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30,774

See accompanying notes to unaudited consolidated financial statements.

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MAXIMUS, Inc.

CONSOLIDATED BALANCE SHEETS

(Amounts in thousands)

| | December 31, 2014 (unaudited) | September 30, 2014 |
|--|-------------------------------------|-----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 149,196 | \$ 158,112 |
| Accounts receivable billed and billable, net of reserves of \$3,208 and \$3,138 | 265,383 | 263,011 |
| Accounts receivable unbilled | 30,862 | 26,556 |
| Deferred income taxes | 25,152 | 28,108 |
| Prepaid expenses and other current assets | 52,877 | 56,673 |
| Total current assets | 523,470 | 532,460 |
| Property and equipment, net | 83,355 | 80,246 |
| Capitalized software, net | 37,665 | 39,734 |
| Goodwill | 166,470 | 170,626 |
| Intangible assets, net | 36,630 | 39,239 |
| Deferred contract costs, net | 15,390 | 12,046 |
| Deferred compensation plan assets | 20,657 | 17,126 |
| Other assets, net | 8,615 | 9,519 |
| Total assets | \$ 892,252 | \$ 900,996 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 113,671 | \$ 103,181 |
| Accrued compensation and benefits | 57,025 | 94,137 |
| Deferred revenue | 56,106 | 55,878 |
| Income taxes payable | 19,449 | 4,693 |
| Other liabilities | 7,702 | 7,432 |
| Total current liabilities | 253,953 | 265,321 |
| Deferred revenue, less current portion | 33,894 | 32,257 |
| Deferred income taxes | 17,653 | 21,383 |
| Deferred compensation plan liabilities, less current portion | 21,444 | 18,768 |
| Other liabilities | 6,867 | 7,082 |
| Total liabilities | 333,811 | 344,811 |
| Shareholders' equity: | | |
| Common stock, no par value; 100,000 shares authorized; 65,860 and 66,613 shares issued and outstanding at December 31, 2014 and September 30, 2014, at stated amount, respectively | 433,922 | 429,857 |
| Accumulated other comprehensive income/(loss) | (10,250) | 230 |
| Retained earnings | 134,057 | 125,875 |
| Total MAXIMUS shareholders' equity | 557,729 | 555,962 |
| Noncontrolling interests | 712 | 223 |
| Total equity | 558,441 | 556,185 |
| Total liabilities and equity | \$ 892,252 | \$ 900,996 |

See accompanying notes to unaudited consolidated financial statements.

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MAXIMUS, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands)

(Unaudited)

| | Three Months Ended December 31, | |
|---|------------------------------------|------------|
| | 2014 | 2013 |
| Cash flows from operating activities: | | |
| Net income | \$ 42,350 | \$ 33,355 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization of property, equipment and capitalized software | 10,967 | 10,669 |
| Amortization of intangible assets | 1,474 | 1,353 |
| Deferred income taxes | (925) | 7,659 |
| Stock compensation expense | 3,966 | 4,081 |
| Change in assets and liabilities: | | |
| Accounts receivable billed and billable | (4,242) | (5,266) |
| Accounts receivable unbilled | (4,314) | (1,295) |
| Prepaid expenses and other current assets | (221) | 201 |
| Deferred contract costs | (3,454) | 1,354 |
| Accounts payable and accrued liabilities | 13,441 | (566) |
| Accrued compensation and benefits | (23,901) | (17,954) |
| Deferred revenue | 3,610 | (1,043) |
| Income taxes | 18,836 | 6,072 |
| Other assets and liabilities | (993) | 3,326 |
| Cash provided by operating activities | 56,594 | 41,946 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (12,754) | (4,440) |
| Capitalized software costs | (1,356) | (3,584) |
| Proceeds from note receivable | 160 | 115 |
| Cash used in investing activities | (13,950) | (7,909) |
| Cash flows from financing activities: | | |
| Cash dividends paid | (2,962) | (3,085) |
| Repurchases of common stock | (32,616) | (21,530) |
| Tax withholding related to RSU vesting | (12,337) | (12,804) |
| Stock option exercises | | 327 |
| Repayment of long-term debt | (39) | (42) |
| Cash used in financing activities | (47,954) | (37,134) |
| Effect of exchange rate changes on cash and cash equivalents | (3,606) | (1,936) |
| Net decrease in cash and cash equivalents | (8,916) | (5,033) |
| Cash and cash equivalents, beginning of period | 158,112 | 125,617 |
| Cash and cash equivalents, end of period | \$ 149,196 | \$ 120,584 |

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See accompanying notes to unaudited consolidated financial statements.

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MAXIMUS, Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

(Amounts in thousands)

(Unaudited)

| | Common Shares Outstanding | Common Stock | Accumulated Other Comprehensive Income/(Loss) | Retained Earnings | Noncontrolling Interest | Total |
|-------------------------------|---------------------------------|-----------------|--|----------------------|----------------------------|------------|
| Balance at September 30, 2014 | 66,613 | \$ 429,857 | \$ 230 | \$ 125,875 | \$ 223 | \$ 556,185 |
| Net income | | | | 41,861 | 489 | 42,350 |
| Foreign currency translation | | | (10,480) | | | (10,480) |
| Cash dividends | | | | (2,962) | | (2,962) |
| Dividends on RSUs | | 99 | | (99) | | |
| Repurchases of common stock | (753) | | | (30,618) | | (30,618) |
| Stock compensation expense | | 3,966 | | | | 3,966 |
| Balance at December 31, 2014 | 65,860 | \$ 433,922 | \$ (10,250) | \$ 134,057 | \$ 712 | \$ 558,441 |

| | Common Shares Outstanding | Common Stock | Accumulated Other Comprehensive Income | Retained Earnings | Noncontrolling Interest | Total |
|-------------------------------|---------------------------------|-----------------|---|----------------------|----------------------------|------------|
| Balance at September 30, 2013 | 68,525 | \$ 415,271 | \$ 7,987 | \$ 106,250 | \$ 267 | \$ 529,775 |
| Net income | | | | 33,859 | (504) | 33,355 |
| Foreign currency translation | | | (3,085) | | | (3,085) |
| Cash dividends | | | | (3,085) | | (3,085) |
| Dividends on RSUs | | 125 | | (125) | | |
| Repurchases of common stock | (506) | | | (22,492) | | (22,492) |
| Stock compensation expense | | 4,081 | | | | 4,081 |
| Stock options exercised | 38 | 327 | | | | 327 |
| Balance at December 31, 2013 | 68,057 | \$ 419,804 | \$ 4,902 | \$ 114,407 | \$ (237) | \$ 538,876 |

See accompanying notes to unaudited consolidated financial statements.

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MAXIMUS, Inc.

Notes to Unaudited Consolidated Financial Statements

For the Three Months Ended December 31, 2014 and 2013

In these Notes to Unaudited Consolidated Financial Statements, the terms Company, MAXIMUS, us, we or our refer to MAXIMUS, Inc. and subsidiaries.

1. Organization and Basis of Presentation

General

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles (GAAP) for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The results of operations for the three months ended December 31, 2014 are not necessarily indicative of the results that may be expected for the full fiscal year. The balance sheet at September 30, 2014 has been derived from the audited financial statements at that date but does not include all of the information and notes required by generally accepted accounting principles for complete financial statements.

The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenue and expenses. On an ongoing basis, we evaluate our estimates including those related to revenue recognition and cost estimation on certain contracts, the realizability of goodwill, and amounts related to income taxes, certain accrued liabilities and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates.

These financial statements should be read in conjunction with the consolidated audited financial statements and the notes thereto at September 30, 2014 and 2013 and for each of the three years ended September 30, 2014, included in our Annual Report on Form 10-K for the year ended September 30, 2014 which was filed with the Securities and Exchange Commission on November 17, 2014.

Table of Contents**2. Segment Information**

The following table provides certain financial information for each of our business segments (in thousands):

| | 2014 | Three Months Ended December 31, % (1) | 2013 | % (1) |
|--|------------|--|------------|-------|
| Revenue: | | | | |
| Health Services | \$ 351,667 | 100% | \$ 299,158 | 100% |
| Human Services | 115,376 | 100% | 107,434 | 100% |
| Total | 467,043 | 100% | 406,592 | 100% |
| Gross profit: | | | | |
| Health Services | 85,566 | 24.3% | 76,818 | 25.7% |
| Human Services | 33,701 | 29.2% | 29,098 | 27.1% |
| Total | 119,267 | 25.5% | 105,916 | 26.0% |
| Selling, general, and administrative expense: | | | | |
| Health Services | 35,209 | 10.0% | 35,265 | 11.8% |
| Human Services | 18,222 | 15.8% | 17,338 | 16.1% |
| Other | 605 | NM | 16 | NM |
| Total | 54,036 | 11.6% | 52,619 | 12.9% |
| Operating income | | | | |
| Health Services | 50,357 | 14.3% | 41,553 | 13.9% |
| Human Services | 15,479 | 13.4% | 11,760 | 10.9% |
| Other | (605) | NM | (16) | NM |
| Total | \$ 65,231 | 14.0% | \$ 53,297 | 13.1% |

(1) Percentage of respective segment revenue. Percentages not considered meaningful are marked NM .

3. Earnings Per Share

The weighted average number of shares outstanding used to compute earnings per share was as follows (in thousands):

| | Three Months Ended December 31, | |
|--|------------------------------------|--------|
| | 2014 | 2013 |
| Weighted average number of shares outstanding - basic | 65,935 | 68,397 |
| Dilutive effect of employee stock options and restricted stock units | 963 | 1,365 |
| Weighted average number of shares outstanding - diluted | 66,898 | 69,762 |

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No share awards were excluded from the computation in calculating earnings per share for the three months ended December 31, 2014 or 2013.

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4. Supplemental disclosures

During the three months ended December 31, 2014 and 2013, we made income tax payments of \$5.9 million and \$6.5 million, respectively.

At December 31, 2014, we held cash and cash equivalents of \$149.2 million. Approximately 30% of these funds are denominated and held in jurisdictions outside the United States and we have no requirement or intent at this time to transfer the funds to the United States. Declines in the value of foreign currencies with respect to the United States Dollar, notably the Australian Dollar and British Pound, resulted in a decline in net assets of \$10.5 million in the three months ended December 31, 2014, including a \$3.6 million decline in our cash and cash equivalents balance and a \$4.2 million decline in our goodwill balance. These declines were recorded as losses in our statement of comprehensive income.

Our deferred compensation plan assets include \$9.5 million invested in mutual funds which have quoted prices in active markets. These assets are recorded at fair value with changes in fair value being recorded in the statement of operations. The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and other amounts included within current assets and liabilities that meet the definition of a financial instrument are shown at values equivalent to fair value due to the short-term nature of these items. Our accounts receivable balance includes both amounts invoiced and those where amounts are ready to be invoiced and the funds are collectable within standard invoice terms.

5. Stock Repurchase Programs

Under resolutions adopted in November 2011 and June 2014, our Board of Directors authorized the repurchase, at management's discretion, of up to an aggregate of \$275.0 million of our common stock. The resolution also authorized the use of option exercise proceeds for the repurchase of our common stock. During the three months ended December 31, 2014 and 2013, we repurchased 0.8 million and 0.5 million common shares at a cost of \$30.6 million and \$22.5 million, respectively. The amount available for future repurchases at December 31, 2014 was \$104.6 million.

6. Revenue recognition

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers*. This new standard will change the manner in which we evaluate revenue recognition for all contracts with customers, although the effect of the changes on revenue recognition will vary from contract to contract. We will adopt this standard during our 2018 fiscal year. The standard permits a retrospective or cumulative effect transition method. At present, we are continuing to evaluate the effect of this standard and have not yet determined a transition method or the likely effects on the business.

7. Dividend

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On January 6, 2015, our Board of Directors declared a quarterly cash dividend of \$0.045 for each share of our common stock outstanding. The dividend is payable on February 27, 2015 to shareholders of record on February 13, 2015.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of financial condition and results of operations is provided to enhance the understanding of, and should be read in conjunction with, our Consolidated Financial Statements and related Notes included both herein and in our Annual Report on Form 10-K for the year ended September 30, 2014, filed with the Securities and Exchange Commission on November 17, 2014.

Business Overview

We provide business process services (BPS) to government health and human services agencies under our mission of *Helping Government Serve the People*.[®] We are one of the largest pure-play health and human services BPS providers to governments in the United States, Australia, Canada, the United Kingdom and Saudi Arabia. We use our experience, business process management expertise and advanced technological solutions to help government agencies run efficient and cost-effective programs, improve program accountability and outcomes and enhance the quality of services provided to program beneficiaries.

Over the past five years, our business has grown significantly. We believe this growth has been driven by economic and demographic factors, such as aging populations and increased demand for health care, and the need for governments to operate programs effectively and efficiently. This growth has been driven by reform efforts in the United States, including the Affordable Care Act, as well as internationally with various welfare-to-work programs in Australia and the United Kingdom's Work Programme.

We believe that governments will continue to seek opportunities to enhance existing processes or address new challenges through companies such as MAXIMUS. We believe that a combination of our innovative technical solutions, deep subject matter expertise, stringent adherence to our Standards of Business Conduct and Ethics, robust financial performance and global experience gives existing and future customers the confidence that MAXIMUS can reliably operate their high-profile public health and human services programs.

Table of Contents**Results of Operations***Consolidated*

The following table sets forth, for the periods indicated, selected statements of operations data:

| (dollars in thousands, except per share data) | Three Months Ended | |
|---|--------------------|------------|
| | December 31, | |
| | 2014 | 2013 |
| Revenue | \$ 467,043 | \$ 406,592 |
| Gross profit | \$ 119,267 | \$ 105,916 |
| Gross profit percentage | 25.5% | 26.0% |
| Selling, general and administrative expenses | \$ 54,036 | \$ 52,619 |
| Selling, general and administrative expenses as a percentage of revenue | 11.6% | 12.9% |
| Operating income | \$ 65,231 | \$ 53,297 |
| Operating income margin | 14.0% | 13.1% |
| Interest and other income, net | 901 | 332 |
| Income before income taxes | \$ 66,132 | \$ 53,629 |
| Provision for income taxes | 23,782 | 20,274 |
| Effective tax rate | 36.0% | 37.8% |
| Net income | 42,350 | 33,355 |
| (Income)/loss attributable to noncontrolling interests | (489) | 504 |
| Net income attributable to MAXIMUS | \$ 41,861 | \$ 33,859 |
| Basic earnings per share | \$ 0.63 | \$ 0.50 |
| Diluted earnings per share | \$ 0.63 | \$ 0.49 |

The following provides an overview of the significant elements of our Consolidated Statements of Operations. As our business segments have different factors driving revenue growth and profitability, the sections that follow cover these segments in greater detail.

Revenue, gross profit and operating profit have all increased for the three months ended December 31, 2014, compared to the prior-year period, by 15%, 13% and 22%, respectively. This growth was across both segments and was entirely organic revenue, driven by new work and the expansion of existing contracts. We were adversely affected by the effects of foreign currency fluctuations with the strengthening of the United States Dollar reducing revenues and profits in our foreign operations, particularly within our Human Services Segment.

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Our interest income has received the benefit of interest income from higher cash balances in jurisdictions outside the United States, which have higher rates, as well as foreign exchange benefits in this quarter.

Our effective tax rate for the three months ended December 31, 2014 was 36.0%. We are anticipating an effective rate of 36.7% for the full year. During the first quarter of fiscal year 2015, we received a benefit from the retroactive provision of the United States Work Opportunity Tax Credit through the beginning of calendar year 2014. This resulted in a reduction to our tax charge of \$0.6 million.

Table of Contents*Health Services Segment*

The Health Services Segment provides a variety of business process services, as well as related consulting services, for state, provincial and national government programs, including Medicaid, CHIP, Supplemental Nutrition Assistance Program (SNAP), Medicare, the Affordable Care Act (ACA) and Health Insurance BC (British Columbia). This segment also includes the operations of two significant United Kingdom contracts which are in start-up and are expected to commence revenue-generating activities in our second fiscal quarter.

| (dollars in thousands) | Three Months Ended | |
|-----------------------------|--------------------|----------------------|
| | 2014 | December 31, 2013 |
| Revenue | \$ 351,667 | \$ 299,158 |
| Gross profit | 85,566 | 76,818 |
| Operating income | 50,357 | 41,553 |
| Gross profit percentage | 24.3% | 25.7% |
| Operating margin percentage | 14.3% | 13.9% |

Revenue for the three months ended December 31, 2014 increased 18% compared to the same period in fiscal year 2014. Operating income increased by 21%. Revenue for the current year period benefitted from new work as well as expansion of existing contracts including expected accretive change orders. These benefits have been offset by anticipated declines in income in our federal Medicare appeals business and anticipated start-up losses in a new federal contract, which have also reduced gross profit margins. Overall operating profit margins have grown as selling, general and administrative costs have remained stable.

Our first fiscal quarter benefits from additional work through the open enrollment period for the Affordable Care Act which, in fiscal year 2015, runs from November 1, 2014 through February 15, 2015. As open enrollment drives additional revenue-generating activity, we anticipate that this segment will experience seasonal growth during the first quarter of each fiscal year.

This segment is anticipated to receive the benefit of revenue from two new contracts commencing in the United Kingdom during the second fiscal quarter of the year, tempered by further start-up costs.

Table of Contents*Human Services Segment*

The Human Services Segment provides national, state and county human services agencies with a variety of business process services and related consulting services for welfare-to-work, child support, higher education and K-12 special education programs.

| (dollars in thousands) | Three Months Ended | |
|-----------------------------|--------------------|----------------------|
| | 2014 | December 31, 2013 |
| Revenue | \$ 115,376 | \$ 107,434 |
| Gross profit | 33,701 | 29,098 |
| Operating income | 15,479 | 11,760 |
| Gross profit percentage | 29.2% | 27.1% |
| Operating margin percentage | 13.4% | 10.9% |

The Human Services Segment has received the benefit of new work and the timing of contract extensions within our international welfare-to-work businesses. The contract extensions resulted in approximately \$2.4 million of incremental revenue and profit in the period. This has been offset by the detrimental effects of foreign exchange rates, which reduced revenue by approximately \$5.0 million.

Liquidity and Capital Resources

Our principal source of liquidity remains cash flows from operations. We use these cash flows to fund working capital and capital expenditures, acquire businesses, repurchase our own common shares and pay dividends. Cash collections from customers are driven by a number of factors. For many contracts, particularly those in our Human Services Segment, customer payments may be based upon our success at delivering outcomes and, accordingly, our cash inflows will not correspond with the related cash outflows. Customer payments may also be subject to delays. These most often occur at the beginning of a contract as processes for billing and review and processing are being established. We have also experienced short-term payment delays from customers where budget constraints have occurred. We were not significantly affected by the shut-down of the U.S. Federal Government in early fiscal year 2014 but, in the event of a more protracted delay, it is possible that our cash flows, operations and profitability could be affected. Our operating cash outflows will also be affected by our contract life-cycle. At the beginning of contracts, we will typically incur one-time capital expenses and the costs of commencing a contract, as well as increasing the required levels of working capital that we will need.

We hold significant cash balances and have access to additional funds. At December 31, 2014, we held \$149.2 million of cash and cash equivalents and had access to up to \$95.3 million from a revolving credit facility. At December 31, 2014, our foreign subsidiaries held approximately \$180 million of cumulative earnings. We have no requirement or intent to remit these earnings to the United States. We consider undistributed earnings of our foreign subsidiaries to be indefinitely reinvested outside of the United States and, accordingly, no U.S. deferred taxes have been recorded with respect to such earnings in accordance with the relevant accounting guidance for income taxes. Should the earnings be remitted as dividends, we may be subject to additional U.S. taxes, net of allowable foreign tax credits. It is not practicable to estimate the amount of any additional taxes which may be payable on the undistributed earnings given the various tax planning alternatives we could employ should we decide to repatriate these earnings in a tax-efficient manner. As of December 31, 2014, our foreign subsidiaries held approximately 30% of our cash and cash equivalents.

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Cash Flows

| (dollars in thousands) | Three Months Ended December 31, | |
|--|--|-------------|
| | 2014 | 2013 |
| Net cash provided by (used in): | | |
| Operating activities | \$ 56,594 | \$ 41,946 |
| Investing activities | (13,950) | (7,909) |
| Financing activities | (47,954) | (37,134) |
| Effect of exchange rate changes on cash and cash equivalents | (3,606) | (1,936) |
| Net decrease in cash and cash equivalents | \$ (8,916) | \$ (5,033) |

Cash provided by operating activities have increased 35% to \$56.6 million for the three months ended December 31, 2014, compared with the period in the prior fiscal year. This increase was driven by the growth of our business and improvements in our cash collections.

Cash used in investing activities was \$14.0 million for the three months ended December 31, 2014, compared to \$7.9 million for the three months ended December 31, 2013. The increase is principally driven by investment in the United Kingdom related to two projects which are set to start in our second fiscal quarter.

Although many of the start-up costs to be incurred by the United Kingdom contracts will be reimbursed, we anticipate that our cash flows may be tempered in the remaining quarters of this fiscal year as payments are made for milestones achieved in the start-up of these contracts. We believe we have sufficient funds available to cover this cash outflow.

Cash used in financing activities was \$48.0 million and \$37.1 million for the three months ended December 31, 2014 and 2013, respectively. The increase was driven by \$32.6 million of repurchases of common stock in fiscal year 2015, compared to \$21.5 million of repurchases in fiscal year 2014.

To supplement our statements of cash flows presented on a GAAP basis, we use the non-GAAP measure of free cash flows to analyze the funds generated from operations. We believe free cash flow is a useful basis for comparing our performance with our competitors. The presentation of non-GAAP free cash flows is not meant to be considered in isolation, nor as an alternative to net income as an indicator of performance, nor as an alternative to cash flows from operating activities as a measure of liquidity. In addition, this non-GAAP financial measure, as determined and presented by us, may not be comparable to other related or similarly titled measures used by other companies. We calculate free cash flow as follows:

| (dollars in thousands) | Three Months Ended December 31, | |
|---------------------------------------|--|-------------|
| | 2014 | 2013 |
| Cash provided by operating activities | \$ 56,594 | \$ 41,946 |

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| | | | | |
|-------------------------------------|----|----------|----|---------|
| Purchases of property and equipment | | (12,754) | | (4,440) |
| Capitalized software costs | | (1,356) | | (3,584) |
| Free cash flow | \$ | 42,484 | \$ | 33,922 |

Critical Accounting Policies and Estimates

Our discussion and analysis of financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities and the reported amounts of revenue and expenses. On an ongoing basis, we evaluate our estimates including those related to revenue recognition and cost estimation on certain contracts, the realizability of goodwill and other long-lived assets, and amounts related to contingencies and income tax liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates.

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We believe that we do not have material off-balance-sheet risk or exposure to liabilities that are not recorded or disclosed in our financial statements. While we have significant operating lease commitments for office space, those commitments are generally tied to the period of performance under related contracts. Additionally, although on certain contracts we are bound by performance bond commitments and standby letters of credit, we have not had any defaults resulting in draws on performance bonds. Also, we do not speculate in derivative transactions.

During the three months ended December 31, 2014, there were no significant changes to the critical accounting policies we disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report on Form 10-K for the year ended September 30, 2014.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We believe that our exposure to market risk related to the effect of changes in interest rates, foreign currency exchange rates, commodity prices and other market risks with regard to instruments entered into for trading or for other purposes is immaterial.

There have been no material changes in the information presented in Item 7A of our Annual Report on Form 10-K for the year ended September 30, 2014.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer concluded that these disclosure controls and procedures were effective and designed to ensure that the information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

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There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation of our internal control that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1A. Risk Factors.

In connection with information set forth in this Form 10-Q, the factors discussed under Risk Factors in our Form 10-K for fiscal year ended September 30, 2014 should be considered. The risks included in the Form 10-K could materially and adversely affect our business, financial condition and results of operations. There have been no material changes to the factors discussed in our Form 10-K for the year ended September 30, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) The following table sets forth the information required regarding repurchases of common stock that we made during the three months ended December 31, 2014:

| Period | | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans (1) | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan (in thousands) |
|--------------|---------------|---|------------------------------------|---|---|
| Oct. 1, 2014 | Oct. 31, 2014 | 753,010 | \$ 40.66 | 753,010 | \$ 104,581 |
| Nov. 1, 2014 | Nov. 30, 2014 | | | | \$ 104,581 |
| Dec. 1, 2014 | Dec. 31, 2014 | | | | \$ 104,581 |
| Total | | 753,010 | \$ 40.66 | 753,010 | |

(1) Under resolutions adopted in November 2011 and June 2014, the Board of Directors authorized the repurchase, at management's discretion, of up to an aggregate of \$275.0 million of our common stock. The resolution also authorized the use of option exercise proceeds for the repurchase of our common stock.

Item 6. Exhibits.

The Exhibits filed as part of this Quarterly Report on Form 10-Q are listed on the Exhibit Index immediately following the Signatures. The Exhibit Index is incorporated herein by reference.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MAXIMUS, INC.

Date: February 6, 2015

By:

/s/ Richard J. Nadeau
Richard J. Nadeau
Chief Financial Officer
(On behalf of the registrant and as Principal Financial
and Accounting Officer)

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EXHIBIT INDEX

| Exhibit No. | Description |
|--------------------|--|
| 31.1 | Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Section 906 Principal Executive Officer Certification. |
| 32.2 | Section 906 Principal Financial Officer Certification. |
| 101 | The following materials from the MAXIMUS, Inc. Quarterly Report on Form 10-Q for the year ended December 31, 2014 formatted in eXtensible Business Reporting Language (XBRL): (i) Consolidated Statements of Operations, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements. Filed electronically herewith. |

* Denotes management contract or compensation plan.