

PERFICIENT INC
Form 8-K/A
June 16, 2004

Securities and Exchange Commission

Washington, DC 20549

Form 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported) **June 16, 2004**

PERFICIENT, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-15169

(Commission File Number)

74-2853258

(IRS Employer Identification No.)

**1120 South Capital of Texas Highway, Suite 220,
Building 3, Austin, TX**

(Address of Principal Executive Offices)

78746

(Zip Code)

(512) 531-6000

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Registrant's telephone number, including area code

(Former Name or Former Address, if Changed Since Last Report)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On April 16, 2004, Perficient, Inc. (the Company) filed a current report on Form 8-K reporting that on April 2, 2004, the Company consummated the acquisition by way of merger of Genisys Consulting, Inc. (Genisys), an Illinois corporation, with and into our wholly-owned subsidiary, Perficient Genisys, Inc., a Delaware corporation. Perficient Genisys, Inc. is the surviving corporation to the merger. The Company paid approximately \$7.9 million consisting of approximately \$1.5 million in cash and 1.7 million shares of the Company's common stock, subject to certain post-closing adjustments. The shares of common stock issued in connection with the merger were ascribed a value of \$3.77 per share, which was the average closing price of the Company's common stock for the 30 consecutive trading days ending on April 1, 2004. The common stock issued in connection with the merger included approximately 0.8 million shares which are restricted through April 1, 2007, and another 0.4 million shares held in escrow until April 1, 2005. Approximately \$0.5 million in transaction costs have been incurred in relation to the acquisition. Prior to the acquisition, the assets of Genisys were used to provide information technology consulting services to its customers. The Company intends to continue such use for the assets of Genisys. The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Genisys Merger Agreement, a copy of which is included herein as Exhibit 10.1.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

In this Report on Form 8-K/A we are providing the following financial information:

(a) Audited Financial Statements of Genisys Consulting, Inc. for the years ended December 31, 2002 and 2003 and unaudited financial statements for three months ended March 31, 2003 and 2004;

(b) Unaudited Pro Forma Condensed Balance Sheet information of the Company as of March 31, 2004, and Unaudited Pro Forma Statement of Operations of the Company for the year ended December 31, 2003 and three months ended March 31, 2004;

The Company has recorded total consideration for the Genisys Consulting, Inc. acquisition of \$8.8 million, which includes transaction costs and stock options issued in exchange for common stock of Genisys. This consideration has been allocated to the tangible and identifiable intangible assets acquired and liabilities assumed according to their respective fair values, with the excess purchase consideration being allocated to goodwill at the closing of the transaction. The acquisition was completed on April 2, 2004.

The unaudited pro forma condensed income statement of the Company for the year ended December 31, 2003, and the three months ended March 31, 2004, give effect to (i) the acquisition of Genisys Consulting, Inc. applying the purchase method of accounting and (ii) certain adjustments that are directly attributable to the acquisition as if the transaction was consummated as of the beginning of the respective periods.

In the opinion of the Company, all adjustments and/or disclosures necessary for a fair presentation of the pro forma data have been made. These unaudited pro forma statements of operations are presented for illustrative purposes only and are not necessarily indicative of the operating results that would have been achieved had the acquisition occurred as of the dates indicated or of the results that may be obtained in the future.

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These unaudited pro forma condensed income statement and notes thereto should be read in conjunction with the Genisys Consulting, Inc. financial statements and the notes thereto as of and for the years ended December 31, 2002 and 2003 included in this Report on Form 8-K/A; the Company's financial statements and the notes thereto as of and for the year ended December 31, 2003, included in the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003, as amended by Amendment No. 1 on Form 10-KSB/A, which are incorporated herein by reference; and the Company's consolidated financial statements and the notes thereto as of and for the three month period ended March 31, 2004, included in the Company's Quarterly Report on Form 10-QSB which are incorporated herein by reference.

(c) Exhibits

EXHIBIT NO.	DESCRIPTION
Exhibit 10.1. +	Agreement and Plan of Merger, dated as of April 2, 2004, by and among Perficient, Inc., Perficient Genisys, Inc., Genisys Consulting, Inc., and certain shareholders of Genisys Consulting, Inc.
Exhibit 23.1.	Consent of Ernst and Young LLP.
Exhibit 99.1. +	Perficient, Inc. Press Release issued on April 5, 2004 regarding the acquisition of Genisys Consulting, Inc.

+ Previously filed with the Securities and Exchange Commission as an Exhibit to the Company's Current Report on Form 8-K filed on April 16, 2004 and incorporated herein by reference.

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.

Dated June 16, 2004

PERFICIENT, INC.

/s/ Michael D. Hill
Michael D. Hill
Chief Financial Officer

GENISYS CONSULTING, INC.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Auditors

Balance Sheets at December 31, 2002 and 2003 and March 31, 2004 (unaudited)

Statements of Operations for the years ended December 31, 2002 and 2003, and for the three months ended March 31, 2003 (unaudited) and 2004 (unaudited)

Statements of Changes in Stockholders' Equity for the years ended December 31, 2002 and 2003

Statements of Cash Flows for the years ended December 31, 2002 and 2003, and for the three months ended March 31, 2003 (unaudited) and 2004 (unaudited)

Notes to Financial Statements

F-1

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders

Genisys Consulting, Inc.

We have audited the accompanying balance sheets of Genisys Consulting, Inc. as of December 31, 2002 and 2003, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 financial position of Genisys Consulting, Inc. at December 31, 2002 and 2003, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Austin, Texas

June 10, 2004

F-2

GENISYS CONSULTING, INC.

BALANCE SHEETS

	December 31,				March 31,	
	2002		2003		2004	
					(unaudited)	
ASSETS						
Current assets:						
Cash	\$	4,300	\$	4,392	\$	230,033
Accounts receivable		835,172		1,390,333		1,178,193
Other current assets		63,995		65,777		2,602
Total current assets		903,467		1,460,502		1,410,828
Property and equipment:						
Computer Hardware		203,486		234,566		239,138
Furniture and fixtures		94,865		94,865		94,865
Accumulated depreciation		(204,694)		(248,378)		(258,714)
Net property and equipment		93,657		81,053		75,289
Total assets	\$	997,124	\$	1,541,555	\$	1,486,117
LIABILITIES AND STOCKHOLDERS EQUITY						
Current liabilities:						
Accounts payable	\$	65,146	\$	51,915	\$	9,750
Current portion of note payable to former shareholder		198,770		297,991		
Other current liabilities		172,954		128,241		163,177
Total current liabilities		436,870		478,147		172,927
Note Payable to former shareholder, net of current portion		297,991				
Stockholders equity:						
Common stock, no par value; 5,000,000 shares authorized; 480,816 shares issued and outstanding at December 31, 2002 and 2003, and March 31, 2004		873,163		873,163		873,163
Treasury stock, 100,000 shares of common stock, at cost		(1,200,000)		(1,200,000)		(1,200,000)
Stockholder receivables		(408,845)		(333,680)		(329,490)
Retained earnings		997,945		1,723,925		1,969,517
Total stockholders equity		262,263		1,063,408		1,313,190
Total liabilities and stockholders equity	\$	997,124	\$	1,541,555	\$	1,486,117

See accompanying notes.

GENISYS CONSULTING, INC.

STATEMENTS OF OPERATIONS

	Year Ended December 31,				Three Months Ended March 31,			
	2002		2003		2003		2004	
					(unaudited)		(unaudited)	
Revenue:								
Services	\$	7,976,732	\$	9,520,474	\$	1,954,134	\$	2,656,359
Reimbursable expenses		10,072		42,032		3,098		23,288
Total revenue		7,986,804		9,562,506		1,957,232		2,679,647
Cost of revenue:								
Project personnel costs		5,346,267		5,521,638		1,149,803		1,784,907
Reimbursable expenses		15,833		45,690		8,399		12,010
Total cost of revenue		5,362,100		5,567,328		1,158,202		1,796,917
Gross margin		2,624,704		3,995,178		799,030		882,730
Selling, general and administrative		2,589,890		2,842,410		658,221		636,939
Depreciation		41,734		43,685		12,154		10,336
Total operating expenses		2,631,624		2,886,095		670,375		647,275
Income (loss) from operations		(6,920)		1,109,083		128,655		235,455
Interest income		18,142		18,255		4,327		10,977
Interest expense		(32,912)		(22,010)		(5,930)		(1,764)
Other, net		907		1,468		1,467		924
Net Income (loss)	\$	(20,783)	\$	1,106,796	\$	128,519	\$	245,592

See accompanying notes.

GENISYS CONSULTING, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY

	Common Stock		Stockholder Receivables	Treasury Stock	Retained Earnings	Total Stockholders Equity
	Shares	Amount				
Balance at January 1, 2002	200	\$ 1,500	\$	\$ (1,200,000)	\$ 1,018,728	\$ (179,772)
Stock split 2,000 for 1	400,000					
Issuance of common stock to employees	80,616	871,663	(420,065)			451,598
Collections on stockholders receivables			11,220			11,220
Net loss					(20,783)	(20,783)
Balance at December 31, 2002	480,816	\$ 873,163	\$ (408,845)	\$ (1,200,000)	\$ 997,945	\$ 262,263
Distributions to common stockholders					(380,816)	(380,816)
Collections on stockholder receivables			75,165			75,165
Net income					1,106,796	1,106,796
Balance at December 31, 2003	480,816	\$ 873,163	\$ (333,680)	\$ (1,200,000)	\$ 1,723,925	\$ 1,063,408

See accompanying notes.

GENISYS CONSULTING, INC.

STATEMENTS OF CASH FLOWS

	Year Ended December 31,				Three Months Ended March 31,			
	2002		2003		2003		2004	
					(unaudited)		(unaudited)	
OPERATING ACTIVITIES								
Net income (loss)	\$	(20,783)	\$	1,106,796	\$	128,519	\$	245,592
Adjustments to reconcile net income (loss) to net cash provided by operations:								
Depreciation		41,734		43,685		12,154		10,336
Changes in operating assets and liabilities:								
Accounts receivable		15,322		(555,161)		(144,625)		212,140
Other assets		(9,907)		(1,782)		44,628		63,175
Accounts payable		40,451		(13,231)		(47,070)		(42,165)
Other liabilities		46,562		(44,714)		(56,415)		34,936
Net cash provided by operating activities		113,379		535,593		(62,809)		524,014
INVESTING ACTIVITIES								
Purchase of property and equipment		(33,987)		(31,081)				(4,572)
Net cash used in investing activities		(33,987)		(31,081)				(4,572)
FINANCING ACTIVITIES								
Payments on note payable to former stockholder		(542,290)		(198,769)		(34,412)		(297,991)
Proceeds from draws on line of credit						150,000		
Proceeds from issuance of common stock		451,598						
Distribution to common stock stockholders				(380,816)				
Proceeds from repayment of stockholder loans		11,220		75,165		3,983		4,190
Net cash used in financing activities		(79,472)						