 31, 2018 and December 31, 2017, respectively	32,027	33,230
Goodwill	87,356	87,356
Intangible assets, net of amortization of \$1,400 and \$1,400		
as of March 31, 2018 and December 31, 2017, respectively	7,900	7,900
Student receivables, net of allowance for doubtful accounts of \$2,565		
and \$2,001 as of March 31, 2018 and December 31, 2017, respectively	2,784	2,548
Deferred income tax assets, net	94,380	98,084
Other assets	5,918	5,673
Assets of discontinued operations	1,585	1,585
TOTAL ASSETS	\$ 457,336	\$ 447,096
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 11,694	\$ 8,515
Accrued expenses:		
Payroll and related benefits	20,345	32,910
Advertising and marketing costs	13,069	9,245
Income taxes	1,730	2,185
Other	32,671	31,233
Deferred revenue	30,278	22,897

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Liabilities of discontinued operations	4,301	5,701
Total current liabilities	114,088	112,686
NON-CURRENT LIABILITIES:		
Deferred rent obligations	14,522	15,277
Other liabilities	15,755	22,143
Liabilities of discontinued operations	-	785
Total non-current liabilities	30,277	38,205
STOCKHOLDERS' EQUITY:		
Preferred stock, \$0.01 par value; 1,000,000 shares authorized; none issued or outstanding	-	-
Common stock, \$0.01 par value; 300,000,000 shares authorized; 84,987,946		
and 84,279,533 shares issued, 69,611,001 and 69,117,803 shares		
outstanding as of March 31, 2018 and December 31, 2017, respectively	850	843
Additional paid-in capital	623,378	621,008
Accumulated other comprehensive loss	(296)	(164)
Accumulated deficit	(90,625)	(108,127)
Treasury stock, at cost; 15,376,945 and 15,161,730 shares as of March 31, 2018		
and December 31, 2017, respectively	(220,336)	(217,355)
Total stockholders' equity	312,971	296,205
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 457,336	\$ 447,096

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

CAREER EDUCATION CORPORATION AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(In thousands, except per share amounts)

	For the Quarter Ended March 31,	
	2018	2017
REVENUE:		
Tuition and fees	\$147,510	\$161,377
Other	555	732
Total revenue	148,065	162,109
OPERATING EXPENSES:		
Educational services and facilities	26,946	40,173
General and administrative	98,008	108,245
Depreciation and amortization	2,582	3,910
Total operating expenses	127,536	152,328
Operating income	20,529	9,781
OTHER INCOME:		
Interest income	634	390
Interest expense	(109)	(113)
Miscellaneous income	328	40
Total other income	853	317
PRETAX INCOME	21,382	10,098
Provision for income taxes	3,498	4,501
INCOME FROM CONTINUING OPERATIONS	17,884	5,597
LOSS FROM DISCONTINUED OPERATIONS, net of tax	(382)	(420)
NET INCOME	17,502	5,177
OTHER COMPREHENSIVE (LOSS) INCOME, net of tax:		
Foreign currency translation adjustments	86	41
Unrealized (loss) gain on investments	(218)	23
Total other comprehensive (loss) income	(132)	64
COMPREHENSIVE INCOME	\$17,370	\$5,241
NET INCOME (LOSS) PER SHARE - BASIC:		
Income from continuing operations	\$0.26	\$0.08
Loss from discontinued operations	(0.01)	-
Net income per share	\$0.25	\$0.08
NET INCOME (LOSS) PER SHARE - DILUTED:		
Income from continuing operations	\$0.25	\$0.08
Loss from discontinued operations	-	(0.01)
Net income per share	\$0.25	\$0.07

WEIGHTED AVERAGE SHARES OUTSTANDING:

Basic	69,216	68,578
Diluted	71,119	70,319

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

CAREER EDUCATION CORPORATION AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the Quarter Ended March 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 17,502	\$ 5,177
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	2,582	3,910
Bad debt expense	6,982	8,224
Compensation expense related to share-based awards	1,501	1,111
Deferred income taxes	3,704	3,792
Changes in operating assets and liabilities	(21,175)	(61,267)
Net cash provided by (used in) operating activities	11,096	(39,053)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of available-for-sale investments	(50,799)	(39,992)
Sales of available-for-sale investments	49,257	44,316
Purchases of property and equipment	(1,360)	(735)
Net cash (used in) provided by investing activities	(2,902)	3,589
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock	875	138
Payments of employee tax associated with stock compensation	(2,981)	(928)
Net cash used in financing activities	(2,106)	(790)
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE		
CHANGES ON CASH AND CASH EQUIVALENTS:	-	15
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,088	(36,239)
CASH AND CASH EQUIVALENTS, beginning of the period	18,899	50,882
CASH AND CASH EQUIVALENTS, end of the period	\$24,987	\$ 14,643

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

CAREER EDUCATION CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE COMPANY

Career Education's academic institutions offer a quality education to a diverse student population in a variety of disciplines through online, campus-based and blended learning programs. Our two universities – American InterContinental University ("AIU") and Colorado Technical University ("CTU") – provide degree programs through the master's or doctoral level as well as associate and bachelor's levels. Both universities predominantly serve students online with career-focused degree programs that are designed to meet the educational demands of today's busy adults. AIU and CTU continue to show innovation in higher education, advancing new personalized learning technologies like their intellipath® learning platform. Career Education is committed to providing quality education that closes the gap between learners who seek to advance their careers and employers needing a qualified workforce.

Additionally, CEC is in the process of teaching out campuses within our All Other Campuses segment. Students enrolled at these campuses have been afforded the reasonable opportunity to complete their program of study prior to the final teach-out date.

A listing of our University Group locations and web links to these institutions can be found at www.careered.com.

As used in this Quarterly Report on Form 10-Q, the terms "we," "us," "our," "the Company" and "CEC" refer to Career Education Corporation and our wholly-owned subsidiaries. The terms "college," "institution" and "university" refer to an individual, branded, for-profit educational institution, owned by us and includes its campus locations. The term "campus" refers to an individual main or branch campus operated by one of our colleges, institutions or universities.

2. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, the financial statements do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments, including normal recurring accruals, considered necessary for a fair presentation have been included. Operating results for the quarter ended March 31, 2018 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2018.

The unaudited condensed consolidated financial statements presented herein include the accounts of Career Education Corporation and our wholly-owned subsidiaries (collectively "CEC"). All intercompany transactions and balances have been eliminated.

Our reporting segments are determined in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 280 – Segment Reporting and are based upon how the Company analyzes performance and makes decisions. Each segment represents a group of postsecondary education providers that offer a variety of academic programs. We organize our business across three reporting segments: CTU, AIU (comprises University Group) and All Other Campuses (formerly separately reported as Culinary Arts and Transitional Group). Campuses included in our All Other Campuses segment are currently being taught out and no longer enroll new students or have completed their teach-out. These campuses employ a gradual teach-out process,

enabling them to continue to operate while current students have a reasonable opportunity to complete their program of study.

During the first quarter of 2018, the Company completed the teach-out of one campus, Sanford-Brown San Antonio, which continues to be reported within the All Other Campuses segment as of March 31, 2018 in accordance with ASC Topic 360 – Property, Plant and Equipment, which limits discontinued operations reporting.

Effective January 1, 2018, we have implemented FASB ASC Topic 606 – Revenue from Contracts with Customers. This guidance supersedes all previously issued revenue recognition guidance. As a result of this change in accounting guidance, we have updated our revenue recognition policies and disclosures. The guidance under Topic 606 did not impact the amount of revenue we recognized in previous periods, and also does not impact the amount of revenue recognized prospectively as our revenue recognition methodology remained relatively the same under the new guidance. The guidance under Topic 606 did impact our presentation of financial condition and disclosures. Previously, a student’s entire accounts receivable balance along with their deferred revenue balance was evaluated to determine the net position of the two and the proper reporting of that balance within student receivables, net, or within deferred revenue, net, on our condensed consolidated balance sheets. Under Topic 606, we now separate the contract asset balance from the student receivable balance to determine the amount reported as deferred revenue on the condensed consolidated balance sheets for each student. See Note 5 “Revenue Recognition” for more information.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Recent accounting guidance adopted in 2018

In February 2017, the FASB issued ASU No. 2017-05, Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets. The amendments in this ASU clarify and provide guidance for partial sales of nonfinancial assets and recognizing gains and losses from the transfer of nonfinancial assets in contracts with noncustomers. For all public entities, ASU 2017-05 is effective for annual reporting periods and interim periods beginning after December 15, 2017. We have evaluated and adopted this guidance effective January 1, 2018. The adoption did not significantly impact the presentation of our financial condition, results of operations and disclosures.

In October 2016, the FASB issued ASU No. 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory. The amendments in this ASU improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory by reducing complexity in accounting standards. The amendments eliminate the exception prohibiting the recognition of current and deferred income taxes for an intra-entity transfer of an asset other than inventory until the asset has been sold to an outside party. For all public entities, ASU 2016-16 is effective for annual periods and interim periods beginning after December 15, 2017. We have evaluated and adopted this guidance beginning 2018. The adoption did not significantly impact the presentation of our financial condition, results of operations and disclosures.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The amendments in this ASU address eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows under Topic 230. The eight topics include debt prepayment or extinguishments costs, settlement of zero-coupon debt instruments, contingent consideration payments made after a business combination, proceeds from settlement of insurance claims, proceeds from settlement of corporate-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions and separately identifiable cash flows and application of the predominance principle. For all public business entities, ASU 2016-15 is effective for annual periods and interim periods beginning after December 15, 2017. We have evaluated and adopted this guidance beginning 2018. The adoption did not significantly impact the presentation of our financial condition, results of operations and disclosures.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), a new accounting standard intended to improve and converge the financial reporting requirements between U.S. GAAP and International Financial Reporting Standards, which supersedes virtually all existing revenue recognition guidance under GAAP. The fundamental principles of the new guidance are that companies should recognize revenue in a manner that reflects the timing of the transfer of services to customers and the amount of revenue recognized reflects the consideration that a company expects to receive for the goods and services provided. The new guidance establishes a five step approach for the recognition of revenue. For all public business entities, ASU No. 2014-09 is effective for annual periods and interim periods beginning after December 15, 2017. We completed the assessment of our evaluation of the new standard on our accounting policies, processes and system requirements and adopted this guidance beginning 2018. We have adopted this guidance using the modified retrospective approach which applies to contracts that have remaining obligations as of January 1, 2018 and new contracts entered into subsequent to January 1, 2018. Under the modified retrospective approach, we do not restate comparative periods on our condensed consolidated financial statements. The adoption impacted the presentation of our financial condition and disclosures but did not impact our results of operations. See Note 5 "Revenue Recognition" for further information.

Recent accounting guidance not yet adopted

In February 2018, the FASB issued ASU No. 2018-02, Income Statement – Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. The amendments in this ASU allow financial statement preparers with an option to reclassify stranded tax effects within accumulated other comprehensive income (“AOCI”) to retained earnings in each period which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act is recorded. For all entities, ASU 2018-02 is effective for annual periods and interim periods beginning after December 15, 2018; early adoption is permitted. We are currently evaluating this guidance and believe the adoption will not significantly impact the presentation of our financial condition, results of operations and disclosure.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The amendments in this ASU require a financial asset measured at amortized cost basis to be presented at the net amount expected to be collected and credit losses relating to available-for-sale debt securities to be recorded through an allowance for credit losses. For all public business entities, ASU 2016-13 is effective for annual periods and interim periods beginning after December 15, 2019; early adoption is permitted for all organizations for annual periods and interim periods beginning after December 15, 2018. We are currently evaluating this guidance and believe the adoption will not significantly impact the presentation of our financial condition, results of operations and disclosures.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The objective of Topic 842 is to establish transparency and comparability that lessees and lessors shall apply to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from a lease. The core principle of Topic 842 is that lessees should recognize the assets and liabilities that arise from leases. All leases create an asset and liability for the lessee in accordance with FASB Concept Statements No. 6 Elements of Financial Statements, and, therefore, recognition of those lease assets and liabilities represents an improvement over previous GAAP. The accounting applied for lessors largely remained unchanged. The amendment in this ASU requires recognition of a lease liability and a right of use asset at the lease inception date. For all public business entities, ASU 2016-02 is effective for annual periods and interim periods beginning after December 15, 2018; early adoption is permitted. While we are continuing to assess all potential impacts of the standard, we currently believe the most significant impact primarily relates to our accounting for real estate leases and real estate subleases. We expect to have a material amount now reported as a right of use asset and lease liability related to these leases as well as expect to separate lease components from the non-lease components for recognition. Based on the current ASU, we will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach beginning with January 1, 2017. We are currently evaluating this guidance and believe the adoption will significantly impact the presentation of our financial condition and disclosures, but will not significantly impact our results of operations.

4. FINANCIAL INSTRUMENTS

Investments consist of the following as of March 31, 2018 and December 31, 2017 (dollars in thousands):

	March 31, 2018			
		Gross Unrealized		
	Cost	Gain(Loss)		Fair Value
Short-term investments (available for sale):				
Non-governmental debt securities	\$128,641	\$6	\$(415)	\$128,232
Treasury and federal agencies	29,964	-	(158)	29,806
Total short-term investments	158,605	6	(573)	158,038
Restricted short-term investments (available for sale):				
Non-governmental debt securities	4,570	-	-	4,570
Total investments (available for sale)	\$163,175	\$6	\$(573)	\$162,608
	December 31, 2017			
		Gross Unrealized		
	Cost	Gain(Loss)		Fair Value
Short-term investments (available for sale):				
Municipal bonds	\$830	\$-	\$-	\$830
Non-governmental debt securities	125,485	7	(222)	125,270
Treasury and federal agencies	30,211	-	(133)	30,078
Total short-term investments	156,526	7	(355)	156,178
Restricted short-term investments (available for sale):				
Non-governmental debt securities	5,070	-	-	5,070
Total investments (available for sale)	\$161,596	\$7	\$(355)	\$161,248

In the table above, unrealized holding gains (losses) as of March 31, 2018 relate to short-term investments that have been in a continuous unrealized gain (loss) position for less than one year.

Our unrestricted non-governmental debt securities primarily consist of commercial paper and certificates of deposit. Our treasury and federal agencies primarily consist of U.S. Treasury bills and federal home loan debt securities. We do not intend to sell our investments in these securities prior to maturity and it is not likely that we will be required to sell these investments before recovery of the amortized cost basis. Our restricted short-term investments are comprised entirely of certificates of deposit, which secure our letters of credit.

Fair Value Measurements

FASB ASC Topic 820 – Fair Value Measurements establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

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As of March 31, 2018, we held investments that are required to be measured at fair value on a recurring basis. These investments (available-for-sale) consist of non-governmental debt securities, and treasury and federal agencies securities. Available for sale securities included in Level 1 are valued at quoted prices in active markets for identical assets and liabilities. Available for sale securities included in Level 2 are estimated based on observable inputs other than quoted prices in active markets for identical assets and liabilities, such as quoted prices for identical or similar assets or liabilities in inactive markets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Investments measured at fair value on a recurring basis subject to the disclosure requirements of FASB ASC Topic 820 – Fair Value Measurements at March 31, 2018 and December 31, 2017 were as follows (dollars in thousands):

As of March 31, 2018				
	Level 1	Level 2	Level 3	Total
Non-governmental debt securities	\$31,500	\$101,302	\$ -	\$132,802
Treasury and federal agencies	-	29,806	-	29,806
Totals	\$31,500	\$131,108	\$ -	\$162,608

As of December 31, 2017				
	Level 1	Level 2	Level 3	Total
Municipal bonds	\$-	\$830	\$ -	\$830
Non-governmental debt securities	31,500	98,840	-	130,340
Treasury and federal agencies	-	30,078	-	30,078
Totals	\$31,500	\$129,748	\$ -	\$161,248

Equity Method Investment

Our investment in an equity affiliate, which is recorded within other noncurrent assets on our condensed consolidated balance sheets, represents an international investment in a private company. As of March 31, 2018, our investment in an equity affiliate equated to a 30.7%, or \$3.4 million, non-controlling interest in CCKF, a Dublin-based educational technology company providing intelligent systems to power the delivery of individualized and personalized learning.

During the quarters ended March 31, 2018 and 2017, we recorded approximately \$0.1 million of gain and \$0.2 million of loss, respectively, related to our proportionate investment in CCKF within miscellaneous income on our unaudited condensed consolidated statements of income and comprehensive income.

We make periodic operating maintenance payments related to proprietary rights that we use in our intellipath® personalized learning technology. The total fees paid to CCKF for the quarters ended March 31, 2018 and 2017 were as follows (dollars in thousands):

	Maintenance Fee Payments
For the quarter ended March 31, 2018	\$ 376
For the quarter ended March 31, 2017	\$ 325

Credit Agreement

During the fourth quarter of 2015, the Company; its wholly-owned subsidiary, CEC Educational Services, LLC (“CEC-ES”); and the subsidiary guarantors thereunder entered into a Fourth Amendment to its Amended and Restated Credit Agreement dated as of December 30, 2013 (as amended, the “Credit Agreement”) with BMO Harris Bank N.A., in its capacities as the initial lender and letter of credit issuer thereunder and the administrative agent for the lenders which from time to time may be parties to the Credit Agreement, to among other things, decrease the revolving credit facility to \$95.0 million and require pre-approval by the lenders for each credit extension (other than letter of credit extensions) occurring after December 31, 2015. The revolving credit facility under the Credit Agreement is scheduled to mature on December 31, 2018. The loans and letter of credit obligations under the Credit Agreement are required to be secured by 100% cash collateral. As of March 31, 2018 and December 31, 2017, there were no outstanding borrowings under the revolving credit facility.

5. REVENUE RECOGNITION

Disaggregation of Revenue

The following table disaggregates our revenue by major source (dollars in thousands):

	For the Quarter Ended March 31, 2018			
	CTU	AIU	All Other Campuses	Total
Tuition	\$90,734	\$51,131	\$ 331	\$142,196
Technology fees	2,874	1,840	-	4,714
Other miscellaneous fees ⁽¹⁾	500	100	-	600
Total tuition and fees	94,108	53,071	331	147,510
Other revenue ⁽²⁾	499			