

CUBIC CORP /DE/  
Form 11-K  
June 21, 2013  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C.20549

**FORM 11-K**

**ANNUAL REPORT PURSUANT TO SECTION 15(d)**  
**OF THE SECURITIES ACT OF 1934**

**For the Fiscal Year Ended December 31, 2012**

**1-8931**

**Commission File Number**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**CUBIC APPLICATIONS, INC. 401(k) RETIREMENT PLAN**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**CUBIC CORPORATION**

Edgar Filing: CUBIC CORP /DE/ - Form 11-K

**9333 Balboa Avenue**

**San Diego, California 92123**

**Telephone (858) 277-6780**

---

Table of Contents

**CUBIC APPLICATIONS, INC. 401(K) RETIREMENT PLAN**

**Financial Statements and Supplemental Schedule**

December 31, 2012 and 2011

Table of Contents

|  |      |
|--|------|
| <u>Report of Independent Registered Public Accounting Firm</u>               | 1    |
| Financial Statements:  |      |
| <u>Statements of Net Assets Available for Benefits</u>                       | 2    |
| <u>Statement of Changes in Net Assets Available for Benefits</u>             | 3    |
| <u>Notes to Financial Statements</u>   | 4-16 |
| <u>* Supplemental Schedule:</u>  |      |
| <u>Schedule H, Part IV, Line 4i Schedule of Assets (Held at End of Year)</u> | 18   |

---

\* Other schedules required by Section 2520.103-10 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

---

Table of Contents

**Report of Independent Registered Public Accounting Firm**

To the Administrator and Participants of the

Cubic Applications, Inc. 401(k) Retirement Plan:

We have audited the accompanying statements of net assets available for benefits of the Cubic Applications, Inc. 401(k) Retirement Plan as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2012 and 2011, and the changes in net assets available for benefits for the year ended December 31, 2012, in accordance with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year as of December 31, 2012, is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplemental information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ **MAYER HOFFMAN McCANN P.C.**

San Diego, California

June 21, 2013



Table of Contents

## CUBIC APPLICATIONS, INC. 401(K) RETIREMENT PLAN

**Statements of Net Assets Available for Benefits**

December 31, 2012 and 2011

|  | 2012                  | 2011                  |
|--|-----------------------|-----------------------|
| <b>Assets:</b>   |                       |                       |
| Investments, at fair value:  |                       |                       |
| Mutual funds   | \$ 111,405,743        | \$ 100,008,042        |
| Guaranteed interest account  | 9,154,385             | 8,347,646             |
| Stable value fund  | 17,814,899            | 19,651,174            |
| Cubic Corporation common stock   | 1,678,081             | 1,590,954             |
| Self-directed brokerage account  | 434,318               | 235,605               |
| <b>Total investments</b>   | <b>140,487,426</b>    | <b>129,833,421</b>    |
| <b>Receivables:</b>  |                       |                       |
| Employer s contributions   | 1,010,934             | 1,157,683             |
| Participants contributions   | 273,958               | 227,924               |
| Notes receivable from participants   | 2,434,588             | 2,414,562             |
| <b>Total receivables</b>   | <b>3,719,480</b>      | <b>3,800,169</b>      |
| <b>Total assets</b>  | <b>144,206,906</b>    | <b>133,633,590</b>    |
| <b>Liabilities:</b>  |                       |                       |
| Excess contributions payable   | 9,154                 | 40,798                |
| <b>Total liabilities</b>   | <b>9,154</b>          | <b>40,798</b>         |
| <b>Net assets available for benefits reflecting all investments at fair value</b>              | <b>144,197,752</b>    | <b>133,592,792</b>    |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (502,072)             | (497,983)             |
| <b>Net assets available for benefits</b>   | <b>\$ 143,695,680</b> | <b>\$ 133,094,809</b> |

See the accompanying notes to financial statements.

Table of Contents

CUBIC APPLICATIONS, INC. 401(K) RETIREMENT PLAN

**Statement of Changes in Net Assets Available for Benefits**

For the Year Ended December 31, 2012

|  |                |
|--|----------------|
| Additions to net assets attributed to:                 |                |
| Investment income:                                     |                |
| Interest and dividends                                 | \$ 1,891,701   |
| Interest on guaranteed interest account                | 247,284        |
| Net change in fair value of investments                | 12,805,031     |
| Total investment income                                | 14,944,016     |
| Interest income on notes receivable from participants  | 110,875        |
| Contributions:   |                |
| Participants   | 8,983,750      |
| Employers  | 7,263,869      |
| Participants rollovers from other qualified plans, net | 645,632        |
| Total contributions                                    | 16,893,251     |
| Total additions  | 31,948,142     |
| Deductions from net assets attributed to:              |                |
| Benefits paid to participants                          | 21,245,824     |
| Administrative expenses                                | 101,447        |
| Total deductions                                       | 21,347,271     |
| Net increase   | 10,600,871     |
| Net assets available for benefits:                     |                |
| Beginning of year                                      | 133,094,809    |
| End of year  | \$ 143,695,680 |

See the accompanying notes to financial statements.

Table of Contents

CUBIC APPLICATIONS, INC. 401(K) RETIREMENT PLAN

**Notes to Financial Statements**

December 31, 2012 and 2011

**(1) Plan Description**

The following description of the Cubic Applications, Inc. 401(k) Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan.

**(a) General**

The Plan, which was effective April 8, 1994 and amended from time to time thereafter, is a defined contribution plan covering eligible full-time, part-time and temporary non-union employees of Cubic Corporation and affiliated companies that have adopted participation in the Plan (collectively, the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**(b) Contributions**

There are certain differences in contribution options and certain other matters between participating employees of Cubic Applications, Inc. (Sub Plan 1), and participating employees of Abraxas Corporation and Abraxas Dauntless, Inc. (Sub Plan 2).

Sub Plan 1 participants may voluntarily contribute to the Plan up to 30% of pre-tax and after-tax annual compensation (up to the Internal Revenue Service (IRS) maximum allowable amount), as defined by the Plan, to the Plan. These participants may also rollover amounts representing distributions from other eligible retirement plans. Sub Plan 1 participants direct their contributions and the Company's contributions in 1% increments in the Guaranteed Interest Account, mutual funds, Stable Value Fund, and the Company's common stock. They may also transfer up to 99% of their account balance to a Self-Directed Brokerage Account.

For Sub Plan 1 participants, the matching Company contribution is 100% of the first 5% of base compensation that a participant contributes to the Plan. The Plan also provides for a Company discretionary contribution, at the option of the Cubic Corporation Board of Directors, in an amount to be determined annually for these participants. Discretionary contributions to the Plan for Sub Plan 1 participants are allocated based



Edgar Filing: CUBIC CORP /DE/ - Form 11-K

on the ratio of each participant's compensation to total compensation of all eligible participants. Sub Plan 1 participants must be employed by Cubic Applications, Inc. as of the Plan's year end, have at least one year of service and have earned at least 1,000 hours of service during the Plan year to be eligible for any discretionary contributions.

Table of Contents

CUBIC APPLICATIONS, INC. 401(K) RETIREMENT PLAN

**Notes to Financial Statements**

December 31, 2012 and 2011

**(1) Plan Description, Continued**

**(b) Contributions (continued)**

Sub Plan 2 participants can voluntarily contribute up to 90% of their compensation as pre-tax or after-tax contributions. However, their combined pre-tax and after-tax contributions together cannot exceed 90% of their annual compensation (not to exceed the IRS maximum allowable amount), as defined by the Plan. Sub Plan 2 participants can also rollover amounts representing distributions from other eligible retirement plans.

The Company matching for eligible Sub Plan 2 participants, other than as noted below, is 100% of the participant's elective contribution made during the Plan year, up to 5% of the participant's annual compensation. The Company matching for eligible Abraxas Dauntless participants who are former employees of Safe Harbor Systems, Inc. (a wholly-owned subsidiary of Cubic Corporation) is 100% of the participant's elective contribution made during the Plan year, up to 6% of the participant's annual compensation. In addition, the Sub Plan 2 provides for a Company discretionary contribution, at the option of the Cubic Corporation Board of Directors. Discretionary contributions to the Plan for Sub Plan 2 participants are allocated to all eligible participants based on the ratio of each eligible participant's compensation to total compensation of all eligible participants.

All Plan participants may change their investment options daily. All contributions are held in a trust and invested by the Plan's custodian in accordance with the options elected by the participants (i.e. all investments are participant directed). The maximum allowable calendar-year combined pre-tax and Roth after-tax voluntary contribution, as determined by the IRS, was \$17,000 for 2012 and \$16,500 for 2011.

**(c) Vesting**

Sub Plan 1 employee contributions, rollover contributions and Company matching and discretionary contributions are immediately 100% vested. Sub Plan 2 employee contributions, rollover contributions and Company matching contributions are immediately 100% vested. Sub Plan 2 participants' Company discretionary contributions are 100% vested after three years of service if they were employed on or after September 6, 2011. Company discretionary contributions for Sub Plan 2 participants who were employees of Abraxas prior to September 6, 2011 are immediately 100% vested.



Table of Contents

CUBIC APPLICATIONS, INC. 401(K) RETIREMENT PLAN

**Notes to Financial Statements**

December 31, 2012 and 2011

**(1) Plan Description, Continued**

*(d) Participants Accounts*

Each participant's account is credited with the participant's contributions, the Company's matching contributions, his or her pro rata share of the Company's discretionary contributions (if any), rollovers and transfers from other plans and allocations of Plan earnings or losses including market value adjustments on Plan investments. Allocations are based on participant earnings or account balances, as defined in the Plan agreement. The non-vested portion of a participant's Company discretionary contribution account will be forfeited as of the earlier of the date of distribution of the vested portion of his or her account or the date on which he or she incurs a five consecutive year period of severance. Any remaining forfeited balances of terminated participants' non-vested accounts after payment of certain administrative expenses and restoration of forfeitures of re-employed participants are allocated to participants who are employed on the last day of the Plan year in ratio that each eligible participant's Company discretionary contribution bears to the Company discretionary contribution of all eligible participants. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. As of December 31, 2012 and 2011, Plan assets available for benefits that had not been credited to participant accounts, including unallocated forfeitures, amounted to \$203,920 and \$192,089, respectively.

*(e) Distribution of Participants Accounts*

The entire vested balance of a participant's account may be distributed at the date of the participant's retirement, termination of service, death, or permanent and total disability. Participants still employed are eligible for distributions of their rollover contributions each Plan year and up to 65% of their vested portion of the Company discretionary contributions once every five years. Participants, including terminated participants, may request a withdrawal of their accounts, excluding their matching contributions, in the case of financial hardship. Sub Plan 2 participants who have reached the age of 40 may also withdrawal up to 100% of their Company discretionary contributions. The normal retirement age, as defined by the Plan, is the later date at which participants reach the age of 65 or have reached five years of service. If a participant terminates employment with the Company before retirement, the participant will receive either a lump sum payment of their vested account balance or if the vested account exceeds \$1,000, the participant may elect any distribution date up to age 70½.

Table of Contents

CUBIC APPLICATIONS, INC. 401(K) RETIREMENT PLAN

**Notes to Financial Statements**

December 31, 2012 and 2011

**(1)**