
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 7, 2012

Grand Canyon Education, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction of
Incorporation)

001-34211
(Commission
File Number)

20-3356009
(IRS Employer
Identification No.)

3300 W. Camelback Road
Phoenix, Arizona
(Address of Principal Executive Offices)

85017
(Zip Code)

Registrant's telephone number, including area code: (602) 639-7500

(Former name or former address if changed since last report.)

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))
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Item 2.02. Results of Operations and Financial Condition.

On May 7, 2012, Grand Canyon Education, Inc. (the "Company") reported its results for the first quarter of 2012. The press release dated May 7, 2012 is furnished as Exhibit 99.1 to this report.

Item 9.01. Consolidated Financial Statements and Exhibits.

99.1 Press Release dated May 7, 2012

SIGNATURES

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, thereunto duly authorized.

GRAND CANYON EDUCATION, INC.

Date: May 7, 2012

By: /s/ Daniel E. Bachus

Daniel E. Bachus

Chief Financial Officer

(Principal Financial and Principal Accounting Officer)

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated May 7, 2012

FOR IMMEDIATE RELEASE**Investor Relations Contact:**

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Chief Financial Officer
Grand Canyon Education, Inc.
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Grand Canyon Education, Inc.
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**GRAND CANYON EDUCATION, INC. REPORTS
FIRST QUARTER 2012 RESULTS**

ARIZONA, May 7, 2012—**Grand Canyon Education, Inc.** (NASDAQ: LOPE), a regionally accredited provider of online and campus-based post-secondary education services, today announced financial results for the quarter ended March 31, 2012.

(more)

Grand Canyon Education, Inc. Reports First Quarter 2012 Results

For the three months ended March 31, 2012:

- Net revenue increased 15.2% to \$117.1 million for the first quarter of 2012, compared to \$101.7 million for the first quarter of 2011.
- At March 31, 2012, our enrollment was approximately 46,300, an increase of 8.9% from our enrollment of approximately 42,500 at March 31, 2011.
- Operating income for the first quarter of 2012 was \$24.2 million, an increase of 49.7% as compared to \$16.2 million for the same period in 2011. The operating margin for the first quarter of 2012 was 20.7%, compared to 15.9% for the same period in 2011.
- Adjusted EBITDA increased 45.3% to \$31.1 million for the first quarter of 2012, compared to \$21.4 million for the same period in 2011.
- The tax rate in the first quarter of 2012 was 39.7% compared to 41.1% in the first quarter of 2011. The decrease in the effective tax rate was primarily due to certain non-recurring tax items, which had the effect of decreasing our effective tax rate in the first quarter of 2012 and increasing the effective tax rate in the first quarter of 2011.
- Net income increased 52.6% to \$14.5 million for the first quarter of 2012, compared to \$9.5 million for the same period in 2011.
- Diluted net income per share was \$0.32 for the first quarter of 2012, compared to \$0.21 for the same period in 2011.

Balance Sheet and Cash Flow

As of March 31, 2012, the University had unrestricted cash and cash equivalents of \$56.7 million compared to \$21.2 million at December 31, 2011 and restricted cash and cash equivalents at March 31, 2012 and December 31, 2011 of \$51.0 million and \$56.7 million, respectively.

The University generated \$45.2 million in cash from operating activities for the three months ended March 31, 2012 compared to \$23.4 million for the same period in 2011. Cash provided by operating activities in 2012 and 2011 resulted from our net income plus non-cash charges for provision for bad debts, depreciation and amortization, share-based compensation and improvement in our working capital.

Net cash used in investing activities was \$11.2 million and \$11.9 million for the three months ended March 31, 2012 and 2011, respectively. Capital expenditures were \$16.9 million and \$14.7 million for the three months ended March 31, 2012 and 2011, respectively. In 2012, capital expenditures primarily consisted of ground campus building projects such as the construction costs for two additional dormitories, an Arts and Science classroom building and our first parking garage to support our increasing traditional student enrollment as well as purchases of computer equipment, other internal use software projects and furniture and equipment. In 2011, capital expenditures primarily consisted of ground campus building projects such as a new dormitory and an events arena to support our increasing traditional ground student enrollment as well as purchases of computer equipment, internal use software projects and furniture and equipment. In 2012 and 2011 expenditures were partially offset by a \$5.7 million and \$2.8 million, respectively, decrease in restricted cash as a result of timing differences between periods in the receipt of Title IV funds.

Net cash provided by financing activities was \$1.5 million for the three months ended March 31, 2012 and net cash used in financing activities was \$14.9 million in the three months ended March 31, 2011. During the first three months of 2012 proceeds from the exercise of stock options of \$2.3 million were partially offset by principal payments on notes payable and capital lease obligations of \$0.8 million. During the first three months of 2011, \$14.2 million was used to purchase treasury stock in accordance with the University's share repurchase program and principal payments on notes payable and capital leases totaled \$0.7 million.

(more)

Grand Canyon Education, Inc. Reports First Quarter 2012 Results

2012 Annual Outlook by Quarter TBD

Q2 2012:	Net revenue between \$113.5 million and \$115.5 million; Target Operating Margin between 18% to 18.5%; Diluted EPS between \$0.26 and \$0.27 using 46.0 million diluted shares; student counts between 41,750 to 42,750
Q3 2012:	Net revenue between \$120 million and \$123 million; Target Operating Margin between 19.5% to 20.0%; Diluted EPS between \$0.30 and \$0.32 using 46.3 million diluted shares; student counts between 47,500 to 48,500
Q4 2012:	Net revenue between \$127 million and \$130 million; Target Operating Margin between 22.0% to 23.0%; Diluted EPS between \$0.36 and \$0.39 using 46.5 million diluted shares; student counts between 48,500 to 49,500
Full Year 2012:	Net revenue between \$478 million and \$486 million; Target Operating Margin between 20.0% to 20.5%; Diluted EPS between \$1.24 and \$1.30 using 46.0 million diluted shares

Forward-Looking Statements

This news release contains “forward-looking statements” which include information relating to future events, future financial performance, strategies expectations, competitive environment, regulation, and availability of resources. These forward-looking statements include, without limitation, statements regarding: proposed new programs; expectations that regulatory developments or other matters will not have a material adverse effect on our financial position, results of operations, or liquidity; statements concerning projections, predictions, expectations, estimates, or forecasts as to our business, financial and operational results, and future economic performance; and statements of management’s goals and objectives and other similar expressions concerning matters that are not historical facts. Words such as “may,” “should,” “could,” “would,” “predicts,” “potential,” “continue,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar expressions, as well as statements in future tense, identify forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made or management’s good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to: our failure to comply with the extensive regulatory framework applicable to our industry, including Title IV of the Higher Education Act and the regulations thereunder, state laws and regulatory requirements, and accrediting commission requirements; the results of the ongoing program review being conducted by the Department of Education of our compliance with Title IV program requirements, and possible fines or other administrative sanctions resulting therefrom; the ability of our students to obtain federal Title IV funds, state financial aid, and private financing; risks associated with changes in applicable federal and state laws and regulations and accrediting commission standards, including pending rulemaking by the Department of Education; potential damage to our reputation or other adverse effects as a result of negative publicity in the media, in the industry or in connection with governmental reports or investigations or otherwise, affecting us or other companies in the for-profit postsecondary education sector; our ability to hire and train new, and develop and train existing, faculty and employees; the pace of growth of our enrollment; our ability to convert prospective students to enrolled students and to retain active students; our success in updating and expanding the content of existing programs and developing new programs in a cost-effective manner or on a timely basis; industry competition, including competition for qualified executives and other personnel; risks associated with the competitive environment for marketing our programs; failure on our part to keep up with advances in technology that could enhance the online experience for our students; the extent to which obligations under our loan agreement, including the need to comply with restrictive and financial covenants and to pay principal and interest payments, limits our ability to conduct our operations or seek new business opportunities; our ability to manage future growth effectively; general adverse economic conditions or other developments that affect job prospects in our core disciplines; and other factors discussed in reports on file with the Securities and Exchange Commission.

Forward-looking statements speak only as of the date the statements are made. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

(more)

Grand Canyon Education, Inc. Reports First Quarter 2012 Results

Conference Call

Grand Canyon Education, Inc. will discuss its first quarter 2012 results and 2012 outlook during a conference call scheduled for today, May 7, 2012 at 4:30 p.m. Eastern time (ET). To participate in the live call, investors should dial 877-815-5362 (domestic and Canada) or 706-679-7806 (international), passcode 69734178 at 4:25 p.m. (ET). The Webcast will be available on the Grand Canyon Education, Inc. Web site at www.gcu.edu.

A replay of the call will be available approximately two hours following the conclusion of the call through May 14, 2012, at 855-859-2056 (domestic) or 404-537-3406 (international), passcode 69734178. It will also be archived at www.gcu.edu in the [investor relations](#) section for 60 days.

About Grand Canyon Education, Inc.

Grand Canyon Education, Inc. is a regionally accredited provider of postsecondary education services focused on offering graduate and undergraduate degree programs in its core disciplines of education, business, healthcare and liberal arts. In addition to its online programs, it offers programs at its approximately 115 acre traditional campus in Phoenix, Arizona and onsite at the facilities of employers. Approximately 46,300 students were enrolled as of March 31, 2012. For more information about Grand Canyon Education, Inc., please visit <http://www.gcu.edu>.

Grand Canyon Education, Inc. is regionally accredited by The Higher Learning Commission of the North Central Association of Colleges and Schools (NCA), <http://www.ncahlc.org>. Grand Canyon University, 3300 W. Camelback Road, Phoenix, AZ 85017, www.gcu.edu.

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GRAND CANYON EDUCATION, INC.
Consolidated Income Statements
(Unaudited)

	Three Months Ended March 31,	
	2012	2011
(In thousands, except per share data)		
Net revenue	\$117,131	\$101,709
Costs and expenses:		
Instructional costs and services	50,824	48,875
Selling and promotional, including \$447 and \$401 to related parties for March 31, 2012 and 2011, respectively	34,559	29,832
General and administrative	7,544	6,832
Total costs and expenses	<u>92,927</u>	<u>85,539</u>
Operating income	24,204	16,170
Interest expense	(207)	(107)
Interest income	10	32
Income before income taxes	<u>24,007</u>	<u>16,095</u>
Income tax expense	9,538	6,614
Net income	<u>\$ 14,469</u>	<u>\$ 9,481</u>
Earnings per share:		
Basic income per share	<u>\$ 0.33</u>	<u>\$ 0.21</u>
Diluted income per share	<u>\$ 0.32</u>	<u>\$ 0.21</u>
Basic weighted average shares outstanding	<u>44,371</u>	<u>45,590</u>
Diluted weighted average shares outstanding	<u>45,151</u>	<u>46,089</u>

GRAND CANYON EDUCATION, INC.

Adjusted EBITDA

Adjusted EBITDA is defined as net income plus interest expense net of interest income, plus income tax expense, and plus depreciation and amortization (EBITDA), as adjusted for (i) royalty payments incurred pursuant to an agreement with our former owner that has been terminated as of April 15, 2008; (ii) contributions to Arizona school tuition organizations in lieu of state income taxes, which we typically make in the fourth quarter of a fiscal year; (iii) contract termination fees, if any; (iv) lease termination costs, if any; (v) exit costs, if any; (vi) estimated litigation losses; and (vii) share-based compensation. We present Adjusted EBITDA because we consider it to be an important supplemental measure of our operating performance. We also make certain compensation decisions based, in part, on our operating performance, as measured by Adjusted EBITDA, and our loan agreement requires us to comply with covenants that include performance metrics substantially similar to Adjusted EBITDA. All of the adjustments made in our calculation of Adjusted EBITDA are adjustments to items that management does not consider to be reflective of our core operating performance. Management considers our core operating performance to be that which can be affected by our managers in any particular period through their management of the resources that affect our underlying revenue and profit generating operations during that period. Royalty expenses paid to our former owner, contributions made to Arizona school tuition organizations in lieu of the payment of state income taxes, estimated litigation losses, exit costs, share-based compensation, and contract termination fees are not considered reflective of our core performance.

We believe Adjusted EBITDA allows us to compare our current operating results with corresponding historical periods and with the operational performance of other companies in our industry because it does not give effect to potential differences caused by variations in capital structures (affecting relative interest expense, including the impact of write-offs of deferred financing costs when companies refinance their indebtedness), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the book amortization of intangibles (affecting relative amortization expense), and other items that we do not consider reflective of underlying operating performance. We also present Adjusted EBITDA because we believe it is frequently used by securities analysts, investors, and other interested parties as a measure of performance.

In evaluating Adjusted EBITDA, investors should be aware that in the future we may incur expenses similar to the adjustments described above. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by expenses that are unusual, non-routine, or non-recurring. Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for net income, operating income, or any other performance measure derived in accordance with and reported under GAAP or as an alternative to cash flow from operating activities or as a measure of our liquidity. Some of these limitations are that it does not reflect:

- cash expenditures for capital expenditures or contractual commitments;
- changes in, or cash requirement for, our working capital requirements;
- interest expense, or the cash required to replace assets that are being depreciated or amortized; and
- the impact on our reported results of earnings or charges resulting from the items for which we make adjustments to our EBITDA, as described above and set forth in the table below.

In addition, other companies, including other companies in our industry, may calculate these measures differently than we do, limiting the usefulness of Adjusted EBITDA as a comparative measure. Because of these limitations, Adjusted EBITDA should not be considered as a substitute for net income, operating income, or any other performance measure derived in accordance with GAAP, or as an alternative to cash flow from operating activities or as a measure of our liquidity. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only supplementally.

Grand Canyon Education, Inc. Reports First Quarter 2012 Results

The following table provides a reconciliation of net income to Adjusted EBITDA, which is a non-GAAP measure for the periods indicated:

	Three Months Ended	
	March 31,	
	2012	2011
	(Unaudited, in thousands)	
Net income	\$ 14,469	\$ 9,481
Plus: interest expense net of interest income	197	75
Plus: income tax expense	9,538	6,614
Plus: depreciation and amortization	4,958	3,752
EBITDA	29,162	19,922
Plus: royalty to former owner	74	74
Plus: estimated litigation losses	200	—
Plus: share-based compensation	1,694	1,430
Adjusted EBITDA	\$ 31,130	\$ 21,426

GRAND CANYON EDUCATION, INC.
Consolidated Balance Sheets

<u>(In thousands, except par value)</u>	<u>March 31, 2012</u> (Unaudited)	<u>December 31, 2011</u>
ASSETS:		
Current assets		
Cash and cash equivalents	\$ 56,700	\$ 21,189
Restricted cash and cash equivalents	50,454	56,115
Accounts receivable, net of allowance for doubtful accounts of \$8,844 and \$11,706 at March 31, 2012 and December 31, 2011, respectively	7,843	11,815
Income taxes receivable	936	11,861
Deferred income taxes	2,376	3,353
Other current assets	11,990	11,081
Total current assets	<u>130,299</u>	<u>115,414</u>
Property and equipment, net	207,169	189,947
Restricted cash	555	555
Prepaid royalties	5,793	5,958
Goodwill	2,941	2,941
Other assets	3,212	3,032
Total assets	<u>\$ 349,969</u>	<u>\$ 317,847</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities		
Accounts payable	\$ 24,660	\$ 18,523
Accrued compensation and benefits	9,372	12,229
Accrued liabilities	8,515	8,456
Income taxes payable	6,091	536
Student deposits	51,903	57,602
Deferred revenue	33,479	21,723
Due to related parties	279	227
Current portion of capital lease obligations	96	470
Current portion of notes payable	1,739	1,739
Total current liabilities	<u>136,134</u>	<u>121,505</u>
Capital lease obligations, less current portion	652	674
Other noncurrent liabilities	7,719	7,140
Deferred income taxes, noncurrent	4,126	5,334
Notes payable, less current portion	19,468	19,901
Total liabilities	<u>168,099</u>	<u>154,554</u>
Commitments and contingencies		
Stockholders' equity		
Preferred stock, \$0.01 par value, 10,000 shares authorized; 0 shares issued and outstanding at March 31, 2012 and December 31, 2011	—	—
Common stock, \$0.01 par value, 100,000 shares authorized; 46,147 and 45,955 shares issued and 44,490 and 44,298 shares outstanding at March 31, 2012 and December 31, 2011, respectively	461	460
Treasury stock, at cost, 1,657 shares of common stock at March 31, 2012 and December 31, 2011	(23,894)	(23,894)
Additional paid-in capital	89,800	85,720
Accumulated other comprehensive loss	(333)	(360)
Accumulated earnings	115,836	101,367
Total stockholders' equity	<u>181,870</u>	<u>163,293</u>
Total liabilities and stockholders' equity	<u>\$ 349,969</u>	<u>\$ 317,847</u>

GRAND CANYON EDUCATION, INC.
Consolidated Statements of Cash Flows
(Unaudited)

<u>(In thousands)</u>	Three Months Ended March 31,	
	2012	2011
Cash flows provided by operating activities:		
Net income	\$ 14,469	\$ 9,481
Adjustments to reconcile net income to net cash provided by operating activities:		
Share-based compensation	1,694	1,430
Excess tax benefits from share-based compensation	(65)	—
Amortization of debt issuance costs	15	15
Provision for bad debts	4,122	10,034
Depreciation and amortization	5,032	3,826
Loss on asset disposal	182	—
Exit costs	—	(24)
Deferred income taxes	(247)	(224)
Changes in assets and liabilities:		
Accounts receivable	(150)	(6,023)
Prepaid expenses and other	(1,104)	(119)
Due to/from related parties	52	(8,388)
Accounts payable	742	5,748
Accrued liabilities and employee related liabilities	(2,798)	(513)
Income taxes receivable/payable	16,556	6,665
Deferred rent	622	67
Deferred revenue	11,756	4,184
Student deposits	(5,699)	(2,746)
Net cash provided by operating activities	45,179	23,413
Cash flows used in investing activities:		
Capital expenditures	(16,876)	(14,668)
Change in restricted cash and cash equivalents	5,661	2,753
Net cash used in investing activities	(11,215)	(11,915)
Cash flows provided by (used in) financing activities:		
Principal payments on notes payable and capital lease obligations	(829)	(694)
Repurchase of common shares	—	(14,211)
Excess tax benefits from share-based compensation	65	—
Net proceeds from exercise of stock options	2,311	13
Net cash provided by (used in) financing activities	1,547	(14,892)
Net increase (decrease) in cash and cash equivalents	35,511	(3,394)
Cash and cash equivalents, beginning of period	21,189	33,637
Cash and cash equivalents, end of period	\$ 56,700	\$ 30,243
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 253	\$ 107
Cash paid for income taxes	\$ 1,061	\$ 219
Supplemental disclosure of non-cash investing and financing activities		
Purchases of property and equipment included in accounts payable	\$ 5,395	\$ 5,631
Tax benefit of Spirit warrant intangible	\$ 59	\$ 70
Shortfall tax expense from share-based compensation	\$ 17	\$ —

Grand Canyon Education, Inc. Reports First Quarter 2012 Results

The following is a summary of our student enrollment at March 31, 2012 and 2011 (which included less than 700 students pursuing non-degree certificates in each period) by degree type and by instructional delivery method:

	2012 ⁽¹⁾		2011 ⁽¹⁾	
	# of Students	% of Total	# of Students	% of Total
Graduate degrees ⁽²⁾	18,054	39.0%	18,438	43.4%
Undergraduate degree	28,224	61.0%	24,067	56.6%
Total	46,278	100.0%	42,505	100.0%

	2012 ⁽¹⁾		2011 ⁽¹⁾	
	# of Students	% of Total	# of Students	% of Total
Online ⁽³⁾	41,229	89.1%	38,655	90.9%
Ground ⁽⁴⁾	5,049	10.9%	3,850	9.1%
Total	46,278	100.0%	42,505	100.0%

⁽¹⁾ Enrollment at March 31, 2012 and 2011 represents individual students who attended a course during the last two months of the calendar quarter.

⁽²⁾ Includes 2,221 and 1,301 students pursuing doctoral degrees at March 31, 2012 and 2011, respectively.

⁽³⁾ As of March 31, 2012 and 2011, 42.5% and 46.3%, respectively, of our online and professional studies students were pursuing graduate degrees.

⁽⁴⁾ Includes both our traditional on-campus ground students, as well as our professional studies students.