

AUTOMATIC DATA PROCESSING INC
Form 10-Q
February 01, 2017
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended December 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From _____ to _____

Commission File Number 1-5397

AUTOMATIC DATA PROCESSING, INC.
(Exact name of registrant as specified in its charter)

Delaware 22-1467904
(State or other jurisdiction of incorporation or (IRS Employer Identification No.)
organization)
One ADP Boulevard, Roseland, New Jersey 07068
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (973) 974-5000

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer x

Accelerated filer o

Non-accelerated filer o (Do not check if a smaller reporting company) Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No y

The number of shares outstanding of the registrant's common stock as of January 27, 2017 was 448,902,582.

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

Automatic Data Processing, Inc. and Subsidiaries

Statements of Consolidated Earnings

(In millions, except per share amounts)

(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2016	2015	2016	2015
REVENUES:				
Revenues, other than interest on funds held for clients and PEO revenues	\$2,077.4	\$1,984.4	\$4,114.8	\$3,913.0
Interest on funds held for clients	91.8	89.3	181.0	177.1
PEO revenues (A)	818.1	733.3	1,608.4	1,430.9
TOTAL REVENUES	2,987.3	2,807.0	5,904.2	5,521.0
EXPENSES:				
Costs of revenues:				
Operating expenses	1,560.4	1,479.4	3,091.9	2,919.3
Systems development and programming costs	152.5	149.6	307.4	305.7
Depreciation and amortization	54.9	53.5	112.2	104.0
TOTAL COSTS OF REVENUES	1,767.8	1,682.5	3,511.5	3,329.0
Selling, general, and administrative expenses	640.8	627.2	1,288.6	1,232.4
Interest expense	20.5	16.8	40.4	21.8
TOTAL EXPENSES	2,429.1	2,326.5	4,840.5	4,583.2
Other income, net	(228.0)	(27.4)	(251.1)	(75.1)
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	786.2	507.9	1,314.8	1,012.9
Provision for income taxes	275.3	166.5	435.2	334.0
NET EARNINGS FROM CONTINUING OPERATIONS	\$510.9	\$341.4	\$879.6	\$678.9
LOSS FROM DISCONTINUED OPERATIONS BEFORE INCOME TAXES	—	—	—	(1.4)
Benefit for income taxes	—	—	—	(0.5)
NET LOSS FROM DISCONTINUED OPERATIONS	\$—	\$—	\$—	\$(0.9)
NET EARNINGS	\$510.9	\$341.4	\$879.6	\$678.0
Basic Earnings Per Share from Continuing Operations	\$1.14	\$0.75	\$1.95	\$1.48
Basic Loss Per Share from Discontinued Operations				