

AECOM  
Form 10-K/A  
August 10, 2016

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

**FORM 10-K/A**

(AMENDMENT NO. 1)

(Mark one)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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 0-52423

**AECOM**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**61-1088522**  
(I.R.S. Employer  
Identification No.)

**1999 Avenue of the Stars, Suite 2600  
Los Angeles, California 90067**  
(Address of principal executive offices, including zip code)

**(213) 593-8000**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on Which Registered
Common Stock, par value \$0.01 per share	New York Stock Exchange
Securities registered pursuant to Section 12(g) of the Act: <b>None</b>	

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  Yes  No

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

## Edgar Filing: AECOM - Form 10-K/A

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(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

The aggregate market value of registrant's common stock held by non-affiliates on April 3, 2015 (the last business day of the registrant's most recently completed second fiscal quarter), based upon the closing price of a share of the registrant's common stock on such date as reported on the New York Stock Exchange was approximately \$3.6 billion.

Number of shares of the registrant's common stock outstanding as of November 13, 2015: 151,408,089

### **DOCUMENTS INCORPORATED BY REFERENCE**

Part III incorporates information by reference from the registrant's definitive proxy statement for the 2016 Annual Meeting of Stockholders, to be filed within 120 days of the registrant's fiscal 2015 year end.

---

EXPLANATORY NOTE

AECOM (the "Company," "we," "us," or "our") is filing this Amendment No. 1 on Form 10-K/A (this "Amendment") to its Annual Report on Form 10-K for the fiscal year ended September 30, 2015, which was originally filed on November 25, 2015 (the "Original Filing"), to amend and restate (1) Item 9A of Part II, "Controls and Procedures," solely with respect to our conclusions regarding the effectiveness of our internal control over financial reporting and (2) Item 8 of Part II, "Financial Statements and Supplementary Data" solely with respect to Ernst & Young LLP's related reports in Item 8; however, *please note that no prior period financial information has changed.*

As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), new certifications of our principal executive officer and principal financial officer are also being filed as exhibits to this Amendment. This Amendment should be read in conjunction with the Original Filing, which continues to speak as of the date of the Original Filing. Except as specifically noted above, this Amendment does not modify or update disclosures in the Original Filing. Accordingly, this Amendment does not reflect events occurring after the filing of the Original Filing or modify or update any related or other disclosures.

---

AECOM

PART II

ITEM 9A. CONTROLS AND PROCEDURES

*Evaluation of Disclosure Controls and Procedures*

Our management is responsible for establishing and maintaining "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Exchange Act) for our company. Based on their evaluation as of the end of the period covered by this report, our CEO and CFO concluded that our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in this Annual Report on Form 10-K was (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, to allow timely decisions regarding required disclosures. Our CEO and CFO have concluded that the material weakness in internal controls over financial reporting described below does not impact the effectiveness of our disclosure controls and procedures.

*Management's Report on Internal Control over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act, as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of the effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management had assessed the effectiveness of our internal control over financial reporting as of September 30, 2015, the end of our fiscal year, and concluded that our internal control over financial reporting was effective. Our management based its assessment on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Our management's assessment included evaluation and testing of the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment.

Our management has reassessed and concluded that our internal control over financial reporting was ineffective as of September 30, 2015, due to the existence of a material weakness that existed at the end of fiscal year 2015 that is described further below.

In our third quarter of fiscal year 2016, management discovered deficiencies associated with the acquisition of URS Corporation related to (a) the alignment of accounting policies specific to forward loss reserves and (b) income tax accounts. These deficiencies did not have a material impact on the Company's previously reported financial results for the year ended September 30, 2015, and the Company recorded in the third quarter of fiscal year 2016 an immaterial cumulative adjustment. Management has concluded that the presence of the deficiencies within the accounting process related to the business combination rose to a

---

## Edgar Filing: AECOM - Form 10-K/A

level of material weakness in our internal control over financial reporting as of September 30, 2015. As a result, management has revised its reporting on internal control over financial reporting from that previously reported in Item 9A of Part II, "Controls and Procedures," with respect to its conclusions regarding the effectiveness of our internal control over financial reporting.

Our management communicated the results of its reassessment to the Audit Committee of our Board of Directors.

Ernst & Young LLP has revised their previously issued audit report on our assessment of internal control over financial reporting (see Item 8).

### ***Remediation Efforts to Address Material Weakness***

The Company has implemented changes to the design of controls to enhance the evaluation of the forward loss reserve methodology for acquired contracts and tax accounts in future acquisitions. In addition, the Company has also implemented changes to ensure that controls function at an appropriate level. The changes to the income tax process include, but are not limited to, supplementing the internal tax team with additional subject matter resources, additional training for the internal resources on the tax system utilized by the Company for financial reporting, and hiring an additional independent third party to review significant tax items related to business combinations. The Company has made significant progress towards remediation of our material weakness as of the date of this filing and we will continue the remediation steps outlined above and continue to test their effectiveness over the next quarter.

### ***Changes in Internal Control Over Financial Reporting***

Subject to the foregoing, our CEO and CFO confirm that there were no changes in our Company's internal control over financial reporting during the last fiscal quarter ended September 30, 2015 that have materially affected, or are reasonably likely to materially affect, our company's internal control over financial reporting.

---

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**AECOM**  
**Index to Consolidated Financial Statements**  
**September 30, 2015**

Audited Annual Financial Statements	
<u>Reports of Independent Registered Public Accounting Firm</u>	<u>3</u>
<u>Consolidated Balance Sheets at September 30, 2015 and 2014</u>	<u>6</u>
<u>Consolidated Statements of Operations for the Years Ended September 30, 2015, 2014 and 2013</u>	<u>7</u>
<u>Consolidated Statements of Comprehensive Income (Loss) for the Years Ended September 30, 2015, 2014 and 2013</u>	<u>8</u>
<u>Consolidated Statements of Stockholders' Equity for the Years Ended September 30, 2015, 2014 and 2013</u>	<u>9</u>
<u>Consolidated Statements of Cash Flows for the Years Ended September 30, 2015, 2014 and 2013</u>	<u>10</u>
<u>Notes to Consolidated Financial Statements</u>	<u>11</u>

**Report of Independent Registered Public Accounting Firm**

**The Board of Directors and Stockholders of AECOM**

We have audited the accompanying consolidated balance sheets of AECOM (formerly AECOM Technology Corporation) (the "Company") as of September 30, 2015 and 2014, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended September 30, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of AECOM at September 30, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended September 30, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), AECOM's internal control over financial reporting as of September 30, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 25, 2015, except for the effect of the material weakness described in the sixth paragraph of that report as to which the date is August 10, 2016, expressed an adverse opinion thereon.

/s/ ERNST & YOUNG LLP

Los Angeles, California  
November 25, 2015

**Report of Independent Registered Public Accounting Firm**

**The Board of Directors and Stockholders of AECOM**

We have audited AECOM's (formerly AECOM Technology Corporation) (the "Company") internal control over financial reporting as of September 30, 2015, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). AECOM's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our report dated November 25, 2015, we expressed an unqualified opinion that AECOM maintained, in all material respects, effective internal control over financial reporting as of September 30, 2015, based on the COSO criteria. Management has subsequently determined that deficiencies in controls as described in the following paragraph existed as of September 30, 2015, and has further concluded that such deficiencies represent a material weakness as of September 30, 2015. As a result, management has revised its assessment, as presented in Item 9A. in "Management's Report on Internal Control Over Financial Reporting," to conclude that AECOM's internal control over financial reporting was not effective as of September 30, 2015. Accordingly, our present opinion on the effectiveness of AECOM's internal control over financial reporting as of September 30, 2015, as expressed herein, is different from that expressed in our previous report.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment. Management has identified a



## Edgar Filing: AECOM - Form 10-K/A

material weakness in controls over the accounting for the acquisition of URS Corporation related to a) the alignment of accounting policies specific to forward loss reserves and b) income tax accounts.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of AECOM as of September 30, 2015 and 2014, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the three years in the period ended September 30, 2015 and our report dated November 25, 2015 expressed an unqualified opinion thereon. This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 2015 consolidated financial statements, and this report does not affect our report dated November 25, 2015, which expressed an unqualified opinion on those financial statements.

In our opinion, because of the effect of the material weakness described above on the achievement of the overall control objectives, AECOM has not maintained, in all material respects, effective internal control over financial reporting as of September 30, 2015, based on the COSO criteria.

/s/ ERNST & YOUNG LLP

Los Angeles, California  
November 25, 2015,  
except for the effect of the material weakness  
described in the sixth paragraph above,  
as to which the date is  
August 10, 2016

## AECOM

## Consolidated Balance Sheets

(in thousands, except share data)

	September 30, 2015	September 30, 2014
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 543,016	\$ 521,784
Cash in consolidated joint ventures	140,877	52,404
Total cash and cash equivalents	683,893	574,188
Accounts receivable net	4,841,450	2,654,976
Prepaid expenses and other current assets	388,982	177,536
Income taxes receivable	81,161	1,541
Deferred tax assets net	250,599	25,872
<b>TOTAL CURRENT ASSETS</b>	<b>6,246,085</b>	<b>3,434,113</b>
<b>PROPERTY AND EQUIPMENT NET</b>	<b>699,322</b>	<b>281,979</b>
<b>DEFERRED TAX ASSETS NET</b>	<b></b>	<b>118,038</b>
<b>INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES</b>	<b>321,625</b>	<b>142,901</b>
<b>GOODWILL</b>	<b>5,820,692</b>	<b>1,937,338</b>
<b>INTANGIBLE ASSETS NET</b>	<b>659,438</b>	<b>90,238</b>
<b>OTHER NON-CURRENT ASSETS</b>	<b>267,136</b>	<b>118,770</b>
<b>TOTAL ASSETS</b>	<b>\$ 14,014,298</b>	<b>\$ 6,123,377</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Short-term debt	\$ 2,788	\$ 23,915
Accounts payable	1,853,993	1,047,155
Accrued expenses and other current liabilities	2,167,771	964,627
Billings in excess of costs on uncompleted contracts	653,877	379,574
Current portion of long-term debt	157,623	40,498
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,836,052</b>	<b>2,455,769</b>
<b>OTHER LONG-TERM LIABILITIES</b>	<b>305,485</b>	<b>233,977</b>
<b>DEFERRED TAX LIABILITY NET</b>	<b>230,037</b>	<b>844</b>
<b>PENSION BENEFIT OBLIGATIONS</b>	<b>565,254</b>	<b>220,742</b>
<b>LONG-TERM DEBT</b>	<b>4,446,527</b>	<b>939,565</b>
<b>TOTAL LIABILITIES</b>	<b>10,383,355</b>	<b>3,850,897</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 19)</b>		
<b>AECOM STOCKHOLDERS' EQUITY:</b>		
Common stock authorized, 300,000,000 shares of \$0.01 par value as of September 30, 2015 and 2014; issued and outstanding 151,263,650 and 96,715,797 shares as of September 30, 2015 and 2014, respectively	1,513	967
Additional paid-in capital	3,518,999	1,864,971
Accumulated other comprehensive loss	(635,100)	(356,602)
Retained earnings	522,336	677,181
<b>TOTAL AECOM STOCKHOLDERS' EQUITY</b>	<b>3,407,748</b>	<b>2,186,517</b>
Noncontrolling interests	223,195	85,963

Edgar Filing: AECOM - Form 10-K/A

TOTAL STOCKHOLDERS' EQUITY	3,630,943	2,272,480
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 14,014,298	\$ 6,123,377

See accompanying Notes to Consolidated Financial Statements.

## AECOM

## Consolidated Statements of Operations

(in thousands, except per share data)

	Fiscal Year Ended		
	September 30, 2015	September 30, 2014	September 30, 2013
Revenue	\$ 17,989,880	\$ 8,356,783	\$ 8,153,495
Cost of revenue	17,454,692	7,953,607	7,703,507
Gross profit	535,188	403,176	449,988
Equity in earnings of joint ventures	106,245	57,924	24,319
General and administrative expenses	(113,975)	(80,908)	(97,318)
Acquisition and integration expenses	(398,440)	(27,310)	
Income from operations	129,018	352,882	376,989
Other income	19,139	2,748	3,522
Interest expense	(299,627)	(40,842)	(44,737)
(Loss) income before income tax (benefit) expense	(151,470)	314,788	335,774
Income tax (benefit) expense	(80,237)	82,024	92,578
Net (loss) income	(71,233)	232,764	243,196
Noncontrolling interests in income of consolidated subsidiaries, net of tax	(83,612)	(2,910)	(3,953)
Net (loss) income attributable to AECOM	\$ (154,845)	\$ 229,854	\$ 239,243
Net (loss) income attributable to AECOM per share:			
Basic	\$ (1.04)	\$ 2.36	\$ 2.38
Diluted	\$ (1.04)	\$ 2.33	\$ 2.35
Weighted average shares outstanding:			
Basic	149,605	97,226	100,618
Diluted	149,605	98,657	101,942

See accompanying Notes to Consolidated Financial Statements.

## AECOM

## Consolidated Statements of Comprehensive Income (Loss)

(in thousands)

	Fiscal Year Ended		
	September 30, 2015	September 30, 2014	September 30, 2013
Net (loss) income	\$ (71,233)	\$ 232,764	\$ 243,196
Other comprehensive (loss) income, net of tax:			
Net unrealized (loss) gain on derivatives, net of tax	(9,196)	315	1,568
Foreign currency translation adjustments	(285,520)	(72,715)	(70,441)
Pension adjustments, net of tax	12,953	(24,161)	(14,582)
Other comprehensive loss, net of tax	(281,763)	(96,561)	(83,455)
Comprehensive (loss) income, net of tax	(352,996)	136,203	159,741
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax	(80,347)	(1,652)	(2,624)
Comprehensive (loss) income attributable to AECOM, net of tax	\$ (433,343)	\$ 134,551	\$ 157,117

See accompanying Notes to Consolidated Financial Statements.

## AECOM

## Consolidated Statements of Stockholders' Equity

(in thousands)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total AECOM Stockholders' Equity	Non- Controlling Interests	Total Stockholder's Equity
BALANCE AT SEPTEMBER							
30, 2012	\$ 1,070	\$ 1,741,478	\$ (179,173)	\$ 606,089	\$ 2,169,464	\$ 55,024	\$ 2,224,488
Net income				239,243	239,243	3,953	243,196
Other comprehensive loss			(82,126)		(82,126)	(1,329)	(83,455)
Issuance of stock	11	28,340			28,351		28,351
Repurchases of stock	(147)	(8,380)		(373,177)	(381,704)		(381,704)
Proceeds from exercise of options	8	14,357			14,365		14,365
Tax benefit from exercise of stock options		1,239			1,239		1,239
Stock based compensation	18	32,593			32,611		32,611
Other transactions with noncontrolling interests						13,488	13,488
Contributions from noncontrolling interests						1,421	1,421
Distributions to noncontrolling interests						(19,906)	(19,906)
BALANCE AT SEPTEMBER							
30, 2013	960	1,809,627	(261,299)	472,155	2,021,443	52,651	2,074,094
Net income				229,854	229,854	2,910	232,764
Other comprehensive loss			(95,303)		(95,303)	(1,258)	(96,561)
Issuance of stock	4	13,882			13,886		13,886
Repurchases of stock	(14)	(6,778)		(24,828)	(31,620)		(31,620)
Proceeds from exercise of options	6	13,411			13,417		13,417
Tax benefit from exercise of stock options		402			402		402
Stock based compensation	11	34,427			34,438		34,438
Other transactions with noncontrolling interests						61,913	61,913
Contributions from noncontrolling interests							
Distributions to noncontrolling interests						(30,253)	(30,253)
BALANCE AT SEPTEMBER							
30, 2014	967	1,864,971	(356,602)	677,181	2,186,517	85,963	2,272,480
Net income				(154,845)	(154,845)	83,612	(71,233)
Other comprehensive loss			(278,498)		(278,498)	(3,265)	(281,763)
Issuance of stock	525	1,577,456			1,577,981		1,577,981
Repurchases of stock	16	(23,129)			(23,113)		(23,113)
Proceeds from exercise of options	5	11,068			11,073		11,073
Tax benefit from exercise of stock options		2,781			2,781		2,781
Stock based compensation		85,852			85,852		85,852
Other transactions with noncontrolling interests						201,154	201,154
Contributions from noncontrolling interests						133	133
Distributions to noncontrolling interests						(144,402)	(144,402)

Edgar Filing: AECOM - Form 10-K/A

BALANCE AT SEPTEMBER														
30, 2015	\$	1,513	\$	3,518,999	\$	(635,100)	\$	522,336	\$	3,407,748	\$	223,195	\$	3,630,943

See accompanying Notes to Consolidated Financial Statements.

## AECOM

## Consolidated Statements of Cash Flows

(in thousands)

	Fiscal Year Ended		
	September 30, 2015	September 30, 2014	September 30, 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net (loss) income	\$ (71,233)	\$ 232,764	\$ 243,196
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	599,265	95,394	94,406
Equity in earnings of unconsolidated joint ventures	(106,245)	(57,924)	(24,319)
Distribution of earnings from unconsolidated joint ventures	157,616	23,839	31,159
Non-cash stock compensation	85,852	34,438	32,611
Prepayment penalty on unsecured senior notes	55,639		
Excess tax benefit from share-based payment	(3,642)	(748)	(1,754)
Foreign currency translation	(19,632)	(20,794)	(16,061)
Write-off of debt issuance costs	8,997		
Deferred income tax expense (benefit)	(53,034)	27,155	(7,210)
Other	(18,248)	1,460	1,821
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	369,600	(14,405)	92,152
Prepaid expenses and other assets	7,988	(31,103)	(21,836)
Accounts payable	142,126	91,955	(47,019)
Accrued expenses and other current liabilities	(118,488)	3,283	71,125
Billings in excess of costs on uncompleted contracts	(128,371)	3,095	(12,945)
Other long-term liabilities	(143,757)	(23,702)	(19,027)
Income taxes payable		(4,082)	(7,701)
Net cash provided by operating activities	764,433	360,625	408,598
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for business acquisitions, net of cash acquired	(3,293,284)	(53,099)	(42,005)
Cash acquired from consolidation of joint venture		18,955	
Proceeds from disposal of businesses	15,127	3,646	2,724
Net investment in unconsolidated joint ventures	(32,705)	(52,173)	(23,822)
Sales (purchases) of investments	34,560	2,727	(24,270)
Payments for capital expenditures, net of disposals	(69,426)	(62,852)	(52,117)
Net cash used in investing activities	(3,345,728)	(142,796)	(139,490)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from borrowings under credit agreements	6,581,703	1,809,187	2,250,730
Repayments of borrowings under credit agreements	(5,158,254)	(1,976,352)	(2,155,264)
Issuance of unsecured senior notes	1,600,000		
Prepayment penalty on unsecured senior notes	(55,639)		
Cash paid for debt and equity issuance costs	(89,567)	(8,067)	(1,616)
Proceeds from issuance of common stock	25,561	13,886	14,029
Proceeds from exercise of stock options	11,073	13,417	14,365
Payments to repurchase common stock	(23,113)	(34,924)	(388,101)
Excess tax benefit from share-based payment	3,642	748	1,754
Net distributions to noncontrolling interests	(144,269)	(30,253)	(18,485)
Other financing activities	(31,373)	(21,399)	28,215
Net cash provided by (used in) financing activities	2,719,764	(233,757)	(254,373)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(28,764)	(10,561)	(7,834)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	109,705	(26,489)	6,901
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	574,188	600,677	593,776
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 683,893	\$ 574,188	\$ 600,677



Edgar Filing: AECOM - Form 10-K/A

SUPPLEMENTAL CASH FLOW INFORMATION:

Common stock issued in acquisitions	\$	1,554,912	\$		\$	14,322
Debt assumed from acquisitions	\$	567,657	\$		\$	
Interest paid	\$	179,939	\$	43,362	\$	37,342
Net income tax refunds received (taxes paid)	\$	27,349	\$	(68,797)	\$	(115,508)

See accompanying Notes to Consolidated Financial Statements.

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Significant Accounting Policies**

**Organization** Effective January 5, 2015, the official name of the Company changed from AECOM Technology Corporation to AECOM. AECOM and its consolidated subsidiaries design, build, finance and operate infrastructure assets for governments, businesses and organizations around the world. The Company provides planning, consulting, architectural and engineering design services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government markets. The Company also provides construction services, including building construction and energy, infrastructure and industrial construction. In addition, the Company provides program and facilities management and maintenance, training, logistics, consulting, technical assistance, and systems integration and information technology services, primarily for agencies of the U.S. government and also for national governments around the world.

**Fiscal Year** The Company reports results of operations based on 52 or 53-week periods ending on the Friday nearest September 30. For clarity of presentation, all periods are presented as if the year ended on September 30. Fiscal years 2015, 2014 and 2013 contained 52, 53 and 52 weeks, respectively, and ended on October 2, October 3 and September 27, respectively.

**Use of Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant estimates affecting amounts reported in the consolidated financial statements relate to revenues under long-term contracts and self-insurance accruals. Actual results could differ from those estimates.

**Principles of Consolidation and Presentation** The consolidated financial statements include the accounts of all majority-owned subsidiaries and material joint ventures in which the Company is the primary beneficiary. All inter-company accounts have been eliminated in consolidation. Also see Note 7 regarding joint ventures and variable interest entities.

**Revenue Recognition** The Company generally utilizes a cost-to-cost approach in applying the percentage-of-completion method of revenue recognition. Under this approach, revenue is earned in proportion to total costs incurred, divided by total costs expected to be incurred. Recognition of revenue and profit is dependent upon a number of factors, including the accuracy of a variety of estimates made at the balance sheet date, engineering progress, materials quantities, the achievement of milestones, penalty provisions, labor productivity and cost estimates made at the balance sheet date. Due to uncertainties inherent in the estimation process, actual completion costs may vary from estimates. If estimated total costs on contracts indicate a loss, the Company recognizes that estimated loss in the period the estimated loss first becomes known.

In the course of providing its services, the Company routinely subcontracts for services and incurs other direct costs on behalf of its clients. These costs are passed through to clients and, in accordance with industry practice and GAAP, are included in the Company's revenue and cost of revenue. Because subcontractor services and other direct costs can change significantly from project to project and period to period, changes in revenue may not be indicative of business trends. These other direct costs for the years ended September 30, 2015, 2014 and 2013 were \$8.3 billion, \$3.5 billion and \$3.2 billion, respectively.

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Significant Accounting Policies (Continued)

*Cost-Reimbursable Contracts.*

Cost-reimbursable contracts consists of two similar contract types: cost-plus and time-and-materials.

*Cost-Plus Contracts.* The Company enters into two major types of cost-plus contracts:

*Cost-Plus Fixed Fee.* Under cost-plus fixed fee contracts, the Company charges clients for its costs, including both direct and indirect costs, plus a fixed negotiated fee. The total estimated cost plus the fixed negotiated fee represents the total contract value. The Company recognizes revenue based on the actual labor and other direct costs incurred, plus the portion of the fixed fee it has earned to date.

*Cost-Plus Fixed Rate.* Under the Company's cost-plus fixed rate contracts, the Company charges clients for its direct and indirect costs based upon a negotiated rate. The Company recognizes revenue based on the actual total costs it has expended and the applicable fixed rate.

Certain cost-plus contracts provide for award fees or a penalty based on performance criteria in lieu of a fixed fee or fixed rate. Other contracts include a base fee component plus a performance-based award fee. In addition, the Company may share award fees with subcontractors. The Company records accruals for fee-sharing as fees are earned. The Company generally recognizes revenue to the extent of costs actually incurred plus a proportionate amount of the fee expected to be earned. The Company takes the award fee or penalty on contracts into consideration when estimating revenue and profit rates, and it records revenue related to the award fees when there is sufficient information to assess anticipated contract performance. On contracts that represent higher than normal risk or technical difficulty, the Company may defer all award fees until an award fee letter is received. Once an award fee letter is received, the estimated or accrued fees are adjusted to the actual award amount.

Certain cost-plus contracts provide for incentive fees based on performance against contractual milestones. The amount of the incentive fees varies, depending on whether the Company achieves above, at, or below target results. The Company originally recognizes revenue on these contracts based upon expected results. These estimates are revised when necessary based upon additional information that becomes available as the contract progresses.

*Time-and-Materials Contracts.*

*Time-and-Materials.* Under time-and-materials contracts, the Company negotiates hourly billing rates and charges its clients based on the actual time that it expends on a project. In addition, clients reimburse the Company for its actual out-of-pocket costs of materials and other direct incidental expenditures that it incurs in connection with its performance under the contract. Profit margins on time-and-materials contracts fluctuate based on actual labor and overhead costs that it directly charges or allocates to contracts compared to negotiated billing rates. Many of the Company's time-and-materials contracts are subject to maximum contract values and, accordingly, revenue relating to these contracts is recognized as if these contracts were a fixed-price contract.

*Guaranteed Maximum Price Contracts*

*Guaranteed Maximum Price.* Guaranteed maximum price contracts (GMP) are common for design-build and commercial and residential projects. GMP contracts share many of the same contract provisions as cost-plus and fixed-price contracts. A contractor performing work pursuant to a cost-plus, GMP or fixed-price contract will all enter into trade contracts directly. Both cost-plus and GMP contracts generally

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**1. Significant Accounting Policies (Continued)**

include an agreed lump sum or percentage fee which is called out and separately identified and the contracts are considered 'open' book providing the owner with full disclosure of the project costs. A fixed-price contract provides the owner with a single lump sum amount without specifically identifying the breakdown of fee or costs and is typically 'closed' book thereby providing the owner with little detail as to the project costs. In a GMP contract, unlike the cost-plus contract, we provide the owner with a guaranteed price for the overall construction (adjusted only for change orders issued by the owner) and with a schedule which includes a completion date for the project. In addition, cost overruns in a GMP contract would generally be our responsibility and in the event our actions or inactions result in delays to the project we may be responsible to the owner for costs associated with such delay. For many of our commercial and residential GMP contracts, the final price is generally not established until we have awarded a substantial percentage of the trade contracts and we have negotiated additional contractual limitations, such as mutual waivers of consequential damages as well as aggregate caps on liabilities and liquidated damages.

***Fixed-Price Contracts.***

***Fixed-Price.*** Fixed-price contracting is the predominant contracting method outside of the United States. There are typically two types of fixed-price contracts. The first and more common type, lump-sum, involves performing all of the work under the contract for a specified lump-sum fee. Lump-sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. The second type, fixed-unit price, involves performing an estimated number of units of work at an agreed price per unit, with the total payment under the contract determined by the actual number of units delivered. The Company recognizes revenue on fixed-price contracts using the percentage-of-completion method described above. Prior to completion, recognized profit margins on any fixed-price contract depend on the accuracy of the Company's estimates and will increase to the extent that its actual costs are below the estimated amounts. Conversely, if the Company's costs exceed these estimates, its profit margins will decrease and the Company may realize a loss on a project. The Company recognizes anticipated losses on contracts in the period in which they become evident.

***Service-Related Contracts.***

***Service-Related.*** Service-related contracts, including operations and maintenance services and a variety of technical assistance services, are accounted for over the period of performance, in proportion to the costs of performance.

***Contract Claims*** Claims are amounts in excess of the agreed contract price (or amounts not included in the original contract price) that the Company seeks to collect from customers or others for delays, errors in specifications and designs, contract terminations, change orders in dispute or unapproved as to both scope and price or other causes of unanticipated additional costs. The Company records contract revenue related to claims only if it is probable that the claim will result in additional contract revenue and if the amount can be reliably estimated. In such cases, the Company records revenue only to the extent that contract costs relating to the claim have been incurred. As of September 30, 2015 and 2014, the Company had no significant net receivables related to contract claims.

***Government Contract Matters*** The Company's federal government and certain state and local agency contracts are subject to, among other regulations, regulations issued under the Federal Acquisition Regulations (FAR). These regulations can limit the recovery of certain specified indirect costs on contracts and subjects the Company to ongoing multiple audits by government agencies such as the Defense

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Significant Accounting Policies (Continued)

Contract Audit Agency (DCAA). In addition, most of the Company's federal and state and local contracts are subject to termination at the discretion of the client.

Audits by the DCAA and other agencies consist of reviews of the Company's overhead rates, operating systems and cost proposals to ensure that the Company accounted for such costs in accordance with the Cost Accounting Standards of the FAR (CAS). If the DCAA determines the Company has not accounted for such costs consistent with CAS, the DCAA may disallow these costs. There can be no assurance that audits by the DCAA or other governmental agencies will not result in material cost disallowances in the future.

**Cash and Cash Equivalents** The Company's cash equivalents include highly liquid investments which have an initial maturity of three months or less.

**Allowance for Doubtful Accounts** The Company records its accounts receivable net of an allowance for doubtful accounts. This allowance for doubtful accounts is estimated based on management's evaluation of the contracts involved and the financial condition of its clients. The factors the Company considers in its contract evaluations include, but are not limited to:

Client type federal or state and local government or commercial client;

Historical contract performance;

Historical collection and delinquency trends;

Client credit worthiness; and

General economic conditions.

**Derivative Financial Instruments** The Company accounts for its derivative instruments as either assets or liabilities and carries them at fair value.

For derivative instruments that hedge the exposure to variability in expected future cash flows that are designated as cash flow hedges, the effective portion of the gain or loss on the derivative instrument is reported as a component of accumulated other comprehensive income in stockholders' equity and reclassified into income in the same period or periods during which the hedged transaction affects earnings. The ineffective portion of the gain or loss on the derivative instrument, if any, is recognized in current income. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions.

The net gain or loss on the effective portion of a derivative instrument that is designated as an economic hedge of the foreign currency translation exposure generated by the re-measurement of certain assets and liabilities denominated in a non-functional currency in a foreign operation is reported in the same manner as a foreign currency translation adjustment. Accordingly, any gains or losses related to these derivative instruments are recognized in current income.

Derivatives that do not qualify as hedges are adjusted to fair value through current income.

**Fair Value of Financial Instruments** The Company determines the fair values of its financial instruments, including short-term investments, debt instruments and derivative instruments, and pension and post-retirement plan assets based on inputs or assumptions that market participants would use in pricing an asset or a liability. The Company categorizes its instruments using a valuation hierarchy for



AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**1. Significant Accounting Policies (Continued)**

disclosure of the inputs used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument; Level 3 inputs are unobservable inputs based on the Company's assumptions used to measure assets and liabilities at fair value. The classification of a financial asset or liability within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short maturities of these instruments. The carrying amount of the revolving credit facility approximates fair value because the interest rates are based upon variable reference rates. See also Notes 9 and 11.

The Company's fair value measurement methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although the Company believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine fair value could result in a different fair value measurement at the reporting date.

**Property and Equipment** Property and equipment are recorded at cost and are depreciated over their estimated useful lives using the straight-line method. Expenditures for maintenance and repairs are expensed as incurred. Typically, estimated useful lives range from three to ten years for equipment, furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of their estimated useful lives or the remaining terms of the underlying lease agreement.

**Long-lived Assets** Long-lived assets to be held and used are reviewed for impairment whenever events or circumstances indicate that the assets may be impaired. For assets to be held and used, impairment losses are recognized based upon the excess of the asset's carrying amount over the fair value of the asset. For long-lived assets to be disposed, impairment losses are recognized at the lower of the carrying amount or fair value less cost to sell.

**Goodwill and Acquired Intangible Assets** Goodwill represents the excess of amounts paid over the fair value of net assets acquired from an acquisition. In order to determine the amount of goodwill resulting from an acquisition, the Company performs an assessment to determine the value of the acquired company's tangible and identifiable intangible assets and liabilities. In its assessment, the Company determines whether identifiable intangible assets exist, which typically include backlog and customer relationships. Intangible assets are amortized over the period in which the contractual or economic benefits of the intangible assets are expected to be realized.

The Company tests goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year, and between annual tests if events occur or circumstances change which suggest that goodwill should be evaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. A reporting unit is defined as an operating segment or one level below an operating segment. The Company's impairment tests are performed at the operating segment level as they represent the Company's reporting units.

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**1. Significant Accounting Policies (Continued)**

The impairment test is a two-step process. During the first step, the Company estimates the fair value of the reporting unit using income and market approaches, and compares that amount to the carrying value of that reporting unit. In the event the fair value of the reporting unit is determined to be less than the carrying value, a second step is required. The second step requires the Company to perform a hypothetical purchase allocation for that reporting unit and to compare the resulting current implied fair value of the goodwill to the current carrying value of the goodwill for that reporting unit. In the event that the current implied fair value of the goodwill is less than the carrying value, an impairment charge is recognized. See also Note 4.

**Pension Plans** The Company has certain defined benefit pension plans. The Company calculates the market-related value of assets, which is used to determine the return-on-assets component of annual pension expense and the cumulative net unrecognized gain or loss subject to amortization. This calculation reflects the Company's anticipated long-term rate of return and amortization of the difference between the actual return (including capital, dividends, and interest) and the expected return over a five-year period. Cumulative net unrecognized gains or losses that exceed 10% of the greater of the projected benefit obligation or the market related value of plan assets are subject to amortization.

**Insurance Reserves** The Company maintains insurance for certain insurable business risks. Insurance coverage contains various retention and deductible amounts for which the Company accrues a liability based upon reported claims and an actuarially determined estimated liability for certain claims incurred but not reported. It is generally the Company's policy not to accrue for any potential legal expense to be incurred in defending the Company's position. The Company believes that its accruals for estimated liabilities associated with professional and other liabilities are sufficient and any excess liability beyond the accrual is not expected to have a material adverse effect on the Company's results of operations or financial position.

**Foreign Currency Translation** The Company's functional currency is the U.S. dollar. Results of operations for foreign entities are translated to U.S. dollars using the average exchange rates during the period. Assets and liabilities for foreign entities are translated using the exchange rates in effect as of the date of the balance sheet. Resulting translation adjustments are recorded as a foreign currency translation adjustment into other accumulated comprehensive income/(loss) in stockholders' equity.

The Company uses foreign currency forward contracts from time to time to mitigate foreign currency risk. The Company limits exposure to foreign currency fluctuations in most of its contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, the Company generally does not need to hedge foreign currency cash flows for contract work performed. The functional currency of all significant foreign operations is the respective local currency.

**Noncontrolling Interests** Noncontrolling interests represent the equity investments of the minority owners in our joint ventures and other subsidiary entities that we consolidate in our financial statements.

**Income Taxes** The Company files a consolidated U.S. federal corporate income tax return and combined / consolidated state tax returns and separate company state tax returns. The Company accounts for certain income and expense items differently for financial reporting and income tax purposes. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities, applying enacted statutory tax rates in effect for the year in which the



AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**1. Significant Accounting Policies (Continued)**

differences are expected to reverse. In determining the need for a valuation allowance, management reviews both positive and negative evidence, including the nature, frequency, and severity of cumulative financial reporting losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carry forward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. Based upon management's assessment of all available evidence, the Company has concluded that it is more likely than not that the deferred tax assets, net of valuation allowance, will be realized.

**2. New Accounting Pronouncements and Changes in Accounting**

In May 2014, the FASB issued new accounting guidance which amended the existing accounting standards for revenue recognition. The new accounting guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The guidance will be effective for the Company's fiscal year beginning October 1, 2018. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. The Company has selected the modified retrospective transition method, in which the Company will recognize the cumulative effect as of the date of initial application. The Company is currently in the process of evaluating the impact of the adoption of the new accounting guidance on its consolidated financial statements.

In February 2015, the FASB issued amended guidance to the consolidation standard which updates the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. The amendment modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities and affects the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships, among other provisions. This amended guidance will be effective for the Company's fiscal year beginning October 1, 2016. The Company is currently assessing the impact of the adoption that the amended guidance will have on its consolidated financial statements.

In April 2015, the FASB issued new accounting guidance which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. Prior to the issuance of the standard, debt issuance costs were required to be presented in the balance sheet as an asset. The guidance requires retrospective application and represents a change in accounting principle. The Company does not expect the guidance to have a material impact on its consolidated financial statements, as the application of this guidance affects classification only. This guidance will be effective for the Company's fiscal year beginning October 1, 2017.

In April 2015, the FASB issued new accounting guidance which provides the use of a practical expedient that permits the entity to measure defined benefit plans assets and obligations using the month-end date that is closest to the entity's fiscal year-end date and apply that practical expedient consistently from year to year. Should the Company elect to adopt this guidance, it does not expect that the adoption of this guidance will have a material impact on its consolidated financial statements. This guidance will be effective for the Company's fiscal year beginning October 1, 2017.

**AECOM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2. New Accounting Pronouncements and Changes in Accounting (Continued)**

In September 2015, the FASB issued new accounting guidance which simplifies the accounting for measurement-period adjustments in connection with business combinations. The new guidance requires that the cumulative impact of a measurement-period adjustment (including the impact on prior periods) be recognized in the reporting period in which the adjustment amount is determined and therefore, eliminates the requirement to retrospectively account for the adjustment in prior periods presented. This guidance is effective for fiscal years and interim periods beginning after December 15, 2015, and is to be applied prospectively to measurement-period adjustments that occur after the effective date. Early adoption is permitted. The Company early adopted this guidance for the quarter ended September 30, 2015.

**3. Stock Repurchase Program**

The Company's Board of Directors has authorized the repurchase of up to \$1.0 billion in Company stock. Share repurchases can be made through open market purchases or other methods, including pursuant to a Rule 10b5-1 plan. From the inception of the stock repurchase program, the Company has purchased a total of 27.4 million shares at an average price of \$24.10 per share, for a total cost of \$660.1 million through September 30, 2014, and made no purchases during the year ended September 30, 2015.

**4. Business Acquisitions, Goodwill, and Intangible Assets**

On October 17, 2014, the Company completed the acquisition of the U.S. headquartered URS Corporation (URS), an international provider of engineering, construction, and technical services, by purchasing 100% of the outstanding shares of URS common stock. The purpose of the acquisition was to further diversify the Company's market presence and accelerate the Company's strategy to create an integrated delivery platform for customers. The Company paid total consideration of approximately \$2.3 billion in cash and issued approximately \$1.6 billion of AECOM common stock to the former stockholders and certain equity award holders of URS. In connection with the acquisition, the Company also assumed URS's senior notes totaling \$1.0 billion, and upon the occurrence of a change in control of URS, the URS senior noteholders had the right to redeem their notes at a cash price equal to 101% of the principal amount of the notes. Accordingly, on October 24, 2014, the Company purchased \$0.6 billion of URS's senior notes from the noteholders. See also Note 9, Debt. Additionally, the Company repaid in full URS's \$0.6 billion 2011 term loan and \$0.1 billion of URS's revolving line of credit.

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 4. Business Acquisitions, Goodwill, and Intangible Assets (Continued)

The following summarizes the estimated fair values of URS assets acquired and liabilities assumed (in millions), as of the acquisition date:

Cash and cash equivalents	\$ 284.9
Accounts receivable	2,512.8
Prepaid expenses and other current assets	421.0
Property and equipment	570.9
Identifiable intangible assets:	
Customer relationships, contracts and backlog	969.2
Tradename	7.8
Total identifiable intangible assets	977.0
Goodwill	4,021.7
Other non-current assets	329.8
Accounts payable	(656.7)
Accrued expenses and other current liabilities	(1,344.8)
Billings in excess of costs on uncompleted contracts	(397.8)
Current portion of long-term debt	(47.4)
Other long-term liabilities	(423.3)
Pension benefit obligations	(406.3)
Long-term debt	(520.2)
Noncontrolling interests	(201.0)
Net assets acquired	\$ 5,120.6

Backlog and customer relationships represent the fair value of existing contracts and the underlying customer relationships, and have lives ranging from 1 to 11 years (weighted average lives of approximately 3 years). Other intangible assets primarily consist of the fair value of office leases. Goodwill recognized largely results from a substantial assembled workforce, which does not qualify for separate recognition, as well as expected future synergies from combining operations. Accrued expenses and other current liabilities above include URS project liabilities and approximately \$240 million related to estimated URS legal settlements and uninsured legal damages; see Note 19, Commitments and Contingencies including legal matters related to former URS affiliates.

The following presents summarized unaudited pro forma operating results assuming that the Company had acquired URS at October 1, 2013. These pro forma operating results are presented for

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 4. Business Acquisitions, Goodwill, and Intangible Assets (Continued)

illustrative purposes only and are not indicative of the operating results that would have been achieved had the related events occurred.

	Twelve Months Ended	
	Sept 30, 2015	Sept 30, 2014
	(in millions)	
Revenue	\$ 18,288	\$ 18,776
Income from continuing operations	509	(144)
Net income	325	1
Net income attributable to AECOM	229	(65)
Net income attributable to AECOM per share:		
Basic	\$ 1.51	\$ (0.43)
Diluted	\$ 1.50	\$ (0.43)

Since the acquisition date, URS contributed \$8.5 billion in revenue and \$219.0 million in income from operations during the twelve months ended September 30, 2015. Amortization of intangible assets relating to URS was \$361.6 million during the twelve months ended September 30, 2015 since the acquisition date. Additionally, included in equity in earnings of joint ventures and noncontrolling interests was intangible amortization expense of \$37.3 million and \$(26.6) million, respectively, during the twelve months ended September 30, 2015 related to joint venture fair value adjustments.

Billings in excess of costs on uncompleted contracts includes a margin fair value liability associated with long-term contracts acquired in connection with the acquisition of URS on October 17, 2014. This margin fair value liability was \$148.1 million at the acquisition date, and its carrying value was \$51.2 million at September 30, 2015, and is recognized as revenue on a percentage-of-completion basis as the applicable projects progress. The Company anticipates the remaining liability will be recognized as revenue over the next five years. Revenue and the related income from operations related to the margin fair value liability recognized during the twelve months ended September 30, 2015 was \$96.9 million.

Acquisition and integration expenses in the accompanying consolidated statements of operations comprised of the following (in millions):

	Twelve Months Ended	
	Sept 30, 2015	Sept 30, 2014
Severance and personnel costs	\$ 223.8	\$ 15.2
Professional service, real estate-related, and other expenses	174.6	12.1
Total	\$ 398.4	\$ 27.3

Included in severance and personnel costs for the twelve months ended September 30, 2015 was \$101.9 million of severance expense, of which \$83.6 million was paid as of September 30, 2015. All acquisition and integration expenses are classified within corporate, as presented in Note 20.

Interest expense in the accompanying consolidated statements of operations for the twelve months ended September 30, 2015 included acquisition related financing expenses of \$79.8 million, which primarily consisted of a \$55.6 million penalty from the prepayment of the Company's unsecured senior notes and

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**4. Business Acquisitions, Goodwill, and Intangible Assets (Continued)**

\$9.0 million related to the write-off of capitalized debt issuance costs from its unsecured senior notes, and 2014 Credit Agreement.

In addition to URS, the Company completed one, two and two business acquisitions during the years ended September 30, 2015, 2014 and 2013, respectively. These other business acquisitions completed during the years ended September 30, 2015, 2014 and 2013 did not meet the quantitative thresholds to require pro forma disclosures of operating results, either individually or in the aggregate, based on the Company's consolidated assets, investments and net income. The Company also obtained control of an unconsolidated joint venture that resulted in its consolidation during the year ended September 30, 2014, as further discussed in Note 7.

Business acquisitions during the year ended September 30, 2014 included Hunt Construction Group, a United States-based commercial construction management firm which serves clients in both the public and private sectors, and Spain-based ACE International Consultants S.L., a leading consulting firm specializing in economic and social development cooperation and private sector development.

Business acquisitions during the year ended September 30, 2013 included South Africa-based BKS Group and Asia-based KPK Quantity Surveyors.

Excluding URS, the aggregate value of all consideration for acquisitions consummated during the years ended September 30, 2015, 2014 and 2013 were \$27.3 million, \$88.5 million and \$82.0 million, respectively. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed, as of the acquisition dates, from acquisitions consummated during the fiscal years presented, excluding URS:

	September 30, 2015	Fiscal Year Ended September 30, 2014	September 30, 2013
	(in millions)		
Cash acquired	\$ 0.6	\$ 17.1	\$ 20.1
Other current assets	13.8	256.2	41.5
Identifiable intangible assets:			
Customer relationships, contracts and backlog	1.3	10.4	9.4
Trademark / tradename		1.5	
Total intangible assets	\$ 1.3	\$ 11.9	\$ 9.4
Goodwill	23.6	72.7	72.6
Other non-current assets		16.5	8.6
Current liabilities	(12.0)	(274.1)	(54.9)
Non-current liabilities		(11.8)	(15.3)
Net assets acquired	\$ 27.3	\$ 88.5	\$ 82.0

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 4. Business Acquisitions, Goodwill, and Intangible Assets (Continued)

Consideration for acquisitions above, excluding URS, includes the following:

	Fiscal Year Ended		
	September 30, 2015	September 30, 2014	September 30, 2013
	(in millions)		
Cash paid	\$ 4.8	\$ 70.2	\$ 62.1
Contingent consideration / promissory notes	22.5	18.3	5.6
Equity issued			14.3
Total consideration	\$ 27.3	\$ 88.5	\$ 82.0

All of the above acquisitions were accounted for under the purchase method of accounting. As such, the purchase consideration of each acquired company was allocated to acquired tangible and intangible assets and liabilities based upon their fair values. The excess of the purchase consideration over the fair value of the net tangible and identifiable intangible assets acquired was recorded as goodwill. The determination of fair values of assets and liabilities acquired requires the Company to make estimates and use valuation techniques when market value is not readily available. The results of operations of each company acquired have been included in the Company's financial statements from the date of acquisition. Transaction costs associated with business acquisitions are expensed as they are incurred.

At the time of acquisition, the Company preliminarily estimates the amount of the identifiable intangible assets acquired based upon historical valuations of similar acquisitions and the facts and circumstances available at the time. The Company determines the final value of the identifiable intangible assets as soon as information is available, but not more than 12 months from the date of acquisition. Post-acquisition adjustments primarily relate to project related liabilities.

The changes in the carrying value of goodwill by reportable segment for the fiscal years ended September 30, 2015 and 2014 were as follows:

	Fiscal Year 2015				
	September 30, 2014	Post- Acquisition Adjustments	Foreign Exchange Impact	Acquired	September 30, 2015
	(in millions)				
Design and Consulting Services	\$ 1,479.2	\$ 5.5	\$ (96.0)	\$ 1,774.6	\$ 3,163.3
Construction Services	276.9	0.6	(34.0)	675.0	918.5
Management Services	181.2		(38.1)	1,595.8	1,738.9
Total	\$ 1,937.3	\$ 6.1	\$ (168.1)	\$ 4,045.4	\$ 5,820.7

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 4. Business Acquisitions, Goodwill, and Intangible Assets (Continued)

	Fiscal Year 2014				September 30, 2014
	September 30, 2013	Post- Acquisition Adjustments	Foreign Exchange Impact	Acquired	
	(in millions)				
Design and Consulting Services	\$ 1,414.1	\$ 5.0	\$ (31.3)	\$ 91.4	\$ 1,479.2
Construction Services	216.5			60.4	276.9
Management Services	181.2				181.2
Total	\$ 1,811.8	\$ 5.0	\$ (31.3)	\$ 151.8	\$ 1,937.3

Included in the acquired goodwill above for the year ended September 30, 2014 is \$79.1 million of recorded goodwill as a result of the consolidation of an unconsolidated joint venture, as further discussed in Note 7.

The gross amounts and accumulated amortization of the Company's acquired identifiable intangible assets with finite useful lives as of September 30, 2015 and 2014, included in intangible assets net, in the accompanying consolidated balance sheets, were as follows:

	September 30, 2015			September 30, 2014			Intangible Assets, Net	Amortization Period (years)
	Gross Amount	Accumulated Amortization	Intangible Assets, Net	Gross Amount	Accumulated Amortization			
	(in millions)							
Backlog and customer relationships	\$ 1,224.7	\$ (565.3)	\$ 659.4	\$ 271.6	\$ (182.8)	\$ 88.8	1 - 11	
Trademark / tradename	16.4	(16.4)		9.3	(7.9)	1.4	0.3 - 2	
Total	\$ 1,241.1	\$ (581.7)	\$ 659.4	\$ 280.9	\$ (190.7)	\$ 90.2		

Amortization expense of acquired intangible assets included within cost of revenue was \$391.0 million, \$24.0 million, and \$21.2 million for the years ended September 30, 2015, 2014, and 2013, respectively. The following table presents estimated amortization expense of existing intangible assets for the succeeding years:

Fiscal Year	(in millions)
2016	\$ 187.4
2017	98.1
2018	80.1
2019	74.7
2020	62.5
Thereafter	156.6
Total	\$ 659.4





## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**5. Accounts Receivable Net**

Net accounts receivable consisted of the following:

	Fiscal Year Ended	
	September 30, 2015	September 30, 2014
	(in millions)	
Billed	\$ 2,426.2	\$ 1,248.4
Unbilled	2,099.8	1,214.8
Contract retentions	379.6	263.9
Total accounts receivable gross	4,905.6	2,727.1
Allowance for doubtful accounts	(64.1)	(72.1)
Total accounts receivable net	\$ 4,841.5	\$ 2,655.0

Billed accounts receivable represent amounts billed to clients that have yet to be collected. Unbilled accounts receivable represents the contract revenue recognized but not yet billed pursuant to contract terms or accounts billed after the period end. Substantially all unbilled receivables as of September 30, 2015 and 2014 are expected to be billed and collected within twelve months. Contract retentions represent amounts invoiced to clients where payments have been withheld pending the completion of certain milestones, other contractual conditions or upon the completion of the project. These retention agreements vary from project to project and could be outstanding for several months or years.

Allowances for doubtful accounts have been determined through specific identification of amounts considered to be uncollectible and potential write-offs, plus a non-specific allowance for other amounts for which some potential loss has been determined to be probable based on current and past experience.

Other than the U.S. government, no single client accounted for more than 10% of the Company's outstanding receivables at September 30, 2015 and 2014.

The Company sold trade receivables to financial institutions, of which \$240.8 million and \$111.9 million were outstanding as of September 30, 2015 and 2014, respectively. The Company does not retain financial or legal obligations for these receivables that would result in material losses. The Company's ongoing involvement is limited to the remittance of customer payments to the financial institutions with respect to the sold trade receivables.

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**6. Property and Equipment**

Property and equipment, at cost, consists of the following:

	Fiscal Year Ended		Useful Lives (years)
	September 30, 2015	September 30, 2014	
	(in millions)		
Building and land	\$ 105.7	\$ 11.5	10 - 45
Leasehold improvements	349.3	299.7	1 - 20
Computer systems and equipment	603.0	302.6	3 - 15
Furniture and fixtures	125.8	101.5	3 - 10
Automobiles	24.7	6.8	3 - 12
Total	1,208.5	722.1	
Accumulated depreciation and amortization	(509.2)	(440.1)	
Property and equipment, net	\$ 699.3	\$ 282.0	

Depreciation expense for the fiscal years ended September 30, 2015, 2014 and 2013 were \$191.3 million, \$69.1 million and \$70.7 million, respectively. Depreciation is calculated using primarily the straight-line method over the estimated useful lives of the assets, or in the case of leasehold improvements and capitalized leases, the lesser of the remaining term of the lease or its estimated useful life. Included in payments for capital expenditures presented within the Consolidated Statements of Cash Flows, were proceeds from disposals of property and equipment of \$44.9 million, \$4.4 million, and \$3.5 million for the years ended September 30, 2015, 2014, and 2013, respectively.

**7. Joint Ventures and Variable Interest Entities**

The Company's joint ventures provide architecture, engineering, program management, construction management and operations and maintenance services. Joint ventures, the combination of two or more partners, are generally formed for a specific project. Management of the joint venture is typically controlled by a joint venture executive committee, comprised of representatives from the joint venture partners. The joint venture executive committee normally provides management oversight and controls decisions which could have a significant impact on the joint venture.

Some of the Company's joint ventures have no employees and minimal operating expenses. For these joint ventures, the Company's employees perform work for the joint venture, which is then billed to a third-party customer by the joint venture. These joint ventures function as pass through entities to bill the third-party customer. For consolidated joint ventures of this type, the Company records the entire amount of the services performed and the costs associated with these services, including the services provided by the other joint venture partners, in the Company's result of operations. For certain of these joint ventures where a fee is added by an unconsolidated joint venture to client billings, the Company's portion of that fee is recorded in equity in earnings of joint ventures.

The Company also has joint ventures that have their own employees and operating expenses, and to which the Company generally makes a capital contribution. The Company accounts for these joint ventures either as consolidated entities or equity method investments based on the criteria further discussed below.

The Company follows guidance issued by the FASB on the consolidation of variable interest entities (VIEs) that requires companies to utilize a qualitative approach to determine whether it is the primary

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 7. Joint Ventures and Variable Interest Entities (Continued)

beneficiary of a VIE. The process for identifying the primary beneficiary of a VIE requires consideration of the factors that indicate a party has the power to direct the activities that most significantly impact the joint ventures' economic performance, including powers granted to the joint venture's program manager, powers contained in the joint venture governing board and, to a certain extent, a company's economic interest in the joint venture. The Company analyzes its joint ventures and classifies them as either:

a VIE that must be consolidated because the Company is the primary beneficiary or the joint venture is not a VIE and the Company holds the majority voting interest with no significant participative rights available to the other partners; or

a VIE that does not require consolidation and is treated as an equity method investment because the Company is not the primary beneficiary or the joint venture is not a VIE and the Company does not hold the majority voting interest.

As part of the above analysis, if it is determined that the Company has the power to direct the activities that most significantly impact the joint venture's economic performance, the Company considers whether or not it has the obligation to absorb losses or rights to receive benefits of the VIE that could potentially be significant to the VIE.

Contractually required support provided to the Company's joint ventures is discussed in Note 19.

A summary of unaudited financial information of the consolidated joint ventures is as follows:

	September 30, 2015	September 30, 2014
	(in millions)	
Current assets	\$ 727.8	\$ 314.1
Non-current assets	282.8	106.2
<b>Total assets</b>	<b>\$ 1,010.6</b>	<b>\$ 420.3</b>
Current liabilities	\$ 441.5	\$ 229.1
Non-current liabilities	0.2	
Total liabilities	441.7	229.1
Total AECOM equity	354.7	116.6
Noncontrolling interests	214.2	74.6
<b>Total owners' equity</b>	<b>568.9</b>	<b>191.2</b>
<b>Total liabilities and owners' equity</b>	<b>\$ 1,010.6</b>	<b>\$ 420.3</b>

Total revenue of the consolidated joint ventures was \$2,368.0 million, \$614.5 million and \$490.9 million for the years ended September 30, 2015, 2014 and 2013, respectively. The assets of the Company's consolidated joint ventures are restricted for use only by the particular joint venture and are not available for the general operations of the Company.

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 7. Joint Ventures and Variable Interest Entities (Continued)

Summary of unaudited financial information of the unconsolidated joint ventures is as follows:

	September 30, 2015	September 30, 2014
(in millions)		
Current assets	\$ 1,200.7	\$ 539.6
Non-current assets	527.3	273.7
<b>Total assets</b>	<b>\$ 1,728.0</b>	<b>\$ 813.3</b>
Current liabilities	\$ 936.7	\$ 397.9
Non-current liabilities	87.0	91.0
<b>Total liabilities</b>	<b>1,023.7</b>	<b>488.9</b>
Joint venturers' equity	704.3	324.4
<b>Total liabilities and joint venturers' equity</b>	<b>\$ 1,728.0</b>	<b>\$ 813.3</b>
AECOM's investment in joint ventures	\$ 321.6	\$ 142.9

	Twelve Months Ended	
	September 30, 2015	September 30, 2014
(in millions)		
Revenue	\$ 4,754.6	\$ 2,017.8
Cost of revenue	4,476.8	1,960.1
<b>Gross profit</b>	<b>\$ 277.8</b>	<b>\$ 57.7</b>
Net income	\$ 231.2	\$ 57.7

Summary of AECOM's equity in earnings of unconsolidated joint ventures is as follows:

	Fiscal Year Ended		
	September 30, 2015	September 30, 2014	September 30, 2013
(in millions)			
Pass through joint ventures	\$ 26.2	\$ 10.2	\$ 6.4
Other joint ventures	80.0	47.7	17.9
<b>Total</b>	<b>\$ 106.2</b>	<b>\$ 57.9</b>	<b>\$ 24.3</b>

Included in equity in earnings above is a \$37.4 million gain recognized upon change in control (\$23.4 million, net of tax) of an unconsolidated joint venture in the year ended September 30, 2014. The Company obtained control of the joint venture through modifications to the joint venture's operating agreement, which required the Company to consolidate the joint venture. The acquisition date fair value of the previously held equity interest was \$58.0 million, excluding the control premium. The measurement of the fair value of the equity interest immediately before obtaining control of the joint venture resulted in the pre-tax gain of \$37.4 million. The Company utilized income and market approaches, in addition to obtaining an independent third party valuation, in determining the joint venture's fair value, which includes making assumptions about variables such as revenue growth rates, profitability, discount rates, and industry market multiples. These assumptions are subject to a high degree of judgment. Total assets

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 7. Joint Ventures and Variable Interest Entities (Continued)

and liabilities of this entity included in the accompanying consolidated balance sheet at the acquisition date were \$207.8 million and \$48.1 million, respectively. This acquisition did not meet the quantitative thresholds to require pro forma disclosures of operating results based on the Company's consolidated assets, investments and net income. This joint venture performs engineering and program management services in the Middle East and is included in the Company's DCS segment.

## 8. Pension Benefit Obligations

In the U.S., the Company sponsors various qualified defined benefit pension plans. The legacy AECOM defined benefit plan covers substantially all permanent AECOM employees hired as of March 1, 1998. The other recently acquired plans cover employees of URS and the Hunt Corporation at the time of their acquisition. Benefits under these plans generally are based on the employee's years of creditable service and compensation. All defined benefit plans are closed to new participants and all defined benefit plans, except the URS Federal Services, Inc. Employees Retirement Plan, have frozen accruals. The Company also sponsors various non-qualified plans in the U.S.; all of these plans are frozen. Outside the U.S., the Company sponsors various pension plans, which are appropriate to the country in which the Company operates, some of which are government mandated.

The following tables provide reconciliations of the changes in the U.S. and international plans' benefit obligations, reconciliations of the changes in the fair value of assets for the last three years ended September 30, and reconciliations of the funded status as of September 30 of each year.

	September 30, 2015		Fiscal Year Ended September 30, 2014		September 30, 2013	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Change in benefit obligation:						
Benefit obligation at beginning of year	\$ 217.0	\$ 676.6	\$ 180.3	\$ 622.1	\$ 192.9	\$ 574.0
Service cost	6.8	1.1		0.7		0.9
Participant contributions	0.4	0.5	0.4	0.2	0.4	0.3
Interest cost	28.2	47.1	7.8	27.9	6.6	23.8
Benefits paid	(33.9)	(41.0)	(12.8)	(23.3)	(11.0)	(18.8)
Actuarial (gain) loss	(41.0)	10.6	23.2	62.3	(8.6)	49.0
Plan settlements	(20.1)	(2.5)		(2.0)		(5.7)
Net transfer in/(out)/acquisitions	560.8	618.6	18.1			
Foreign currency translation (gain) loss		(71.8)		(11.3)		(1.4)
Benefit obligation at end of year	\$ 718.2	\$ 1,239.2	\$ 217.0	\$ 676.6	\$ 180.3	\$ 622.1

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 8. Pension Benefit Obligations (Continued)

	September 30, 2015		Fiscal Year Ended September 30, 2014		September 30, 2013	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
(in millions)						
Change in plan assets						
Fair value of plan assets at beginning of year	\$ 139.7	\$ 532.6	\$ 119.8	\$ 489.9	\$ 112.3	\$ 462.4
Actual return on plan assets	(2.8)	49.9	14.2	60.4	11.3	37.4
Employer contributions	42.1	24.4	4.9	16.4	6.8	16.2
Participant contributions	0.4	0.5	0.4	0.2	0.4	0.3
Benefits paid	(33.9)	(41.0)	(12.8)	(23.3)	(11.0)	(18.8)
Plan settlements	(20.1)	(2.5)		(2.0)		(5.7)
Net transfer in/(out)/acquisitions	333.6	415.5	13.2			
Foreign currency translation (loss) gain		(53.6)		(9.0)		(1.9)
Fair value of plan assets at end of year	\$ 459.0	\$ 925.8	\$ 139.7	\$ 532.6	\$ 119.8	\$ 489.9

	September 30, 2015		Fiscal Year Ended September 30, 2014		September 30, 2013	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
(in millions)						
Reconciliation of funded status:						
Funded status at end of year	\$ (259.2)	\$ (313.4)	\$ (77.3)	\$ (144.0)	\$ (60.5)	\$ (132.2)
Contribution made after measurement date	N/A	N/A	N/A	N/A	N/A	N/A
Net amount recognized at end of year	\$ (259.2)	\$ (313.4)	\$ (77.3)	\$ (144.0)	\$ (60.5)	\$ (132.2)

The following table sets forth the amounts recognized in the consolidated balance sheets as of September 30, 2015, 2014 and 2013:

	September 30, 2015		Fiscal Year Ended September 30, 2014		September 30, 2013	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
(in millions)						
Amounts recognized in the consolidated balance sheets:						
Other non-current assets	\$ 1.6	\$ 1.7	\$ 1.1	\$ 1.1	\$ 0.6	\$ 0.6
Accrued expenses and other current liabilities	(10.6)		(1.7)		(1.4)	
Other long-term liabilities	(250.2)	(315.1)	(75.6)	(145.1)	(59.1)	(132.8)

Edgar Filing: AECOM - Form 10-K/A

Net amount recognized in the balance sheet	\$	(259.2)	\$	(313.4)	\$	(77.3)	\$	(144.0)	\$	(60.5)	\$	(132.2)
--	----	---------	----	---------	----	--------	----	---------	----	--------	----	---------



## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 8. Pension Benefit Obligations (Continued)

The following table details the reconciliation of amounts in the consolidated statements of stockholders' equity for the fiscal years ended September 30, 2015, 2014 and 2013:

	September 30, 2015		Fiscal Year Ended September 30, 2014		September 30, 2013	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
(in millions)						
Reconciliation of amounts in consolidated statements of stockholders' equity:						
Prior service credit	\$	\$ 5.3	\$	\$ 5.8	\$	\$ 6.0
Net (loss)	(99.3)	(183.6)	(113.0)	(190.1)	(99.4)	(170.7)
Total recognized in accumulated other comprehensive (loss)	\$ (99.3)	\$ (178.3)	\$ (113.0)	\$ (184.3)	\$ (99.4)	\$ (164.7)

The following table details the components of net periodic benefit cost for the plans in fiscal 2015, 2014 and 2013:

	September 30, 2015		Fiscal Year Ended September 30, 2014		September 30, 2013	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
(in millions)						
Components of net periodic (benefit) cost:						
Service costs	\$ 6.8	\$ 1.1	\$ 0.7	\$ 1.0	\$	\$
Interest cost on projected benefit obligation	28.2	47.1	7.8	27.9	6.6	23.8
Expected return on plan assets	(29.4)	(49.4)	(8.6)	(26.1)	(8.5)	(22.7)
Amortization of prior service costs		(0.2)		(0.2)		(0.2)
Amortization of net loss	4.3	5.9	4.0	4.9	4.3	4.0
Settlement loss recognized	0.6	0.7		0.4		2.6
Net periodic (benefit) cost	\$ 10.5	\$ 5.2	\$ 3.2	\$ 7.6	\$ 2.4	\$ 8.5

The amount, net of applicable deferred income taxes, included in other comprehensive income arising from a change in net prior service cost and net gain/loss was \$6.9 million, \$7.6 million and \$2.6 million in the years ended September 30, 2015, 2014 and 2013, respectively.

Amounts included in accumulated other comprehensive loss as of September 30, 2015 that are expected to be recognized as components of net periodic benefit cost during fiscal 2016 are (in millions):

	U.S.	Int'l
Amortization of prior service cost	\$	\$ 0.2
Amortization of net actuarial losses	(4.0)	(5.7)
Total	\$ (4.0)	\$ (5.5)



## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 8. Pension Benefit Obligations (Continued)

The table below provides additional year-end information for pension plans with accumulated benefit obligations in excess of plan assets.

	September 30, 2015		Fiscal Year Ended September 30, 2014		September 30, 2013	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
	(in millions)					
Projected benefit obligation	\$ 692.5	\$ 1,226.2	\$ 217.0	\$ 658.5	\$ 180.3	\$ 601.7
Accumulated benefit obligation	686.5	1,222.0	217.0	656.3	180.3	599.8
Fair value of plan assets	455.6	911.2	139.7	513.4	119.8	469.0

Funding requirements for each pension plan are determined based on the local laws of the country where such pension plan resides. In certain countries, the funding requirements are mandatory while in other countries, they are discretionary. The Company currently intends to contribute \$20.7 million to the international plans in fiscal 2016. There is a required minimum contribution of \$1.3 million for one of the U.S. plans. In addition, the Company may make discretionary contributions. The Company currently intends to contribute \$10.8 million to U.S. plans in fiscal 2016.

The table below provides the expected future benefit payments, in millions:

Year Ending September 30,	U.S.	Int'l
2016	\$ 40.6	\$ 37.4
2017	41.0	41.2
2018	40.6	44.4
2019	41.4	41.4
2020	42.8	43.1
2021 - 2025	217.0	242.5
Total	\$ 423.4	\$ 450.0

The underlying assumptions for the pension plans are as follows:

	September 30, 2015		Fiscal Year Ended September 30, 2014		September 30, 2013	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
Weighted-average assumptions to determine benefit obligation:						
Discount rate	4.10%	3.80%	4.00%	3.94%	4.40%	4.44%
Salary increase rate	3.81%	2.51%	N/A	2.38%	N/A	2.58%
Weighted-average assumptions to determine net periodic benefit cost:						
Discount rate	3.88%	3.92%	4.40%	4.44%	3.50%	4.39%
Salary increase rate	4.50%	2.65%	N/A	2.58%	N/A	2.36%
Expected long-term rate of return on plan assets	6.73%	6.00%	7.50%	5.40%	7.50%	5.11%

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**8. Pension Benefit Obligations (Continued)**

Pension costs are determined using the assumptions as of the beginning of the plan year. The funded status is determined using the assumptions as of the end of the plan year.

The following table summarizes the Company's target allocation for 2015 and pension plan asset allocation, both U.S. and international, as of September 30, 2015 and 2014:

Asset Category	Target Allocations		Percentage of Plan Assets as of September 30,			
			2015		2014	
	U.S.	Int'l	U.S.	Int'l	U.S.	Int'l
Equities	39%	30%	37%	27%	58%	28%
Debt	57	30	59	30	31	33
Cash	1	10	1	4	1	3
Property and other	3	30	3	39	10	36
Total	100%	100%	100%	100%	100%	100%

The Company's domestic and foreign plans seek a competitive rate of return relative to an appropriate level of risk depending on the funded status and obligations of each plan and typically employ both active and passive investment management strategies. The Company's risk management practices include diversification across asset classes and investment styles and periodic rebalancing toward asset allocation targets. The target asset allocation selected for each plan reflects a risk/return profile that the Company believes is appropriate relative to each plan's liability structure and return goals.

To develop the expected long-term rate of return on assets assumption, the Company considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio and the diversification of the portfolio. This resulted in the selection of a 6.73% and 6.00% weighted-average long-term rate of return on assets assumption for the fiscal year ended September 30, 2015 for U.S. and non-U.S. plans, respectively.

**Multiemployer Pension Plans**

We participate in over 200 construction-industry multiemployer pension plans. Generally, the plans provide defined benefits to substantially all employees covered by collective bargaining agreements. Under the Employee Retirement Income Security Act, a contributor to a multiemployer plan is liable, upon termination or withdrawal from a plan, for its proportionate share of a plan's unfunded vested liability. The Company's aggregate contributions to these multiemployer plans were \$54.5 million for the year ended September 30, 2015.

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 8. Pension Benefit Obligations (Continued)

As of September 30, 2015, the fair values of the Company's post-retirement benefit plan assets by major asset categories were as follows:

	Fair Value Measurement as of September 30, 2015			
	Total Carrying Value as of September 30, 2015	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(in millions)				
Cash and cash equivalents	\$ 44.4	\$ 11.0	\$ 33.4	\$
Equity securities				
Global equity securities	52.8		52.8	
Domestic equity securities	60.0		60.0	
Investment funds				
Diversified funds	287.4		287.4	
Equity funds	309.6		309.6	
Fixed income funds	542.5		542.5	
Hedge funds	53.0		39.4	13.6
Assets held by insurance company	35.1		35.1	
Total	\$ 1,384.8	\$ 11.0	\$ 1,360.2	\$ 13.6

As of September 30, 2014, the fair values of the Company's post-retirement benefit plan assets by major asset categories are as follows:

	Fair Value Measurement as of September 30, 2014			
	Total Carrying Value as of September 30, 2014	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(in millions)				
Cash and cash equivalents	\$ 7.9	\$ 3.4	\$ 4.5	\$
Investment funds				
Diversified funds	159.3		159.3	
Equity funds	220.3		220.3	
Fixed income funds	219.3		219.3	
Hedge funds	27.9		14.2	13.7
Assets held by insurance company	37.6		37.6	
Total	\$ 672.3	\$ 3.4	\$ 655.2	\$ 13.7

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 8. Pension Benefit Obligations (Continued)

Changes for the year ended September 30, 2015, in the fair value of the Company's recurring post-retirement plan Level 3 assets are as follows:

	September 30, 2014 Beginning balance	Actual return on plan assets, relating to assets still held at reporting date	Actual return on plan assets, relating to assets sold during the period	Purchases, sales and settlements	Transfer into / (out of) Level 3	Change due to exchange rate changes	September 30, 2015 Ending balance
(in millions)							
<b>Investment funds</b>							
Hedge funds	\$ 13.7	\$ (0.1)	\$	\$	\$	\$	\$ 13.6

Changes for the year ended September 30, 2014, in the fair value of the Company's recurring post-retirement plan Level 3 assets are as follows:

	September 30, 2013 Beginning balance	Actual return on plan assets, relating to assets still held at reporting date	Actual return on plan assets, relating to assets sold during the period	Purchases, sales and settlements	Transfer into / (out of) Level 3	Change due to exchange rate changes	September 30, 2014 Ending balance
(in millions)							
<b>Investment funds</b>							
Hedge funds	\$ 12.6	\$ 1.1	\$	\$	\$	\$	\$ 13.7

Cash equivalents are mostly comprised of short-term money-market instruments and are valued at cost, which approximates fair value.

For equity investment funds not traded on an active exchange, or if the closing price is not available, the trustee obtains indicative quotes from a pricing vendor, broker, or investment manager. These funds are categorized as Level 2 if the custodian obtains corroborated quotes from a pricing vendor or categorized as Level 3 if the custodian obtains uncorroborated quotes from a broker or investment manager.

Fixed income investment funds categorized as Level 2 are valued by the trustee using pricing models that use verifiable observable market data (e.g., interest rates and yield curves observable at commonly quoted intervals), bids provided by brokers or dealers, or quoted prices of securities with similar characteristics.

Hedge funds categorized as Level 3 are valued based on valuation models that include significant unobservable inputs and cannot be corroborated using verifiable observable market data. Hedge funds are valued by independent administrators. Depending on the nature of the assets, the general partners or independent administrators use both the income and market approaches in their models. The market approach consists of analyzing market transactions for comparable assets while the income approach uses earnings or the net present value of estimated future cash flows adjusted for liquidity and other risk factors. As of September 30, 2015, there were no material changes to the valuation techniques.

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 9. Debt

Debt consisted of the following:

	September 30, 2015	September 30, 2014
(in millions)		
2014 Credit Agreement	\$ 2,414.3	\$
2014 Senior Notes	1,600.0	
URS Senior Notes	429.4	
Unsecured term credit agreement		712.5
Unsecured senior notes		263.9
Other debt	163.2	27.6
<b>Total debt</b>	<b>4,606.9</b>	<b>1,004.0</b>
Less: Current portion of debt and short-term borrowings	(160.4)	(64.4)
<b>Long-term debt, less current portion</b>	<b>\$ 4,446.5</b>	<b>\$ 939.6</b>

The following table presents, in millions, scheduled maturities of our debt as of September 30, 2015:

Fiscal Year	
2016	\$ 160.4
2017	348.3
2018	126.7
2019	97.5
2020	1,507.1
Thereafter	2,366.9
<b>Total</b>	<b>\$ 4,606.9</b>

#### 2014 Credit Agreement

In connection with the acquisition of URS, on October 17, 2014, the Company entered into a new credit agreement (Credit Agreement) consisting of (i) a term loan A facility in an aggregate principal amount of \$1.925 billion, (ii) a term loan B facility in an aggregate principal amount of \$0.76 billion, (iii) a revolving credit facility in an aggregate principal amount of \$1.05 billion, and (iv) an incremental performance letter of credit facility in an aggregate principal amount of \$500 million subject to terms outlined in the Credit Agreement. These facilities under the Credit Agreement may be increased by an additional amount of up to \$500 million. The Credit Agreement replaced the Second Amended and Restated Credit Agreement, dated as of June 7, 2013, and the Fourth Amended and Restated Credit Agreement, dated as of January 29, 2014, which such prior facilities were terminated and repaid in full on October 17, 2014. In addition, the Company paid in full, including a pre-payment penalty of \$55.6 million, its unsecured senior notes (5.43% Series A Notes due July 2020 and 1.00% Series B Senior Discount Notes due July 2022). The new Credit Agreement matures on October 17, 2019 with respect to the revolving credit facility, the term loan A facility, and the incremental performance letter of credit facility. The term loan B facility matures on October 17, 2021. Certain subsidiaries of the Company (Guarantors) have guaranteed the obligations of the borrowers under the Credit Agreement. The borrowers' obligations under the Credit Agreement are secured by a lien on substantially all of the assets of the Company and the Guarantors pursuant to a security and pledge agreement (Security Agreement). The collateral under the





AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**9. Debt (Continued)**

Security Agreement is subject to release upon fulfillment of certain conditions specified in the Credit Agreement and Security Agreement.

The Credit Agreement contains covenants that limit the Company's ability and certain of its subsidiaries to, among other things: (i) create, incur, assume, or suffer to exist liens; (ii) incur or guarantee indebtedness; (iii) pay dividends or repurchase stock; (iv) enter into transactions with affiliates; (v) consummate asset sales, acquisitions or mergers; (vi) enter into certain type of burdensome agreements; or (vii) make investments.

On July 1, 2015, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase the allowance for acquisition and integration expenses related to the acquisition of URS.

Under the Credit Agreement, the Company is subject to a maximum consolidated leverage ratio and minimum interest coverage ratio at the end of each fiscal quarter beginning with the quarter ending on March 31, 2015. The Company's Consolidated Leverage Ratio was 4.6 at September 30, 2015. As of September 30, 2015, the Company's was in compliance with the covenants of the Credit Agreement.

At September 30, 2015 and 2014, outstanding standby letters of credit totaled \$92.5 million and \$12.1 million, respectively, under its revolving credit facilities. As of September 30, 2015 and 2014, the Company had \$947.6 million and \$1,037.9 million, respectively, available under its revolving credit facility.

*2014 Senior Notes*

On October 6, 2014, the Company completed a private placement offering of \$800,000,000 aggregate principal amount of its 5.750% Senior Notes due 2022 (2022 Notes) and \$800,000,000 aggregate principal amount of its 5.875% Senior Notes due 2024 (the 2024 Notes and, together with the 2022 Notes, the 2014 Senior Notes or Notes).

As of September 30, 2015, the estimated fair market value of our 2014 Senior Notes was approximately \$1,616.0 million, \$806.0 million for the 2022 Notes and \$810.0 million for the 2024 Notes. The fair value of the Notes as of September 30, 2015 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of its Notes.

At any time prior to October 15, 2017, the Company may redeem all or part of the 2022 Notes, at a redemption price equal to 100% of their principal amount, plus a "make whole" premium as of the redemption date, and accrued and unpaid interest (subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest payment date). In addition, at any time prior to October 15, 2017, the Company may redeem up to 35% of the original aggregate principal amount of the 2022 Notes with the proceeds of one or more equity offerings, at a redemption price equal to 105.750%, plus accrued and unpaid interest. Furthermore, at any time on or after October 15, 2017, the Company may redeem the 2022 Notes, in whole or in part, at once or over time, at the specified redemption prices plus accrued and unpaid interest thereon to the redemption date. At any time prior to July 15, 2024, the Company may redeem on one or more occasions all or part of the 2024 Notes at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a "make-whole" premium as of the date of the redemption, plus any accrued and unpaid interest to the date of redemption. In addition, on or after July 15, 2024, the 2024 Notes may be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption.

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**9. Debt (Continued)**

The indenture pursuant to which the 2014 Senior Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide certain notices thereunder and certain provisions related to bankruptcy events. The indenture also contains customary negative covenants.

In connection with the offering of the Notes, the Company and the Guarantors entered into a Registration Rights Agreement, dated as of October 6, 2014 to exchange the Notes for registered notes having terms substantially identical in all material respects to (except certain transfer restrictions, registration rights and additional interest provisions relating to the Notes will not apply to the registered notes). The Company filed an initial registration statement on Form S-4 with the SEC on July 6, 2015 that was declared effective by the SEC on September 29, 2015. On November 2, 2015, the Company completed its exchange offer which exchanged the Notes for the registered notes, as well as all related guarantors.

The Company was in compliance with the covenants relating to the Notes as of September 30, 2015.

*URS Senior Notes*

In connection with the URS acquisition, the Company assumed URS's 3.85% Senior Notes due 2017 (2017 URS Senior Notes) and its 5.00% Senior Notes due 2022 (2022 URS Senior Notes) totaling \$1.0 billion (URS Senior Notes). The URS acquisition triggered change in control provisions in the URS Senior Notes that allowed URS senior note holders to redeem their URS Senior Notes at a cash price equal to 101% of the principal amount and, accordingly, the Company redeemed \$572.3 million of the URS Senior Notes on October 24, 2014. The URS Senior Notes are general unsecured senior obligations of AECOM Global II, LLC (as successor in interest to URS) and URS Fox US LP and are fully and unconditionally guaranteed on a joint-and-several basis by certain former URS domestic subsidiary guarantors.

As of September 30, 2015, the estimated fair market value of the URS Senior Notes was approximately \$408.6 million, \$178.7 million for the 2017 URS Senior Notes and \$229.9 million for the 2022 URS Senior Notes. The carrying value of the URS Senior Notes on the Company's Consolidated Balance Sheets as of September 30, 2015 was \$429.4 million, \$182.0 million for the 2017 URS Senior Notes and \$247.4 million for the 2022 URS Senior Notes. The fair value of the Company's URS Senior Notes as of September 30, 2015 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the URS Senior Notes.

As of September 30, 2015, the Company was in compliance with the covenants relating to the URS Senior Notes.

*Other Debt*

Other debt consists primarily of obligations under capital leases and loans, and unsecured credit facilities. The Company's unsecured credit facilities are primarily used for standby letters of credit issued for payment of performance guarantees. At September 30, 2015 and 2014, these outstanding standby letters of credit totaled \$344 million and \$301 million, respectively. As of September 30, 2015, the Company had \$405.9 million available under these unsecured credit facilities.

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**9. Debt (Continued)***Effective Interest Rate*

The Company's average effective interest rate on its total debt, including the effects of the interest rate swap agreements, during the year ended September 30, 2015, 2014 and 2013 was 4.2%, 2.8% and 3.0%, respectively.

**10. Derivative Financial Instruments and Fair Value Measurements**

The Company uses certain interest rate derivative contracts to hedge interest rate exposures on the Company's variable rate debt. The Company enters into foreign currency derivative contracts with financial institutions to reduce the risk that its cash flows and earnings will be adversely affected by foreign currency exchange rate fluctuations. The Company's hedging program is not designated for trading or speculative purposes.

The Company recognizes derivative instruments as either assets or liabilities on the accompanying consolidated balance sheets at fair value. The Company records changes in the fair value (i.e., gains or losses) of the derivatives that have been designated as accounting hedges in the accompanying consolidated statements of operations as cost of revenue, interest expense or to accumulated other comprehensive loss in the accompanying consolidated balance sheets.

*Cash Flow Hedges*

The Company uses interest rate swap agreements designated as cash flow hedges to fix the variable interest rates on portions of the Company's debt. The Company also uses foreign currency contracts designated as cash flow hedges to hedge forecasted revenue transactions denominated in currencies other than the U.S. dollar. The Company initially reports any gain on the effective portion of a cash flow hedge as a component of accumulated other comprehensive loss. Depending on the type of cash flow hedge, the gain is subsequently reclassified to either interest expense when the interest expense on the variable rate debt is recognized, or to cost of revenue when the hedged revenues are recorded. If the hedged transaction becomes probable of not occurring, any gain or loss related to interest rate swap agreements or foreign currency contracts would be recognized in other income (expense). Further, the Company excludes the change in the time value of the foreign currency contracts from the assessment of hedge effectiveness. The Company records the premium paid or time value of a contract on the date of purchase as an asset. Thereafter, the Company recognizes any change to this time value in cost of revenue.

The notional principal, fixed rates and related expiration dates of the Company's outstanding interest rate swap agreements were as follows:

	September 30, 2015		
Notional Amount (in millions)	Fixed Rate	Expiration Date	
\$ 300.0	1.63%	June 2018	
300.0	1.54%	September 2018	

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 10. Derivative Financial Instruments and Fair Value Measurements (Continued)

	September 30, 2014		
	Notional Amount (in millions)	Fixed Rate	Expiration Date
\$	300.0	1.63%	June 2018
	250.0	0.95%	September 2015
	200.0	0.68%	December 2014

The notional principal of outstanding foreign currency contracts to purchase Australian dollars (AUD) with U.S. dollars was AUD 98.1 million (or \$74.1 million) at September 30, 2015. There were no foreign currency contracts at September 30, 2014.

*Other Foreign Currency Forward Contracts*

The Company uses foreign currency forward contracts which are not designated as accounting hedges to hedge intercompany transactions and other monetary assets or liabilities denominated in currencies other than the functional currency of a subsidiary. Gains and losses on these contracts were not material for the years ended September 30, 2015, 2014 and 2013.

*Fair Value Measurements*

The Company's non-pension financial assets and liabilities recorded at fair values relate to derivative instruments and were not material at September 30, 2015 or 2014.

See Note 14 for accumulated balances and reporting period activities of derivatives related to reclassifications out of accumulated other comprehensive income or loss for the years ended September 30, 2015, 2014 and 2013. Amounts recognized in accumulated other comprehensive loss from the Company's foreign currency options were immaterial for all years presented. Amounts reclassified from accumulated other comprehensive loss into income from the foreign currency options were immaterial for all years presented. Additionally, there were no losses recognized in income due to amounts excluded from effectiveness testing from the Company's interest rate swap agreements.

During the years ended September 30, 2015 and 2014, the Company entered into two contingent consideration arrangements in connection with business acquisitions. Under the arrangements, the Company agreed to pay cash to the sellers if certain financial performance thresholds are achieved in the future. The fair value of the contingent consideration liability as of September 30, 2015 and 2014 was \$39 million and \$17 million, respectively, and is a Level 3 fair value measurement recorded within other accrued liabilities. It was valued based on estimated future net cash flows. After the initial recording of this liability as a part of purchase accounting, there were no material subsequent changes in fair value through September 30, 2015. Any future changes in the fair value of this contingent consideration liability will be recognized in earnings during the applicable period.

**11. Concentration of Credit Risk**

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash investments and trade receivables. The Company's cash balances and short-term investments are maintained in accounts held by major banks and financial institutions located primarily in the U.S., Canada, Europe, Australia, Middle East and Hong Kong. If the Company extends significant credit to clients in a specific geographic area or industry, the Company may experience disproportionately

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**11. Concentration of Credit Risk (Continued)**

high levels of default if those clients are adversely affected by factors particular to their geographic area or industry. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base, including, in large part, governments, government agencies and quasi-government organizations, and their dispersion across many different industries and geographies. See Note 20 regarding the Company's foreign revenues. In order to mitigate credit risk, the Company continually reviews the credit worthiness of its major private clients.

**12. Leases**

The Company and its subsidiaries are lessees in non-cancelable leasing agreements for office buildings and equipment. The related payments are expensed on a straight-line basis over the lease term, including, as applicable, any free-rent period during which the Company has the right to use the asset. For leases with renewal options where the renewal is reasonably assured, the lease term, including the renewal period is used to determine the appropriate lease classification and to compute periodic rental expense. The following table presents, in millions, amounts payable under non-cancelable operating lease commitments during the following fiscal years:

Year Ending September 30,	
2016	\$ 328.9
2017	263.0
2018	211.6
2019	179.0
2020	150.1
Thereafter	487.4
<b>Total</b>	<b>\$ 1,620.0</b>

Rent expense for leases for the years ended September 30, 2015, 2014 and 2013 was approximately \$395.9 million, \$210.4 million and \$225.4 million, respectively. When the Company is required to restore leased facilities to original condition, provisions are made over the period of the lease.

**13. Other Financial Information**

Accrued expenses and other current liabilities consist of the following:

	Fiscal Year Ended	
	September 30, 2015	September 30, 2014
	(in millions)	
Accrued salaries and benefits	\$ 852.2	\$ 400.6
Accrued contract costs	993.1	446.4
Other accrued expenses	322.5	117.6
	\$ 2,167.8	\$ 964.6

Accrued contract costs above include balances related to professional liability and workers' compensation accruals of \$239.2 million and \$129.2 million as of September 30, 2015 and 2014, respectively. The remaining accrued contract costs primarily relate to costs for services provided by subcontractors and other non-employees.



## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**14. Reclassifications out of Accumulated Other Comprehensive Loss**

The accumulated balances and reporting period activities for the years ended September 30, 2015, 2014 and 2013 related to reclassifications out of accumulated other comprehensive loss are summarized as follows (in millions):

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2012	\$ (178.2)	\$ 2.7	\$ (3.7)	\$ (179.2)
Other comprehensive loss before reclassification	(19.9)	(69.1)	(0.2)	(89.2)
Amounts reclassified from accumulated other comprehensive loss:				
Actuarial losses, net of tax	5.3			5.3
Cash flow hedge losses, net of tax			1.8	1.8
Balances at September 30, 2013	\$ (192.8)	\$ (66.4)	\$ (2.1)	\$ (261.3)

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2013	\$ (192.8)	\$ (66.4)	\$ (2.1)	\$ (261.3)
Other comprehensive loss before reclassification	(30.3)	(71.4)	(1.4)	(103.1)
Amounts reclassified from accumulated other comprehensive loss:				
Actuarial losses, net of tax	6.1			6.1
Cash flow hedge losses, net of tax			1.7	1.7
Balances at September 30, 2014	\$ (217.0)	\$ (137.8)	\$ (1.8)	\$ (356.6)

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Loss on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2014	\$ (217.0)	\$ (137.8)	\$ (1.8)	\$ (356.6)
Other comprehensive income (loss) before reclassification	5.8	(282.3)	(13.3)	(289.8)
Amounts reclassified from accumulated other comprehensive loss:				
Actuarial losses, net of tax	7.2			7.2
Cash flow hedge losses, net of tax			4.1	4.1
Balances at September 30, 2015	\$ (204.0)	\$ (420.1)	\$ (11.0)	\$ (635.1)

**15. Stockholders' Equity**

***Common Stock Units*** Common stock units are only redeemable for common stock. In the event of liquidation of the Company, holders of stock units are entitled to no greater rights than holders of common stock. See also Note 16.



## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 16. Stock Plans

**Defined Contribution Plans** Substantially all permanent employees are eligible to participate in defined contribution plans provided by the Company. Under these plans, participants may make contributions into a variety of funds, including a fund that is fully invested in Company stock. Employees are not required to allocate any funds to Company stock. Employees may generally reallocate their account balances on a daily basis; however, employees classified as insiders are restricted under the Company's insider trading policy. Compensation expense relating to these employer contributions under defined contribution plans for fiscal years ended September 30, 2015, 2014 and 2013 was \$13.3 million, \$14.4 million and \$14.6 million, respectively.

**Stock Incentive Plans** Under the 2006 Stock Incentive Plan, the Company has up to 13.1 million securities remaining available for future issuance as of September 30, 2015. Stock options may be granted to employees and non-employee directors with an exercise price not less than the fair market value of the stock on the date of grant. Unexercised options expire seven years after date of grant.

During the three years in the period ended September 30, 2015, option activity was as follows:

	Number of Options (in millions)	Weighted Average Exercise Price
Balance, September 30, 2012	2.5	\$ 22.81
Granted		
Exercised	(0.8)	18.31
Cancelled	(0.1)	26.83
Balance, September 30, 2013	1.6	24.73
Granted		
Exercised	(0.5)	23.64
Cancelled	(0.1)	26.87
Balance, September 30, 2014	1.6	27.69
Granted		
Exercised	(0.3)	24.98
Cancelled		
Balance, September 30, 2015	1.3	28.26
Exercisable as of September 30, 2013	1.4	24.51
Exercisable as of September 30, 2014	0.9	25.16
Exercisable as of September 30, 2015	0.7	25.04



## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 16. Stock Plans (Continued)

The following table summarizes information concerning outstanding and exercisable options as of September 30, 2015:

Range of Exercise Prices	Options Outstanding			Aggregate Intrinsic Value (in millions)	Options Exercisable		
	Number Outstanding as of September 30, 2015 (in millions)	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price		Number Exercisable as of September 30, 2015 (in millions)	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
\$21.01 - \$23.94	0.2	0.23	\$ 23.19	\$ 1.1	0.2	0.23	\$ 23.19
24.45 - 27.67	0.4	1.47	25.43	0.9	0.4	1.47	25.43
28.04 - 31.62	0.7	7.67	31.25		0.1	2.01	28.53
	1.3	4.69	28.26	\$ 2.0	0.7	1.10	25.04

The remaining contractual life of options outstanding at September 30, 2015 range from 0.04 to 8.43 years and have a weighted average remaining contractual life of 4.69 years. The aggregate intrinsic value of stock options exercised during the years ended September 30, 2015, 2014 and 2013 was \$2.1 million, \$4.3 million and \$7.9 million, respectively.

The fair value of the Company's employee stock option awards is estimated on the date of grant. The expected term of awards granted represents the period of time the awards are expected to be outstanding. The risk-free interest rate is based on U.S. Treasury bond rates with maturities equal to the expected term of the option on the grant date. The Company uses historical data as a basis to estimate the probability of forfeitures. The weighted average grant-date fair value of stock options granted during the year ended September 30, 2014 was \$7.83. No stock options were granted during the year ended September 30, 2015.

The Company grants stock units to employees under the Performance Earnings Program (PEP), whereby units are earned and issued dependent upon meeting established cumulative performance objectives and vesting over a three-year period. Additionally, the Company issues restricted stock units to employees which are earned based on service conditions. The grant date fair value of PEP awards and restricted stock unit awards is that day's closing market price of the Company's common stock. The weighted average grant date fair value of PEP awards was \$32.32, \$29.32 and \$22.27 during the years ended September 30, 2015, 2014 and 2013, respectively. The weighted average grant date fair value of restricted stock unit awards was \$31.05, \$29.60 and \$22.83 during the years ended September 30, 2015, 2014 and 2013, respectively. Included in the restricted stock unit grants during the twelve months ended September 30, 2015 were 2.6 million restricted stock units with a grant date fair value of \$30.04 per share that were converted from unvested URS service based restricted stock awards assumed by the Company in connection with the acquisition of URS. Total compensation expense related to these share-based payments including stock options was \$112.2 million, \$34.4 million and \$32.6 million during the years ended September 30, 2015, 2014 and 2013, respectively. Included in total compensation expense during the twelve months ended September 30, 2015 was \$43.9 million related to the settlement of accelerated URS equity awards with \$17.6 million of Company stock and \$26.3 million in cash which was classified as acquisition and integration expense. Unrecognized compensation expense related to total share-based payments outstanding as of September 30, 2015 was \$115.5 million, to be recognized on a straight-line basis over the awards' respective vesting periods which are generally three years.

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**16. Stock Plans (Continued)**

Cash flow attributable to tax benefits resulting from tax deductions in excess of compensation cost recognized for those stock options (excess tax benefits) is classified as financing cash flows. Excess tax benefits of \$3.6 million, \$0.7 million and \$1.8 million for the years ended September 30, 2015, 2014 and 2013, respectively, have been classified as financing cash inflows in the Consolidated Statements of Cash Flows.

**17. Income Taxes**

Income before income taxes included (loss) income from domestic operations of \$(214.6) million, \$138.2 million and \$111.8 million for fiscal years ended September 30, 2015, 2014 and 2013 and income from foreign operations of \$63.1 million, \$176.6 million and \$224.0 million for fiscal years ended September 30, 2015, 2014 and 2013.

Income tax (benefit) expense on continuing operations was comprised of:

	September 30, 2015	Fiscal Year Ended September 30, 2014	September 30, 2013
	(in millions)		
<b>Current:</b>			
Federal	\$ (67.1)	\$ 5.3	\$ 30.3
State	2.6	3.3	9.9
Foreign	37.2	46.3	59.7
<b>Total current income tax (benefit) expense</b>	<b>(27.3)</b>	<b>54.9</b>	<b>99.9</b>
<b>Deferred:</b>			
Federal	(44.2)	27.7	5.8
State	1.2	5.6	(10.6)
Foreign	(10.0)	(6.2)	(2.5)
<b>Total deferred income tax (benefit) expense</b>	<b>(53.0)</b>	<b>27.1</b>	<b>(7.3)</b>
<b>Total income tax (benefit) expense</b>	<b>\$ (80.3)</b>	<b>\$ 82.0</b>	<b>\$ 92.6</b>

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 17. Income Taxes (Continued)

The major elements contributing to the difference between the U.S. federal statutory rate of 35.0% and the effective tax rate are as follows:

	September 30, 2015		Fiscal Year Ended September 30, 2014		September 30, 2013	
	Amount	%	Amount	%	Amount	%
	(in millions)					
Tax at federal statutory rate	\$ (53.0)	35.0%	\$ 110.2	35.0%	\$ 117.5	35.0%
State income tax, net of federal benefit	(2.3)	1.5	5.0	1.6	2.5	0.7
Exclusion of tax on non-controlling interests	(29.3)	19.3				
Income tax credits and incentives	(21.1)	14.0	(7.1)	(2.2)	(14.7)	(4.3)
Foreign tax rate differential	(14.0)	9.3	(22.5)	(7.2)	(9.9)	(2.9)
Change in uncertain tax positions	6.5	(4.3)	(4.5)	(1.4)	(7.3)	(2.2)
Valuation allowance	30.0	(19.8)	6.3	2.0	1.6	0.5
Domestic production activities deduction			(11.7)	(3.7)	(2.6)	(0.8)
Nondeductible transaction costs	2.8	(1.9)	2.8	0.9		
Other items, net	0.1	(0.1)	3.5	1.1	5.5	1.6
<b>Total income tax expense</b>	<b>\$ (80.3)</b>	<b>53.0%</b>	<b>\$ 82.0</b>	<b>26.1%</b>	<b>\$ 92.6</b>	<b>27.6%</b>

During the year ended September 30, 2015, the Company recognized a \$19.4 million tax benefit related to U.S. tax incentives and credits that expired on December 31, 2014. During the year ended September 30, 2015, the Company also benefited from the application of IRC section 954(c)(6) dealing with the exception to current U.S. taxation of certain inter-company payments among controlled foreign corporations. Section 954(c)(6) expired on September 30, 2015 for the Company. Unless retroactively extended, the expiration of section 954(c)(6) and the other expired provisions could have a material impact on our consolidated results of operations in subsequent years.

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 17. Income Taxes (Continued)

The deferred tax assets (liabilities) are as follows:

	Fiscal Year Ended	
	September 30, 2015	September 30, 2014
	(in millions)	
Deferred tax assets:		
Compensation and benefit accruals not currently deductible	\$ 166.7	\$ 65.5
Net operating loss carry forwards	195.9	69.3
Self insurance reserves	46.8	48.8
Research and Experimentation and other tax credits	43.0	34.2
Pension liability	165.6	59.4
Accrued liabilities	267.3	63.7
Other	11.4	26.2
<b>Total deferred tax assets</b>	<b>896.7</b>	<b>367.1</b>
Deferred tax liabilities:		
Unearned revenue	(101.9)	(122.9)
Depreciation and amortization	(76.5)	(59.2)
Acquired intangible assets	(219.2)	(14.8)
Investment in subsidiaries	(239.2)	
<b>Total deferred tax liabilities</b>	<b>(636.8)</b>	<b>(196.9)</b>
Valuation allowance	(239.4)	(27.1)
<b>Net deferred tax assets</b>	<b>\$ 20.5</b>	<b>\$ 143.1</b>

As of September 30, 2015, the Company has available unused state net operating loss (NOL) carry forwards of \$526.0 million and foreign NOL carry forwards of \$828.7 million which expire at various dates. In addition, as of September 30, 2015, the Company has unused federal and state research and development credits of \$22.4 million and California Enterprise Zone Tax Credits of \$6.8 million.

As of September 30, 2015 and 2014, gross deferred tax assets were \$896.7 million and \$367.1 million, respectively. The Company has recorded a valuation allowance of approximately \$239.4 million and \$27.1 million at September 30, 2015 and 2014, respectively, related to state and foreign net operating loss carry forwards and credits. The Company has performed an assessment of positive and negative evidence, including the nature, frequency, and severity of cumulative financial reporting losses in recent years, the future reversal of existing temporary differences, predictability of future taxable income exclusive of reversing temporary differences of the character necessary to realize the asset, relevant carry forward periods, taxable income in carry-back years if carry-back is permitted under tax law, and prudent and feasible tax planning strategies that would be implemented, if necessary, to protect against the loss of the deferred tax asset that would otherwise expire. Although realization is not assured, based on the Company's assessment, the Company has concluded that it is more likely than not that the remaining gross deferred tax asset (exclusive of deferred tax liabilities) of \$657.3 million will be realized and, as such, no additional valuation allowance has been provided. The increase in the valuation allowance of \$212 million is primarily attributable to the acquisition of URS of \$182 million which was recorded in business combination, and certain current year foreign losses which were allocated to income from continuing operations.

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 17. Income Taxes (Continued)

As of September 30, 2015 and 2014, the Company has remaining tax-deductible goodwill of \$261.2 million and \$251.6 million, respectively, resulting from acquisitions. The amortization of this goodwill is deductible over various periods ranging up to 15 years.

Generally, the Company does not provide for U.S. taxes or foreign withholding taxes on undistributed earnings from non-U.S. subsidiaries because such earnings are able to and intended to be reinvested indefinitely. The undistributed earnings are approximately \$1,341.2 million. If undistributed pre-tax earnings were distributed, foreign tax credits could become available under current law to partially or fully reduce the resulting U.S. income tax liability. If such earnings were repatriated, additional tax expense may result, although the calculation of such additional taxes is not practicable. The Company recorded a deferred tax liability in the amount of \$88.2 million relating to certain foreign subsidiaries for which the undistributed earnings are not intended to be reinvested indefinitely as part of the liabilities assumed in connection with the acquisition of URS on October 17, 2014. The Company also recorded a deferred tax liability of \$145.6 million in business combination for a stock basis adjustment that was inherited in the URS acquisition.

As of September 30, 2015 and 2014, the Company had a liability for unrecognized tax benefits, including potential interest and penalties, net of related tax benefit, totaling \$107.6 million and \$52.6 million, respectively. The gross unrecognized tax benefits as of September 30, 2015 and 2014 were \$95.2 million and \$47.5 million, respectively, excluding interest, penalties, and related tax benefit. Of the \$95.2 million, approximately \$77.0 million would be included in the effective tax rate if recognized in the fiscal year ended September 30, 2015. The adoption of ASC 805, "Accounting for Business Combinations," at the beginning of the fiscal year ended September 30, 2010 changed the treatment of the reversal of unrecognized tax benefits related to acquired companies which prior to adoption of ASC 805 would have impacted goodwill, but after the adoption of ASC 805, results in the recognition of income tax benefit. A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	Fiscal Year Ended	
	September 30, 2015	September 30, 2014
	(in millions)	
Balance at the beginning of the year	\$ 47.5	\$ 53.7
Gross increase due to acquisitions	49.4	
Gross increase in prior years' tax positions	6.4	3.3
Gross decrease in prior years' tax positions	(0.2)	(7.6)
Decrease due to settlement with tax authorities	(2.0)	(2.0)
Gross increase in current period's tax positions	6.0	2.2
Decrease due to lapse of statute of limitations	(4.6)	(2.1)
Gross change due to foreign exchange fluctuations	(7.3)	
Balance at the end of the year	\$ 95.2	\$ 47.5

The Company classifies interest and penalties related to uncertain tax positions within the income tax expense line in the accompanying consolidated statements of operations. At September 30, 2015, the accrued interest and penalties, including balances acquired in the URS acquisition, were \$13.9 million and \$3.5 million, respectively, excluding any related income tax benefits. As of September 30, 2014, the accrued

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**17. Income Taxes (Continued)**

interest and penalties were \$6.2 million and \$2.9 million, respectively, excluding any related income tax benefits.

The Company files income tax returns in numerous tax jurisdictions, including the U.S., and numerous U.S. states and non-U.S. jurisdictions around the world. The statute of limitations varies by jurisdiction in which the Company operates. Because of the number of jurisdictions in which the Company files tax returns, in any given year the statute of limitations in certain jurisdictions may expire without examination within the 12-month period from the balance sheet date.

The Company is currently under examination by the U.S. Internal Revenue Service for the fiscal years ended September 30, 2010 and September 30, 2011. With a few exceptions, the Company is no longer subject to U.S. state or non-U.S. income tax examinations by tax on authorities for years before fiscal year 2010. The Company anticipates that some of the audits may be concluded in the foreseeable future, including in fiscal year ending September 30, 2016. Based on the status of these audits, it is reasonably possible that the conclusion of the audits may result in a reduction of unrecognized tax benefits. It is not possible to estimate the impact of any change at this time.

In July 2013, the FASB issued ASU No. 2013-11, "Income Taxes (Topic 740) Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists." This topic provides guidance on whether an unrecognized tax benefit should be presented as a reduction to a deferred tax asset or as a separate liability. This update was effective for annual and interim periods beginning after December 15, 2013, and we adopted this ASU on October 1, 2014. The adoption of this update resulted in a decrease to the September 30, 2015 deferred tax asset balance of \$34.8 million.

**18. Earnings Per Share**

Basic earnings per share (EPS) excludes dilution and is computed by dividing net income available for common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding and potential common shares for the period. The Company includes as potential common shares the weighted average dilutive effects of outstanding stock options and restricted stock units using the treasury stock method. For the periods presented, options excluded from the calculation of potential common shares were not significant. The computation of diluted loss per share for the year ended September 30, 2015 excludes 1.7 million of potential common shares due to their antidilutive effect.

The following table sets forth a reconciliation of the denominators of basic and diluted earnings per share:

	September 30, 2015	Fiscal Year Ended September 30, 2014	September 30, 2013
	(in millions)		
Denominator for basic earnings per share	149.6	97.2	100.6
Potential common shares		1.5	1.3
Denominator for diluted earnings per share	149.6	98.7	101.9



AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**19. Commitments and Contingencies**

The Company records amounts representing its probable estimated liabilities relating to claims, guarantees, litigation, audits and investigations. The Company relies in part on qualified actuaries to assist it in determining the level of reserves to establish for insurance-related claims that are known and have been asserted against it, and for insurance-related claims that are believed to have been incurred based on actuarial analysis, but have not yet been reported to the Company's claims administrators as of the respective balance sheet dates. The Company includes any adjustments to such insurance reserves in its consolidated results of operations.

The Company and its affiliates are involved in various investigations, audits, claims and lawsuits arising in the normal course of business. The Company is not always aware that it is under investigation, or of its status in such matters, but currently is aware of certain pending investigations, including the matters described below. In the opinion of management, based on current information and discussions with counsel, with the exception of matters noted below, the ultimate resolution of these matters is not expected to have a material adverse effect on the Company's consolidated balance sheet or statements of income or cash flows. The Company is not always aware that it or its affiliates are under investigation, or of the status of such matters, but the Company is currently aware of certain pending investigations, including the matters described below.

In some instances, the Company guarantees that a project, when complete, will achieve specified performance standards. If the project subsequently fails to meet guaranteed performance standards, the Company may either incur additional costs or be held responsible for the costs incurred by the client to achieve the required performance standards. At September 30, 2015, the Company was contingently liable in the amount of approximately \$436.5 million under standby letters of credit issued primarily in connection with general and professional liability insurance programs and for payment of performance guarantees.

In the ordinary course of business, the Company enters into various agreements providing financial or performance assurances to clients on behalf of certain unconsolidated partnerships, joint ventures and other jointly executed contracts. These agreements are entered into primarily to support the project execution commitments of these entities. In addition, in connection with the investment activities of AECOM Capital, we provide guarantees of certain obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and acts of willful misconduct. The guarantees have various expiration dates. The maximum potential payment amount of an outstanding performance guarantee is the remaining cost of work to be performed by or on behalf of third parties. Generally, under joint venture arrangements, if a partner is financially unable to complete its share of the contract, the other partner(s) will be required to complete those activities. The Company does not expect that these guarantees will have a material adverse effect on its consolidated balance sheet or statements of income or cash flows.

***USAID Egyptian Projects***

In November 2004, the federal government filed a civil action in Idaho federal district court against Washington Group International, a Delaware company (WGI), an affiliate of URS, which the Company acquired on October 17, 2014, and two of WGI's subcontractors, asserting violations under the Federal False Claims Act and Federal Foreign Assistance Act of 1961 for failure to comply with U.S. Agency for International Development (USAID) source, origin, and nationality regulations in connection with five USAID-financed Egyptian projects beginning in the early 1990s. The federal government seeks a refund of

AECOM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

**19. Commitments and Contingencies (Continued)**

the approximately \$373 million paid to WGI under the contracts for the five completed and fully operational projects as well as damages and civil penalties (including doubling and trebling of damages) for violation of the statutes. In March 2005, WGI filed motions in Idaho federal district court and the United States Bankruptcy Court in Nevada contending that the federal government's Idaho federal district court action was barred under the plan of reorganization approved by the Bankruptcy Court in 2002 when WGI emerged from bankruptcy protection. In 2006, the Idaho federal district court action was stayed pending the bankruptcy-related proceedings. On April 24, 2012, the Bankruptcy Court ruled that the bulk of the federal government's claims under the Federal False Claims and the Federal Foreign Assistance Acts are not barred. On November 7, 2012, WGI appealed the Bankruptcy Court's decision to the Ninth Circuit Bankruptcy Appellate Panel. On August 2, 2013, the Appellate Panel affirmed the Bankruptcy Court's decision. On September 26, 2013, WGI appealed the Appellate Panel's decision to the United States Ninth Circuit Court of Appeals.

WGI contests the federal government's allegations and intends to continue to defend this matter vigorously; however, WGI cannot provide assurance that it will be successful in these efforts.

***DOE Deactivation, Demolition, and Removal Project***

Washington Group International, an Ohio company (WGI Ohio), an affiliate of URS, executed a cost-reimbursable task order with the Department of Energy (DOE) in 2007 to provide deactivation, demolition and removal services at a New York State project site that, during 2010, experienced contamination and performance issues and remains uncompleted. In February 2011, WGI Ohio and the DOE executed a Task Order Modification that changed some cost-reimbursable contract provisions to at-risk. The Task Order Modification, including subsequent amendments, requires the DOE to pay all project costs up to \$106 million, requires WGI Ohio and the DOE to equally share in all project costs incurred from \$106 million to \$146 million, and requires WGI Ohio to pay all project costs exceeding \$146 million.

Due to unanticipated requirements and permitting delays by federal and state agencies, as well as delays and related ground stabilization activities caused by Hurricane Irene in 2011, WGI Ohio has been required to perform work outside the scope of the Task Order Modification. In December 2014, WGI Ohio submitted claims against the DOE pursuant to the Contracts Disputes Acts seeking recovery of \$103 million, including additional fees on changed work scope. Due to significant delays and uncertainties about responsibilities for the scope of remaining work, final project completion costs and other associated costs may exceed \$100 million.

WGI Ohio can provide no certainty that it will recover the DOE claims and fees submitted in December 2014, as well as any other project costs after December 2014 that WGI Ohio is obligated to incur including the remaining project completion costs, which could have a material adverse effect on the Company's results of operations.

***Canadian Pipeline Contract***

In January 2010, a pipeline owner filed an action in the Court of Queen's Bench of Alberta, Canada against Flint Energy Services Ltd. (Flint), an affiliate of URS, as well as against a number of other defendants, alleging that the defendants negligently provided pipe coating and insulation system services, engineering, design services, construction services, and other work, causing damage to and abandonment of the line. The pipeline owner alleges it has suffered approximately C\$85 million in damages in

**AECOM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**19. Commitments and Contingencies (Continued)**

connection with the abandonment and replacement of the pipeline. Flint was the construction contractor on the pipeline project. Other defendants were responsible for engineering and design-services and for specifying and providing the actual pipe, insulation and coating materials used in the line. In January 2011, the pipeline owner served a Statement of Claim on Flint and, in September 2011, Flint filed a Statement of Defense denying that the damages to the coating system of the pipeline were caused by any negligence or breach of contract of Flint.

Flint disputes the pipeline owner's claims and intends to continue to defend this matter vigorously; however, it cannot provide assurance that it will be successful, in whole or in part, in these efforts.

***Waste Isolation Pilot Plant Environmental Incidents***

URS is a member of Nuclear Waste Partnership, LLC, a joint venture that manages and operates the Waste Isolation Pilot Plant (WIPP), a DOE federal waste repository in New Mexico designed to dispose of low level transuranic (TRU) radioactive waste generated by federal facilities. On February 5, 2014, an underground vehicle fire suspended operations at WIPP. On February 14, 2014, in a separate and unrelated event, a TRU waste container that originated from Los Alamos National Laboratory breached and released low levels of radiological contaminants from the mine at WIPP into the atmosphere. On December 6, 2014, the DOE and Nuclear Waste Partnership received an administrative compliance order and civil penalty of \$17.7 million from the New Mexico Environment Department alleging violations of the Resource Conservation and Recovery Act and the New Mexico Hazardous Waste Act due to WIPP's failure to prevent the underground fire and the radiological release. In addition, disposal operations at WIPP have been suspended until a final recovery plan can be implemented.

Nuclear Waste Partnership, DOE and the New Mexico Environmental Department have executed a General Principles of Agreement, which, if incorporated into a final settlement document, would provide for DOE funding for various projects in lieu of any penalty payments.

***Tishman Inquiry***

The U.S. Attorney's Office for the Eastern District of New York (USAO) has informed the Company's subsidiary Tishman Construction Corporation (TCC) that, in connection with a wage and hour investigation of several New York area contractors, the USAO is investigating potential improper overtime payments to union workers on projects managed by TCC and other contractors in New York dating back to 1999. TCC, which was acquired by the Company in 2010, has cooperated fully with the investigation and, as of this date, no actions have been filed. TCC continues to cooperate with the ongoing investigation and to engage in active discussions with the U.S. Attorney's Office regarding an amicable resolution of the issues raised as a result of the investigation.

***AECOM Australia***

In 2005 and 2006, the Company's main Australian subsidiary, AECOM Australia Pty Ltd (AECOM Australia), performed a traffic forecast assignment for a client consortium as part of the client's project to design, build, finance and operate a tolled motorway tunnel in Australia. To fund the motorway's design and construction, the client formed certain special purpose vehicles (SPVs) that raised approximately \$700 million Australian dollars through an initial public offering (IPO) of equity units in 2006 and approximately an additional \$1.4 billion Australian dollars in long term bank loans. The SPVs went into insolvency administrations in February 2011.

**AECOM**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**19. Commitments and Contingencies (Continued)**

KordaMentha, the receivers for the SPVs (the RCM Applicants), caused a lawsuit to be filed against AECOM Australia by the RCM Applicants in the Federal Court of Australia on May 14, 2012. Portigon AG (formerly WestLB AG), one of the lending banks to the SPVs, filed a lawsuit in the Federal Court of Australia against AECOM Australia on May 18, 2012. Separately, a class action lawsuit, which has been amended to include approximately 770 of the IPO investors, was filed against AECOM Australia in the Federal Court of Australia on May 31, 2012.

All of the lawsuits claim damages that purportedly resulted from AECOM Australia's role in connection with the above described traffic forecast. The class action applicants claim that they represent investors who acquired approximately \$155 million Australian dollars of securities. On July 10, 2015, AECOM Australia, the RCM Applicants and Portigon AG entered into a Deed of Release settling the respective lawsuits.

AECOM Australia disputes the claimed entitlements to damages asserted by the remaining class action lawsuit and will continue to defend this matter vigorously. AECOM Australia cannot provide assurance that it will be successful in these efforts. The potential range of loss and the resolution of this matter cannot be determined at this time and could have a material adverse effect on AECOM Australia and the results of its operations.

***DOE Hanford Nuclear Reservation***

URS Energy and Construction, Washington River Protection Solutions LLC and Washington Closure Hanford LLC, affiliates of URS, perform services under multiple contracts (including under the Waste Treatment Plant contract, the Tank Farm contract and the River Corridor contract) at the DOE's Hanford nuclear reservation that have been subject to various government investigations or litigation:

Waste Treatment Plant government investigation: The federal government is conducting an investigation into our affiliate, URS Energy & Construction, a subcontractor on the Waste Treatment Plant, regarding contractual compliance and various technical issues in the design, development and construction of the Waste Treatment Plant.

Waste Treatment Plant whistleblower and employment claims: Two former employees have each filed employment related claims against our affiliate, URS Energy & Construction, seeking restitution for alleged retaliation and wrongful termination. In August 2015, URS Energy & Construction settled one of these former employees' whistleblower and employment related claims for \$4.1 million.

Tank Farms government investigation: The federal government is conducting an investigation regarding the time keeping of employees at our joint venture, Washington River Protection Solutions LLC, when the joint venture took over as the prime contractor from another federal contractor.

Tank Farms government investigation: The federal government is conducting an investigation into the circumstances surrounding the response of our joint venture, Washington River Protection Solutions LLC, to a leak within the tank farms of the Hanford nuclear reservation.

River Corridor litigation: The federal government has partially intervened in a false claims act complaint filed in the Eastern District of Washington on December 2013 challenging our joint

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 19. Commitments and Contingencies (Continued)

venture, Washington Closure Hanford LLC, and its contracting procedures under the Small Business Act.

URS Energy and Construction, Washington River Protection Solutions LLC and Washington Closure Hanford LLC dispute these investigations and claims and intend to continue to defend these matters vigorously; however, URS Energy and Construction, Washington River Protection Solutions LLC and Washington Closure Hanford LLC cannot provide assurances that they will be successful in these efforts. The resolution of these matters cannot be determined at this time and could have a material adverse effect on the Company's results of operations and cash flows.

## 20. Reportable Segments and Geographic Information

The Company's operations are organized into three reportable segments: Design and Consulting Services (DCS), Construction Services (CS), and Management Services (MS). The Company's DCS reportable segment delivers planning, consulting, architectural, environmental, and engineering design services to commercial and government clients worldwide. The Company's CS reportable segment provides construction services primarily in the Americas. The Company's MS reportable segment provides program and facilities management and maintenance, training, logistics, consulting, and technical assistance and systems integration services, primarily for agencies of the U.S. government. These reportable segments are organized by the types of services provided, the differing specialized needs of the respective clients, and how the Company manages its business. The Company has aggregated various operating segments into its reportable segments based on their similar characteristics, including similar long term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers.

The following tables set forth summarized financial information concerning the Company's reportable segments:

Reportable Segments:	Design and Consulting Services	Construction Services	Management Services	Corporate	Total
<b>Fiscal Year Ended September 30, 2015:</b>					
Revenue	\$ 7,962.9	\$ 6,676.7	\$ 3,350.3	\$	\$ 17,989.9
Cost of revenue	7,663.6	6,633.9	3,157.2		17,454.7
Gross profit	299.3	42.8	193.1		535.2
Equity in earnings of joint ventures	6.6	23.0	76.6		106.2
General and administrative expenses				(114.0)	(114.0)
Acquisition and integration expenses				(398.4)	(398.4)
Operating income (loss)	305.9	65.8	269.7	(512.4)	129.0
Segment assets	7,118.2	3,382.4	2,903.9	609.8	14,014.3
Gross profit as a % of revenue	3.8%	0.6%	5.8%		3.0%

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 20. Reportable Segments and Geographic Information (Continued)

Reportable Segments:	Design and Consulting Services	Construction Services	Management Services	Corporate	Total
<b>Fiscal Year Ended September 30, 2014:</b>					
Revenue	\$ 5,443.1	\$ 2,004.3	\$ 909.4	\$	\$ 8,356.8
Cost of revenue	5,112.8	1,975.0	865.8		7,953.6
Gross profit	330.3	29.3	43.6		403.2
Equity in earnings of joint ventures	35.5	6.0	16.4		57.9
General and administrative expenses				(80.9)	(80.9)
Acquisition and integration expenses				(27.3)	(27.3)
Operating income (loss)	365.8	35.3	60.0	(108.2)	352.9
Segment assets	4,064.5	1,256.4	437.5	365.0	6,123.4
Gross profit as a % of revenue	6.1%	1.5%	4.8%		4.8%
<b>Fiscal Year Ended September 30, 2013:</b>					
Revenue	\$ 5,556.1	\$ 1,552.1	\$ 1,045.3	\$	\$ 8,153.5
Cost of revenue	5,174.4	1,527.9	1,001.2		7,703.5
Gross profit	381.7	24.2	44.1		450.0
Equity in earnings of joint ventures	8.3	4.0	12.0		24.3
General and administrative expenses				(97.3)	(97.3)
Operating income (loss)	390.0	28.2	56.1	(97.3)	377.0
Segment assets	1,945.9	1,183.4	2,296.2	240.1	5,665.6
Gross profit as a % of revenue	6.9%	1.6%	4.2%		5.5%

*Geographic Information:*

	September 30, 2015		September 30, 2014		September 30, 2013	
	Revenue	Long-Lived Assets	Revenue	Long-Lived Assets	Revenue	Long-Lived Assets
(in millions)						
United States	\$ 12,599.6	4,852.5	\$ 4,933.7	1,603.7	\$ 4,829.6	1,477.3
Asia Pacific	1,385.3	426.4	1,338.2	340.5	1,507.2	361.0
Canada	1,308.3	641.0	561.1	146.7	712.0	168.4
Europe	1,796.9	1,496.2	788.2	270.8	599.4	267.2
Other foreign countries	899.8	352.1	735.6	209.5	505.3	116.6
Total	\$ 17,989.9	7,768.2	\$ 8,356.8	2,571.2	\$ 8,153.5	2,390.5

The Company attributes revenue by geography based on the external customer's country of origin. Long-lived assets consist of noncurrent assets excluding deferred tax assets.

## 21. Major Clients

Other than the U.S. federal government, no single client accounted for 10% or more of the Company's revenue in any of the past five fiscal years. Approximately 24%, 15% and 18% of the Company's revenue was derived through direct contracts with agencies of the U.S. federal government in the years ended September 30, 2015, 2014 and 2013, respectively. One of these contracts accounted for approximately 2%, 3% and 4% of the Company's revenue in the years ended September 30, 2015, 2014 and 2013, respectively.



## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 22. Quarterly Financial Information Unaudited

In the opinion of management, the following unaudited quarterly data reflects all adjustments necessary for a fair statement of the results of operations. All such adjustments are of a normal recurring nature.

Fiscal Year 2015:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
(in millions, except per share data)				
Revenue	\$ 4,210.5	\$ 4,506.2	\$ 4,549.5	\$ 4,723.7
Cost of revenue	4,075.7	4,403.0	4,422.9	4,553.1
Gross profit	134.8	103.2	126.6	170.6
Equity in earnings of joint ventures	23.9	24.7	27.7	29.9
General and administrative expenses	(34.3)	(29.8)	(24.4)	(25.5)
Acquisition and integration expenses	(138.5)	(91.6)	(88.5)	(79.8)
Income from operations	(14.1)	6.5	41.4	95.2
Other income (expenses)	2.6	(1.0)	10.1	7.4
Interest expense	(118.7)	(60.7)	(60.2)	(60.0)
(Loss) income before income tax expense	(130.2)	(55.2)	(8.7)	42.6
Income tax (benefit) expense	(12.1)	(75.8)	(8.5)	16.1
Net (loss) income	(118.1)	20.6	(0.2)	26.5
Noncontrolling interest in income of consolidated subsidiaries, net of tax	(20.9)	(20.3)	(17.0)	(25.4)
Net (loss) income attributable to AECOM	\$ (139.0)	\$ 0.3	\$ (17.2)	\$ 1.1
Net (loss) income attributable to AECOM per share:				
Basic	\$ (0.98)	\$	\$ (0.11)	\$ 0.01
Diluted	\$ (0.98)	\$	\$ (0.11)	\$ 0.01
Weighted average common shares outstanding:				
Basic	141.9	151.1	151.7	153.8
Diluted	141.9	152.8	151.7	155.2

During the three months ended March 31, 2015, the Company updated certain provisional amounts reflected in the preliminary purchase price allocation of URS. These measurement period adjustments require the revision of comparative financial information for the quarter ended December 31, 2014, and are reflected in the above results of operations. The adjustments to intangible assets increased amortization expense for the three months ended December 31, 2014 by \$53.9 million. The adjustments to the margin fair value liability increased revenue for the three months ended December 31, 2014 by \$24.5 million. The net effect of these adjustments to noncontrolling interests was a decrease of \$2.3 million for the three months ended December 31, 2014. See also Note 4, Business Acquisitions, Goodwill, and Intangible Assets.



## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 22. Quarterly Financial Information Unaudited (Continued)

Fiscal Year 2014:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
(in millions, except per share data)				
Revenue	\$ 1,953.9	\$ 1,872.2	\$ 1,968.2	\$ 2,562.5
Cost of revenue	1,875.7	1,784.8	1,859.7	2,433.4
Gross profit	78.2	87.4	108.5	129.1
Equity in earnings of joint ventures	36.1	7.4	6.0	8.4
General and administrative expenses	(23.9)	(26.4)	(15.1)	(15.5)
Acquisition and integration expenses			(7.8)	(19.5)
Income from operations	90.4	68.4	91.6	102.5
Other income (expenses)		(0.2)	1.0	1.9
Interest expense	(10.4)	(10.5)	(9.8)	(10.1)
Income before income tax expense	80.0	57.7	82.8	94.3
Income tax expense	23.5	15.2	13.7	29.6
Net income	56.5	42.5	69.1	64.7
Noncontrolling interest in income of consolidated subsidiaries, net of tax	(0.1)	(2.3)	0.1	(0.6)
Net income attributable to AECOM	\$ 56.4	\$ 40.2	\$ 69.2	\$ 64.1
Net income attributable to AECOM per share:				
Basic	\$ 0.59	\$ 0.41	\$ 0.71	\$ 0.65
Diluted	\$ 0.58	\$ 0.41	\$ 0.70	\$ 0.64
Weighted average common shares outstanding:				
Basic	96.3	97.0	97.5	98.1
Diluted	97.6	98.3	99.0	99.7

## 23. Condensed Consolidating Financial Information

As discussed in Note 9, on October 6, 2014, AECOM issued \$800.0 million aggregate principal amount of its 2022 Notes and \$800.0 million aggregate principal amount of its 2024 Notes in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act). AECOM filed a Registration Statement on Form S-4 relating to the offer to exchange the Notes for new 5.75% Senior Notes due 2022 and 5.875% Senior Notes due 2024 that was declared effective by the SEC on September 29, 2015. The Notes are fully and unconditionally guaranteed on a joint and several basis by certain of AECOM's directly and indirectly wholly-owned subsidiaries (the Subsidiary Guarantors). Other than customary restrictions imposed by applicable statutes, there are no restrictions on the ability of the Subsidiary Guarantors to transfer funds to AECOM in the form of cash dividends, loans or advances.

In connection with the registration of the exchange offer, AECOM became subject to the requirements of Rule 3-10 of Regulation S-X regarding financial statements of guarantors and issuers of guaranteed securities registered or being registered with the Securities and Exchange Commission. The following condensed consolidating financial information, which is presented for AECOM, the Subsidiary Guarantors on a combined basis and AECOM's non-guarantor subsidiaries on a combined basis, is provided to satisfy the disclosure requirements of Rule 3-10 of Regulation S-X.

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 23. Condensed Consolidating Financial Information (Continued)

**Condensed Consolidating Balance Sheets**  
(in millions)  
September 30, 2015

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Total cash and cash equivalents	\$ 1.3	\$ 162.5	\$ 520.1	\$	\$ 683.9
Accounts receivable net		2,165.5	2,675.9		4,841.4
Intercompany receivable	771.3	187.3	262.7	(1,221.3)	
Prepaid expenses and other current assets	36.7	127.4	224.9		389.0
Income taxes receivable	68.7		12.5		81.2
Deferred tax assets net	36.6		276.9	(62.9)	250.6
<b>TOTAL CURRENT ASSETS</b>	<b>914.6</b>	<b>2,642.7</b>	<b>3,973.0</b>	<b>(1,284.2)</b>	<b>6,246.1</b>
PROPERTY AND EQUIPMENT NET	93.4	240.0	365.9		699.3
DEFERRED TAX ASSETS NET	27.1		7.3	(34.4)	
INVESTMENTS IN CONSOLIDATED SUBSIDIARIES	6,739.4	1,343.7	67.4	(8,150.5)	
INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES	0.8	73.4	247.4		321.6
GOODWILL		3,291.1	2,529.6		5,820.7
INTANGIBLE ASSETS NET		459.4	200.0		659.4
OTHER NON-CURRENT ASSETS	88.7	26.8	151.7		267.2
<b>TOTAL ASSETS</b>	<b>\$ 7,864.0</b>	<b>\$ 8,077.1</b>	<b>\$ 7,542.3</b>	<b>\$ (9,469.1)</b>	<b>\$ 14,014.3</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Short-term debt	\$ 2.3	\$	\$ 0.5	\$	\$ 2.8
Accounts payable	28.0	834.1	991.9		1,854.0
Accrued expenses and other current liabilities	229.5	1,001.6	936.7		2,167.8
Intercompany payable	119.9	960.3	319.8	(1,400.0)	
Billings in excess of costs on uncompleted contracts		255.7	398.2		653.9
Deferred tax liability net		62.9		(62.9)	
Current portion of long-term debt	105.6	24.5	27.5		157.6
<b>TOTAL CURRENT LIABILITIES</b>	<b>485.3</b>	<b>3,139.1</b>	<b>2,674.6</b>	<b>(1,462.9)</b>	<b>4,836.1</b>
OTHER LONG-TERM LIABILITIES	63.6	299.5	507.6		870.7
DEFERRED TAX LIABILITY NET		122.6	141.9	(34.4)	230.1
NOTE PAYABLE INTERCOMPANY NON CURRENT			669.1	(669.1)	
LONG-TERM DEBT	3,914.0	482.7	49.8		4,446.5
<b>TOTAL LIABILITIES</b>	<b>4,462.9</b>	<b>4,043.9</b>	<b>4,043.0</b>	<b>(2,166.4)</b>	<b>10,383.4</b>
<b>TOTAL AECOM STOCKHOLDERS' EQUITY</b>	<b>3,401.1</b>	<b>4,033.2</b>	<b>3,276.1</b>	<b>(7,302.7)</b>	<b>3,407.7</b>
Noncontrolling interests			223.2		223.2
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>3,401.1</b>	<b>4,033.2</b>	<b>3,499.3</b>	<b>(7,302.7)</b>	<b>3,630.9</b>

Edgar Filing: AECOM - Form 10-K/A

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 7,864.0 \$ 8,077.1 \$ 7,542.3 \$ (9,469.1) \$ 14,014.3

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 23. Condensed Consolidating Financial Information (Continued)

**Condensed Consolidating Balance Sheets**  
(in millions)  
September 30, 2014

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Total cash and cash equivalents	\$ 33.4	\$ 85.8	\$ 455.0	\$	\$ 574.2
Accounts receivable net		907.4	1,747.6		2,655.0
Intercompany receivable	363.8	107.8	211.1	(682.7)	
Prepaid expenses and other current assets	19.7	20.5	137.3		177.5
Income taxes receivable			1.7	(0.2)	1.5
Deferred tax assets net	42.0		45.1	(61.2)	25.9
<b>TOTAL CURRENT ASSETS</b>	<b>458.9</b>	<b>1,121.5</b>	<b>2,597.8</b>	<b>(744.1)</b>	<b>3,434.1</b>
PROPERTY AND EQUIPMENT NET	53.6	90.6	137.8		282.0
DEFERRED TAX ASSETS NET	36.1	42.3	64.1	(24.5)	118.0
INVESTMENTS IN CONSOLIDATED SUBSIDIARIES	3,001.3	440.8		(3,442.1)	
INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES		31.9	111.0		142.9
GOODWILL		1,011.8	925.5		1,937.3
INTANGIBLE ASSETS NET		29.0	61.2		90.2
OTHER NON-CURRENT ASSETS	15.6	3.0	100.3		118.9
<b>TOTAL ASSETS</b>	<b>\$ 3,565.5</b>	<b>\$ 2,770.9</b>	<b>\$ 3,997.7</b>	<b>\$ (4,210.7)</b>	<b>\$ 6,123.4</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Short-term debt	\$ 9.9	\$ 1.0	\$ 13.0	\$	\$ 23.9
Accounts payable	26.3	405.1	615.8		1,047.2
Accrued expenses and other current liabilities	136.2	265.8	562.8	(0.2)	964.6
Intercompany payable	157.7	460.0	73.1	(690.8)	
Billings in excess of costs on uncompleted contracts		87.0	292.6		379.6
Deferred tax liability net		61.2		(61.2)	
Current portion of long-term debt	37.5		3.0		40.5
<b>TOTAL CURRENT LIABILITIES</b>	<b>367.6</b>	<b>1,280.1</b>	<b>1,560.3</b>	<b>(752.2)</b>	<b>2,455.8</b>
OTHER LONG-TERM LIABILITIES	80.5	48.0	327.0		455.5
DEFERRED TAX LIABILITY NET			24.5	(24.5)	
LONG-TERM DEBT	938.9		0.7		939.6
<b>TOTAL LIABILITIES</b>	<b>1,387.0</b>	<b>1,328.1</b>	<b>1,912.5</b>	<b>(776.7)</b>	<b>3,850.9</b>
TOTAL AECOM STOCKHOLDERS' EQUITY	2,178.5	1,442.8	1,999.2	(3,434.0)	2,186.5
Noncontrolling interests			86.0		86.0
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>2,178.5</b>	<b>1,442.8</b>	<b>2,085.2</b>	<b>(3,434.0)</b>	<b>2,272.5</b>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,565.5	\$ 2,770.9	\$ 3,997.7	\$ (4,210.7)	\$ 6,123.4
--	------------	------------	------------	--------------	------------

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 23. Condensed Consolidating Financial Information (Continued)

Condensed Consolidating Statements of Income  
(in millions)

For the Fiscal Year Ended September 30, 2015

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenue	\$	\$ 8,749.5	\$ 9,463.6	\$ (223.2)	\$ 17,989.9
Cost of revenue		8,486.4	9,191.5	(223.2)	17,454.7
Gross profit		263.1	272.1		535.2
Equity in earnings from subsidiaries	321.3	(95.4)	(1.4)	(224.5)	
Equity in earnings of joint ventures		20.0	86.2		106.2
General and administrative expenses	(112.2)	(1.8)			(114.0)
Acquisition and integration expenses	(346.9)	(51.5)			(398.4)
(Loss) income from operations	(137.8)	134.4	356.9	(224.5)	129.0
Other income (expense)	5.1	34.9	14.7	(35.6)	19.1
Interest (expense) income	(275.4)	(20.4)	(39.4)	35.6	(299.6)
(Loss) income before income tax expense	(408.1)	148.9	332.2	(224.5)	(151.5)
Income tax (benefit) expense	(253.3)	66.7	61.0	45.3	(80.3)
Net (loss) income	(154.8)	82.2	271.2	(269.8)	(71.2)
Noncontrolling interests in income of consolidated subsidiaries, net of tax			(83.6)		(83.6)
Net (loss) income attributable to AECOM	\$ (154.8)	\$ 82.2	\$ 187.6	\$ (269.8)	\$ (154.8)

For the Fiscal Year Ended September 30, 2014

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenue	\$	\$ 3,609.4	\$ 4,781.9	\$ (34.5)	\$ 8,356.8
Cost of revenue		3,451.6	4,536.5	(34.5)	7,953.6
Gross profit		157.8	245.4		403.2
Equity in earnings from subsidiaries	346.7	40.9		(387.6)	
Equity in earnings of joint ventures		15.0	42.9		57.9
General and administrative expenses	(80.9)				(80.9)
Acquisition and integration expenses	(27.3)				(27.3)
Income (loss) from operations	238.5	213.7	288.3	(387.6)	352.9
Other income (loss)	0.5	0.9	2.0	(0.7)	2.7
Interest expense income	(37.7)	(0.7)	(3.1)	0.7	(40.8)
Income (loss) before income tax expense	201.3	213.9	287.2	(387.6)	314.8
Income tax (benefit) expense	(28.6)	34.3	69.5	6.8	82.0

Edgar Filing: AECOM - Form 10-K/A

Net income (loss)	229.9	179.6	217.7	(394.4)	232.8
Noncontrolling interests in income of consolidated subsidiaries, net of tax			(2.9)		(2.9)
Net income (loss) attributable to AECOM	\$ 229.9	\$ 179.6	\$ 214.8	\$ (394.4)	\$ 229.9

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 23. Condensed Consolidating Financial Information (Continued)

Condensed Consolidating Statements of Income  
(in millions)

	For the Fiscal Year Ended September 30, 2013				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Revenue	\$	\$ 3,784.1	\$ 4,410.5	\$ (41.1)	\$ 8,153.5
Cost of revenue		3,617.5	4,127.1	(41.1)	7,703.5
Gross profit		166.6	283.4		450.0
Equity in earnings from subsidiaries	334.3	51.1		(385.4)	
Equity in earnings of joint ventures		12.7	11.6		24.3
General and administrative expenses	(97.3)				(97.3)
Income (loss) from operations	237.0	230.4	295.0	(385.4)	377.0
Other income (loss)	1.4		2.4	(0.3)	3.5
Interest expense income	(43.2)	(0.1)	(1.7)	0.3	(44.7)
Income (loss) before income tax expense	195.2	230.3	295.7	(385.4)	335.8
Income tax (benefit) expense	(44.1)	51.5	78.4	6.8	92.6
Net income (loss)	239.3	178.8	217.3	(392.2)	243.2
Noncontrolling interests in income of consolidated subsidiaries, net of tax			(4.0)		(4.0)
Net income (loss) attributable to AECOM	\$ 239.3	\$ 178.8	\$ 213.3	\$ (392.2)	\$ 239.2

Consolidating Statements of Comprehensive Income (Loss)  
(in millions)

	For the Fiscal Year Ended September 30, 2015				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net (loss) income	\$ (154.8)	\$ 82.2	\$ 271.2	\$ (269.8)	\$ (71.2)
Other comprehensive income (loss), net of tax:					
Net unrealized loss on derivatives, net of tax	(6.1)		(3.1)		(9.2)
Foreign currency translation adjustments			(285.6)		(285.6)
Pension adjustments, net of tax	1.8	6.4	4.8		13.0
Other comprehensive (loss) income, net of tax	(4.3)	6.4	(283.9)		(281.8)
Comprehensive (loss) income, net of tax	(159.1)	88.6	(12.7)	(269.8)	(353.0)
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax			(80.3)		(80.3)
Comprehensive (loss) income attributable to AECOM, net of tax	\$ (159.1)	\$ 88.6	\$ (93.0)	\$ (269.8)	\$ (433.3)





## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 23. Condensed Consolidating Financial Information (Continued)

	For the Fiscal Year Ended September 30, 2014				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net income (loss)	\$ 229.9	\$ 179.6	\$ 217.7	\$ (394.4)	\$ 232.8
Other comprehensive income (loss), net of tax:					
Net unrealized gain on derivatives, net of tax	0.3				0.3
Foreign currency translation adjustments			(72.7)		(72.7)
Pension adjustments, net of tax	(9.9)		(14.3)		(24.2)
Other comprehensive loss, net of tax	(9.6)		(87.0)		(96.6)
Comprehensive income (loss), net of tax	220.3	179.6	130.7	(394.4)	136.2
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax			(1.6)		(1.6)
Comprehensive income (loss) attributable to AECOM, net of tax	\$ 220.3	\$ 179.6	\$ 129.1	\$ (394.4)	\$ 134.6

	For the Fiscal Year Ended September 30, 2013				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net income (loss)	\$ 239.3	\$ 178.8	\$ 217.3	\$ (392.2)	\$ 243.2
Other comprehensive income (loss), net of tax:					
Net unrealized gain on derivatives, net of tax	1.6				1.6
Foreign currency translation adjustments			(70.5)		(70.5)
Pension adjustments, net of tax	19.1		(33.7)		(14.6)
Other comprehensive income (loss), net of tax	20.7		(104.2)		(83.5)
Comprehensive income (loss), net of tax	260.0	178.8	113.1	(392.2)	159.7
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax			(2.6)		(2.6)
Comprehensive income (loss) attributable to AECOM, net of tax	\$ 260.0	\$ 178.8	\$ 110.5	\$ (392.2)	\$ 157.1

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 23. Condensed Consolidating Financial Information (Continued)

Condensed Consolidating Statements of Cash Flows  
(in millions)

	For the Fiscal Year Ended September 30, 2015				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES	\$ (551.2)	\$ 816.9	\$ 498.7	\$	\$ 764.4
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments for business acquisitions, net of cash acquired	(3,564.2)	109.2	161.7		(3,293.3)
Proceeds from disposal of businesses and property	9.5	5.6			15.1
Net investment in unconsolidated joint ventures		(4.0)	(28.7)		(32.7)
Sales (purchases) of investments	37.3		(2.7)		34.6
Payments for capital expenditures, net of disposals	(51.9)	(15.8)	(1.7)		(69.4)
Receipts from intercompany notes receivables	95.6	128.6		(224.2)	
Other intercompany investing activities	1,085.8	160.9		(1,246.7)	
Net cash (used in) provided by investing activities	(2,387.9)	384.5	128.6	(1,470.9)	(3,345.7)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings under credit agreements	6,464.6	29.9	87.2		6,581.7
Repayments of borrowings under credit agreements	(5,031.9)	(31.2)	(95.2)		(5,158.3)
Issuance of unsecured senior notes	1,600.0				1,600.0
Prepayment penalty on Unsecured Senior Notes	(55.6)				(55.6)
Cash paid for debt and equity issuance costs	(89.6)				(89.6)
Proceeds from issuance of common stock	25.6				25.6
Proceeds from exercise of stock options	11.1				11.1
Payments to repurchase common stock	(23.1)				(23.1)
Excess tax benefit from share-based payment	3.6				3.6
Net distributions to noncontrolling interests			(144.3)		(144.3)
Other financing activities	2.3	(4.1)	(29.5)		(31.3)
Intercompany notes repayments			(224.2)	224.2	
Other intercompany financing activities		(1,119.4)	(127.3)	1,246.7	
Net cash provided by (used in) financing activities	2,907.0	(1,124.8)	(533.3)	1,470.9	2,719.8
EFFECT OF EXCHANGE RATE CHANGES ON CASH NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(32.1)	76.6	65.2	(28.8)	109.7
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	33.4	85.8	455.0		574.2
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1.3	\$ 162.4	\$ 520.2	\$	\$ 683.9

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 23. Condensed Consolidating Financial Information (Continued)

	For the Fiscal Year Ended September 30, 2014				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES	\$ (33.3)	\$ 206.5	\$ 187.4	\$	\$ 360.6
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments for business acquisitions, net of cash acquired		(55.0)	1.9		(53.1)
Cash acquired from consolidation of joint venture			19.0		19.0
Proceeds from disposal of businesses and property			3.6		3.6
Net investment in unconsolidated joint ventures		9.4	(61.6)		(52.2)
Sale of investments			2.7		2.7
Payments for capital expenditures, net of disposals	(14.3)	(17.8)	(30.7)		(62.8)
Receipts from intercompany notes receivables	146.7			(146.7)	
Other intercompany investing activities	116.7	55.7		(172.4)	
Net cash provided by (used in) investing activities	249.1	(7.7)	(65.1)	(319.1)	(142.8)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings under credit agreements	1,769.3		39.9		1,809.2
Repayments of borrowings under credit agreements	(1,918.6)	(15.8)	(42.0)		(1,976.4)
Cash paid for debt and equity issuance costs	(8.1)				(8.1)
Proceeds from issuance of common stock	13.9				13.9
Proceeds from exercise of stock options	13.4				13.4
Payments to repurchase common stock	(34.9)				(34.9)
Excess tax benefit from share-based payment	0.7				0.7
Net distributions to noncontrolling interests			(30.2)		(30.2)
Other financing activities	(22.5)	0.8	0.3		(21.4)
Intercompany notes repayments			(146.7)	146.7	
Other intercompany financing activities		(178.2)	5.8	172.4	
Net cash used in financing activities	(186.8)	(193.2)	(172.9)	319.1	(233.8)
EFFECT OF EXCHANGE RATE CHANGES ON CASH			(10.5)		(10.5)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29.0	5.6	(61.1)		(26.5)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4.4	80.2	516.1		600.7
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 33.4	\$ 85.8	\$ 455.0	\$	\$ 574.2

## AECOM

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 23. Condensed Consolidating Financial Information (Continued)

Condensed Consolidating Statements of Cash Flows  
(in millions)

	For the Fiscal Year Ended September 30, 2013				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES	\$ (25.8)	\$ 134.0	\$ 300.4	\$	\$ 408.6
CASH FLOWS FROM INVESTING ACTIVITIES:					
Payments for business acquisitions, net of cash acquired			(42.0)		(42.0)
Proceeds from disposal of businesses and property			2.7		2.7
Net investment in unconsolidated joint ventures		2.6	(26.4)		(23.8)
Purchases of investments			(24.3)		(24.3)
Payments for capital expenditures, net of disposals	(9.8)	(17.5)	(24.8)		(52.1)
Receipts from intercompany notes receivable	116.2			(116.2)	
Other intercompany investing activities	120.9	48.7		(169.6)	
Net cash provided by (used in) investing activities	227.3	33.8	(114.8)	(285.8)	(139.5)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from borrowings under credit agreements	2,234.5	15.8	0.4		2,250.7
Repayments of borrowings under credit agreements	(2,145.7)	(2.5)	(7.1)		(2,155.3)
Cash paid for debt and equity issuance costs	(1.6)				(1.6)
Proceeds from issuance of common stock	14.0				14.0
Proceeds from exercise of stock options	14.4				14.4
Payments to repurchase common stock	(388.1)				(388.1)
Excess tax benefit from share-based payment	1.7				1.7
Net distributions to noncontrolling interests			(18.5)		(18.5)
Other financing activities	29.4	(0.5)	(0.6)		28.3
Intercompany notes repayments			(116.2)	116.2	
Other intercompany financing activities		(147.8)	(21.8)	169.6	
Net cash used in financing activities	(241.4)	(135.0)	(163.8)	285.8	(254.4)
EFFECT OF EXCHANGE RATE CHANGES ON CASH NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(39.9)	32.8	14.0	(7.8)	6.9
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	44.3	47.4	502.1		593.8
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4.4	\$ 80.2	\$ 516.1	\$	\$ 600.7

## 24. Subsequent Events

On November 2, 2015, the Company exchanged its 2014 Senior Notes for a new series of notes having terms substantially identical in all material respects to the 2014 Senior Notes (except certain transfer restrictions, registration rights and additional interest provisions relating to the 2014 Senior Notes will not apply to the new notes).

AECOM

Schedule II: Valuation and Qualifying Accounts

(amounts in millions)

	Balance at Beginning of Year	Additions Charged to Cost of Revenue	Deductions(a)	Other and Foreign Exchange Impact	Balance at the End of the Year
<b>Allowance for Doubtful Accounts</b>					
Fiscal Year 2015	\$ 72.1	\$ 26.9	\$ (31.2)	\$ (3.7)	\$ 64.1
Fiscal Year 2014	86.4	17.3	(38.4)	6.8	72.1
Fiscal Year 2013	112.8	18.3	(45.5)	0.8	86.4

(a)

Primarily relates to accounts written-off and recoveries

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

(a)

Documents filed as part of this report:

(1)

The company's Consolidated Financial Statements at September 30, 2015 and 2014 and for each of the three years in the period ended September 30, 2015 and the notes thereto, together with the report of the independent auditors on those Consolidated Financial Statements are hereby filed as part of this report.

(2)

Financial Statement Schedule II Valuation and Qualifying Accounts for the Years Ended September 30, 2015, 2014 and 2013.

(3)

See Exhibits and Index to Exhibits, below.

(b)

Exhibits.

**Exhibit  
Numbers**

**Description**

- | <b>Exhibit<br/>Numbers</b> | <b>Description</b>   |
|----------------------------|--|
| 2.1                        | Agreement and Plan of Merger, dated as of July 11, 2014, by and among AECOM Technology Corporation, ACM Mountain I, LLC, AECOM Global II, LLC (formerly ACM Mountain II, LLC) and URS Corporation (incorporated by reference to Exhibit 2.1 to the Company's current report on Form 8-K filed with the SEC on July 14, 2014) |
| 3.1                        | Amended and Restated Certificate of Incorporation of AECOM Technology Corporation (incorporated by reference to Exhibit 3.1 to the Company's annual report on Form 10-K filed with the SEC on November 18, 2011)   |
| 3.2                        | Certificate of Amendment to Amended and Restated Certificate of Incorporation of AECOM Technology Corporation (incorporated by reference to Exhibit 3.2 to the Company's registration statement on Form S-4 filed with the SEC on August 1, 2014)  |
| 3.3                        | Certificate of Correction of Amended and Restated Certificate of Incorporation of AECOM Technology Corporation (incorporated by reference to Exhibit 3.3 to the Company's Form 10-K filed with the SEC on November 17, 2014)   |
| 3.4                        | Certificate of Amendment to the Company's Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed with the SEC on January 9, 2015)  |
| 3.5                        | Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Company's current report on Form 8-K filed with the SEC on September 2, 2009)   |
| 4.1                        | Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)  |
| 4.2                        | Indenture, dated as of October 6, 2014, by and among AECOM Technology Corporation, the Guarantors party thereto, and U.S. Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed with the SEC on October 8, 2014)                                |
| 4.3                        | First Supplemental Indenture, dated as of October 17, 2014, by and among AECOM Technology Corporation, the guarantors party thereto and U.S. Bank National Association (incorporated by reference to Exhibit 4.10 to the Company's annual report on Form 10-K filed with the SEC on November 17, 2014)                       |
| 4.4                        | Second Supplemental Indenture, dated as of June 3, 2015, by and among AECOM, the guarantors party thereto and U.S. Bank National Association (incorporated by reference to Exhibit 4.3 to the Company's registration statement on Form S-4 filed with the SEC on July 6, 2015)   |

## Edgar Filing: AECOM - Form 10-K/A

<b>Exhibit Numbers</b>	<b>Description</b>
4.5	Third Supplemental Indenture, dated as of June 19, 2015, by and among AECOM, the guarantor party thereto and U.S. Bank National Association (incorporated by reference to Exhibit 4.4 to the Company's registration statement on Form S-4 filed with the SEC on July 6, 2015)
4.6	Indenture, dated March 15, 2012, between URS Corporation, URS Fox U.S. LP and U.S. Bank National Association (incorporated by reference to Exhibit 4.01 to URS Corporation's current report on Form 8-K filed with the SEC on March 20, 2012)
4.7	First Supplemental Indenture, dated March 15, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association (incorporated by reference to Exhibit 4.02 to URS Corporation's current report on Form 8-K filed with the SEC on March 20, 2012)
4.8	Second Supplemental Indenture, dated March 15, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association (incorporated by reference to Exhibit 4.03 to URS Corporation's current report on Form 8-K filed with the SEC on March 20, 2012)
4.9	Third Supplemental Indenture, dated as of May 14, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association (incorporated by reference to Exhibit 4.6 to URS Corporation's current report on Form 8-K filed with the SEC on May 18, 2012)
4.10	Fourth Supplemental Indenture, dated as of September 24, 2012, by and among URS Corporation, URS Fox U.S. LP, the additional guarantor parties thereto and U.S. Bank National Association (incorporated by reference to Exhibit 4.2 to URS Corporation's current report on Form 8-K filed with the SEC on September 26, 2012)
4.11	Fifth Supplemental Indenture, dated as of October 17, 2014, by and among AECOM Global II, LLC, URS Fox U.S. LP and U.S. Bank National Association (incorporated by reference to Exhibit 4.8 to the Company's annual report on Form 10-K filed with the SEC on November 17, 2014)
4.12	Registration Rights Agreement, dated October 6, 2014, by and among AECOM Technology Corporation, AECOM Government Services, Inc., AECOM Technical Services, Inc., Tishman Construction Corporation, other Guarantors, and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to Exhibit 4.2 to the Company's current report on Form 8-K filed with the SEC on October 8, 2014)
10.1	Credit Agreement, dated as of October 17, 2014, among AECOM Technology Corporation and certain of its subsidiaries, as borrowers, certain lenders, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, MUFG Union Bank, N.A., BNP Paribas, JPMorgan Chase Bank, N.A., and the Bank of Nova Scotia, as Co-Syndication Agents, and BBVA Compass, Credit Agricole Corporate and Investment Bank, HSBC Bank USA, National Association, Sumitomo Mitsui Banking Corporation and Wells Fargo Bank, National Association, as Co-Documentation Agents (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8-K filed with the SEC on October 17, 2014)

---



## Edgar Filing: AECOM - Form 10-K/A

<b>Exhibit Numbers</b>	<b>Description</b>
10.2	Amendment No. 1 to the Credit Agreement, dated as of July 1, 2015, by and among AECOM and certain of its subsidiaries, as borrowers, certain lenders, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, MUFG Union Bank, N.A., BNP Paribas, JPMorgan Chase Bank, N.A., and the Bank of Nova Scotia, as Co Syndication Agents, and BBVA Compass, Credit Agricole Corporate and Investment Bank, HSBC Bank USA, National Association, Sumitomo Mitsui Banking Corporation and Wells Fargo Bank, National Association, as Co Documentation Agents (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8 K filed with the SEC on July 7, 2014)
10.3	Amendment No. 1 to the Credit Agreement, dated as of July 1, 2015, by and among AECOM and certain of its subsidiaries, as borrowers, certain lenders, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, MUFG Union Bank, N.A., BNP Paribas, JPMorgan Chase Bank, N.A., and the Bank of Nova Scotia, as Co Syndication Agents, and BBVA Compass, Credit Agricole Corporate and Investment Bank, HSBC Bank USA, National Association, Sumitomo Mitsui Banking Corporation and Wells Fargo Bank, National Association, as Co Documentation Agents (incorporated by reference to Exhibit 10.1 of the Company's current report on Form 8 K filed with the SEC on July 7, 2014)
10.4#	First Amendment, effective July 1, 1998, to the 1992 Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.13 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.5#	Second Amendment, effective March 1, 2003, to the 1992 Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.14 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.6#	Third Amendment, effective April 1, 2004, to the 1992 Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.15 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.7#	1996 Supplemental Executive Retirement Plan, restated as of November 20, 1997 (incorporated by reference to Exhibit 10.16 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.8#	First Amendment, effective July 1, 1998, to the 1996 Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.17 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.9#	Second Amendment, effective April 1, 2004, to the 1996 Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.18 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.10#	1998 Management Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.20 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.11#	First Amendment, effective January 1, 2002, to the 1998 Management Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.21 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.12#	Second Amendment, effective July 1, 1998, to the 1998 Management Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.22 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.13#	Third Amendment, effective October 31, 2004, to the 1998 Management Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.23 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)

---

## Edgar Filing: AECOM - Form 10-K/A

<b>Exhibit Numbers</b>	<b>Description</b>
10.14#	1996 Excess Benefit Plan (incorporated by reference to Exhibit 10.24 to the Company's registration statement on Form 1 filed with the SEC on January 29, 2007)
10.15#	First Amendment, effective July 1, 1998, to the 1996 Excess Benefit Plan (incorporated by reference to Exhibit 10.25 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.16#	Second Amendment, effective March 1, 2003, to the 1996 Excess Benefit Plan (incorporated by reference to Exhibit 10.26 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.17#	Third Amendment, effective April 1, 2004, to the 1996 Excess Benefit Plan (incorporated by reference to Exhibit 10.27 to the Company's registration statement on Form 10 filed with the SEC on January 29, 2007)
10.18#	Change in Control Severance Policy for Key Executives (incorporated by reference to Exhibit 10.18 of the Company's annual report on Form 10-K filed with the SEC on November 25, 2015)
10.19#	Employment Agreement, dated as of July 14, 2010, by and among AECOM Technology Corporation, Tishman Construction Corporation and Daniel R. Tishman (incorporated by reference to Exhibit 2.2 to the Company's current report on Form 8-K filed with the SEC on July 14, 2010)
10.20#	Employment Agreement between AECOM Technology Corporation and George L. Nash, Jr., dated as of January 1, 2015 (incorporated by reference to Exhibit 10.1 to the Company's quarterly report on Form 10-Q filed with the SEC on February 11, 2015)
10.21#	Employment Agreement between AECOM Technology Corporation and Randall A. Wotring, dated as of January 1, 2015 (incorporated by reference to Exhibit 10.2 to the Company's quarterly report on Form 10-Q filed with the SEC on February 11, 2015)
10.22#	AECOM Technology Corporation Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.3 to the Company's registration statement on Form S-8 filed with the SEC on May 24, 2010)
10.23#	Amended and Restated 2006 Stock Incentive Plan (incorporated by reference to Annex B to the Company's definitive proxy statement on Schedule 14A filed with the SEC on January 21, 2011)
10.24#	Amended Stock Option Standard Terms and Conditions under 2006 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's quarterly report on Form 10-Q filed with the SEC on May 4, 2012)
10.25#	Form of New and Amended Restricted Stock Unit Standard Terms and Conditions under the 2006 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 of the Company's current report on Form 8-K filed with the SEC on December 21, 2012)
10.26#	Standard Terms and Conditions for Performance Earnings Program under AECOM Technology Corporation 2006 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's current report on Form 8-K filed with the SEC on December 5, 2008)
10.27#	URS Energy & Construction Holdings, Incorporated Restoration Plan (incorporated by reference to Exhibit 10.3 to the Company's quarterly report on Form 10-Q filed with the SEC on February 11, 2015)
10.28#	First Amendment to the URS Energy & Construction Holdings, Incorporated Restoration Plan (incorporated by reference to Exhibit 10.4 to the Company's quarterly report on Form 10-Q filed with the SEC on February 11, 2015)

---

## Edgar Filing: AECOM - Form 10-K/A

Exhibit Numbers	Description
10.29#	Second Amendment to the URS Energy & Construction Holdings, Incorporated Restoration Plan(incorporated by reference to Exhibit 10.5 to the Company's quarterly report on Form 10-Q filed with the SEC on February 11, 2015)
10.32#	URS Corporation 2008 Equity Incentive Plan (incorporated by reference to Exhibit 4.4 to the Company's registration statement on Form S 8 filed with the SEC on October 17, 2014)
10.33#	AECOM Technology Corporation Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed with the SEC on December 21, 2012)
10.35#	AECOM Technology Corporation Executive Incentive Plan (incorporated by reference to Annex A to the Company's definitive proxy statement on Schedule 14A filed with the SEC on January 22, 2010)
10.36#	Letter Agreement, dated as of March 6, 2014, by and among AECOM Technology Corporation and Michael S. Burke (incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed with the SEC on March 12, 2014)
10.37#	Form of Special LTI Award Stock Option Terms and Conditions under the 2006 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 of the Company's current report on Form 8-K filed with the SEC on January 29, 2014)
21.1	Subsidiaries of AECOM (incorporated by reference to Exhibit 21.1 of the Company's annual report on Form 10-K filed with the SEC on November 25, 2015)
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
95	Mine Safety Disclosure (incorporated by reference to Exhibit 95 of the Company's annual report on Form 10-K filed with the SEC on November 25, 2015)
101.INS	XBRL Instance Document (incorporated by reference to Exhibit 101.INS of the Company's annual report on Form 10-K filed with the SEC on November 25, 2015)
101.SCH	XBRL Instance Document (incorporated by reference to Exhibit 101.SCH of the Company's annual report on Form 10-K filed with the SEC on November 25, 2015)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase (incorporated by reference to Exhibit 101.CAL of the Company's annual report on Form 10-K filed with the SEC on November 25, 2015)
101.LAB	XBRL Taxonomy Extension Labels Linkbase (incorporated by reference to Exhibit 101.LAB of the Company's annual report on Form 10-K filed with the SEC on November 25, 2015)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase(incorporated by reference to Exhibit 101.PRE of the Company's annual report on Form 10-K filed with the SEC on November 25, 2015)
101.DEF	XBRL Taxonomy Extension Definition Linkbase (incorporated by reference to Exhibit 101.DEF of the Company's annual report on Form 10-K filed with the SEC on November 25, 2015)

---

#

Management contract or compensatory plan or arrangement.

---

