

MAXIMUS INC
Form 8-K
January 19, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **January 19, 2006**

MAXIMUS, INC.

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation)

1-12997
(Commission
File Number)

54-100588
(IRS Employer
Identification No.)

**11419 Sunset Hills Road,
Reston, Virginia**
(Address of principal executive offices)

20190-5207
(Zip Code)

Registrant's telephone number, including area code: **(703) 251-8500**

Not Applicable

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

Edgar Filing: MAXIMUS INC - Form 8-K

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 8.01. Other Events.

We are filing this Current Report on Form 8-K on January 19, 2006, to disclose financial information reflecting certain organizational changes within our principal operating segments.

The changes, which were effective October 1, 2005, were instituted to focus and manage our relationship with our growing federal customer base, and to align certain projects and divisions under our new segment leadership.

These organizational changes included the creation of two new divisions within our Operations reporting segment as part of our federal strategy (these two new divisions, Federal Civil Sector and Federal Defense Sector, were previously one division, Medical Management, in the Operations segment), as well as some realignment of projects between reporting segments. The most significant change between segments is the move of the Educational Systems division from the Consulting Segment into the Systems Segment and the move of the Technology Support division from the Systems Segment into the Consulting Segment.

Consulting, Systems, and Operations remain our reporting segments pursuant to Financial Accounting Standard No. 131, Disclosures about Segments of an Enterprise and Related Information, but in certain cases the organizational changes described above resulted in the realignment of divisions and projects between these segments. To reflect this realignment, the accompanying financial information presents our segment data as if we had operated under the new reporting structure for the past two years.

Our Consulting Segment provides specialized financial consulting services such as assisting state, local agencies and school districts in obtaining funding reimbursements from federal and state agencies for their programs. The segment also provides strategic management and information technology consulting services to government agencies. The segment is comprised of six divisions including Revenue Services, Child Welfare, Cost Services, Educational Services (school-based claiming), Technology Support and Unison-MAXIMUS (airport financial consulting).

Our Systems Segment develops and implements our proprietary software in the areas of justice, asset and K-12 student information systems, and also implements third party software solutions to improve the efficiency and cost-effectiveness of program administration. The products and services are provided through five divisions including ERP Solutions, Justice Solutions, Asset Solutions, Enterprise Solutions and Educational Systems (K-12 student information system implementation).

Our Operations Segment provides a variety of program management and outsourcing services for federal and state funded public programs. This segment also focuses on the delivery of administrative services for government health and human services programs including integrated eligibility programs, Temporary Assistance to Needy Families (TANF) funded workforce services programs, child support enforcement programs, Children's Health Insurance Programs (CHIPs), and Medicaid and Medicare administrative programs. Our Operations Segment provides these services through seven divisions including Health Services, Workforce Services, Child Support, Integrated Services, Correctional Services, Federal Civil Sector, and Federal Defense Sector.

Edgar Filing: MAXIMUS INC - Form 8-K

We are providing certain financial segment information for earlier periods to reflect this change in the composition of our reportable segments as if we had operated under the new organizational structure during the last two full fiscal years. The changes have no impact on the previously reported consolidated financial results of the Company. This information is being provided for informational purposes only.

| (dollars in thousands) | Dec. 31, 2003 | Three Months Ended | | | Sept 30, 2004 | Year Ended Sept. 30, 2004 |
|--------------------------------|------------------|--------------------|------------------|------------------|------------------|------------------------------|
| | | Mar. 31, 2004 | June 30, 2004 | Sept 30, 2004 | | |
| Revenue: | | | | | | |
| Consulting | \$ 29,350 | \$ 26,648 | \$ 25,077 | \$ 25,768 | \$ 106,843 | |
| Systems | 26,465 | 29,386 | 31,754 | 29,633 | 117,238 | |
| Operations | 83,079 | 94,673 | 103,327 | 98,614 | 379,693 | |
| Total | \$ 138,894 | \$ 150,707 | \$ 160,158 | \$ 154,015 | \$ 603,774 | |
| Income from Operations: | | | | | | |
| Consulting | \$ 5,956 | \$ 4,110 | \$ 2,249 | \$ 4,126 | \$ 16,441 | |
| Systems | 557 | 1,437 | 2,825 | 1,930 | 6,749 | |
| Operations | 8,256 | 9,400 | 10,511 | 10,089 | 38,256 | |
| Consolidating adjustments | 162 | 431 | 537 | 470 | 1,600 | |
| Total | \$ 14,931 | \$ 15,378 | \$ 16,122 | \$ 16,615 | \$ 63,046 | |
| Operating Margin: | | | | | | |
| Consulting | 20.3% | 15.4% | 9.0% | 16.0% | 15.4% | |
| Systems | 2.1% | 4.9% | 8.9% | 6.5% | 5.8% | |
| Operations | 9.9% | 9.9% | 10.2% | 10.2% | 10.1% | |
| Total | 10.7% | 10.2% | 10.1% | 10.8% | 10.4% | |

| (dollars in thousands) | Dec. 31, 2004 | Three Months Ended | | | Sept 30, 2005 | Year Ended Sept. 30, 2005 |
|--------------------------------|------------------|--------------------|------------------|------------------|------------------|------------------------------|
| | | Mar. 31, 2005 | June 30, 2005 | Sept 30, 2005 | | |
| Revenue: | | | | | | |
| Consulting | \$ 24,064 | \$ 23,583 | \$ 27,272 | \$ 25,440 | \$ 100,359 | |
| Systems | 32,838 | 32,614 | 35,105 | 33,850 | 134,407 | |
| Operations | 95,593 | 97,854 | 111,281 | 108,044 | 412,772 | |
| Total | \$ 152,495 | \$ 154,051 | \$ 173,658 | \$ 167,334 | \$ 647,538 | |
| Income from Operations: | | | | | | |
| Consulting | \$ 2,290 | \$ 1,877 | \$ 4,473 | \$ 4,519 | \$ 13,159 | |
| Systems | 4,926 | 1,961 | 2,959 | 1,417 | 11,263 | |
| Operations | 7,135 | 10,645 | 8,396 | 9,998 | 36,174 | |
| Consolidating adjustments | 604 | 859 | 722 | 493 | 2,678 | |
| Legal settlement expense | (99) | (341) | (1,060) | (5,500) | (7,000) | |
| Total | \$ 14,856 | \$ 15,001 | \$ 15,490 | \$ 10,927 | \$ 56,274 | |
| Operating Margin: | | | | | | |
| Consulting | 9.5% | 8.0% | 16.4% | 17.8% | 13.1% | |
| Systems | 15.0% | 6.0% | 8.4% | 4.2% | 8.4% | |
| Operations | 7.5% | 10.9% | 7.5% | 9.3% | 8.8% | |
| Total | 9.7% | 9.7% | 8.9% | 6.5% | 8.7% | |

| (dollars in thousands) | Year Ended Sept. 30, 2004 | Year Ended Sept. 30, 2005 |
|------------------------|------------------------------|------------------------------|
|------------------------|------------------------------|------------------------------|

Identifiable assets:

Edgar Filing: MAXIMUS INC - Form 8-K

| | | | | |
|------------|----|---------|----|---------|
| Consulting | \$ | 62,763 | \$ | 53,891 |
| Systems | | 114,740 | | 134,101 |
| Operations | | 127,017 | | 146,904 |
| Corporate | | 160,227 | | 199,666 |
| Total | \$ | 464,747 | \$ | 534,562 |

SIGNATURE

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 hereunto duly authorized.

MAXIMUS, Inc.

Date: January 19, 2006

By: /s/ Richard A. Montoni
Richard A. Montoni, Chief Financial Officer