MAXIMUS INC Form 8-K November 12, 2009

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

FORM 8-K

#### **CURRENT REPORT**

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

Date of Report: November 12, 2009

Date of Earliest Event Reported: November 12, 2009

## MAXIMUS, INC.

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of incorporation)

1-12997 (Commission File Number) **54-1000588** (I.R.S. 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)

	the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of lowing provisions:
o	Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
O	Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o	Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
0	Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

#### Item 8.01 Other Events.

On November 12, 2009, the Company announced, with its earnings release, its decision to sell its ERP division, which had previously been part of the Company s Consulting segment. Beginning in the fourth quarter of fiscal 2009, the Company will classify the results of operations of the ERP division as discontinued operations. As a result of this transaction, the Company has recorded a charge of \$1.3 million relating to the write-down of the long-term fixed assets and goodwill of this division.

We are filing this Current Report on Form 8-K on November 12, 2009 to reclassify prior periods financial information to conform to discontinued operations reporting. The reclassifications have no impact on the previously reported consolidated net income or cash flows of the Company. This information is being provided for informational purposes only.

The Company reports its financial results in accordance with generally accepted accounting principles (GAAP). However, the Company uses certain non-GAAP performance measures including pro forma income before income taxes from continuing operations and pro forma diluted earnings per share from continuing operations to provide both management and investors a more complete understanding of the Company s underlying operational trends and results. The non-GAAP performance measures are reconciled to the corresponding GAAP measures in the schedule titled Supplemental Pro Forma Income before Income Taxes and Diluted Earnings per Share from Continuing Operations.

2

#### **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 hereunto duly authorized.

MAXIMUS, Inc.

Date: November 12, 2009

By: /s/ David R. Francis
David R. Francis

General Counsel and Secretary

3

#### CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share data)

(Unaudited)

	Ι	Dec. 31, 2007	I	Quarter Mar. 31, 2008	nded Jun. 30, 2008	;	Sept. 30, 2008	F Se	Year Ended ept. 30, 2008	D	ec. 31, 2008	N	Quarter Mar. 31, 2009	nded Jun. 30, 2009	i	Sept. 30, 2009	]	Year Ended ept. 30, 2009
Revenue	\$	164,121	\$	176,324	\$ 175,750	\$	177,468	\$	693,663	\$	169,710	\$	177,158	\$ 176,393	\$	194,038	\$	717,299
Cost of revenue		121,632		128,578	126,576		127,855		504,641		122,806		130,624	128,041		143,561		525,032
Gross profit		42,489		47,746	49,174		49,613		189,022		46,904		46,534	48,352		50,477		192,267
Selling, general and																		
administrative expenses		24,914		26,885	27,018		29,169		107,986		26,414		26,714	27,017		26,578		106,723
Gain on sale of building					3,938				3,938									
Legal and settlement																		
expense (recovery), net				931	700		36,727		38,358				368	(4,829)		190		(4,271)
Income (loss) from																		
operations		17,575		19,930	25,394		(16,283)		46,616		20,490		19,452	26,164		23,709		89,815
Interest and other income,																		
net		1,501		107	490		325		2,423		94		35	129		(113)		145
Income (loss) before																		
income taxes		19,076		20,037	25,884		(15,958)		49,039		20,584		19,487	26,293		23,596		89,960
Provision (benefit) for																		
income taxes		7,819		7,904	9,606		(6,108)		19,221		8,131		7,697	10,386		9,163		35,377
Income (loss) from																		
continuing operations		11,257		12,133	16,278		(9,850)		29,818		12,453		11,790	15,907		14,433		54,583
Discontinued operations, net of income taxes: Loss from discontinued operations		(652)		(2,506)	(6,599)		(7,749)		(17,506)		(485)		(763)	(924)		(4,304)		(6,476)
Gain (loss) on disposal		` ′		` ` `	1,726		(7,361)		(5,635)		(5)		, i	` ′		(1,562)		(1,567)
Loss from discontinued					,, ,		( ) , /		(-,,		(-)					( ) /		( ) /
operations		(652)		(2,506)	(4,873)		(15,110)		(23,141)		(490)		(763)	(924)		(5,866)		(8,043)
Net income (loss)	\$	10,605	\$	9,627	\$ 11,405	\$	(24,960)	\$	6,677	\$	11,963	\$	11,027	\$ 14,983	\$	8,567	\$	46,540
Basic earnings (loss) per share:																		
Income (loss) from continuing operations	\$	0.55	\$	0.65	\$ 0.87	\$	(0.53)	\$	1.56	\$	0.70	\$	0.68	\$ 0.91	\$	0.82	\$	3.11
Loss from discontinued operations		(0.03)		(0.13)	(0.26)		(0.82)		(1.21)		(0.03)		(0.05)	(0.05)		(0.33)		(0.46)
Basic earnings (loss) per share	\$	0.52	\$	0.52	\$ 0.61	\$	(1.35)	\$	0.35	\$	0.67	\$	0.63	\$ 0.86	\$	0.49	\$	2.65
Diluted earnings (loss) per share:																		
Income (loss) from																		
continuing operations	\$	0.54	\$	0.65	\$ 0.86	\$	(0.53)	\$	1.54 5	\$	0.69	\$	0.66	\$ 0.89	\$	0.80	\$	3.05
Loss from discontinued																		
operations Diluted earnings (loss)		(0.03)		(0.14)	(0.25)		(0.82)		(1.19)		(0.02)		(0.04)	(0.05)		(0.32)		(0.45)
per share	\$	0.51	\$	0.51	\$ 0.61	\$	(1.35)	\$	0.35	\$	0.67	\$	0.62	0.84	\$	0.48	\$	2.60
Dividends per share	\$	0.10	\$	0.10	\$ 0.10	\$	0.10	\$	0.40 5	\$	0.10	\$	0.12	\$ 0.12	\$	0.12	\$	0.46

Weighted average shares outstanding:										
Basic	20,506	18,537	18,648	18,540	19,060	17,802	17,435	17,503	17,538	17,570
Diluted	20,854	18,763	18,819	18,540	19,305	17,956	17,751	17,839	17,945	17,886

#### $Segment\ Information\ \hbox{--}\ Income\ (loss)\ from\ Continuing\ Operations\ (1)$

(Dollars in thousands)

(Unaudited)

	Quarter Ended									Year Ended			Quarter Ended							Year Ended
	Dec. 31, Mar. 31, Jun. 30, 2007 2008 2008		S	Sept. 30, 2008	S	Sept. 30, 2008	Ι	Dec. 31, 2008		Iar. 31, 2009	J	un. 30, 2009	S	ept. 30, 2009	5	Sept. 30, 2009				
Revenue:																				
Operations		46,807	\$	160,982	\$	157,917	\$	163,520	\$	629,226	\$	156,338	\$	155,626	\$	165,522	\$	181,718	\$	659,204
Consulting		17,314		15,342		17,833		13,948		64,437		13,372		21,532		10,871		12,320		58,095
Total	1	64,121		176,324		175,750		177,468		693,663		169,710		177,158		176,393		194,038		717,299
Gross Profit:																				
Operations		35,557		42,166		41,870		43,715		163,308		41,469		40,233		41,981		46,066	\$	,
Consulting		6,932		5,580		7,304		5,898		25,714		5,435		6,301		6,371		4,411		22,518
Total		42,489		47,746		49,174		49,613		189,022		46,904		46,534		48,352		50,477		192,267
Selling, General, and Administrative																				
expense:		18,128		19,871		19,554		21,886		79,439		20,442		20,570		22,854		22,078	\$	85,944
Operations Consulting		6,406		6,596		6,873		6,748		26,623		5,737		5,789		4,119		4,221	Ф	19,866
Corporate/Other		380		418		591		535		1,924		235		3,789		4,119		279		913
Total		24,914		26,885		27,018		29,169		1,924		26,414		26,714		27,017		26,578		106,723
Income (loss) from		24,714		20,883		27,016		29,109		107,900		20,414		20,714		27,017		20,376		100,723
Operations: (1)																				
Operations		17,429		22,295		22,316		21,829		83,869		21,027		19,663		19,127		23,988	\$	83,805
Consulting		526		(1,016)		431		(850)		(909)		(302)		512		2,252		190		2,652
Consolidating																				
adjustments		(380)		(418)		(591)		(535)		(1,924)		(235)		(355)		(44)		(279)		(913)
Subtotal: Segment																				
Operating Income		17,575		20,861		22,156		20,444		81,036		20,490		19,820		21,335		23,899		85,544
Gain on sale of																				
building						3,938				3,938										
Legal and settlement gain (expense)				(931)		(700)		(36,727)		(38,358)				(368)		4,829		(190)		4,271
Consolidated total	\$	17.575	\$	19,930	\$	25,394	\$	(36,727) $(16,283)$	¢	46,616	\$	20.490	\$	19,452	\$	26,164	\$	23,709	\$	89,815
Consolidated total	Ф	17,373	ф	19,930	Ф	23,394	Ф	(10,283)	Ф	40,010	Ф	20,490	ф	19,432	Ф	20,104	Ф	25,709	ф	69,613
Operating margin (loss) percentage:																				
Operations		11.9% 13.8% 14.		14.1%	% 13.3%			13.3%		13.4%		12.6%	,	11.6%	13.2%		b	12.7%		
Consulting		3.0%	,	(6.6)%	ó	2.4%				(1.4)%	(2.3)%			2.4%	20.7%	1.5%	ó	4.6%		
Total Segment			` /			11.7%				11.2%	12.1% 1			ó	11.9%					
Consolidated total		10.7%	,	11.3%		14.4%		(9.2)%	,	6.7%		12.1%		11.0%		14.8%	,	12.2%	ó	12.5%

<sup>(1)</sup> Before income taxes.

#### CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

ASSETS  Current assets:  Cash and cash equivalents   \$6,279   \$6,342   \$77,944   \$119,605   \$61,461   \$85,090   \$91,666   \$87,81   Marketable securities   \$50   Restricted cash   \$325   \$327   \$327   \$2,736   \$2,543   \$2,449   \$3,702   \$3,99   Accounts receivable billed   95,065   99,477   102,063   119,712   95,556   93,485   111,880   132,001   Accounts receivable billed   11,702   111,726   10,532   9,166   10,127   17,792   12,836   16,74   Current portion of note receivable   \$6,307   1,684   9,469   17,097   7,823   7,55   Deferred income taxes   \$11,267   9,490   10,255   21,901   17,574   8,735   12,695   5,33   Due from insurance carrier   \$733   746   759   786   949   77   Prepaid expenses and other current assets of discontinued operations   \$6,672   8,406   8,041   7,820   11,322   17,501   18,671   19,74   Current assets of discontinued operations   \$246,139   260,409   272,912   321,095   242,783   260,101   278,913   292,1   Property and equipment, at cost   \$246,139   260,409   272,912   321,095   242,783   260,101   278,913   292,1   Property and equipment, at cost   \$3,8929   (41,330)   (43,101)   (44,411)   (45,231)   (47,087)   (50,322)   (53,44)   Capitalized software   \$15,768   16,886   18,567   19,979   20,521   23,262   23,970   26,4   Capitalized software   \$11,314   11,999   13,198   14,125   33,156   33,376   37,698   45,22   Capitalized software   \$11,314   11,999   13,198   14,125   38,466   77,166   38,461   39,465   39,465   39,465   Capitalized software   \$11,314   11,999   13,198   14,125   33,476   33,476   37,698   45,22   Capitalized software   \$11,314   11,999   13,198   14,125   33,476   33,476   37,698   45,22   Capitalized software   \$1,712   6,273   5,435   5,324   6,344   7,604   8,530   8,20   Capitalized software   \$1,716   61,176   61,			FISCAL YEAR 2008		2008					FISCAL Y	EAI	R 2009		G 20		
Current assets:   Cash and cash equivalents   62,279   \$ 63,420   \$ 77,944   \$ 119,605   \$ 61,461   \$ 85,090   \$ 91,666   \$ 87.81   Marketable securities   50   Sestricted cash   325   327   327   2,736   2,543   2,449   3,702   3,9   Accounts receivable billed   95,065   99,477   102,063   119,712   95,556   93,485   111,880   132,001   Accounts receivable unbilled   11,702   11,726   10,532   9,166   10,127   17,792   12,836   16,70   Current portion of note receivable   6,307   1,684   9,469   17,097   7,823   7,56   Deferred income taxes   11,267   9,490   10,255   21,901   17,574   8,735   12,695   5,33   Due from insurance carrier   12,500   12,986   Prepaid expenses and other current assets   6,672   8,406   8,041   7,820   11,322   17,501   18,671   19,75   Current assets of discontinued operations   58,779   61,256   61,333   26,909   20,986   17,166   18,691   18,22   Property and equipment, at cost   246,139   260,409   272,912   321,095   242,783   260,101   278,913   292,11   Property and equipment, at cost   246,139   360,20   32,315   32,179   33,721   33,156   33,376   37,698   45,28   Property and equipment, at cost   15,768   16,886   18,567   19,979   20,521   23,262   23,970   26,4   Property and equipment, at cost   15,768   16,886   18,567   19,979   20,521   23,262   23,970   26,4   Property and equipment, at   13,14   11,999   13,198   14,125   14,362   16,681   17,201   18,90   Deferred contract costs, net   7,712   6,273   5,435   5,324   6,384   7,604   8,530   8,20   Deferred contract costs, net   2,191   1,935   1,677   3,699   2,832   2,458   2,419   2,4   Note receivable   1,630   1,338   3,485   3,608   3,785   3,459   3,665   2,918   3,95   Deferred income taxes   3,427   3,485   3,608   3,785   3,459   3,665   2,918   3,95   Deferred income taxes   3,427   3,485   3,608   3,785   3,459   3,664   1,330   3,437   1,440   Deferred income taxes   3,427   3,485   3,608   3,785   3,459   3,664   1,334   1,347   Deferred income taxes   3,427   3,485   3,608   3,785   3,459   3,664		Dec. 31, 2007	,			5			I		•		S			
Cash and cash equivalents         6,2,279         6,3,420         8         77,944         119,605         61,461         8         85,090         91,666         8         87.8           Marketable securities         50         50         50         327         327         2,736         2,543         2,449         3,702         3,9           Accounts receivable billed         95,065         99,477         102,063         119,712         95,556         93,485         111,180         132,00           Accounts receivable unbilled         11,702         11,726         10,532         9,166         10,127         17,792         12,836         16,77           Current portion of note receivable         6,307         1,684         9,469         17,097         7,823         7,5           Deferred income taxes         11,267         9,490         10,255         21,901         17,574         8,735         12,695         5,33           Due from insurance carrier         7         12,500         12,986         7         11,269         7,520         19,986         17,101         18,671         19,77           Current assets of discontinued operations         58,779         61,256         61,333         26,909         20,986         1	ASSETS															
Marketable securities   50   Restricted cash   325   327   327   2,736   2,543   2,449   3,702   3,9	Current assets:															
Restricted cash   325   327   327   2,736   2,543   2,449   3,702   3,9     Accounts receivable billed   95,065   99,477   102,063   119,712   95,556   93,485   111,880   132,01     Accounts receivable unbilled   11,702   11,726   10,532   9,166   10,127   17,792   12,836   16,70     Current portion of note receivable   6,307   1,684   759   786   949   7.5     Income taxes receivable   6,307   1,684   9,469   17,097   7,823   7,5     Deferred income taxes   11,267   9,490   10,255   21,901   17,574   8,735   12,695   5,33     Due from insurance carrier   12,500   12,986   7,700   12,986     Prepaid expenses and other current assets   6,672   8,406   8,041   7,820   11,322   17,501   18,671   19,70     Current assets of discontinued operations   58,779   61,256   61,333   26,909   20,986   17,166   18,691   18,22     Total current assets   246,139   260,409   272,912   321,095   242,783   260,101   278,913   292,11     Total current assets   246,139   260,409   272,912   321,095   242,783   260,101   278,913   292,11     Total current assets   3,8929   (41,330   (41,330   (43,101   (44,411   (45,231   (47,087 ) (50,322 ) (53,48   70,97	Cash and cash equivalents	\$ 62,279	\$ 63,420	\$	77,944	\$	119,605	\$ 61,461	\$	85,090	\$	91,666	\$	87,815		
Accounts receivable billed 95,065 99,477 102,063 119,712 95,556 93,485 111,880 132,03 Accounts receivable unbilled 11,702 11,726 10,532 9,166 10,127 17,792 12,836 16,77 Current portion of note receivable	Marketable securities															
Accounts receivable unbilled 11,702 11,726 10,532 9,166 10,127 17,792 12,836 16,70   Current portion of note receivable 6,307 1,684 9,469 17,097 7,823 7,50   Deferred income taxes 11,267 9,490 10,255 21,901 17,574 8,735 12,695 5,30   Due from insurance carrier 12,500 12,986   Prepaid expenses and other current assets 6 discontinued operations 58,779 61,256 61,333 26,909 20,986 17,166 18,691 18,22   Total current assets 246,139 260,409 272,912 321,095 242,783 260,101 278,913 292,11   Property and equipment, at cost 72,531 73,645 75,280 78,132 78,387 80,463 88,020 98,78   Less accumulated depreciation and amortization (38,929) (41,330) (43,101) (44,411) (45,231) (47,087) (50,322) (53,48   Property and equipment, net 33,602 32,315 32,179 33,721 33,156 33,376 37,698 45,28   Capitalized software 15,768 16,886 18,567 19,979 20,521 23,262 23,970 26,4   Less accumulated amortization (4,454) (4,887) (5,369) (5,854) (6,159) (6,581) (6,769) (7,54   Capitalized software 11,314 11,999 13,198 14,125 14,362 16,681 17,201 18,90   Deferred contract costs, net 7,712 6,273 5,435 5,324 6,384 7,604 8,530 8,20   Rodowill 61,176 61,176 61,176 59,459 5,776 57,563 60,088 61,00   Deferred contract costs, net 7,712 6,273 5,435 1,338 1,036 721 192   Deferred contract axes   1,993 3,427 3,485 3,608 3,785 3,459 3,065 2,918 3,95   Noncurrent axests of discontinued operations 46,009 45,124 41,362 1,475 1,436 1,373 1,347   Total axests   1,010 1,027 1,037 1,440 1,22   Total axests   1,010 1,037 1,440 1,22   1,22   1,230							,	,						3,919		
Current portion of note receivable		95,065	99,477		102,063		119,712	95,556		93,485		111,880		132,058		
Income taxes receivable			11,726		- 1		,	,						16,706		
Deferred income taxes							746							736		
Due from insurance carrier   Prepaid expenses and other current assets   6,672   8,406   8,041   7,820   11,322   17,501   18,671   19,74										. ,				7,501		
Prepaid expenses and other current assets 6		11,267	9,490		10,255					8,735		12,695		5,389		
current assets         6,672         8,406         8,041         7,820         11,322         17,501         18,671         19,74           Current assets of discontinued operations         58,779         61,256         61,333         26,909         20,986         17,166         18,691         18,22           Total current assets         246,139         260,409         272,912         321,095         242,783         260,101         278,913         292,13           Property and equipment, at cost         72,531         73,645         75,280         78,132         78,387         80,463         88,020         98,78           Less accumulated depreciation and amortization         (38,929)         (41,330)         (43,101)         (44,411)         (45,231)         (47,087)         (50,322)         (53,49           Property and equipment, net         33,602         32,315         32,179         33,721         33,156         33,376         37,698         45,21           Capitalized software         15,768         16,886         18,567         19,979         20,521         23,262         23,970         26,47           Less accumulated amortization         (4,454)         (4,887)         (5,369)         (5,854)         (6,159)         (6,581)         (6,769)	Due from insurance carrier						12,500	12,986								
Current assets of discontinued operations 58,779 61,256 61,333 26,909 20,986 17,166 18,691 18,22 Total current assets 246,139 260,409 272,912 321,095 242,783 260,101 278,913 292,11 201 201 201 201 201 201 201 201 201 2																
operations         58,779         61,256         61,333         26,909         20,986         17,166         18,691         18,22           Total current assets         246,139         260,409         272,912         321,095         242,783         260,101         278,913         292,13           Property and equipment, at cost Less accumulated depreciation and amortization         (38,929)         (41,330)         (43,101)         (44,411)         (45,231)         (47,087)         (50,322)         (53,49)           Property and equipment, net         33,602         32,315         32,179         33,721         33,156         33,376         37,698         45,21           Capitalized software         15,768         16,886         18,567         19,979         20,521         23,262         23,970         26,4           Less accumulated amortization         (4,454)         (4,887)         (5,369)         (5,854)         (6,159)         (6,581)         (6,769)         75,263           Capitalized software, net         11,314         11,999         13,198         14,125         14,362         16,681         17,201         18,90           Deferred contract costs, net         7,712         6,273         5,435         5,324         6,384         7,604         8,5		6,672	8,406		8,041		7,820	11,322		17,501		18,671		19,749		
Total current assets																
Property and equipment, at cost 72,531 73,645 75,280 78,132 78,387 80,463 88,020 98,78 Less accumulated depreciation and amortization (38,929) (41,330) (43,101) (44,411) (45,231) (47,087) (50,322) (53,48 Property and equipment, net 33,602 32,315 32,179 33,721 33,156 33,376 37,698 45,21 Capitalized software 15,768 16,886 18,567 19,979 20,521 23,262 23,970 26,47 Less accumulated amortization (4,454) (4,887) (5,369) (5,854) (6,159) (6,581) (6,769) (7,500) Capitalized software, net 11,314 11,999 13,198 14,125 14,362 16,681 17,201 18,900 Deferred contract costs, net 7,712 6,273 5,435 5,324 6,384 7,604 8,530 8,200 Goodwill 61,176 61,176 61,176 59,459 57,776 57,563 60,088 61,000 Intangible assets, net 2,191 1,935 1,677 3,699 2,832 2,458 2,419 2,450 Note receivable 1,639 1,338 1,036 721 192 Deferred income taxes 10,933 3,217 1,440 1,220 Other assets, net 3,427 3,485 3,608 3,785 3,459 3,065 2,918 3,900 Noncurrent assets of discontinued operations 46,009 45,124 41,362 1,475 1,436 1,373 1,347 Total assets \$411,570 \$422,716 \$433,186 \$454,954 \$366,441 \$384,382 \$409,306 \$433,23							,	,						18,238		
Less accumulated depreciation and amortization (38,929) (41,330) (43,101) (44,411) (45,231) (47,087) (50,322) (53,48) (50,322	Total current assets	246,139	260,409		272,912		321,095	242,783		260,101		278,913		292,111		
Less accumulated depreciation and amortization (38,929) (41,330) (43,101) (44,411) (45,231) (47,087) (50,322) (53,48) (50,322																
and amortization (38,929) (41,330) (43,101) (44,411) (45,231) (47,087) (50,322) (53,49) (63,59) (63,51) (63,69) (73,50) (73,50		72,531	73,645		75,280		78,132	78,387		80,463		88,020		98,781		
Property and equipment, net 33,602 32,315 32,179 33,721 33,156 33,376 37,698 45,287   Capitalized software 15,768 16,886 18,567 19,979 20,521 23,262 23,970 26,487   Less accumulated amortization (4,454) (4,887) (5,369) (5,854) (6,159) (6,581) (6,769) (7,507   Capitalized software, net 11,314 11,999 13,198 14,125 14,362 16,681 17,201 18,907   Deferred contract costs, net 7,712 6,273 5,435 5,324 6,384 7,604 8,530 8,207   Goodwill 61,176 61,176 61,176 59,459 57,776 57,563 60,088 61,007   Intangible assets, net 2,191 1,935 1,677 3,699 2,832 2,458 2,419 2,457   Note receivable 1,639 1,338 1,036 721 192   Deferred income taxes 10,933 3,217 1,440 1,22   Other assets, net 3,427 3,485 3,608 3,785 3,459 3,065 2,918 3,927   Noncurrent assets of discontinued operations 46,009 45,124 41,362 1,475 1,436 1,373 1,347   Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23    Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23																
Capitalized software         15,768         16,886         18,567         19,979         20,521         23,262         23,970         26,47           Less accumulated amortization         (4,454)         (4,887)         (5,369)         (5,854)         (6,159)         (6,581)         (6,769)         (7,50           Capitalized software, net         11,314         11,999         13,198         14,125         14,362         16,681         17,201         18,90           Deferred contract costs, net         7,712         6,273         5,435         5,324         6,384         7,604         8,530         8,20           Goodwill         61,176         61,176         61,176         59,459         57,776         57,563         60,088         61,02           Intangible assets, net         2,191         1,935         1,677         3,699         2,832         2,458         2,419         2,45           Note receivable         1,639         1,338         1,036         721         192           Deferred income taxes         10,933         3,217         1,440         1,22           Other assets, net         3,427         3,485         3,608         3,785         3,459         3,065         2,918         3,92		. , ,	, , , ,											(53,495)		
Less accumulated amortization (4,454) (4,887) (5,369) (5,854) (6,159) (6,581) (6,769) (7,500) (6,581) (6,769) (7,500) (6,581) (6,769) (7,500) (6,581) (6,769) (7,500) (6,581) (6,769) (7,500) (6,581) (6,769) (7,500) (6,581) (6,769) (7,500) (6,581) (6,769) (7,500) (6,581) (6,769) (7,500)														45,286		
Capitalized software, net         11,314         11,999         13,198         14,125         14,362         16,681         17,201         18,90           Deferred contract costs, net         7,712         6,273         5,435         5,324         6,384         7,604         8,530         8,20           Goodwill         61,176         61,176         61,176         59,459         57,776         57,563         60,088         61,02           Intangible assets, net         2,191         1,935         1,677         3,699         2,832         2,458         2,419         2,45           Note receivable         1,639         1,338         1,036         721         192           Deferred income taxes         10,933         3,217         1,440         1,22           Other assets, net         3,427         3,485         3,608         3,785         3,459         3,065         2,918         3,92           Noncurrent assets of discontinued operations         46,009         45,124         41,362         1,475         1,436         1,373         1,347           Total assets         411,570         422,716         433,186         454,954         366,441         384,382         409,306         433,23	-							- /-						26,475		
Deferred contract costs, net         7,712         6,273         5,435         5,324         6,384         7,604         8,530         8,20           Goodwill         61,176         61,176         61,176         59,459         57,776         57,563         60,088         61,00           Intangible assets, net         2,191         1,935         1,677         3,699         2,832         2,458         2,419         2,45           Note receivable         1,639         1,338         1,036         721         192           Deferred income taxes         10,933         3,217         1,440         1,22           Other assets, net         3,427         3,485         3,608         3,785         3,459         3,065         2,918         3,92           Noncurrent assets of discontinued operations         46,009         45,124         41,362         1,475         1,436         1,373         1,347           Total assets         \$411,570         \$422,716         433,186         \$454,954         \$366,441         \$384,382         \$409,306         \$433,23				)										(7,506)		
Goodwill         61,176         61,176         61,176         61,176         59,459         57,776         57,563         60,088         61,07           Intangible assets, net         2,191         1,935         1,677         3,699         2,832         2,458         2,419         2,45           Note receivable         1,639         1,338         1,036         721         192           Deferred income taxes         10,933         3,217         1,440         1,23           Other assets, net         3,427         3,485         3,608         3,785         3,459         3,065         2,918         3,93           Noncurrent assets of discontinued operations         46,009         45,124         41,362         1,475         1,436         1,373         1,347           Total assets         \$ 411,570         \$ 422,716         \$ 433,186         \$ 454,954         \$ 366,441         \$ 384,382         \$ 409,306         \$ 433,23														18,969		
Intangible assets, net         2,191         1,935         1,677         3,699         2,832         2,458         2,419         2,45           Note receivable         1,639         1,338         1,036         721         192           Deferred income taxes         10,933         3,217         1,440         1,23           Other assets, net         3,427         3,485         3,608         3,785         3,459         3,065         2,918         3,93           Noncurrent assets of discontinued operations         46,009         45,124         41,362         1,475         1,436         1,373         1,347           Total assets         \$ 411,570         \$ 422,716         \$ 433,186         \$ 454,954         \$ 366,441         \$ 384,382         \$ 409,306         \$ 433,23														8,206		
Note receivable         1,639         1,338         1,036         721         192           Deferred income taxes         10,933         3,217         1,440         1,23           Other assets, net         3,427         3,485         3,608         3,785         3,459         3,065         2,918         3,93           Noncurrent assets of discontinued operations         46,009         45,124         41,362         1,475         1,436         1,373         1,347           Total assets         \$ 411,570         \$ 422,716         \$ 433,186         \$ 454,954         \$ 366,441         \$ 384,382         \$ 409,306         \$ 433,23														61,029		
Deferred income taxes         10,933         3,217         1,440         1,23           Other assets, net         3,427         3,485         3,608         3,785         3,459         3,065         2,918         3,93           Noncurrent assets of discontinued operations         46,009         45,124         41,362         1,475         1,436         1,373         1,347           Total assets         \$ 411,570         \$ 422,716         \$ 433,186         \$ 454,954         \$ 366,441         \$ 384,382         \$ 409,306         \$ 433,23		2,191	1,935											2,455		
Other assets, net       3,427       3,485       3,608       3,785       3,459       3,065       2,918       3,920         Noncurrent assets of discontinued operations       46,009       45,124       41,362       1,475       1,436       1,373       1,347         Total assets       \$411,570       \$422,716       \$433,186       \$454,954       \$366,441       \$384,382       \$409,306       \$433,23					1,639							192				
Noncurrent assets of discontinued operations 46,009 45,124 41,362 1,475 1,436 1,373 1,347  Total assets \$\frac{41}{5}\$ \$\frac{411}{5}\$ \$\frac{422716}{5}\$ \$\frac{433}{186}\$ \$\frac{454}{544,954}\$ \$\frac{366,441}{366,441}\$ \$\frac{384,382}{384,382}\$ \$\frac{409,306}{306,325}\$ \$\frac{433,25}{366,441}\$		2 125	2.405		2 (00							2.040		1,239		
operations 46,009 45,124 41,362 1,475 1,436 1,373 1,347 Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23			3,485		3,608		3,785	3,459		3,065		2,918		3,939		
Total assets \$ 411,570 \$ 422,716 \$ 433,186 \$ 454,954 \$ 366,441 \$ 384,382 \$ 409,306 \$ 433,23																
	•			Φ.		ф.			Φ.		ф		ф	122 22 1		
A A DAY ANY TO A NO	Total assets	\$ 411,570	\$ 422,716	\$	433,186	\$	454,954	\$ 366,441	\$	384,382	\$	409,306	\$	433,234		
LIABILITIES AND	LIABILITIES AND															
SHAREHOLDERS EQUITY	SHAREHOLDERS EQUITY															
Current liabilities:	Current liabilities:															
Accounts payable 40,297 41,853 40,861 42,612 30,816 48,438 45,474 44,36	Accounts payable	40,297	41,853		40,861		42,612	30,816		48,438		45,474		44,368		
Accrued compensation and	Accrued compensation and															
		20,442	22,818		24,159		25,610	21,562		23,710		25,775		31,713		
Current portion of deferred	Current portion of deferred															
revenue 13,456 10,549 12,421 15,958 19,075 17,543 18,947 22,17	revenue	13,456	10,549		12,421		15,958	19,075		17,543		18,947		22,177		
Current portion of income taxes																
payable 1,422 12,661		1,422					12,661									
Current portion of capital lease	1 1															
obligations 1,643 1,238 830 417					830		417									
			996		1,037		53,892	16,968		12,929		14,554		15,083		
Current liabilities of discontinued																
	1				36,304			- , -						14,124		
		118,825	115,672		115,612		171,129	103,867		115,434		116,216		127,465		
Deferred revenue, less current	Deferred revenue, less current															
	portion							4,490				6,019		6,527		
2,106 2,109 1,935 1,617 1,668 1,573 1,753 1,85		2,106	2,109		1,935		1,617	1,668		1,573		1,753		1,871		

Income taxes payable, less current portion	t								
Deferred income taxes		11,202	12,752	11,810				2,212	243
Total liabilities		139,004	137,837	136,151	179,248	110,025	122,752	126,200	136,106
Shareholders equity:									
Common stock		305,398	309,450	311,143	328,323	330,834	332,462	334,590	338,739
Treasury stock		(275,025)	(275,025)	(275,025)	(289,103)	(312,338)	(319,149)	(319,146)	(319,149)
Accumulated other									
comprehensive income		1,603	2,089	3,012	5,536	(1,139)	(1,771)	4,694	8,268
Retained earnings		240,590	248,365	257,905	230,950	239,059	250,088	262,968	269,270
Total shareholders equity		272,566	284,879	297,035	275,706	256,416	261,630	283,106	297,128
Total liabilities and shareholders									
equity	\$	411,570	\$ 422,716	\$ 433,186	\$ 454,954 \$	366,441	\$ 384,382	\$ 409,306	\$ 433,234

#### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Dec. 31, 2007			Sept. 30, 2008	Year Ended Sept. 30, 2008	Dec. 31, 2008	Quarte Mar. 31, 2009	Sept. 30, 2009	Year Ended Sept. 30, 2009	
Not in same (less)	\$ 10,605	\$ 9,627	\$ 11,405	\$ (24,960) \$	6,677	¢ 11.062	\$ 11,027	\$ 14,983	\$ 8,567	\$ 46.540
Net income (loss) Adjust to reconcile net	\$ 10,003	\$ 9,027	\$ 11,403	\$ (24,960) \$	0,077	\$ 11,963	\$ 11,027	\$ 14,983	\$ 8,307	\$ 40,340
income to net cash										
provided by operating										
activities:										
(Income) loss from										
discontinued operations	652	2,507	4,873	15,109	23,141	490	763	924	5,866	8,043
Depreciation	2,602	2,401	2,535	1,307	8,845	1,961	2,129	2,217	2,575	8,882
Amortization	719	691	739	1,247	3,396	737	788	555	1,270	3,350
Deferred income taxes	4,195	3,327	(1,707)	(34,666)	(28,851)	12,043	10,617	(309)	4,368	26,719
Gain on sale of building	.,150	5,527	(3,938)	(2.,000)	(3,938)	12,0 .0	10,017	(20)	.,,,,,	20,719
Gain on sale of fixed					,					
asset							(51)			(51)
Deferred interest							` ′			` ′
income on note										
receivable			37	110	147	107	104	101	64	376
Non-cash equity based										
compensation	3,386	2,072	1,570	2,095	9,123	1,866	2,084	1,678	1,679	7,307
Change in assets and										
liabilities, net of effects										
from divestitures:										
Accounts receivable										
billed	9,579	(4,411)	(2,586)	(16,040)	(13,458)	23,143	1,936	(17,586)	(19,533)	(12,040)
Accounts receivable										
unbilled	(20)	(24)	1,194	1,366	2,516	(5,775)	(7,822)	5,486	462	(7,649)
Due from insurance										
carrier				(12,500)	(12,500)		12,500			12,500
Prepaid expenses and	1 200	(4.500)	245	(1.1.10)	(1.205)	(2.011)	(6.004)	44.004	(0.50)	(11.001)
other current assets	1,309	(1,733)	365	(1,148)	(1,207)	(3,844)	(6,081)	(1,024)	(852)	
Deferred contract costs	404	1,439	838	111	2,792	(1,236)	(1,250)	(720)	324	(2,882)
Other assets	104	178	(7)	(1,525)	(1,250)	(899)	133	1,074	(1,132)	
Accounts payable	(1,823)	1,556	(992)	1,525	266	(10,716)	17,594	(3,460)	(1,563)	1,855
Accrued compensation	(2,746)	2,376	1 241	1 451	2 422	(2.746)	2 100	1 524	5 500	5 176
and benefits  Deferred revenue	(2,740) $(2,223)$		1,341 1,363	1,451 3,244	2,422 (90)	(3,746) 2,492	2,100 57	1,524 840	5,598 2,431	5,476 5,820
Income taxes	(3,141)		3,205	19,125	11,223	(21,959)	(7,535)	9,452	(709)	
Other liabilities	(5,141)		965	46,566	47,502	(34,755)	(7,333)	(186)	(1,051)	
Cash provided by (used	(320)	+27	703	+0,500	77,302	(54,155)	(123)	(100)	(1,031)	(30,713)
in) operating activities										
continuing operations	23,074	10,065	21,200	2,417	56,756	28,128	38,370	15,549	8,364	34,155
Cash provided by (used	23,071	10,005	21,200	2,117	30,730	20,120	30,370	15,517	0,501	51,155
in) operating activities										
discontinued operations	(2,285)	(5,561)	(8,401)	15,041	(1,206)	951	491	(3,748)	(1,216)	(3,522)
Cash provided by (used	(2,200)	(0,001)	(0,101)	10,011	(1,200)	,,,,	.,,	(5,7.10)	(1,210)	(5,522)
in) operating activities	20,789	4,504	12,799	17,458	55,550	(27,177)	38,861	11,801	7,148	30,633
, F 8	.,	,	,,,,,	., .,	,	( , , , , , ,	,	,	.,	,
Proceeds from sales of										
discontinued										
operations, net of										
transation costs			4,643	33,035	37,678				(1,626)	(1,626)
			5,929		5,929					

Proceeds from sale of											
building, net of											
transaction costs											
Proceeds from fixed assets								54		642	696
Acquisition of business,											
net of cash acquired					(3,150)	(3,150)				(406)	(406)
Decrease in note											
receivable				59	178	237	182	184	265	341	972
Purchases of property											
and equipment	(2,392)	)	(1,192)	(6,038)	(758)	(10,380)	(2,414)	(2,476)	(5,714)	(9,090)	(19,694)
Capitalized software											
costs	(920)	)	(1,118)	(1,949)	(1,144)	(5,131)	(1,717)	(2,969)	(351)	(1,851)	(6,888)
Decrease in marketable securities	126,160		50			126,210					
Cash provided by (used											
in) investing activities											
continuing operations	122,848		(2,260)	2,644	28,161	151,393	(3,949)	(5,207)	(5,800)	(11,990)	(26,946)
Cash provided by (used											
in) investing activities											
discontinued operations	(771)	)	(745)	1,257	(2,674)	(2,933)	(11)	(3)	(22)	(54)	(90)
Cash provided by (used	122.077		(2.005)	2.001	25.407	140.460	(2.0(0)	(5.010)	(5.022)	(12.044)	(27.026)
in) investing activities	122,077		(3,005)	3,901	25,487	148,460	(3,960)	(5,210)	(5,822)	(12,044)	(27,036)
Emmlesses steels											
Employee stock transactions	1,655		1,619	90	1,058	4 422	593	(600)	733	1,656	2 202
Repurchases of	1,033		1,019	90	1,038	4,422	393	(690)	133	1,030	2,292
common stock	(150,388)	,			(14,078)	(164,466)	(22,431)	(7,615)			(30,046)
Price adjustment under	(130,300)	,			(14,070)	(104,400)	(22,731)	(7,013)			(30,040)
Accelerated Share					42.002	12.002					
Repurchase agreement					13,903	13,903					
Payments on capital lease obligations	(401)	)	(404)	(408)	(414)	(1,627)	(417)				(417)
Tax benefit due to											
option exercises and											
restricted stock units											
vesting	297		279	7	106	689	53	234	(281)	645	651
Cash dividends paid	(2,222)	)	(1,852)	(1,865)	(1,859)	(7,798)	(1,765)	(2,089)	(2,101)	(2,099)	(8,054)
Cash provided by (used											
in) financing activities	(151.050)		(250)	(0.176)	(1.204)	(154.077)	(02.0(7)	(10.160)	(1.640)	202	(25.574)
continuing operations	(151,059)	)	(358)	(2,176)	(1,284)	(154,877)	(23,967)	(10,160)	(1,649)	202	(35,574)
Cash provided by (used in) financing activities											
discontinued operations											
Cash provided by (used											
in) financing activities	(151,059)	)	(358)	(2,176)	(1,284)	(154,877)	(23,967)	(10,160)	(1,649)	202	(35,574)
in) intanents activities	(131,037)		(330)	(2,170)	(1,201)	(13 1,077)	(23,701)	(10,100)	(1,01)	202	(33,371)
Effect of exchange rate											
changes on cash							(3,040)	138	2,246	843	187
Ü									,		
Net increase (decrease)											
in cash and cash											
equivalents	(8,193)	)	1,141	14,524	41,661	49,133	(58,144)	23,629	6,576	(3,851)	(31,790)
Cash and cash											
equivalents, end of											
period	70,472		62,279	63,420	77,944	70,472	119,605	61,461	85,090	91,666	119,605
Cash and cash											
equivalents, beginning											
of period	\$ 62,279	\$	63,420	\$ 77,944	\$ 119,605 \$	119,605 \$	61,461	\$ 85,090	\$ 91,666	\$ 87,815 \$	87,815