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Benefitfocus,Inc. Form 10-Q November 04, 2016
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 September 30, 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: 001-36061
Benefitfocus, Inc.
(Exact name of registrant as specified in its charter)
Delaware 46-2346314 (State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

100 Benefitfocus Way

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Charleston, South Carolina 29492

(Address of principal executive offices and zip code)

(843) 849-7476

(Registrant's telephone number, including area code)

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

As of October 31, 2016, there were approximately 29,750,839 shares of the registrant's common stock outstanding.

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Benefitfocus, Inc.

Form 10-Q

For the Quarterly Period Ended September 30, 2016

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Benefitfocus, Inc.

Unaudited Consolidated Balance Sheets

(in thousands, except share and per share data)

Assets 2016 2015 Current assets: **** **** Cash and cash equivalents \$50,800 \$48,074 Marketable securities 4,510 40,448 Accounts receivable, net 27,538 27,616 Accounts receivable, related party 3,527 2,082 Prepaid expenses and other current assets 5,610 5,725 Total current assets 91,985 123,945 Property and equipment, net 57,874 55,037 Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets \$153,359 \$182,119 Liabilities and stockholders' deficit ** Current liabilities: ** 4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 2,017 3,648		As of	As of
Assets Current assets: Cash and cash equivalents \$50,800 \$48,074 Marketable securities 4,510 40,448 Accounts receivable, net 27,538 27,616 Accounts receivable, related party 3,527 2,082 Prepaid expenses and other current assets 5,610 5,725 Total current assets 91,985 123,945 Property and equipment, net 57,874 55,037 Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets 1,394 838 Total assets \$153,359 \$182,119 Liabilities and stockholders' deficit Current liabilities: Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 15,000		September	December
Assets Current assets: \$50,800 \$48,074 Marketable securities 4,510 40,448 Accounts receivable, net 27,538 27,616 Accounts receivable, related party 3,527 2,082 Prepaid expenses and other current assets 5,610 5,725 Total current assets 91,985 123,945 Property and equipment, net 57,874 55,037 Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets \$153,359 \$182,119 Liabilities and stockholders' deficit Current liabilities: Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred r		30,	31,
Current assets: \$50,800 \$48,074 Marketable securities 4,510 40,448 Accounts receivable, net 27,538 27,616 Accounts receivable, related party 3,527 2,082 Prepaid expenses and other current assets 5,610 5,725 Total current assets 91,985 123,945 Property and equipment, net 57,874 55,037 Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets \$153,359 \$182,119 Liabilities and stockholders' deficit Current liabilities: Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811<		2016	2015
Cash and cash equivalents \$50,800 \$48,074 Marketable securities 4,510 40,448 Accounts receivable, net 27,538 27,616 Accounts receivable, related party 3,527 2,082 Prepaid expenses and other current assets 5,610 5,725 Total current assets 91,985 123,945 Property and equipment, net 57,874 55,037 Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets 153,359 \$182,119 Liabilities and stockholders' deficit Current liabilities: Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 15,000 25,000 Financing and capital lease obligations, current portion 44,811 55,671 Revolving line of credit	Assets		
Marketable securities 4,510 40,448 Accounts receivable, net 27,538 27,616 Accounts receivable, related party 3,527 2,082 Prepaid expenses and other current assets 5,610 5,725 Total current assets 91,985 123,945 Property and equipment, net 57,874 55,037 Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets 153,359 \$182,119 Liabilities and stockholders' deficit Current liabilities Current liabilities 44,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current	Current assets:		
Accounts receivable, net 27,538 27,616 Accounts receivable, related party 3,527 2,082 Prepaid expenses and other current assets 5,610 5,725 Total current assets 91,985 123,945 Property and equipment, net 57,874 55,037 Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets \$153,359 \$182,119 Liabilities and stockholders' deficit Current liabilities: Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and c	Cash and cash equivalents	\$50,800	\$48,074
Accounts receivable, related party 3,527 2,082 Prepaid expenses and other current assets 5,610 5,725 Total current assets 91,985 123,945 Property and equipment, net 57,874 55,037 Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets \$153,359 \$182,119 Liabilities and stockholders' deficit *** Current liabilities: *** Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion	Marketable securities	4,510	40,448
Prepaid expenses and other current assets 5,610 5,725 Total current assets 91,985 123,945 Property and equipment, net 57,874 55,037 Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets \$153,359 \$182,119 Liabilities and stockholders' deficit Current liabilities: Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436 </td <td>Accounts receivable, net</td> <td>27,538</td> <td>27,616</td>	Accounts receivable, net	27,538	27,616
Total current assets 91,985 123,945 Property and equipment, net 57,874 55,037 Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets \$153,359 \$182,119 Liabilities and stockholders' deficit \$153,359 \$182,119 Current liabilities: \$4,189 \$7,953 Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 15,000 25,000 Financing and capital lease obligations, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038	Accounts receivable, related party	3,527	2,082
Property and equipment, net 57,874 55,037 Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets \$153,359 \$182,119 Liabilities and stockholders' deficit Current liabilities: Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 15,000 25,000 Financing and capital lease obligations, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Prepaid expenses and other current assets	5,610	5,725
Intangible assets, net 472 665 Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets \$153,359 \$182,119 Liabilities and stockholders' deficit Current liabilities: Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 15,000 25,000 Financing and capital lease obligations, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Total current assets	91,985	123,945
Goodwill 1,634 1,634 Other non-current assets 1,394 838 Total assets \$153,359 \$182,119 Liabilities and stockholders' deficit Current liabilities: Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 15,000 25,000 Financing and capital lease obligations, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Property and equipment, net	57,874	55,037
Other non-current assets1,394838Total assets\$153,359\$182,119Liabilities and stockholders' deficitCurrent liabilities:Accounts payable\$4,189\$7,953Accrued expenses14,40310,449Accrued compensation and benefits17,22420,684Deferred revenue, current portion34,89937,858Revolving line of credit, current portion15,00025,000Financing and capital lease obligations, current portion2,0173,648Total current liabilities87,732105,592Deferred revenue, net of current portion44,81155,671Revolving line of credit, net of current portion20,2465,246Financing and capital lease obligations, net of current portion33,03831,183Other non-current liabilities2,9742,436	Intangible assets, net	472	665
Total assets Liabilities and stockholders' deficit Current liabilities: Accounts payable Accrued expenses Accrued compensation and benefits Deferred revenue, current portion Revolving line of credit, current portion Total current liabilities 2,974 Below 153,359 State 11,359 State 14,403 State 14,403 State 14,403 State 10,449 State 14,403 State 10,449 State 14,403 State 10,449 State 14,403 State 10,449 State 10,449 State 11,224 State 11,224 State 11,224 State 12,246 State 11,224 State 12,246 St	Goodwill	1,634	1,634
Liabilities and stockholders' deficit Current liabilities: Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 15,000 25,000 Financing and capital lease obligations, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Other non-current assets	1,394	838
Current liabilities: Accounts payable \$4,189 \$7,953 Accrued expenses 14,403 10,449 Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 15,000 25,000 Financing and capital lease obligations, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Total assets	\$153,359	\$182,119
Accounts payable\$4,189\$7,953Accrued expenses14,40310,449Accrued compensation and benefits17,22420,684Deferred revenue, current portion34,89937,858Revolving line of credit, current portion15,00025,000Financing and capital lease obligations, current portion2,0173,648Total current liabilities87,732105,592Deferred revenue, net of current portion44,81155,671Revolving line of credit, net of current portion20,2465,246Financing and capital lease obligations, net of current portion33,03831,183Other non-current liabilities2,9742,436	Liabilities and stockholders' deficit		
Accrued expenses14,40310,449Accrued compensation and benefits17,22420,684Deferred revenue, current portion34,89937,858Revolving line of credit, current portion15,00025,000Financing and capital lease obligations, current portion2,0173,648Total current liabilities87,732105,592Deferred revenue, net of current portion44,81155,671Revolving line of credit, net of current portion20,2465,246Financing and capital lease obligations, net of current portion33,03831,183Other non-current liabilities2,9742,436	Current liabilities:		
Accrued compensation and benefits 17,224 20,684 Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 15,000 25,000 Financing and capital lease obligations, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Accounts payable	\$4,189	\$7,953
Deferred revenue, current portion 34,899 37,858 Revolving line of credit, current portion 15,000 25,000 Financing and capital lease obligations, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Accrued expenses	14,403	10,449
Revolving line of credit, current portion 15,000 25,000 Financing and capital lease obligations, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Accrued compensation and benefits	17,224	20,684
Financing and capital lease obligations, current portion 2,017 3,648 Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Deferred revenue, current portion	34,899	37,858
Total current liabilities 87,732 105,592 Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Revolving line of credit, current portion	15,000	25,000
Deferred revenue, net of current portion 44,811 55,671 Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Financing and capital lease obligations, current portion	2,017	3,648
Revolving line of credit, net of current portion 20,246 5,246 Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Total current liabilities	87,732	105,592
Financing and capital lease obligations, net of current portion 33,038 31,183 Other non-current liabilities 2,974 2,436	Deferred revenue, net of current portion	44,811	55,671
Other non-current liabilities 2,974 2,436	Revolving line of credit, net of current portion	20,246	5,246
	Financing and capital lease obligations, net of current portion	33,038	31,183
Total liabilities 188,801	Other non-current liabilities		2,436
	Total liabilities	188,801	