



Edgar Filing: DST SYSTEMS INC - Form 10-Q

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**43-1581814**

(I.R.S. Employer  
Identification No.)

**333 West 11th Street, Kansas City, Missouri**

(Address of principal executive offices)

**64105**

(Zip Code)

**(816) 435-1000**

(Registrant's telephone number, including area code)

**No Changes**

(Former name, former address and former fiscal year, if changed since last report)

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 definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer   
(do not check if a smaller reporting company)

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

Number of shares outstanding of the Company's common stock as of April 30, 2012:

Common Stock \$0.01 par value 44,954,434



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**March 31, 2012**

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**DST Systems, Inc.**

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**March 31, 2012**

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**Introductory Comments**

The Condensed Consolidated Financial Statements of DST Systems, Inc. ( "DST" or the "Company" ) included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the United States Securities and Exchange Commission. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to enable a reasonable understanding of the information presented. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's audited financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

The results of operations for the three months ended March 31, 2012 are not necessarily indicative of the results to be expected for the full year 2012.

Table of Contents**DST Systems, Inc.****Condensed Consolidated Balance Sheet***(in millions, except per share amounts)**(unaudited)*

	<b>March 31, 2012</b>	<b>December 31, 2011</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 52.3	\$ 40.9
Funds held on behalf of clients	309.3	272.6
Client funding receivable	50.4	42.6
Accounts receivable	337.3	325.2
Deferred income taxes	8.6	8.4
Other assets	68.2	77.2
	826.1	766.9
Investments	1,147.7	1,072.8
Unconsolidated affiliates	379.6	370.8
Properties	521.7	523.9
Intangible assets	165.0	169.0
Goodwill	486.0	487.0
Other assets	68.2	38.2
Total assets	\$ 3,594.3	\$ 3,428.6
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Current portion of debt	\$ 309.3	\$ 320.8
Client funds obligations	359.7	315.2
Accounts payable	127.3	96.0
Accrued compensation and benefits	98.2	119.6
Deferred revenues and gains	91.5	101.3
Other liabilities	127.3	120.8
	1,113.3	1,073.7
Long-term debt	1,051.0	1,059.5
Income taxes payable	66.2	60.7
Deferred income taxes	355.4	326.5
Other liabilities	80.2	72.5
Total liabilities	2,666.1	2,592.9
Commitments and contingencies (Note 10)		
Equity		
DST Systems, Inc. stockholders' equity		
Preferred stock, \$0.01 par; 10 million shares authorized and unissued		
Common stock, \$0.01 par; 400 million shares authorized, 95.3 million shares issued	1.0	1.0
Additional paid-in capital	222.3	246.0
Retained earnings	3,228.7	3,191.3
Treasury stock (50.4 million and 51.2 million shares, respectively), at cost	(2,849.2)	(2,896.1)
Accumulated other comprehensive income	325.4	277.8

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Total DST Systems, Inc. stockholders' equity	928.2	820.0
Non-controlling interest		15.7
Total equity	928.2	835.7
Total liabilities and equity	\$ 3,594.3	\$ 3,428.6

The accompanying notes are an integral part of these financial statements.