UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended June 30, 2020

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 001-31400

CACI International Inc

(Exact name of registrant as specified in its charter)

Delaware	**54-1345888**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1100 North Glebe Road, Arlington, VA 22201

(Address of principal executive offices)

(703) 841-7800

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	CACI	New York Stock Exchange

Indicate by check mark whether the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒. No ☐.

Indicate by check mark whether the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐. No ☒.

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 every Interactive Data File required to be submitted 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 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, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒.

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

The aggregate market value of common shares held by non-affiliates of the Registrant on December 31, 2019 was $6,180,118,785, based upon the closing price of the Registrant's common shares as quoted on the New York Stock Exchange composite tape on such date.

As of August 3, 2020, there were 25,096,775 shares outstanding of CACI International's common stock, par value $0.10 per share.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Form 10-K incorporates by reference certain information from the Registrant's Proxy Statement to be filed with the Securities Exchange Commission (SEC) pursuant to Regulation 14A for the 2020 Annual Meeting of Stockholders.

INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Certain information included or incorporated by reference in this Annual Report on Form 10-K, may not address historical facts and, therefore, could be interpreted to be "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including projections of financial performance; statements of plans, strategies and objectives of management for future operations; any statement concerning developments, performance or industry rankings relating to products or services; any statements regarding future economic conditions or performance; any statements of assumptions underlying any of the foregoing; and any other statements that address activities, events or developments that the Company intends, expects, projects, believes or anticipates will or may occur in the future. Forward-looking statements may be characterized by terminology such as "believe," "anticipate," "expect," "should," "intend," "plan," "will," "estimates," "projects," "strategy" and similar expressions. These statements are based on assumptions and assessments made by the Company's management in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes to be appropriate. These forward-looking statements are subject to a number of risks and uncertainties that include but are not limited to the factors set forth under Item 1A, Risk Factors in this Annual Report on Form 10-K.

Any such forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ materially from those envisaged by such forward-looking statements. The forward-looking statements included herein speak only as of the date of this Annual Report on Form 10-K. The Company disclaims any duty to update such forward-looking statements, all of which are expressly qualified by the foregoing.

CACI International Inc

FORM 10-K

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PART I

Item 1. Business

Background

CACI International Inc (CACI), a Delaware corporation, is a holding company whose operations are conducted through subsidiaries that are located in the United States (U.S.) and Europe. CACI was founded in 1962 as a simulation technology company and has grown into a leading provider of Expertise and Technology to Enterprise and Mission customers, on both a domestic and international basis.

Our proven Expertise and Technology and strong record of program delivery have enabled us to compete for and secure new customers and new contracts, win repeat business, and build and maintain long-term customer relationships. We seek competitive business opportunities and have built our operations to support major programs through a market-focused business development organization.

Our primary customers are agencies and departments of the U.S. government. Our Expertise and Technology support national security missions and government modernization/transformation for intelligence, defense, and federal civilian customers. The demand for our Expertise and Technology, in large measure, is created by the increasingly complex network, systems, and information environments in which governments and businesses operate, and by the need to stay current with emerging technology while increasing productivity, enhancing security, and, ultimately, improving performance.

Unless the context indicates otherwise, the terms “we”, “our”, “the Company” and “CACI” as used in Parts I, II and III include CACI International Inc and its subsidiaries and ventures that are majority-owned or otherwise controlled by it. The term “the Registrant” as used in Parts I, II and III refers to CACI International Inc only.

For additional discussion and analysis on recent business developments, see “Business Environment and Industry Trends” in “Management’s Discussion and Analysis of Financial Condition & Results of Operations” in Part II of this annual report on Form 10-K.

Overview

The Company provides Expertise and Technology to Enterprise and Mission customers in support of national security missions and government modernization/transformation.

- Enterprise – CACI provides capabilities that enable the internal operations of an agency. This includes business systems, business process reengineering, and enterprise information technology (IT). For example, CACI customizes, implements, and maintains commercial-off-the-shelf (COTS) and custom enterprise resource planning (ERP) systems. This includes financial, human capital, asset and material, and logistics and supply chain management systems. CACI also designs, develops, integrates, deploys and sustains enterprise-wide IT systems in a variety of models. As an Amazon Web Services (AWS) Premier Consulting Partner and Microsoft Cloud Solution Provider for Government, we deliver cloud-powered solutions, performance-based service management, mobility, defensive cyber and network security, end-user services, and infrastructure services.
- Mission – CACI provides capabilities that enable the execution of an agency’s primary function, or “mission”. For example, we support strategic and tactical Mission customers with capabilities in areas such as command and control, communications, intelligence collection and analysis, signals intelligence (SIGINT), electronic warfare (EW), and cyber operations. CACI develops tools and offerings in an open, software-defined architecture with multi-domain and multi-mission capabilities.
- Expertise – CACI provides Expertise to both Enterprise and Mission customers. For Enterprise customers, we deliver talent with the specific technical and *functional* knowledge to support internal agency operations. And for Mission customers, we deliver talent with technical and *domain* knowledge to support the execution of an agency’s mission.
- Technology – CACI delivers Technology to both Enterprise and Mission customers. For Enterprise customers, Technology includes developing and implementing business systems, enterprise applications, and end-to-end IT systems. We also modernize infrastructure through migration to the cloud and IT or software as-a-service. For Mission customers, Technology includes developing and deploying multi-domain offerings for signals intelligence, electronic warfare, and cyber operations. We also deliver actionable intelligence through multi-source collection and analysis. And we generate unique intellectual property through advanced research and development.

At June 30, 2020, we had approximately 22,900 employees.

Our Business Segments

Domestic Operations

We provide our Expertise and Technology to our domestic customers in the following market areas:

- Business Systems & Business Process Services (BPS) – CACI transforms how government does business. Using our Agile-at-scale methodology and business process automation tools, we modernize applications, infrastructure, and business processes to enhance productivity and increase user satisfaction. We use data analytics and visualization to provide complete product lifecycle management, improve logistics operations, and optimize training.
- C4ISR & Cyber – CACI teams ensure information superiority by delivering multi-domain command, control, communications, and computer (C4) technology and networks. Our software-defined, full-spectrum cyber, electronic warfare, and counter-unmanned aircraft system (C-UAS) solutions deliver precision effects against any adversary. We are at the forefront of developing technologies that meet the challenges of 5G wireless communications both on and off the battlefield.
- Engineering Services – CACI optimizes and integrates technologies to deliver a decisive tactical edge. We enhance platforms to improve situational awareness, mobility, interoperability, lethality, and survivability. We conduct software vulnerability analysis and harden technology to protect against malicious actors. Our platform-agnostic, mission-first approach ensures optimal performance, so our nation's forces can overmatch our adversaries.
- Enterprise IT – CACI amplifies efficiency with unmatched expertise and next-generation technology. We pioneered secure, enterprise cloud solutions for classified and unclassified networks. We design, implement, protect, and manage secure enterprise IT solutions for approximately 50 federal agencies to optimize efficiency, enhance performance, and ensure end-user satisfaction.
- Mission Support – CACI's intelligence support ensures continuous advances in collection, analysis, and dissemination to optimize decision-making. We provide analytic services in 50 languages, as well as scenario-based instruction across the spectrum of intelligence processing, collection, and products. Our investigation and litigation experts support the U.S. government on thousands of cases, saving taxpayers billions of dollars. And CACI facilitates the secure flow of supplies across the globe.

International Operations

Our international operations are conducted primarily through our operating subsidiaries in Europe, CACI Limited and CACI BV, and account for substantially all revenue generated from international customers. Headquartered in London, our international operations provide a diverse mix of IT services and proprietary data and software products, serving commercial and government customers throughout the U.K., continental Europe and around the world.

Competition

We operate in a highly competitive industry that includes many firms, some of which are larger in size and have greater financial resources than we do. We obtain much of our business on the basis of proposals submitted in response to requests from potential and current customers, who may also receive proposals from other firms. Non-traditional players have entered the market and have established positions related to such areas as cloud computing, cyber, satellite operations, and business systems. Additionally, we face indirect competition from certain government agencies that perform services for themselves similar to those marketed by us. We know of no single competitor that is dominant in our fields of technology. We have a relatively small share of the available worldwide market for our solutions and services and intend to achieve growth and increase market share both organically and through strategic acquisitions.

Strengths and Strategy

We offer substantially our entire range of solutions and services and proprietary products to defense, intelligence and civilian agencies of the U.S. government. Our work for U.S. government agencies may combine a wide range of skills drawn from our solutions, services and product offerings. We also contract through our international operations to supply solutions, services and/or products to governments of other nations. As with other government contractors, our business is subject to government customer funding decisions and actions that are beyond our control.

Although we are a supplier of proprietary computer-based technology products and marketing systems products, we are not primarily focused on being a software product developer-distributor (see discussion following under "Patents, Trademarks, Trade Secrets and Licenses").

Our international commercial customer base consists primarily of large enterprises in the U.K. This market is the primary target of our proprietary marketing systems software, and database products and consultancy services. Commercial bids are frequently negotiated as to terms and conditions for schedule, specifications, delivery and payment.

In order to effectively perform on our existing customer contracts and secure new customer contracts within the U.S. government, we must maintain expert knowledge of agency policies, operations and challenges. We combine this comprehensive knowledge with significant expertise in the design, integration, development and implementation of advanced information solutions and services to Enterprise and Mission customers. This capability provides us with opportunities either to compete directly for, or to support other bidders in competition for multi-million dollar and multi-year award contracts from the U.S. government.

We have strategic business relationships with a number of companies associated with the information technology industry. These strategic partners have business objectives compatible with ours and offer products and services that complement ours. We intend to continue development of these kinds of relationships wherever they support our growth objectives.

Our marketing and new business development is conducted by many of our officers and managers including the Chief Executive Officer, executive officers, vice presidents and division managers. We employ marketing professionals who identify and qualify major contract opportunities, primarily in the federal government market.

Much of our business is won through submission of formal competitive bids. Government and commercial customers typically base their decisions regarding contract awards on their assessment of the quality of past performance, responsiveness to proposal requirements, price, and other factors. The terms, conditions and form of contract of government bids, however, are in most cases specified by the customer. In situations in which the customer-imposed contract type and/or terms appear to expose us to inappropriate risk or do not offer us a sufficient financial return, we may seek alternate arrangements or opt not to bid for the work. Essentially all contracts with the U.S. government, and many contracts with other government entities, permit the government customer to terminate the contract at any time for the convenience of the government or for default by the contractor. Although we operate under the risk that such terminations may occur and have a material impact on operations, such terminations have been rare and, generally, have not materially affected operations.

Our contracts and subcontracts are composed of a wide range of contract types, including firm fixed-price, cost reimbursement, time-and-materials, indefinite delivery/indefinite quantity (IDIQ) and government wide acquisition contracts (known as GWACS) such as General Services Administration (GSA) schedule contracts. By company policy, significant fixed-price contracts require the approval of at least two of our senior officers.

In FY2020, the top ten revenue-producing contracts, many of which consist of many task orders, accounted for 31.1 percent of our revenue, or $1.8 billion.

Recent Acquisitions

During the past three fiscal years, we completed a total of nine acquisitions, including:

- During the second quarter of FY2020, CACI completed three strategic acquisitions adding key capabilities in the mission expertise and technology areas of our business.
- On June 1, 2019 CACI Limited acquired 100 percent of the outstanding shares of Mood Enterprises Limited, a United Kingdom company that provides software and managed services to defense, national security and commercial organizations.
- On March 1, 2019, CACI acquired all of the equity interests of Legos Intermediate Holdings, LLC and MDCP Legos Blocker, Inc., the parent companies of LGS Innovations (LGS). LGS is a leading provider of SIGINT and cyber products and solutions to the Intelligence Community and Department of Defense.
- On January 29, 2019, CACI acquired all of the equity interests of Mastodon Design LLC (Mastodon). The company specializes in the rapid design of rugged tactical communications, signals intelligence (SIGINT) and electronic warfare (EW) equipment.
- On August 15, 2018, CACI acquired certain assets of the systems engineering and acquisition support services business unit (SE&A BU) of CSRA LLC, a managed affiliate of General Dynamics Information Technology, Inc.
- On May 31, 2018, CACI acquired certain assets of an entity in the United States which constituted a business, providing Enterprise IT solutions.
- On November 22, 2017, CACI acquired 100 percent of the outstanding membership interests of a business in the United States which provides cyber solutions.

- On November 1, 2017, CACI Limited acquired 100 percent of the outstanding shares of a London-based software and mapping data company. The company provides geographical information systems, logistics and route optimization software and related map data.
- On October 1, 2017, CACI Limited acquired 100 percent of the outstanding shares of a United Kingdom IT consulting services and software engineering company.

On June 29, 2020, CACI entered into an agreement to acquire Ascent Vision Technologies (AVT) and completed the acquisition on August 11, 2020. AVT specializes in Electro-Optical Infrared payloads, On-Board Computer Vision Processing and C-UAS Solutions.

Seasonal Nature of Business

Our business in general is not seasonal, although the summer and holiday seasons affect our revenue because of the impact of holidays and vacations on our labor and on product and service sales by our international operations. Variations in our business also may occur at the expiration of major contracts until such contracts are renewed or new business is obtained.

The U.S. government’s fiscal year ends on September 30 of each year. It is not uncommon for government agencies to award extra tasks or complete other contract actions in the weeks before the end of a fiscal year in order to avoid the loss of unexpended funds. Moreover, in years when the U.S. government does not complete the budget process for the next fiscal year before the end of September, government operations whose appropriations legislation has not been signed into law are funded under a continuing resolution that authorizes them to continue to operate but traditionally does not authorize new spending initiatives.

CACI Employment and Benefits

Our employees are our most valuable resource. We are in continuing competition for highly skilled professionals in virtually all of our business areas. The success and growth of our business is significantly correlated with our ability to recruit, train, promote and retain high quality people at all levels of the organization. For these reasons, we endeavor to maintain competitive salary structures, incentive compensation programs, fringe benefits, opportunities for growth, and individual recognition and award programs. Fringe benefits are generally consistent across our subsidiaries, and include: paid time off for vacations, sick leave, and holidays; medical, dental, disability and life insurance; tuition reimbursement for job-related education and training; and other benefits under various retirement savings and stock purchase plans.

We have published policies that set high standards for the conduct of our business. We require all of our employees, independent contractors working on customer engagements, officers, and directors annually to execute and affirm to the code of ethics applicable to their activities. In addition, we require annual ethics and compliance training for all of our employees to provide them with the knowledge necessary to maintain our high standards of ethics and compliance.

Patents, Trademarks, Trade Secrets and Licenses

Generally, our solutions and services are not substantially dependent upon obtaining or maintaining intellectual property protections, although our operations make use of such protections and benefit from them as discriminators in competition. The Company owns patents and claims copyright, trademark and other proprietary rights in a variety of intellectual property, including each of our proprietary computer software and data products and the related documentation. We also maintain a number of trade secrets that contribute to our success and competitive distinction and endeavor to accord such trade secrets protection adequate to ensure their continuing availability to us.

Our proprietary information is protected through a combination of contractual arrangements with our employees and third parties and intellectual property laws. From time to time, we are required to assert our rights against former employees or other third parties who attempt to misappropriate our proprietary and confidential information. Although we are not materially dependent on the protection of our intellectual property, we take such matters seriously and pursue claims against such individuals to the extent necessary to adequately protect our rights.

As a systems integrator, it is important that we maintain access to software, data and other products supplied by third parties and we continue to enter into agreements that give us the right to distribute and receive income from third party software, data and other products that serve our customers. The durations of such agreements are negotiated and vary according to the terms of the agreements.

Business Segments, Foreign Operations, and Major Customers

Additional business segment, foreign operations and major customer information is provided in our Consolidated Financial Statements contained in this report. In particular, see Note 18, Business Segment, Customer and Geographic Information in the Notes to Consolidated Financial Statements contained in this Annual Report on Form 10-K.

Available Information

Our telephone number is (703) 841-7800 and our website can be accessed at www.caci.com. We make our web site content available for information purposes only. It should not be relied upon for investment purposes, nor is it incorporated by reference into this Annual Report on Form 10-K.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are made available free of charge on our website at www.caci.com as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Documents filed by us with the SEC can also be viewed at www.sec.gov.

Item 1A. Risk Factors

You should carefully consider the risks and uncertainties described below, together with the information included elsewhere in this Annual Report on Form 10-K and other documents we file with the SEC. The risks and uncertainties described below are those that we have identified as material but are not the only risks and uncertainties that we face. Our business is also subject to general risks and uncertainties, such as overall U.S. and non-U.S. economic and industry conditions including a global economic slowdown, geopolitical events, changes in laws or accounting rules, fluctuations in interest and exchange rates, terrorism, international conflicts, major health concerns including global pandemics like COVID-19, natural disasters or other disruptions of expected economic and business conditions, that affect many other companies. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impact our business operations and liquidity.

We generate substantially all of our revenue from contracts with the federal government. If the federal government significantly decreased or ceased doing business with us, our business, prospects, financial condition and operating results would be materially and adversely affected.

The federal government is our primary customer, with revenue from federal government contracts, either as a prime contractor or a subcontractor, accounting for 95.6 percent of our total revenue in FY2020 and 95.3 percent of our total revenue in FY2019. Specifically, we generated 69.9 percent of our total revenue in FY2020 and 70.0 percent of our total revenue in FY2019 from contracts with agencies of the DoD. We expect that federal government contracts will continue to be the primary source of our revenue for the foreseeable future. If we were suspended or debarred from contracting with the federal government or any significant agency in the intelligence community or the DoD, if our reputation or relationship with government agencies was impaired, or if the government otherwise ceased doing business with us or significantly decreased the amount of business it does with us, our business, prospects, financial condition and operating results would be materially and adversely affected.

Our business could be adversely affected by delays caused by our competitors protesting major contract awards received by us, resulting in the delay of the initiation of work.

The number of bid protests of contract awards by unsuccessful bidders is increasing and the U.S. government is taking longer to resolve such protests. Bid protests may result in an increase in expenses related to obtaining contract awards or an unfavorable modification or loss of an award. In the event a bid protest is unsuccessful, the resulting delay in the startup and funding of the work under these contracts may cause our actual results to differ materially and adversely from those anticipated.

Our business could be adversely affected by changes in spending levels or budgetary priorities of the federal government.

Because we derive substantially all of our revenue from contracts with the federal government, we believe that the success and development of our business will continue to depend on our successful participation in federal government contract programs. Changes in federal government budgetary priorities, such as for homeland security or to address global pandemics like COVID-19, or actions taken to address government budget deficits, the national debt, and/or prevailing economic conditions, could directly affect our financial performance. A significant decline in government expenditures, a shift of expenditures away from programs that we support or a change in federal government contracting policies could cause federal government agencies to reduce their purchases under contracts, to exercise their right to terminate contracts at any time without penalty or not to exercise options to renew contracts. For further discussion, refer to "Business Environment and Industry Trends" in "Management's Discussion and Analysis of Financial Condition & Results of Operations" in Part II of this annual report on Form 10-K.

At times, we may continue to work without funding, and use our own internal funds in order to meet our customer's desired delivery dates for products or services. It is uncertain at this time which of our programs' funding could be reduced in future years or whether new legislation will be passed by Congress in the next fiscal year that could result in additional or alternative funding cuts.

Additionally, our business could be affected if we experience an increase in set-asides for small businesses that could result in our inability to compete directly for prime contracts.

Our federal government contracts may be terminated by the government at any time and may contain other provisions permitting the government not to continue with contract performance, and if lost contracts are not replaced, our operating results may differ materially and adversely from those anticipated.

We generate substantially all of our revenue from federal government contracts that typically include a base period and discrete option periods. The option periods typically cover more than half of the contract's potential duration. Federal government agencies generally have the right not to exercise these option periods. In addition, our contracts typically also contain provisions permitting a government customer to terminate the contract for its convenience. A decision not to exercise option periods or to terminate contracts for convenience could result in significant revenue shortfalls from those anticipated.

Federal government contracts contain numerous provisions that are unfavorable to us.

Federal government contracts contain provisions and are subject to laws and regulations that give the government rights and remedies, some of which are not typically found in commercial contracts, including allowing the government to:

- cancel multi-year contracts and related orders if funds for contract performance for any subsequent year become unavailable;
- claim rights in systems and software developed by us;
- suspend or debar us from doing business with the federal government or with a governmental agency;
- impose fines and penalties and subject us to criminal prosecution; and
- control or prohibit the export of our data and technology.

If the government terminates a contract for convenience, we may recover only our incurred or committed costs, settlement expenses and profit on work completed prior to the termination. If the government terminates a contract for default, we may be unable to recover even those amounts and instead may be liable for excess costs incurred by the government in procuring undelivered items and services from another source. Depending on the value of a contract, such termination could cause our actual results to differ materially and adversely from those anticipated. Certain contracts also contain organizational conflict of interest (OCI) clauses that limit our ability to compete for or perform certain other contracts. OCIs arise any time we engage in activities that (i) make us unable or potentially unable to render impartial assistance or advice to the government; (ii) impair or might impair our objectivity in performing contract work; or (iii) provide us with an unfair competitive advantage. For example, when we work on the design of a particular system, we may be precluded from competing for the contract to develop and install that system. Depending upon the value of the matters affected, an OCI issue that precludes our participation in or performance of a program or contract could cause our actual results to differ materially and adversely from those anticipated.

As is common with government contractors, we have experienced and continue to experience occasional performance issues under certain of our contracts. Depending upon the value of the matters affected, a performance problem that impacts our performance of a program or contract could cause our actual results to differ materially and adversely from those anticipated.

If we fail to establish and maintain important relationships with government entities and agencies, our ability to successfully bid for new business may be adversely affected.

To facilitate our ability to prepare bids for new business, we rely in part on establishing and maintaining relationships with officials of various government entities and agencies. These relationships enable us to provide informal input and advice to government entities and agencies prior to the development of a formal bid. We may be unable to successfully maintain our relationships with government entities and agencies, and any failure to do so may adversely affect our ability to bid successfully for new business and could cause our actual results to differ materially and adversely from those anticipated.

We derive significant revenue from contracts and task orders awarded through a competitive bidding process. If we are unable to consistently win new awards over any extended period, our business and prospects will be adversely affected.

Our contracts and task orders with the federal government are typically awarded through a competitive bidding process. We expect that much of the business that we will seek in the foreseeable future will continue to be awarded through competitive bidding. Budgetary pressures and changes in the procurement process have caused many government customers to increasingly purchase goods and services through IDIQ contracts, GSA schedule contracts and other government-wide acquisition contracts. These contracts, some of which are awarded to multiple contractors, have increased competition and pricing pressure, requiring that we make sustained post-award efforts to realize revenue under each such contract. In addition, in consideration of the practice of agencies awarding work under such contracts that is arguably outside the intended scope of the contracts, both the GSA and the DoD have initiated programs aimed to ensure that all work fits properly within the scope of the contract under which it is awarded. The net effect of such programs may reduce the number of bidding opportunities available to us. Moreover, even if we are highly qualified to work on a particular new contract, we might not be awarded business because of the federal government’s policy and practice of maintaining a diverse contracting base.

This competitive bidding process presents a number of risks, including the following:

- we bid on programs before the completion of their design, which may result in unforeseen technological difficulties and cost overruns;
- we expend substantial cost and managerial time and effort to prepare bids and proposals for contracts that we may not win;
- we may be unable to estimate accurately the resources and cost structure that will be required to service any contract we win; and
- we may encounter expense and delay if our competitors protest or challenge awards of contracts to us in competitive bidding, and any such protest or challenge could result in the resubmission of bids on modified specifications, or in the termination, reduction or modification of the awarded contract.

If we are unable to win particular contracts, we may be prevented from providing to customers services that are purchased under those contracts for a number of years. If we are unable to consistently win new contract awards over any extended period, our business and prospects will be adversely affected and that could cause our actual results to differ materially and adversely from those anticipated. In addition, upon the expiration of a contract, if the customer requires further services of the type provided by the contract, there is frequently a competitive rebidding process. There can be no assurance that we will win any particular bid, or that we will be able to replace business lost upon expiration or completion of a contract, and the termination or non-renewal of any of our significant contracts could cause our actual results to differ materially and adversely from those anticipated.

Our business may suffer if we or our employees are unable to obtain the security clearances or other qualifications we and they need to perform services for our customers.

Many of our federal government contracts require us to have security clearances and employ personnel with specified levels of education, work experience and security clearances. Depending on the level of clearance, security clearances can be difficult and time-consuming to obtain. If we or our employees lose or are unable to obtain necessary security clearances, we may not be able to win new business and our existing customers could terminate their contracts with us or decide not to renew them. To the extent we cannot obtain or maintain the required security clearances for our employees working on a particular contract, we may not generate the revenue anticipated from the contract which could cause our results to differ materially and adversely from those anticipated.

We must comply with a variety of laws and regulations, and our failure to comply could cause our actual results to differ materially from those anticipated.

We must observe laws and regulations relating to the formation, administration and performance of federal government contracts which affect how we do business with our customers and may impose added costs on our business. For example, the Federal Acquisition Regulation and the industrial security regulations of the DoD and related laws include provisions that:

- allow our federal government customers to terminate or not renew our contracts if we come under foreign ownership, control or influence;
- require us to divest work if an OCI related to such work cannot be mitigated to the government’s satisfaction;
- require us to disclose and certify cost and pricing data in connection with contract negotiations; and
- require us to prevent unauthorized access to classified information, covered defense information, and controlled unclassified information.

Our failure to comply with these or other laws and regulations could result in contract termination, loss of security clearances, suspension or debarment from contracting with the federal government, civil fines and damages and criminal prosecution and penalties, any of which could cause our actual results to differ materially and adversely from those anticipated.

The federal government may change its procurement or other practices in a manner adverse to us.

The federal government may change its procurement practices, or adopt new contracting rules and regulations, such as those related to cost accounting standards. It could also adopt new contracting methods relating to GSA contracts or other government-wide contracts, adopt new socio-economic requirements, or change the basis upon which it reimburses our compensation and other expenses or otherwise limit such reimbursements. In all such cases, there is uncertainty surrounding the changes and what actual impacts they may have on contractors. These changes could impair our ability to obtain new contracts or win re-competed contracts or adversely affect our future profit margin. Any new contracting methods could be costly or administratively difficult for us to satisfy and, as a result, could cause actual results to differ materially and adversely from those anticipated.

Restrictions on or other changes to the federal government's use of service contracts may harm our operating results.

We derive a significant amount of revenue from service contracts with the federal government. The government may face restrictions from new legislation, regulations or government union pressures, on the nature and amount of services the government may obtain from private contractors (i.e., insourcing versus outsourcing). Any reduction in the government's use of private contractors to provide federal services could cause our actual results to differ materially and adversely from those anticipated.

Our contracts and administrative processes and systems are subject to audits and cost adjustments by the federal government, which could reduce our revenue, disrupt our business, or otherwise adversely affect our operating results.

Federal government agencies, including the Defense Contract Audit Agency (DCAA) and the Defense Contract Management Agency (DCMA), routinely audit and investigate government contracts and government contractors' administrative processes and systems. These agencies review our performance on contracts, pricing practices, cost structure and compliance with applicable laws, regulations and standards. They also evaluate the adequacy of internal controls over our business systems, including our purchasing, accounting, estimating, earned value management, and government property systems. Any costs found to be improperly allocated or assigned to contracts will not be reimbursed, and any such costs already reimbursed must be refunded and certain penalties may be imposed. Moreover, if any of the administrative processes and systems are found not to comply with requirements, we may be subjected to increased government scrutiny and approval that could delay or otherwise adversely affect our ability to compete for or perform contracts or collect our revenue in a timely manner. Therefore, an unfavorable outcome of an audit by the DCAA or another government agency could cause actual results to differ materially and adversely from those anticipated. If a government investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, suspension of payments, fines and suspension or debarment from doing business with the federal government. In addition, we could suffer serious reputational harm if allegations of impropriety were made against us. Each of these results could cause actual results to differ materially and adversely from those anticipated.

Failure to maintain strong relationships with other contractors could result in a decline in our revenue.

We derive substantial revenue from contracts in which we act as a subcontractor or from teaming arrangements in which we and other contractors bid on particular contracts or programs. As a subcontractor or teammate, we often lack control over fulfillment of a contract, and poor performance on the contract could impact our customer relationship, even when we perform as required. We expect to continue to depend on relationships with other contractors for a portion of our revenue in the foreseeable future. Moreover, our revenue and operating results could differ materially and adversely from those anticipated if any prime contractor or teammate chose to offer directly to the customer services of the type that we provide or if they team with other companies to provide those services.

We may not receive the full amounts authorized under the contracts included in our backlog, which could reduce our revenue in future periods below the levels anticipated.

Our total backlog consists of funded and unfunded amounts. Funded backlog represents contract value that has been appropriated by a customer and is expected to be recognized into revenue. Unfunded backlog represents the sum of the unappropriated contract value on executed contracts and unexercised option years that is expected to be recognized into revenue. Our backlog may not result in actual revenue in any particular period, or at all, which could cause our actual results to differ materially and adversely from those anticipated.

The maximum contract value specified under a government contract or task order awarded to us is not necessarily indicative of the revenue that we will realize under that contract. For example, we generate a substantial portion of our revenue from government contracts in which we are not the sole provider, meaning that the government could turn to other companies to fulfill the contract. We also generate revenue from IDIQ contracts, which do not require the government to purchase a pre-determined amount of goods or services under the contract. Action by the government to obtain support from other contractors or failure of the government to order the quantity of work anticipated could cause our actual results to differ materially and adversely from those anticipated.

Without additional Congressional appropriations, some of the contracts included in our backlog will remain unfunded, which could materially and adversely affect our future operating results.

Many of our federal government contracts include multi-year performance periods in which Congress appropriates funds on an annual basis. As a result, a majority of our contracts are only partially funded at any point during their full performance period and unfunded contract work is subject to future appropriations by Congress. As a result of a lack of appropriated funds or efforts to reduce federal government spending, our backlog may not result in revenue or may be delayed. We calculate our unfunded backlog based on the aggregate contract revenue that we have the potential to realize. If our backlog estimate is inaccurate and we fail to realize those amounts as revenue, our future operating results could be materially and adversely affected.

Employee misconduct, including security breaches, could result in the loss of customers and our suspension or debarment from contracting with the federal government.

We may be unable to prevent our employees from engaging in misconduct, fraud or other improper activities that could adversely affect our business and reputation. Misconduct could include the failure to comply with federal government procurement regulations, regulations regarding the protection of classified information and legislation regarding the pricing of labor and other costs in government contracts. Many of the systems we develop involve managing and protecting information involved in national security and other sensitive government functions. A security breach in one of these systems could prevent us from having access to such critically sensitive systems. Other examples of employee misconduct could include time card fraud and violations of the Anti-Kickback Act. The precautions we take to prevent and detect this activity may not be effective, and we could face unknown risks or losses. As a result of employee misconduct, we could face fines and penalties, loss of security clearance and suspension or debarment from contracting with the federal government, which could cause our actual results to differ materially and adversely from those anticipated.

Our failure to attract and retain qualified employees, including our senior management team, could adversely affect our business.

Our continued success depends to a substantial degree on our ability to recruit and retain the technically skilled personnel we need to serve our customers effectively. Our business involves the development of tailored solutions for our customers, a process that relies heavily upon the expertise and services of our employees. Accordingly, our employees are our most valuable resource. Competition for skilled personnel in the information technology services industry is intense, and technology service companies often experience high attrition among their skilled employees. There is a shortage of people capable of filling these positions and they are likely to remain a limited resource for the foreseeable future. Recruiting and training these personnel require substantial resources. Our failure to attract and retain technical personnel could increase our costs of performing our contractual obligations, reduce our ability to efficiently satisfy our customers' needs, limit our ability to win new business and cause our actual results to differ materially and adversely from those anticipated.

In addition to attracting and retaining qualified technical personnel, we believe that our success will depend on the continued employment of our senior management team and its ability to generate new business and execute projects successfully. Our senior management team is very important to our business because personal reputations and individual business relationships are a critical element of obtaining and maintaining customer engagements in our industry, particularly with agencies performing classified operations. The loss of any of our senior executives could cause us to lose customer relationships or new business opportunities, which could cause actual results to differ materially and adversely from those anticipated.

Our markets are highly competitive, and many of the companies we compete against have substantially greater resources.

The markets in which we operate include a large number of participants and are highly competitive. Many of our competitors may compete more effectively than we can because they are larger, better financed and better known companies than we are. In order to stay competitive in our industry, we must also keep pace with changing technologies and customer preferences. If we are unable to differentiate our services from those of our competitors, our revenue may decline. In addition, our competitors have established relationships among themselves or with third parties to increase their ability to address customer needs. As a result, new competitors or alliances among competitors may emerge and compete more effectively than we can. There is also a significant industry trend towards consolidation, which may result in the emergence of companies which are better able to compete against us. The results of these competitive pressures could cause our actual results to differ materially and adversely from those anticipated.

Our quarterly revenue and operating results could be volatile due to the unpredictability of the federal government's budgeting process and policy priorities.

Our quarterly revenue and operating results may fluctuate significantly and unpredictably in the future. In particular, if the federal government does not adopt, or delays adoption of, a budget for each fiscal year beginning on October 1, or fails to pass a continuing resolution, federal agencies may be forced to suspend our contracts and delay the award of new and follow-on contracts and orders due to a lack of funding. Further, the rate at which the federal government procures technology may be negatively affected following changes in presidential administrations and senior government officials. Therefore, period-to-period comparisons of our operating results may not be a good indication of our future performance.

Our quarterly operating results may not meet the expectations of securities analysts or investors, which in turn may have an adverse effect on the market price of our common stock.

We may lose money or generate less than anticipated profits if we do not accurately estimate the cost of an engagement which is conducted on a fixed-price basis.

We generated 28.5 percent of our total revenue in FY2020 and 29.4 percent of our total revenue in FY2019 from fixed-price contracts. Fixed-price contracts require us to price our contracts by predicting our expenditures in advance. In addition, some of our engagements obligate us to provide ongoing maintenance and other supporting or ancillary services on a fixed-price basis or with limitations on our ability to increase prices. Many of our engagements are also on a time-and-materials basis. While these types of contracts are generally subject to less uncertainty than fixed-price contracts, to the extent that our actual labor costs are higher than the contract rates, our actual results could differ materially and adversely from those anticipated.

When making proposals for engagements on a fixed-price basis, we rely on our estimates of costs and timing for completing the projects. These estimates reflect our best judgment regarding our capability to complete the task efficiently. Any increased or unexpected costs or unanticipated delays in connection with the performance of fixed-price contracts, including delays caused by factors outside of our control, could make these contracts less profitable or unprofitable. From time to time, unexpected costs and unanticipated delays have caused us to incur losses on fixed-price contracts, primarily in connection with state government customers. On rare occasions, these losses have been significant. In the event that we encounter such problems in the future, our actual results could differ materially and adversely from those anticipated.

Our earnings and margins may vary based on the mix of our contracts and programs.

At June 30, 2020, our backlog included cost reimbursable, time-and-materials and fixed-price contracts. Cost reimbursable and time-and-materials contracts generally have lower profit margins than fixed-price contracts. Our earnings and margins may therefore vary materially and adversely depending on the relative mix of contract types, the costs incurred in their performance, the achievement of other performance objectives and the stage of performance at which the right to receive fees, particularly under incentive and award fee contracts, is finally determined.

Systems failures may disrupt our business and have an adverse effect on our operating results.

Any systems failures, including network, software or hardware failures, whether caused by us, a third party service provider, unauthorized intruders and hackers, computer viruses, natural disasters, power shortages or terrorist attacks, could cause loss of data or interruptions or delays in our business or that of our customers. Like other global companies, we have experienced cyber security threats to our data and systems, our company sensitive information, and our information technology infrastructure, including malware and computer virus attacks, unauthorized access, systems failures and temporary disruptions. Prior cyber attacks directed at us have not had a material adverse impact on our business or our financial results, and we believe that our continuing commitment toward threat detection and mitigation processes and procedures will reduce such impact in the future. Due to the evolving nature of these security threats, however, the impact of any future incident cannot be predicted. In addition, the failure or disruption of our mail, communications or utilities could cause us to interrupt or suspend our operations or otherwise harm our business. Our property and business interruption insurance may be inadequate to compensate us for all losses that may occur as a result of any system or operational failure or disruption and, as a result, our actual results could differ materially and adversely from those anticipated.

The systems and networks that we maintain for our customers, although highly redundant in their design, could also fail. If a system or network we maintain were to fail or experience service interruptions, we might experience loss of revenue or face claims for damages or contract termination. Our errors and omissions liability insurance may be inadequate to compensate us for all the damages that we might incur and, as a result, our actual results could differ materially and adversely from those anticipated.

Customer systems failures could damage our reputation and adversely affect our operating results.

Many of the systems that we develop, integrate, maintain, otherwise support or use involve managing and protecting intelligence, national security, and other sensitive government information. While we have programs designed to protect such information and comply with all relevant privacy and security requirements, the threats that our clients face have grown more frequent and sophisticated. A security breach or system failure in a system that we develop, integrate, maintain or otherwise support could result in a loss of revenue, remediation costs, claims for damages or contract termination and our errors and omissions liability insurance may be inadequate to compensate us for all the damages that we might incur. Any such event could also cause serious damage to our reputation and prevent us from having access to or being eligible for further work on such sensitive systems for U.S. government customers.

In addition, in order to provide services to our customers, we often depend upon or use customer systems that are supported by the customer or third parties. Any security breach or system failure in such systems could result in an interruption of our customer's operations, significant delays under a contract, and a material adverse effect on our results of operations.

We may have difficulty identifying and executing acquisitions on favorable terms and therefore may grow at slower than anticipated rates.

One of our key growth strategies has been to selectively pursue acquisitions. Through acquisitions, we have expanded our base of federal government customers, increased the range of solutions we offer to our customers and deepened our penetration of existing markets and customers. We may encounter difficulty identifying and executing suitable acquisitions. To the extent that management is involved in identifying acquisition opportunities or integrating new acquisitions into our business, our management may be diverted from operating our core business. Without acquisitions, we may not grow as rapidly as the market expects, which could cause our actual results to differ materially and adversely from those anticipated. We may encounter other risks in executing our acquisition strategy, including:

- increased competition for acquisitions may increase the costs of our acquisitions;
- our failure to discover material liabilities during the due diligence process, including the failure of prior owners of any acquired businesses or their employees to comply with applicable laws or regulations, such as the Federal Acquisition Regulation and health, safety and environmental laws, or their failure to fulfill their contractual obligations to the federal government or other customers; and
- acquisition financing may not be available on reasonable terms or at all.

Each of these types of risks could cause our actual results to differ materially and adversely from those anticipated.

We may have difficulty integrating the operations of any companies we acquire, which could cause actual results to differ materially and adversely from those anticipated.

The success of our acquisition strategy will depend upon our ability to continue to successfully integrate any businesses we may acquire in the future. The integration of these businesses into our operations may result in unforeseen operating difficulties, absorb significant management attention and require significant financial resources that would otherwise be available for the ongoing development of our business. These integration difficulties include the integration of personnel with disparate business backgrounds, the transition to new information systems, coordination of geographically dispersed organizations, loss of key employees of acquired companies, and reconciliation of different corporate cultures. For these or other reasons, we may be unable to retain key customers of acquired companies. Moreover, any acquired business may fail to generate the revenue or net income we expected or produce the efficiencies or cost-savings we anticipated. Any of these outcomes could cause our actual results to differ materially and adversely from those anticipated.

If our subcontractors fail to perform their contractual obligations, our performance as a prime contractor and our ability to obtain future business could be materially and adversely impacted and our actual results could differ materially and adversely from those anticipated.

Our performance of government contracts may involve the issuance of subcontracts to other companies upon which we rely to perform all or a portion of the work we are obligated to deliver to our customers. A failure by one or more of our subcontractors to satisfactorily deliver on a timely basis the agreed-upon supplies, perform the agreed-upon services, or appropriately manage their vendors may materially and adversely impact our ability to perform our obligations as a prime contractor.

A subcontractor's performance deficiency could result in the government terminating our contract for default. A default termination could expose us to liability for excess costs of reprocurement by the government and have a material adverse effect on our ability to compete for future contracts and task orders. Depending upon the level of problem experienced, such problems with subcontractors could cause our actual results to differ materially and adversely from those anticipated.

The federal government's appropriation process and other factors may delay the collection of our receivables, and our business may be adversely affected if we cannot collect our receivables in a timely manner.

We depend on the collection of our receivables to generate cash flow, provide working capital, pay debt and continue our business operations. If the federal government, any of our other customers or any prime contractor for whom we are a subcontractor fails to pay or delays the payment of their outstanding invoices for any reason, our business and financial condition may be materially and adversely affected. The government may fail to pay outstanding invoices for a number of reasons, including lack of appropriated funds or lack of an approved budget. In addition, the DCAA may revoke our direct billing privileges, which would adversely affect our ability to collect our receivables in a timely manner. Contracting officers have the authority to impose contractual withholdings, which can also adversely affect our ability to collect timely. The Defense Federal Acquisition Regulations require DoD contracting officers to impose contractual withholdings at no less than certain minimum levels if a contracting officer determines that one or more of a contractor's business systems have one or more significant deficiencies. Some prime contractors for whom we are a subcontractor have significantly less financial resources than we do, which may increase the risk that we may not be paid in full or payment may be delayed. If we experience difficulties collecting receivables, it could cause our actual results to differ materially and adversely from those anticipated.

We have substantial investments in recorded goodwill as a result of prior acquisitions, and changes in future business conditions could cause these investments to become impaired, requiring substantial write-downs that would reduce our operating income.

Goodwill accounts for $3.4 billion of our recorded total assets. We evaluate the recoverability of recorded goodwill amounts annually or when evidence of potential impairment exists. The annual impairment test is based on several factors requiring judgment. Principally, a decrease in expected reporting unit cash flows or changes in market conditions may indicate potential impairment of recorded goodwill. If there is an impairment, we would be required to write down the recorded amount of goodwill, which would be reflected as a charge against operating income.

Our operations involve several risks and hazards, including potential dangers to our employees and to third parties that are inherent in aspects of our federal business (e.g., counterterrorism training services). If these risks and hazards are not adequately insured, it could adversely affect our operating results.

Our federal business includes the maintenance of global networks and the provision of special operations services (e.g., counterterrorism training) that require us to dispatch employees to various countries around the world. These countries may be experiencing political upheaval or unrest, and in some cases war or terrorism. It is possible that certain of our employees or executives will suffer injury or bodily harm, or be killed or kidnapped in the course of these deployments. We could also encounter unexpected costs for reasons beyond our control in connection with the repatriation of our employees or executives. Any of these types of accidents or other incidents could involve significant potential claims of employees, executives and/or third parties who are injured or killed or who may have wrongful death or similar claims against us.

We maintain insurance policies that mitigate against risk and potential liabilities related to our operations. This insurance is maintained in amounts that we believe are reasonable. However, our insurance coverage may not be adequate to cover those claims or liabilities, and we may be forced to bear significant costs from an accident or incident. Substantial claims in excess of our related insurance coverage could cause our actual results to differ materially and adversely from those anticipated.

Our failure to adequately protect our confidential information and proprietary rights may harm our competitive position.

Our success depends, in part, upon our ability to protect our proprietary information. Although our employees are subject to confidentiality obligations, this protection may be inadequate to deter misappropriation of our proprietary information. In addition, we may be unable to detect unauthorized use of our proprietary information in order to take appropriate steps to enforce our rights. If we are unable to prevent third parties from infringing or misappropriating our proprietary information, our competitive position could be harmed and our actual results could differ materially and adversely from those anticipated.

We face additional risks which could harm our business because we have international operations.

We conduct the majority of our international operations in the United Kingdom and the Netherlands. As a percentage of our total revenue, our international operations generated 2.9 percent and 3.1 percent in FY2020 and FY2019, respectively. Our international operations are subject to risks associated with operating in a foreign country. These risks include fluctuations in the value of the British pound and the Euro, longer payment cycles, changes in foreign tax laws and regulations and unexpected legislative, regulatory, economic or political changes.

Our senior secured credit facility (the Credit Facility) imposes certain restrictions on our ability to take certain actions which may have an impact on our business, operating results and financial condition.

The Credit Facility imposes certain operating and financial restrictions on us and requires us to meet certain financial covenants. These restrictions may significantly limit or prohibit us from engaging in certain transactions, including the following:

- incurring or guaranteeing certain amounts of additional debt;
- paying dividends or other distributions to our stockholders or redeeming, repurchasing or retiring our capital stock in excess of specific limits;
- making certain investments, loans and advances;
- exceeding specific levels of liens on our assets;
- issuing or selling equity in our subsidiaries;
- transforming or selling certain assets currently held by us, including certain sale and lease-back transactions;
- amending or modifying certain agreements, including those related to indebtedness; and
- engaging in certain mergers, consolidations or acquisitions.

The failure to comply with any of these covenants would cause a default under the Credit Facility. A default, if not waived, could cause our debt to become immediately due and payable. In such situations, we may not be able to repay our debt or borrow sufficient funds to refinance it, and even if new financing is available, it may not contain terms that are acceptable to us.

Despite our outstanding debt, we may incur additional indebtedness.

The Credit Facility consists of a $1,500.0 million revolving credit facility (the Revolving Facility) and a $938.4 million term loan facility (the Term Loan). The Revolving Facility has sub-facilities of $100.0 million for same-day swing line loan borrowings and $25.0 million for stand-by letters of credit. At any time and so long as no default has occurred, the Company has the right to increase the Revolving Facility or the Term Loan in an aggregate principal amount of up to the greater of $500.0 million or an amount subject to 3.50 times senior secured leverage, calculated assuming the revolving Facility is fully drawn, with applicable lender approvals. At June 30, 2020, $569.0 million was outstanding under the Revolving Facility and $844.6 million was outstanding under the Term Loan. In addition, the terms of the Credit Facility allow us to incur additional indebtedness from other sources so long as we satisfy the covenants in the agreement governing the Credit Facility. If new debt is added to our current debt levels, the risks related to our ability to service that debt could increase.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

The Credit Facility matures on June 30, 2024. Principal payments under the term loan are due in quarterly installments. Our business may not generate cash flow from operations sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive.

A change in control or fundamental change may adversely affect us.

The Credit Facility provides that certain change in control events will constitute a default.

The effects of health epidemics, pandemics and similar outbreaks may have material adverse effects on our business, financial position, results of operations and/or cash flows.

We face various risks related to health epidemics, pandemics and similar outbreaks, including the global outbreak of COVID-19. The COVID-19 pandemic and the mitigation efforts to control its spread have adversely impacted the U.S. and global economies, leading to disruptions and volatility in global capital markets. While we have taken steps to mitigate the impact of the COVID-19 pandemic on our employees and our business, the continued spread of COVID-19 may have a material adverse effect on our business, financial position, results of operations and/or cash flows as the result of significant portions of our workforce being unable to work due to illness, quarantines, government actions, facility closures or other restrictions; the inability for us to fully perform on our contracts; delays or limits to the ability of the U.S. Government or other customers to make timely payments; incurrence of increased costs which may not be recoverable; adverse impacts on our access to capital; or other unpredictable events. We continue to monitor the effect of COVID-19 on our business, but we cannot predict the full impact of COVID-19 as the extent of the impact will depend on the duration and spread of the pandemic and the actions taken by federal, state, local and foreign governments to prevent the spread of COVID-19.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of June 30, 2020, we leased office space at 138 U.S. locations containing an aggregate of approximately 3.6 million square feet located in 25 states and the District of Columbia. In four countries outside the U.S., we leased office space at 13 locations containing an aggregate of approximately 75,000 square feet. Our leases expire over the next 10 years, with a majority of our leases expiring within the next five years. We anticipate that most of these leases will be renewed or replaced by other leases. All of our offices are in reasonably modern and well-maintained buildings. The facilities are substantially utilized and adequate for present operations.

We maintain our corporate headquarters in approximately 99,000 square feet of space at 1100 North Glebe Road, Arlington, Virginia. See Note 16, Leases, in the Notes to Consolidated Financial Statements contained in this Annual Report on Form 10-K for additional information regarding our lease commitments.

Item 3. Legal Proceedings

Al Shimari, et al. v. L-3 Services, Inc. et al.

On June 30, 2008, Plaintiff Al Shimari filed a twenty-count complaint in the United States District Court for the Southern District of Ohio. Plaintiff Al Shimari is an Iraqi who claimed that he suffered significant physical injury and emotional distress while held at Abu Ghraib prison in Iraq. The lawsuit named CACI International Inc, CACI Premier Technology, Inc. and former CACI employee Timothy Dugan as Defendants, along with L-3 Services, Inc. The complaint alleged that the Defendants conspired with U.S. military personnel to engage in illegal treatment of Iraqi detainees. The complaint did not allege any interaction between Plaintiff Al Shimari and any CACI employee. Plaintiff Al Shimari sought, inter alia, compensatory damages, punitive damages, and attorney's fees. On August 8, 2008, the court granted CACI's motion to transfer the action to the United States District Court for the Eastern District of Virginia. Thereafter, an amended complaint was filed adding three plaintiffs. On September 12, 2008, Mr. Dugan was dismissed from the case without prejudice. On October 2, 2008, CACI filed a motion to dismiss the case. CACI also moved to stay discovery pending further proceedings. The court granted CACI's motion to stay discovery. On March 18, 2009, the court granted in part and denied in part CACI's motion to dismiss. On March 23, 2009, CACI filed a notice of appeal with respect to the March 18, 2009 decision. Plaintiffs filed a motion to strike CACI's notice of appeal and a motion to lift the stay on discovery. The United States District Court for the Eastern District of Virginia denied both motions. On April 27, 2009, Plaintiffs filed a motion to dismiss the appeal in the United States Court of Appeals for the Fourth Circuit. The United States Court of Appeals for the Fourth Circuit deferred any ruling on Plaintiffs' motion and issued a briefing schedule. Plaintiffs filed a notice of cross-appeal, which CACI moved to dismiss. The Court of Appeals dismissed the Plaintiffs' cross-appeal. On October 26, 2010, the United States Court of Appeals for the Fourth Circuit heard oral argument in the appeal and took the matter under advisement. On September 21, 2011, the United States Court of Appeals for the Fourth Circuit reversed the decision of the United States District Court for the Eastern District of Virginia and remanded the action with instructions to dismiss the action. On October 5, 2011, Plaintiffs filed a petition for a rehearing en banc, which the Court of Appeals granted. The Court of Appeals also invited the United States to participate in the en banc rehearing of the appeal as amicus curiae. The United States participated in that capacity in the en banc rehearing. On January 27, 2012, the Court of Appeals, sitting en banc, heard oral argument. On May 11, 2012, the Court of Appeals, in an 11-3 decision, held that it lacked jurisdiction over the appeal and dismissed the appeal. The action returned to the district court for further proceedings.

On October 12, 2012, the district court conducted a status conference at which the court asked the parties to prepare and submit a plan for discovery in the action. The parties subsequently filed a joint discovery plan, which the court approved. The Court also lifted the stay of discovery, and reinstated the claims arising under the Alien Tort Statute (ATS) that the Court had previously dismissed. On December 26, 2012, Plaintiffs filed a Second Amended Complaint. Defendants moved to dismiss several counts of the Second Amended Complaint. On March 8, 2013, the Court dismissed the conspiracy claims in the Second Amended Complaint, and dismissed CACI International Inc from the action. Subsequently, the Court allowed Plaintiffs to file a Third Amended Complaint for the purpose of repleading the conspiracy claims. On March 28, 2013, Plaintiffs filed a Third Amended Complaint, and on April 15, 2013, Defendant CACI Premier Technology, Inc. moved to dismiss the conspiracy claims in the Third Amended Complaint.

On March 19, 2013, the Court granted a motion for reconsideration filed by Defendants with respect to the statute of limitations applicable to the common law tort claims of three of the four Plaintiffs, and dismissed those claims. Defendant CACI Premier Technology, Inc. also filed a motion for sanctions with respect to the failure of three of the four Plaintiffs to appear for depositions and medical examinations as ordered by the court. On April 12, 2013, the Court denied that motion but entered an order requiring the three Plaintiffs to appear for depositions and medical examinations no later than April 26, 2013 and stating that if the three Plaintiffs did not comply with the order their claims were subject to dismissal. Plaintiffs did not appear for depositions in the United States as of April 26, 2013. Defendant CACI Premier Technology, Inc. then renewed its motion for sanctions, seeking dismissal, for the three Plaintiffs' violation of the Court order to appear for depositions and medical examinations. Defendant CACI Premier Technology, Inc. also filed a motion to dismiss the ATS claims of all four Plaintiffs for lack of jurisdiction in light of the U.S. Supreme Court's April 17, 2013 decision in Kiobel v. Royal Dutch Petroleum, and a motion to dismiss the common law claims of the single Plaintiff with those claims on various grounds.

On June 26, 2013, the Court issued a Memorandum Opinion and Order granting Defendant CACI Premier Technology, Inc.'s motions with respect to Plaintiffs' ATS claims and Plaintiffs' common law claims, and dismissing the Third Amended Complaint without prejudice. The Court also denied all other pending motions, including Defendant CACI Premier Technology, Inc.'s motions for sanctions and to dismiss the conspiracy claims, as moot.

On July 24, 2013, Plaintiffs filed a Notice of Appeal of the district court's June 26 decision.

On March 18, 2014, a three judge panel of the United States Court of Appeals for the Fourth Circuit held a hearing on Plaintiffs' appeal and took the matters under advisement. On June 30, 2014, the three judge panel vacated the district court's June 26, 2013 Order and remanded Plaintiffs' claims for further proceeding.

On remand, Defendant CACI Premier Technology, Inc. moved to dismiss Plaintiffs' claims based upon the political question doctrine. On June 18, 2015, the Court issued an Order granting Defendant CACI Premier Technology, Inc.'s motion to dismiss, and on June 26, 2015 entered a final judgment in favor of Defendant CACI Premier Technology, Inc.

On July 23, 2015, Plaintiffs filed a Notice of Appeal of the district court's June 2015 decision. On October 21, 2016, the Court of Appeals vacated and remanded the District Court's judgment with instructions for the District Court to make further determinations regarding the political question doctrine. The District Court conducted an initial status conference on December 16, 2016. On June 9, 2017, the District Court dismissed Plaintiff Rashid without prejudice from the action based upon his inability to participate. On July 19, 2017, CACI Premier Technology, Inc. filed a motion to dismiss the action on numerous legal grounds. The Court held a hearing on that motion on September 22, 2017, and denied the motion pending issuance of a written decision. On January 17, 2018, CACI filed a third-party complaint naming the United States and John Does 1-60, asserting claims for contribution, indemnification, exoneration and breach of contract in the event that CACI Premier Technology, Inc. is held liable to Plaintiffs, as Plaintiffs are seeking to hold CACI Premier Technology, Inc. liable on a co-conspirator theory and a theory of aiding and abetting. On April 13, 2018, the Court held a hearing on the United States' motion to dismiss and took the matter under advisement.

On April 13, 2018, the Plaintiffs filed a motion to reinstate Plaintiff Rashid, which CACI opposed. On April 20, 2018, the District Court granted that motion subject to Plaintiff Rashid appearing for a deposition. On May 21, 2018, CACI filed a motion to dismiss for lack of subject matter jurisdiction based on a recent Supreme Court decision. On June 25, 2018, the District Court denied that motion. On October 25, 2018, the District Court conducted a pre-trial conference at which the District Court addressed remaining discovery matters, the scheduling for dispositive motions that CACI intends to file, and set a date of April 23, 2019 for trial, if needed, to start. On December 20, 2018, CACI filed a motion for summary judgment and a motion to dismiss based on the state secrets privilege. On January 3, 2019, CACI filed a motion to dismiss for lack of subject matter jurisdiction. On February 15, 2019, the United States filed a motion for summary judgment with respect to CACI's third-party complaint. On February 27, 2019, the District Court denied CACI's motion for summary judgment and motions to dismiss for lack of subject matter jurisdiction and on the state secrets privilege. On February 28, 2019, CACI filed a motion seeking dismissal on grounds of derivative sovereign immunity.

On March 22, 2019, the District Court denied the United States' motion to dismiss on grounds of sovereign immunity and CACI's motion to dismiss on grounds of derivative sovereign immunity. The District Court also granted the United States' motion for summary judgment with respect to CACI's third-party complaint. On March 26, 2019, CACI filed a Notice of Appeal of the District Court's March 22, 2019 decision. On April 2, 2019, the U.S. Court of Appeals for the Fourth Circuit issued an Accelerated Briefing Order for the appeal. On April 3, 2019, the District Court issued an Order cancelling the trial schedule and holding matters in abeyance pending disposition of the appeal. On July 10, 2019, the U.S. Court of Appeals for the Fourth Circuit heard oral argument in Spartanburg, South Carolina on CACI's appeal. On August 23, 2019, the Court of Appeals issued an unpublished opinion dismissing the appeal. A majority of the panel that heard the appeal held that rulings denying derivative sovereign immunity are not immediately appealable even where they present pure questions of law. The panel also ruled, in the alternative, that even if such a ruling was immediately appealable, review was barred because there remained disputes of material fact with respect to CACI's derivative sovereign immunity defenses. The Court of Appeals subsequently denied CACI's request for rehearing *en banc.* CACI then filed a motion to stay issuance of the mandate pending the filing of a petition for a writ of *certiorari.* On October 11, 2019, the Court of Appeals, by a 2-1 vote, denied the motion to stay issuance of the mandate. CACI then filed an application to stay issuance of the mandate with Chief Justice Roberts in his capacity as Circuit Justice for the U.S. Court of Appeals for the Fourth Circuit. After CACI filed that application, the Court of Appeals issued the mandate on October 21, 2019, returning jurisdiction to the district court. On October 23, Chief Justice Roberts denied the stay application "without prejudice to applicants filing a new application after seeking relief in the district court." CACI then filed a motion in the district court to stay the action pending filing and disposition of a petition for a writ of *certiorari.* On November 1, 2019, the district court granted CACI's motion and issued an Order staying the action until further order of the court. On November 15, 2019, CACI filed a petition for a writ of *certiorari* in the U.S. Supreme Court. On January 27, 2020, the U.S. Supreme Court issued an Order inviting the Solicitor General to file a brief in the case expressing the views of the United States.

Abbass, et al v. CACI Premier Technology, Inc. and CACI International Inc, Case No. 1:13CV1186-LMB/JFA (EDVA)

On September 20, 2013, fifty-five Plaintiffs filed a nine-count complaint in the United States District Court for the Eastern District of Virginia styled Abbass, et al. v. CACI Premier Technology, Inc., et al. Plaintiffs are Iraqi nationals who assert that their allegations are essentially the same as those of the plaintiffs in Al Shimari. Plaintiffs claim that they suffered significant physical injury and emotional distress while in U.S. custody in Iraq. The lawsuit names CACI International Inc and CACI Premier Technology, Inc. as Defendants. The complaint alleges that Defendants conspired with U.S. military personnel to engage in illegal treatment of Iraqi detainees. The complaint does not allege any interaction between Plaintiffs and any CACI employee. Plaintiffs' claims are brought pursuant to the Alien Tort Statute and the Torture Victims Protection Act. Plaintiffs seek, inter alia, compensatory damages, punitive damages, and attorney's fees.

Plaintiffs' action was originally filed in 2009 in U.S. District Court for the District of Columbia, but was voluntarily dismissed without prejudice in September 2011 after the Supreme Court denied certiorari in Saleh v. Titan Corp. and Ibrahim v. Titan Corp., 580 F.3d 1 (D.C. Cir. 2009).

The CACI Defendants have moved to dismiss the complaint. Before deciding the motion to dismiss, the district court stayed the action pending a decision from the Court of Appeals in Al Shimari v. L-3 Services, Inc.

We are vigorously defending the above-described legal proceedings, and based on our present knowledge of the facts, believe the lawsuits are completely without merit.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed on the New York Stock Exchange under the ticker symbol "CACI".

The ranges of high and low sales prices of our common stock quoted on the New York Stock Exchange for each quarter during the fiscal years ended June 30, 2020 and 2019 were as follows:

	2020		2019	
Quarter	High	Low	High	Low
1st	$ 235.00	$ 195.17	$ 200.85	$ 166.80
2nd	$ 252.69	$ 215.00	$ 188.00	$ 138.39
3rd	$ 288.59	$ 156.15	$ 187.07	$ 139.21
4th	$ 266.31	$ 199.56	$ 212.85	$ 180.38

We have never paid a cash dividend. Our present policy is to retain earnings to provide funds for the operation and expansion of our business. We do not intend to pay any cash dividends at this time. The Board of Directors will determine whether to pay dividends in the future based on conditions existing at that time, including our earnings, financial condition and capital requirements, as well as economic and other conditions as the board may deem relevant.

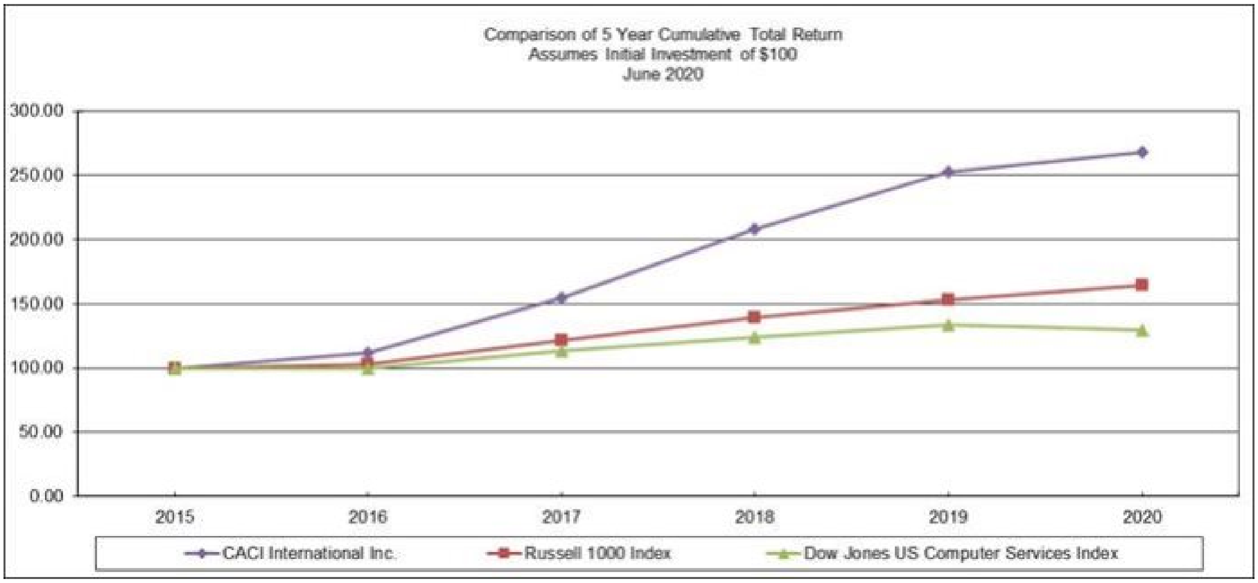
As of July 31, 2020, the number of stockholders of record of our common stock was approximately 202. The number of stockholders of record is not representative of the number of beneficial stockholders due to the fact that many shares are held by depositories, brokers, or nominees.

The following table provides certain information with respect to our purchases of shares of CACI International Inc's common stock during the three months ended June 30, 2020:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased As Part of Publicly Announced Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
April 2020	9,817	$ 226.40	1,217,404	282,596
May 2020	—	—	—	—
June 2020	—	—	—	—
Total	9,817	$ 226.40	1,217,404	

The following graph compares the cumulative 5-year total return to shareholders on CACI International Inc's common stock relative to the cumulative total returns of the Russell 1000 index and the Dow Jones U.S. Computer Services Total Stock Market index. The graph assumes that the value of the investment in our common stock and in each of the indexes (including reinvestment of dividends) was $100 on June 30, 2015 and tracks it through June 30, 2020.

Comparison of Five Year Cumulative Total Returns
Performance Graph for
CACI International Inc



$100 invested on 6/30/15 in stock or index—including reinvestment of dividends. Fiscal year ending June 30.

	June 30, 2015	2016	2017	2018	2019	2020
CACI International Inc	$ 100.00	$ 111.77	$ 154.59	$ 208.37	$ 252.92	$ 268.12
Russell 1000	$ 100.00	$ 102.93	$ 121.49	$ 139.16	$ 153.10	$ 164.55
Dow Jones U.S. Computer Services Total Stock Market	$ 100.00	$ 99.43	$ 113.31	$ 123.62	$ 133.99	$ 129.81

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Item 6. Selected Financial Data

The selected financial data included below is from our audited financial statements for each of the fiscal years in the five years ended June 30, 2020. This information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the Notes thereto, included in Part II in this Annual Report on Form 10-K.

Income Statement Data

	Years Ended June 30,				
	2020	2019	2018 (1)	2017	2016
	(amounts in thousands, except per share data)				
Revenue	$ 5,720,042	$ 4,986,341	$ 4,467,860	$ 4,354,617	$ 3,744,053
Costs of revenue	5,262,346	4,608,474	4,127,160	4,057,356	3,479,303
Net income	321,480	265,604	301,171	163,671	142,799
Earnings per common share and common share equivalent:					
Basic:					
Weighted-average shares outstanding	25,031	24,833	24,616	24,401	24,262
Earnings per share	$ 12.84	$ 10.70	$ 12.23	$ 6.71	$ 5.89
Diluted:					
Weighted-average shares and equivalent shares outstanding	25,485	25,395	25,255	25,069	24,802
Earnings per share	$ 12.61	$ 10.46	$ 11.93	$ 6.53	$ 5.76

(1) Net income for FY2018 includes $103.3 million or $4.09 per diluted share of estimated tax benefits related to enactment of the Tax Cuts and Jobs Act on December 22, 2017.

Balance Sheet Data

	As of June 30,				
	2020	2019	2018	2017	2016
	(amounts in thousands)				
Total assets	$ 5,542,472	$ 5,086,843	$ 4,034,206	$ 3,911,082	$ 3,987,341
Long-term obligations	2,112,003	2,023,655	1,187,458	1,317,297	1,566,394
Working capital	316,727	339,798	392,210	353,158	356,662
Shareholders' equity	2,661,310	2,371,466	2,106,887	1,793,721	1,607,313

Item 7. Management's Discussion and Analysis of Financial Condition & Results of Operations

The following discussion and analysis of our financial condition and results of operations is provided to enhance the understanding of, and should be read together with, our consolidated financial statements and the Notes to those statements that appear elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. Unless otherwise specifically noted, all years refer to our fiscal year which ends on June 30.

Overview

We are a leading provider of Expertise and Technology to Enterprise and Mission customers, supporting national security missions and government modernization/transformation in the intelligence, defense, and federal civilian sectors. The demand for our Expertise and Technology, in large measure, is created by the increasingly complex network, systems, and information environments in which governments and businesses operate, and by the need to stay current with emerging technology while increasing productivity, enhancing security, and, ultimately, improving performance.

Some of our key initiatives include the following:

- Continue to grow organic revenue across our large, addressable market;
- Recruit and hire a world class workforce to execute on our growing backlog;
- Deliver strong profitability and robust cash flows from operations;
- Differentiate ourselves through our strategic mergers and acquisition program allowing us to enhance our current capabilities and create new customer access points; and
- Continue our unwavering commitment to our customers while supporting the communities in which we work and live.

Business Environment and Industry Trends

Budgetary Environment

We carefully follow federal budget, legislative and contracting trends and activities and evolve our strategies to take these into consideration. In late July 2019, Congress passed the Bipartisan Budget Act of 2019 (BBA 2019), which increased the caps for defense and non-defense spending for government fiscal year (GFY) 2020 and GFY 2021, established discretionary spending caps for GFY 2020 and GFY 2021, and suspended the national debt limit through July 2021. On August 2, 2019, the President signed the measure into law. BBA 2019 called for defense spending, including Overseas Contingency Operations funds, of $738 billion in GFY 2020 and $740.5 billion in GFY 2021. Both represent increases from GFY 2019 levels of $716 billion. In December 2019, Congress passed two GFY 2020 appropriations bills totaling $1.4 trillion: $738 billion for defense and $632 billion for non-defense agencies, which represent increases over GFY 2019 of $22 billion and $27 billion, respectively. On December 20, 2019, the President signed both bills into law. We believe that bipartisan support remains for continued investment in the areas of defense and national security.

While we view the budget environment as stable under BBA 2019 and believe there is bipartisan support for continued investment in the areas of defense and national security, it is uncertain whether GFY 2021 appropriations bills will be passed in regular order and signed by the President before the end of GFY 2020, particularly given the additional time required to deal with the COVID-19 pandemic. During those periods of time when appropriations bills have not been passed and signed into law, government agencies operate under a continuing resolution (CR). Depending on their scope, duration, and other factors, CRs can negatively impact our business due to delays in new program starts, delays in contract award decisions, and other factors. When a CR expires, unless appropriations bills have been passed by Congress and signed by the President, or a new CR is passed and signed into law, the government must cease operations, or shutdown, except in certain emergency situations or when the law authorizes continued activity. We continuously review our operations in an attempt to identify programs potentially at risk from CRs so that we can consider appropriate contingency plans.

Impact of COVID-19

As travel restrictions, social distancing advisories, and other requirements began to be implemented in March, we instructed our workforce to begin to work remotely to the extent possible. While a majority of our workforce is able to work remotely, some employees must still travel to client or company facilities in order to work. While CACI employees were deemed part of the ‘critical infrastructure workforce’, ensuring their ability to work despite state travel limitations, our business still experienced some impacts as a result of COVID-19 risk mitigation efforts. For example, in order to reduce personnel concentration and ensure social distancing in classified environments, shift work was implemented, which reduced the number of hours our employees could work and we could bill customers on certain programs. The Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was passed by Congress and signed by the President on March 27, 2020, provides a mechanism to reimburse government contractors for the cost of employees who are ready and able to work but unable to access required facilities due to COVID-19. We continue to work with our customers to implement the related provisions of the CARES Act, as well as support our customers’ return-to-work plans.

Market Environment

Across our addressable market, we provide Expertise and Technology to government Enterprise and Mission customers. Based on the analysis of an independent market consultant retained by the Company, we believe that the total addressable market for our offerings is approximately $230 billion. Our addressable market is expected to continue to grow over the next several years. Approximately 70 percent of our revenue comes from defense-related customers, including those in the Intelligence Community (IC), with additional revenue coming from non-defense IC, homeland security, and other federal civilian customers.

We continue to align the Company's capabilities with well-funded budget priorities and took steps to maintain a competitive cost structure in line with our expectations of future business opportunities. In light of these actions, as well as the budgetary environment discussed above, we believe we are well positioned to win new business in our large addressable market. We believe that the following trends will influence the U.S. Government (USG) spending in our addressable market:

- A stable USG budget environment, particularly in defense and intelligence-related areas;
- A shift in focus from readiness toward increased capabilities, effectiveness, and responsiveness;
- Increased USG interest in faster contracting and acquisition processes;
- Increased focus on cyber, space and the electromagnetic spectrum as key domains for National Security;
- Continued focus on counterterrorism, counterintelligence, and counter proliferation as key U.S. security concerns;
- Balanced focus on enterprise cost reductions through efficiency, with increased spend on infrastructure modernization and enhancements to cyber security protections; and
- Increased investments in advanced technologies (e.g., Artificial Intelligence, 5G).

We believe that our customers' use of lowest price/technically acceptable (LPTA) procurements, which contributed to pricing pressures in prior years, has moderated, though price still remains an important factor in procurements. We also continue to see protests of major contract awards and delays in USG procurement activities. In addition, many of our federal government contracts require us to employ personnel with security clearances, specific levels of education and specific past work experience. Depending on the level of clearance, security clearances can be difficult and time-consuming to obtain and competition for skilled personnel in the information technology services industry is intense. Additional factors that could affect USG spending in our addressable market include changes in set-asides for small businesses, changes in budget priorities as a result of the COVID-19 pandemic, and budgetary priorities limiting or delaying federal government spending in general.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the U.S. requires us to make estimates and judgments that affect the amounts reported in those financial statements and accompanying notes. We consider the accounting policies and estimates addressed below to be the most important to our financial position and results of operations, either because of the significance of the financial statement item or because they require the exercise of significant judgment and/or use of significant estimates. Although we believe that the estimates are reasonable based on reasonably available facts, due to the inherent uncertainty involved in making those estimates, actual results reported in future periods may differ.

We believe the following accounting policies require significant judgment due to the complex nature of the underlying transactions:

<u>Revenue Recognition</u>

The Company generates almost all of our revenue from three different types of contractual arrangements with the U.S. government: cost-plus-fee, fixed-price, and time-and-materials (T&M) contracts. Our contracts with the U.S. government are generally subject to the Federal Acquisition Regulation (FAR) and are competitively priced based on estimated costs of providing the contractual goods or services.

We account for a contract when the parties have approved the contract and are committed to perform on it, the rights of each party and the payment terms are identified, the contract has commercial substance, and it is probable that we will collect substantially all of the consideration.

At contract inception, the Company determines whether the goods or services to be provided are to be accounted for as a single performance obligation or as multiple performance obligations. This evaluation requires professional judgment as it may impact the timing and pattern of revenue recognition. If multiple performance obligations are identified, we generally use the cost plus a margin approach to determine the relative standalone selling price of each performance obligation.

When determining the total transaction price, the Company identifies both fixed and variable consideration elements within the contract. Variable consideration includes any amount within the transaction price that is not fixed, such as: award or incentive fees; performance penalties; unfunded contract value; or other similar items. For our contracts with award or incentive fees, the Company estimates the total amount of award or incentive fee expected to be recognized into revenue. Throughout the performance period, we recognize as revenue a constrained amount of variable consideration only to the extent that it is probable that a significant reversal of the cumulative amount recognized to date will not be required in a subsequent period. Our estimate of variable consideration is periodically adjusted based on significant changes in relevant facts and circumstances. In the period in which we can calculate the final amount of award or incentive fee earned - based on the receipt of the customer's final performance score or determining that more objective, contractually-defined criteria have been fully satisfied - the Company will adjust our cumulative revenue recognized to date on the contract. This adjustment to revenue will be disclosed as the amount of revenue recognized in the current period for a previously satisfied performance obligation.

We generally recognize revenue over time throughout the performance period as the customer simultaneously receives and consumes the benefits provided on our services-type revenue arrangements. This continuous transfer of control for our U.S. government contracts is supported by the unilateral right of our customer to terminate the contract for a variety of reasons without having to provide justification for its decision. For our services-type revenue arrangements in which there are a repetitive amount of services that are substantially the same from one month to the next, the Company applies the series guidance. We use a variety of input and output methods that approximate the progress towards complete satisfaction of the performance obligation, including: costs incurred, labor hours expended, and time-elapsed measures for our fixed-price stand ready obligations. For certain contracts, primarily our cost-plus and T&M services-type revenue arrangements, we apply the right-to-invoice practical expedient in which revenue is recognized in direct proportion to our present right to consideration for progress towards the complete satisfaction of the performance obligation.

When a performance obligation has a significant degree of interrelation or interdependence between one month's deliverables and the next, when there is an award or incentive fee, or when there is a significant degree of customization or modification, the Company generally records revenue using a percentage of completion methodology. For these revenue arrangements, substantially all revenue is recognized over time using a cost-to-cost input method based on the ratio of costs incurred to date to total estimated costs at completion. When estimates of total costs to be incurred on a contract exceed total revenue, a provision for the entire loss on the contract is recorded in the period in which the loss is determined.

Contract modifications are reviewed to determine whether they should be accounted for as part of the original performance obligation or as a separate contract. When a contract modification changes the scope or price and the additional performance obligations are at their standalone selling price, the original contract is terminated and the Company accounts for the change prospectively when the new goods or services to be transferred are distinct from those already provided. When the contract modification includes goods or services that are not distinct from those already provided, the Company records a cumulative adjustment to revenue based on a remeasurement of progress towards the complete satisfaction of the not yet fully delivered performance obligation.

Based on the critical nature of our contractual performance obligations, the Company may proceed with work based on customer direction prior to the completion and signing of formal contract documents. The Company has a formal review process for approving any such work that considers previous experiences with the customer, communications with the customer regarding funding status, and our knowledge of available funding for the contract or program.

Accounting for Business Combinations, Goodwill and Acquired Intangible Assets

The purchase price of an acquired business is allocated to the tangible assets and separately identifiable intangible assets acquired less liabilities assumed based upon their respective fair values, with the excess recorded as goodwill.

The fair values of the assets acquired and liabilities assumed were preliminarily determined using income, market and cost valuation methodologies. The income approach was primarily used to value the customer relationships intangible assets. The income approach indicates value for an asset or liability based on the present value of cash flow projected to be generated over the remaining economic life of the asset or liability being measured. Both the amount and the duration of the cash flows are considered from a market participant perspective. Our estimates of market participant net cash flows considered historical and projected pricing, operational performance including company specific synergies, material and labor pricing, and other relevant customer, contractual and market factors. Where appropriate, the net cash flows are adjusted to reflect the uncertainties associated with the underlying assumptions, as well as the risk profile of the net cash flows utilized in the valuation. The adjusted future cash flows are then discounted to present value using an appropriate discount rate. Projected cash flow is discounted at a required rate of return that reflects the relative risk of achieving the cash flow and the time value of money. The fair values of the tangible assets and acquired liabilities assumed, were determined using a combination of market and cost valuation methodologies. The market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities. Valuation techniques consistent with the market approach often use market multiples derived from a set of comparables. The cost approach, which estimates value by determining the current cost of replacing an asset with another of equivalent economic utility.

We evaluate goodwill at least annually for impairment, or whenever events or circumstances indicate that the carrying value may not be recoverable. The evaluation includes comparing the fair value of the relevant reporting unit to the carrying value, including goodwill, of such unit. The level at which we test goodwill for impairment requires us to determine whether the operations below our operating segments constitute a self-sustaining business for which discrete financial information is available and segment management regularly reviews the operating results. If the fair value exceeds the carrying value, no impairment loss is recognized. However, if the carrying value of the reporting unit exceeds its fair value, the goodwill of the reporting unit may be impaired. Impairment is measured by comparing the derived fair value of the goodwill to its carrying value. Separately identifiable intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment if impairment indicators are present.

We estimate the fair value of our reporting units using both an income approach and a market approach. The valuation process considers our estimates of the future operating performance of each reporting unit. Companies in similar industries are researched and analyzed and we consider the domestic and international economic and financial market conditions, both in general and specific to the industry in which we operate, prevailing as of the valuation date. The income approach utilizes discounted cash flows.

We evaluate goodwill as of the first day of the fiscal fourth quarter. In addition, we will perform interim impairment testing should circumstances requiring it arise. We completed our annual goodwill assessment as of April 1, 2020 and no impairment charge was necessary as a result of this assessment. We have concluded that none of our reporting units are at risk of a goodwill impairment in the near term as their fair values are considerably greater than their carrying values.

Determining the fair values of the reporting units inherently involves management judgments regarding assumptions such as future sales, profits and cash flows, determination of the discount rate, weighting of the income and market approaches, and the effect of the market conditions on those assumptions. Due to the variables inherent in the estimation of a reporting unit's fair value and the relative size of our goodwill, differences in assumptions could have a material effect on one or more of our reporting units and could result in a goodwill impairment charge in a future period.

Recent Accounting Pronouncements

See Note 3, Recent Accounting Pronouncements, in the Notes to Consolidated Financial Statements contained in this Annual Report on Form 10-K for additional information.

Results of Operations

The following table sets forth the relative percentage that certain items of expense and earnings bear to revenue for the three most recent fiscal years ended.

Consolidated Statements of Operations
Years ended June 30,

	2020	2019	2018	2020	2019	2018	Year to Year Change 2019 to 2020		2018 to 2019	
	Dollars			Percentages			Dollars	Percent	Dollars	Percent
	(dollar amounts in thousands)									
Revenue	$5,720,042	$4,986,341	$4,467,860	100.0%	100.0%	100.0%	$733,701	14.7%	$518,481	11.6%
Costs of revenue										
Direct costs	3,719,056	3,304,053	2,978,608	65.0	66.3	66.7	415,003	12.6	325,445	10.9
Indirect costs and selling expenses	1,432,602	1,218,544	1,076,356	25.1	24.4	24.1	214,058	17.6	142,188	13.2
Depreciation and amortization	110,688	85,877	72,196	1.9	1.7	1.6	24,811	28.9	13,681	18.9
Total costs of revenue	5,262,346	4,608,474	4,127,160	92.0	92.4	92.4	653,872	14.2	481,314	11.7
Income from operations	457,696	377,867	340,700	8.0	7.6	7.6	79,829	21.1	37,167	10.9
Interest expense and other, net	56,059	49,958	42,036	1.0	1.0	0.9	6,101	12.2	7,922	18.8
Income before income taxes	401,637	327,909	298,664	7.0	6.6	6.7	73,728	22.5	29,245	9.8
Income tax (benefit) expense	80,157	62,305	(2,507)	1.4	1.3	-	17,852	28.7	64,812	2,585.2
Net income	$ 321,480	$ 265,604	$ 301,171	5.6%	5.3%	6.7%	$ 55,876	21.0	$ (35,567)	(11.8)%

Revenue. For the twelve months ended June 30, 2020, total revenue was $5.7 billion, 14.7 percent greater than last year with 8.0 percent from organic revenue growth. The remaining growth in revenue was attributable to acquired revenues. Out of our primary customer groups, Department of Defense and Federal Civilian revenue increased by $509.4 million and $204.1 million, respectively, compared with the same period a year ago.

The following table summarizes revenue by customer type with related percentages of revenue for the three most recent fiscal years:

	Years Ended June 30, 2020		2019		2018	
	(dollars in thousands)					
Department of Defense	$ 3,999,261	69.9%	$ 3,489,854	70.0%	$ 3,032,744	67.9%
Federal Civilian Agencies	1,467,801	25.7	1,263,681	25.3	1,202,023	26.9
Commercial and other	252,980	4.4	232,806	4.7	233,093	5.2
Total	$ 5,720,042	100.0%	$ 4,986,341	100.0%	$ 4,467,860	100.0%

- DoD revenue includes services and products provided to the U.S. Army, our single largest customer, where our services focus on supporting readiness, tactical military intelligence, and communications systems. DoD revenue also includes contracts with the U.S. Navy and other DoD agencies.
- Federal civilian agencies' revenue primarily includes services and products provided to non-DoD agencies and departments of the U.S. federal government, including intelligence agencies and Departments of Justice, Agriculture, Health and Human Services, and State.
- Commercial and other revenue primarily includes services and products provided to U.S. state and local governments, commercial customers, and certain foreign governments and agencies through our International reportable segment.

Direct Costs. For the twelve months ended June 30, 2020, direct costs increased by $415.0 million or 12.6 percent, compared with the same period a year ago. The increase in direct costs is primarily related to increased direct labor expenses due to organic growth on existing programs and acquired contracts. As a percentage of revenue, total direct costs were 65.0 percent and 66.3 percent, respectively, for FY2020 and FY2019.

Indirect Costs and Selling Expenses. For the twelve months ended June 30, 2020, indirect costs and selling expenses increased by $214.1 million or 17.6 percent, compared with the same period a year ago. As a percentage of revenue indirect costs and selling expenses were 25.1 percent and 24.4 percent for FY2020 and FY2019, respectively. This percentage increase is driven primarily by a larger workforce from recent acquisitions, resulting in increased labor, fringe benefit and facility costs. The increase also relates to higher investment in independent research and development (IR&D) efforts and bid and proposal (B&P) costs.

Depreciation and Amortization. For the twelve months ended June 30, 2020, depreciation and amortization expense increased by $24.8 million or 28.9 percent, compared with the same period a year ago. This increase was primarily attributable to intangible amortization from acquisitions and increased depreciation from higher property and equipment balances.

Interest Expense and Other, Net. For the twelve months ended June 30, 2020, interest expense and other, net increased by $6.1 million or 12.2 percent, compared with the same period a year ago. The increase is primarily attributable to higher average outstanding debt balances on the Company's Credit Facility in support of acquisitions. In addition, the Company incurred purchase discount fees on its MARPA (as discussed and defined within Note 14).

Income Tax (Benefit) Expense. The effective income tax rate in FY2020, FY2019, and FY2018, was 20.0 percent, 19.0 percent, and (0.8) percent, respectively. The effective income tax rate increased in FY2020 primarily as a result of pretax book income increasing more than favorable credits and permanent items. In each period, the effective income rate was favorably affected by excess tax benefits from employee stock-based payment awards as well as a benefit from the research and development tax credit.

COVID-19 Impact to Net Income

For the twelve months ended June 30, 2020, the Company estimates that COVID-19 has negatively impacted our financial results by approximately $68.0 million of revenue and $17.9 million of net income. The financial impact was primarily driven by CACI employees and subcontractors who were unable to access certain facilities due to COVID-19 and who could not telework.

Contract Backlog

The Company's backlog represents total value on our existing contracts that has the potential to be recognized into revenue as work is performed. The Company includes unexercised option years in its backlog amount and excludes task orders that may be issued underneath a multiple award IDIQ vehicle until such task orders are awarded.

The Company's backlog as of period end is either funded or unfunded:

- Funded backlog represents contract value appropriated by a customer that is expected to be recognized into revenue.
- Unfunded backlog represents the sum of unappropriated contract value on executed contracts and unexercised option years that is expected to be recognized into revenue.

As of June 30, 2020, the Company had total backlog of $21.6 billion, compared with $16.9 billion a year ago, an increase of 27.8 percent. Contract awards in FY2020 were $11.6 billion, an increase of 12.8 percent compared with the same period a year ago. Funded backlog as of June 30, 2020 was $2.8 billion. The total backlog consists of remaining performance obligations (see Note 11, Revenue Recognition, in the Notes to Consolidated Financial Statements contained in this Annual Report on Form 10-K) plus unexercised options.

There is no assurance that all funded or potential contract value will result in revenue being recognized. The Company continues to monitor our backlog as it is subject to change from execution of new contracts, contract modifications or extensions, government deobligations, or early terminations. Based on this analysis, an adjustment to the period end balance may be required.

Revenue by Contract Type

The Company generates revenue under three basic contract types:

- *Cost-plus-fee contracts*: This contract type provides for reimbursement of allowable direct expenses and allocable indirect expenses plus an additional negotiated fee. The fee component of the contract may include fixed fees, award fees and incentive fees. Fixed fees are fees that are negotiated and fixed at the inception of the contract. In general, award fees are more subjective in performance criteria and are earned based on overall cost, schedule, and technical performance as measured against contractual requirements. Incentive fees have more objective cost or performance criteria and generally contain a formula based on the relationship of actual costs incurred to target costs.
- *Firm fixed-price contracts*: This contract type provides for a fixed price for specified products, systems, and services and is often used when there is more certainty regarding the estimated costs to complete the contractual statement of work. Since the contractor bears the risk of cost overruns, there is higher risk and potential profit associated with this contract type.
- *Time and materials contracts:* This contract type provides for a fixed hourly rate for defined contractual labor categories, with reimbursement of billable material and other direct costs. For this contract type, the contractor bears the risk that its labor costs and allocable indirect expenses are greater than the fixed hourly rate defined within the contract.

As discussed further within Item 1A, Risk Factors in this Annual Report on Form 10-K, our earnings and margins may vary based on the mix of our contract types. We generated the following revenue on our cost-plus-fee, fixed-price, and time-and-materials contracts during each of the last three fiscal years:

	Years Ended June 30,					
	2020		2019		2018	
	(dollars in thousands)					
Cost-plus-fee	$ 3,274,707	57.2%	$ 2,764,291	55.4%	$ 2,276,589	51.0%
Firm fixed-price	1,629,475	28.5	1,465,559	29.4	1,455,167	32.6
Time and materials	815,860	14.3	756,491	15.2	736,104	16.4
Total	$ 5,720,042	100.0%	$ 4,986,341	100.0%	$ 4,467,860	100.0%

Effects of Inflation

During FY2020, 57.2 percent of our revenue was generated under cost-reimbursable contracts which automatically adjust revenue to cover costs that are affected by inflation. 14.3 percent of our revenue was generated under T&M contracts, where labor rates for many of the services provided are often fixed for several years. Under certain T&M contracts containing IDIQ procurement arrangements, we adjust labor rates annually as permitted. The remaining portion of our business is fixed-price and may span multiple years. We generally have been able to price our T&M and fixed-price contracts in a manner that accommodates the rates of inflation experienced in recent years.

Liquidity and Capital Resources

To date, COVID-19 has not had a significant impact on our liquidity, cash flows or capital resources. However, the continued spread of COVID-19 has led to disruption and volatility in the global capital markets, which, depending on future developments, could impact our capital resources and liquidity in the future.

Existing cash and cash equivalents and cash generated by operations are our primary sources of liquidity, as well as sales of receivables under our MARPA (as defined and discussed in Note 14) and available borrowings under our Credit Facility (as defined in Note 15) described below.

The Company has a $2,438.4 million Credit Facility, which consists of an $1,500.0 million Revolving Facility and a $938.4 million Term Loan. The Revolving Facility is a secured facility that permits continuously renewable borrowings and has subfacilities of $100.0 million for same-day swing line borrowings and $25.0 million for stand-by letters of credit. As of June 30, 2020, $844.6 million was outstanding under the Term Loan, $569.0 million was outstanding under the Revolving Facility and no borrowings on the swing line.

The Term Loan is a five-year secured facility under which principal payments are due in quarterly installments of $11.7 million until the balance is due in full on June 30, 2024.

The interest rates applicable to loans under the Credit Facility are floating interest rates that, at our option, equal a base rate or a Eurodollar rate plus, in each case, an applicable margin based upon our consolidated total leverage ratio.

The Credit Facility requires us to comply with certain financial covenants, including a maximum total leverage ratio and a minimum interest coverage ratio. The Credit Facility also includes customary negative covenants restricting or limiting our ability to guarantee or incur additional indebtedness, grant liens or other security interests to third parties, make loans or investments, transfer assets, declare dividends or redeem or repurchase capital stock or make other distributions, prepay subordinated indebtedness and engage in mergers, acquisitions or other business combinations, in each case except as expressly permitted under the Credit Facility. Since the inception of the Credit Facility, we have been in compliance with all of the financial covenants. A majority of our assets serve as collateral under the Credit Facility.

A summary of the change in cash and cash equivalents is presented below:

	Years Ended June 30,		
	2020	2019	2018
	(dollar amounts in thousands)		
Net cash provided by operating activities	$ 518,705	$ 555,297	$ 321,460
Net cash used in investing activities	(178,529)	(1,127,982)	(114,606)
Net cash provided by (used in) financing activities	(303,394)	579,556	(206,516)
Effect of exchange rate changes on cash	(1,574)	(1,037)	317
Net increase in cash and cash equivalents	35,208	5,834	655

Cash and cash equivalents were $107.2 million and $72.0 million as of June 30, 2020 and 2019, respectively.

Cash provided by operating activities was $518.7 million and $555.3 million for FY2020 and FY2019, respectively. The year-over-year decrease in operating cash flows is primarily related to a $185.1 million decrease in cash received from MARPA sales, partially offset by increases of $55.9 million in FY2020 net income, $70.7 million due to more favorable timing of cash collections, and $40.6 million related to deferrals of employer related social security taxes under the CARES Act. The year-over-year change in MARPA proceeds is due to initial proceeds received from sold receivables in the prior year. Days-sales outstanding (DSO) was 48 and 54 at June 30, 2020 and 2019, respectively. The decrease in DSO is primarily related to timing of cash collections.

Cash used in investing activities was $178.5 million and $1.1 billion during FY2020 and FY2019, respectively. During FY2020 we paid $106.2 million for business acquisitions, as compared to $1.08 billion during FY2019. Purchases of office and computer equipment and software of $72.3 million and $47.9 million in FY2020 and FY2019, respectively, accounted for a majority of the remaining funds used in investing activities.

Cash used in financing activities was $303.4 million during FY2020 compared to cash flows provided by financing activities of $579.6 million during FY2019. During FY2020, we had net repayment of $262.9 million under our Credit Facility compared to net borrowings of $599.9 million in FY2019. During FY2020 and FY2019, we paid $8.7 million and $0.6 million, respectively, in settlement of contingent consideration for various acquisitions. During FY2020 and FY2019 we also paid taxes on the settlement of employee equity transactions of $31.4 million and $19.6 million, respectively.

We believe that the combination of internally generated funds, available bank borrowings, and cash and cash equivalents on hand will provide the required liquidity and capital resources necessary to fund on-going operations, customary capital expenditures, debt service obligations, and other working capital requirements over the next twelve months. We may in the future seek to borrow additional amounts under a long-term debt security. Over the longer term, our ability to generate sufficient cash flows from operations necessary to fulfill the obligations under the Credit Facility and any other indebtedness we may incur will depend on our future financial performance which will be affected by many factors outside of our control, including current worldwide economic conditions and financial market conditions.

Off-Balance Sheet Arrangements and Contractual Obligations

We have no material off-balance sheet financing arrangements. We had contractual commitments to repay debt, make payments under operating leases, and settle tax and other liabilities. The following table summarizes our contractual obligations as of June 30, 2020 that require us to make future cash payments:

	Payments Due by Period				
	Total	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
	(amounts in thousands)				
Contractual obligations (1):					
Bank credit facility-term loan (2)	$ 844,555	$ 46,920	$ 93,840	$ 703,795	$ —
Bank credit facility-revolver loan (2)	569,000	—	—	569,000	—
Interest payments (3)	85,719	25,538	43,946	16,235	—
Operating leases (4)	417,869	78,302	130,768	102,732	106,067
Deferred consideration (5)	7,956	7,216	740	—	—
Other long-term liabilities					
Deferred compensation (6)	110,654	7,650	9,772	5,395	87,837
Transition tax (7)	5,071	—	1,699	3,372	—
Deferred payroll taxes (8)	40,594	—	40,594	—	—
Total	$ 2,081,418	$ 165,626	$ 321,359	$ 1,400,529	$ 193,904

(1) The liability related to unrecognized tax benefits has been excluded from the contractual obligations table because a reasonable estimate of the timing and amount of cash out flows from future tax settlements cannot be determined. See Note 20 for additional information regarding taxes and related matters.

(2) See Note 15 to our consolidated financial statements for additional information regarding debt and related matters.

(3) Interest payments are estimated through the maturity date of the Term Loan. Variable rate interest obligations are estimated based on rates as of June 30, 2020. Interest payments under the Revolving Facility have been excluded because a reasonable estimate of the timing and amount of cash out flows cannot be determined.

(4) See Note 16 to our consolidated financial statements for additional information regarding operating lease commitments.

(5) Represents deferred payment obligations related to acquisitions.

(6) This liability is substantially offset by COLI assets held by the Company to fund the payment of the liability to the plan participant. See Note 21.

(7) Represents transition tax related to the Tax Cuts and Jobs Act (TCJA).

(8) Represents deferred payments of the employer portion of social security taxes as permitted under the CARES Act.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

The interest rates on both the Term Loan and the Revolving Facility are affected by changes in market interest rates. We have the ability to manage these fluctuations in part through interest rate hedging alternatives in the form of interest rate swaps. We have entered into floating-to-fixed interest rate swap agreements for an aggregate notional amount of $800.00 million related to a portion of our floating rate indebtedness. All remaining balances under our Term Loan, and any additional amounts that may be borrowed under our Revolving Facility, are currently subject to interest rate fluctuations. With every one percent fluctuation in the applicable interest rate, interest expense on our variable rate debt for the twelve months ended June 30, 2020 would have fluctuated by approximately $7.3 million.

Approximately 2.9 percent and 3.1 percent of our total revenue in FY2020 and FY2019, respectively, was generated from our international operations headquartered in the U.K. Our practice in our international operations is to negotiate contracts in the same currency in which the predominant expenses are incurred, thereby mitigating the exposure to foreign currency exchange rate fluctuations. To the extent that it is not possible to do so, there is some risk that profits will be affected by foreign currency exchange rate fluctuations. As of June 30, 2020, we held a combination of euros and pounds sterling in the U.K. and in the Netherlands equivalent to approximately $50.5 million. Although these balances are generally available to fund ordinary business operations without legal or other restrictions, a significant portion is not immediately available to fund U.S. operations unless repatriated. Our intention is to reinvest earnings from our foreign subsidiaries. This allows us to better utilize our cash resources on behalf of our foreign subsidiaries, thereby mitigating foreign currency conversion risks.

Item 8. Financial Statements and Supplementary Data

The Consolidated Financial Statements of CACI International Inc and subsidiaries are provided in Part IV in this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

A. Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in the Exchange Act Rules 13a-15(e) and 15d-15(e), that are designed to ensure that information required to be disclosed in our periodic filings with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our disclosure controls and procedures are also designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate, to allow timely decisions regarding required disclosure.

The effectiveness of a system of disclosure controls and procedures is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the soundness of internal controls, and fraud. Due to such inherent limitations, there can be only reasonable, and not absolute, assurance that any system of disclosure controls and procedures will be successful in detecting or preventing all errors or fraud, or in making all material information known in a timely manner to the appropriate levels of management.

We performed an evaluation of the effectiveness of our disclosure controls and procedures under the supervision of the CEO and CFO, as of June 30, 2020. Based on the evaluation procedures, our management, including the CEO and CFO, concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2020.

B. Internal Control Over Financial Reporting

The management of CACI is responsible for establishing, maintaining, and assessing the effectiveness of internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f).

We maintain internal controls over financial reporting that are designed to provide reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements. CACI's internal control over financial reporting includes those policies and procedures that 1) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles; 2) ensure the maintenance of records that accurately and fairly reflect our transactions; 3) ensure that our receipts, expenditures and asset dispositions are made in accordance with director and management authorizations; and 4) provide reasonable assurance that our assets are properly safeguarded.

With the participation of our CEO and CFO, we performed an evaluation of the effectiveness of the internal control over financial reporting to comply with the rules on internal control over financial reporting issued pursuant to the Sarbanes-Oxley Act of 2002. In making this evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework (2013 Framework).* Based on the evaluation procedures, our management, including the CEO and CFO, concluded that, as of June 30, 2020, our internal control over financial reporting was effective based on those criteria. In addition, our independent registered public accounting firm evaluated the effectiveness of our internal control over financial reporting.

Management's report on the effectiveness of internal control over financial reporting, and the independent auditors' report on internal control over financial reporting, are included in Part IV of this report.

C. Changes in Internal Control Over Financial Reporting

Under the supervision and with the participation of our management, an evaluation was also performed of any changes in our internal control procedures over financial reporting that occurred during our last fiscal quarter. Based on this evaluation, management determined there were no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART III

The Information required by Items 10, 11, 12, 13 and 14 of Part III of Form 10-K has been omitted in reliance on General Instruction G(3) and is incorporated herein by reference to our proxy statement to be filed with the SEC pursuant to Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended, as set forth below:

Item 10. Directors, Executive Officers and Corporate Governance

Except for the specific disclosures below, the information required by this Item 10 is included under the headings "Executive Officers" and "Corporate Governance" in our 2020 Proxy Statement for the annual meeting to be held with respect to the fiscal year ended June 30, 2020 (2020 Proxy Statement) and is incorporated by reference.

Code of Ethics

We have adopted a code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. That code, our Standards of Ethics and Business Conduct, is posted in the "Investors Relations/Corporate Governance" section of our website at www.caci.com and a printed copy of such code will be furnished free of charge to any shareholder who requests a copy.

We intend to disclose any amendment to the Standards of Ethics and Business Conduct that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K, and any waiver from a provision of the Standards of Ethics and Business Conduct granted to any director, principal executive officer, principal financial officer, principal accounting officer, or any other executive officer of the Company, in the "Investors" section of our website at www.caci.com within four business days following the date of such amendment or waiver.

Corporate Governance Guidelines

We have adopted a set of corporate governance guidelines in accordance with the requirements of Section 303A of the New York Stock Exchange Listed Company Manual. Those guidelines can be found posted on our website at www.caci.com and a printed copy will be furnished free of charge to any shareholder who requests a copy.

Item 11. Executive Compensation

The information required by this Item 11 will be incorporated herein by reference to the Proxy Statement for the 2020 Annual Meeting of Shareholders to be filed within 120 days after the end of the company's fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this Item 12 will be incorporated herein by reference to the Proxy Statement for the 2020 Annual Meeting of Shareholders to be filed within 120 days after the end of the company's fiscal year.

Item 13. Certain Relationships and Related Transactions

The information required by this Item 13 will be incorporated herein by reference to the Proxy Statement for the 2020 Annual Meeting of Shareholders to be filed within 120 days after the end of the company's fiscal year.

Item 14. Principal Accountant Fees and Services

The information required by this Item 14 will be incorporated herein by reference to the Proxy Statement for the 2020 Annual Meeting of Shareholders to be filed within 120 days after the end of the company's fiscal year.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) List of documents filed as part of this Report

(1) Financial Statements

The financial statements are included under Item 8 of this Annual Report on Form 10-K.

(2) Financial Statements Schedules

All schedules have been omitted because the required information is included in the financial statements included under Item 8 of this Annual Report on Form 10-K or the notes thereto, or because it is not required.

(3) Exhibits

See exhibits listed under Part (b) below.

(b) Exhibits

			Incorporated by Reference		
Exhibit No.	**Description**	**Filed with this Form 10-K**	**Form**	**Filing Date**	**Exhibit No.**
2.1	Purchase and Sale Agreement dated January 25, 2019, by and among Legos Holdings, LLC, Legos Intermediate Holdings, LLC, CoVant Technologies II LLC - Series LGS, Madison Dearborn Capital Partners VI-C, L.P. MDCP Legos Blocker, Inc. CACI, Inc. – Federal and Legos Holdings, LLC in its capacity as the initial seller representative.		8-K	January 30, 2019	2.1
3.1	Certificate of Incorporation of CACI International Inc, as amended to date.		10-K	September 13, 2006	3.1
3.2	Amended and Restated By-laws of CACI International Inc, amended as of March 16, 2017.		8-K	March 21, 2017	3.1
4.1	Description of the Corporation's Securities Registered Pursuant to Section 12 of the Exchange Act of 1934	X			
10.1	Credit Agreement by and among CACI International Inc as borrower; Bank of America, N.A. as administrative agent, swing line lender and L/C issuer; JP Morgan Chase Bank, N.A., as syndication agent; and each of the lenders named therein.		8-K	October 27, 2010	10.1
10.2	Amendment dated May 17, 2011 to the Credit Agreement dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	May 19, 2011	10.2
10.3	Amendment dated November 18, 2011 to the Credit Agreement dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	November 22, 2011	10.3
10.4	Lender Joinder and Increase Agreement dated as of October 26, 2012 between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	October 31, 2012	10.4
10.5	Amendment dated August 6, 2013 to the Credit Agreement dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	August 12, 2013	10.4

Exhibit No.	Description	Filed with this Form 10-K	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
10.6	Amendment dated October 31, 2013 to the Credit Agreement dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	November 5, 2013	10.5
10.7	Amendment dated November 15, 2013 to the Credit Agreement dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	November 18, 2013	10.6
10.8	Amendment dated April 22, 2015 to the Credit Agreement dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	April 28, 2015	10.7
10.9	Amendment dated May 21, 2015 to the Credit Agreement dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	May 27, 2015	10.8
10.10	Eighth Amendment dated January 29, 2016 to the Credit Agreement dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	February 3, 2016	10.9
10.11	First Incremental Facility Amendment dated February 1, 2016 to the Credit Agreement dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	February 3, 2016	10.10
10.12	Ninth Amendment dated May 3, 2018 to the Credit Agreement, dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	May 9, 2018	10.1
10.13	Incremental Facility Amendment dated January 17, 2019, to the Credit Agreement, dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	January 24, 2019	10.1
10.14	Tenth Amendment dated May 8, 2019 to the Credit Agreement, dated October 21, 2010, between CACI International Inc, Bank of America, N.A. and a consortium of participating banks.		8-K	May 14, 2019	10.1
10.15	Master Accounts Receivable Purchase Agreement, dated December 28, 2018, among CACI International Inc, CACI, Inc.-Federal, certain subsidiaries from time to time party thereto, MUFG Bank, Ltd., as Administrative Agent, and certain purchasers from time to time party thereto.		8-K	January 4, 2019	10.1
10.16	Performance Undertaking, dated December 28, 2018, made by CACI International Inc in favor of MUFG Bank, Ltd., as Administrative Agent, for the benefit of the purchasers.		8-K	January 4, 2019	10.2

Exhibit No.	Description	Filed with this Form 10-K	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
10.17	Amendment No. 1 to Master Accounts Receivable Purchase Agreement dated December 28, 2018, among CACI, International Inc, CACI, Inc.-Federal, certain subsidiaries from time to time party thereto, MUFG Bank, Ltd., as Administrative Agent, and certain purchasers from time to time party thereto.		8-K	December 31, 2019	10.1
10.18	The 2002 Employee Stock Purchase Plan of CACI International Inc, as amended. *		Def 14A	October 3, 2013	Appendix A
10.19	Amended and Restated Management Stock Purchase Plan of CACI International Inc. *		10-K	August 27, 2008	10.5
10.20	Amendment to the CACI International Inc Management Stock Purchase Plan dated June 23, 2010. *		10-K	August 25, 2010	10.34
10.21	Form of Restricted Stock Unit (RSU) Agreement under CACI International Inc Management Stock Purchase Plan. *		S-8	February 6, 2012	10.13
10.22	Amended and Restated Director Stock Purchase Plan of CACI International Inc. *		10-Q	May 4, 2012	10.1
10.23	Form of Stock Grant Agreement under CACI International Inc Director Stock Purchase Plan. *		S-8	February 6, 2012	10.15
10.24	CACI International Inc 2006 Stock Incentive Plan, as amended and restated. *		Def 14A	October 6, 2011	Appendix A
10.25	Form of CACI International Inc 2006 Stock Incentive Plan Performance Restricted Stock Unit Grant Agreement. *		10-Q	February 4, 2011	10.2
10.26	Form of Performance RSU Grant Agreement pursuant to the CACI International Inc 2006 Stock Incentive Plan. *		8-K	December 1, 2017	10.1
10.27	Form of Non-Employee Director Restricted Stock Unit Grant Agreement. *		10-K	August 29, 2011	10.30
10.28	CACI International Inc 2016 Amended and Restated Incentive Compensation Plan. *		Def 14A	October 6, 2016	Appendix A
10.29	Form of RSU Grant Agreement pursuant to the CACI International Inc 2016 Incentive Compensation Plan. *		10-K	August 21, 2017	10.31
10.30	Form of Performance RSU Grant Agreement pursuant to the CACI International Inc 2016 Incentive Compensation Plan. *	X			
10.31	Form of Non-Employee Director Restricted Stock Unit Grant Agreement issued pursuant to the 2016 Incentive Compensation Plan. *		10-K	August 21, 2017	10.30
10.32	Amended and Restated Employment Agreement dated July 1, 2007 between J.P. London and CACI International Inc. *		10-K	August 29, 2007	10.21
10.33	Severance Compensation Agreement dated October 1, 2007 between Thomas A. Mutryn and CACI International Inc. *		S-1/A	October 9, 2007	10.25

Exhibit No.	Description	Filed with this Form 10-K	Incorporated by Reference		
			Form	Filing Date	Exhibit No.
10.34	Severance Compensation Agreement dated June 16, 2008 between Gregory R. Bradford and CACI International Inc. *		10-K	August 27, 2008	10.23
10.35	Supplemental Executive Retirement Plan dated June 3, 2019 between John S. Mengucci and CACI International Inc. *		10-K	August 21, 2019	10.32
10.36	Employment Agreement dated July 1, 2019 between John S. Mengucci and CACI International Inc. *		10-K	August 21, 2019	10.33
21.1	Significant Subsidiaries of the Registrant.	X			
23.1	Consent of Independent Registered Public Accounting Firm.	X			
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities and Exchange Commission.	X			
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities and Exchange Commission.	X			
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.	X			
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.	X			
101.INS	XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)				
101.SCH	Inline XBRL Taxonomy Extension Schema Document				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)				

* Denotes a management contract, compensatory plan, or arrangement.

Report of Management on Internal Control Over Financial Reporting

August 14, 2020

The management of CACI International Inc is responsible for establishing and maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. Management maintains a comprehensive system of internal controls intended to ensure that transactions are executed in accordance with management’s authorization, that assets are safeguarded, and that financial records are reliable. CACI International Inc’s internal control system is designed to provide reasonable assurance to Company management and its Board of Directors regarding the preparation and fair presentation of consolidated financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Due to inherent limitations, internal control systems can provide only reasonable assurance with respect to financial statement preparation and presentation, and may not prevent or detect financial statement misstatements. Also, projections of any evaluation of internal control effectiveness to future periods are subject to the risk that existing controls may become inadequate because of changing conditions, or that the degree of compliance with existing policies and procedures may deteriorate.

The Company’s management, with the participation of its Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of CACI International Inc’s internal control over financial reporting based on the framework and criteria established in *Internal Control-Integrated Framework (2013 Framework)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, our management has concluded that CACI International Inc’s internal control over financial reporting was effective as of June 30, 2020.

Ernst & Young LLP, an independent registered public accounting firm, has audited the Company’s consolidated financial statements included herein and has reported on the Company’s internal control over financial reporting as of June 30, 2020.

/s/ JOHN S. MENGUCCI	/s/ THOMAS A. MUTRYN
John S. Mengucci	**Thomas A. Mutryn**
President,	**Executive Vice President and**
Chief Executive Officer and Director	**Chief Financial Officer**

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of CACI International Inc

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of CACI International Inc (the Company) as of June 30, 2020 and 2019, the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended June 30, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at June 30, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of June 30, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated August 14, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Adoption of New Accounting Standard

As discussed in Note 3 to the consolidated financial statements, the Company changed its method of accounting for leases in the year ended June 30, 2020.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Revenue recognition based on the percentage of completion method

Description of the Matter	As described in Notes 2 and 11 to the consolidated financial statements, the Company records revenue using the percentage of completion method based on costs incurred for applicable contracts. For those contracts, the Company estimates variable consideration (e.g., award or incentive fees) and the estimated costs at completion (EAC). Changes in variable consideration and contract EACs can occur over the contract performance period for a variety of reasons including changes in contract scope and schedule and technical issues that may affect the award or incentive fee earned and total costs at completion. Significant changes in estimates could have a material effect on the Company’s results of operations. Auditing revenue recognition based on the percentage of completion method involved subjective auditor judgment because the Company’s estimates include time and materials necessary to complete the contract and management’s expectation of award and incentive fees that will be earned. These estimates are based on management’s assessment of the current status of the contract as well as historical results.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company’s accounting for percentage of completion revenue recognition. For example, we tested controls over the determination of significant assumptions regarding award or incentive fees that will be earned, future costs based on the current status of the contract, and changes in EAC estimates. To test the estimate of revenue recognition based on the percentage of completion method, our audit procedures included among others, comparing estimates of hours and materials and award or incentive fees to historical results of similar contracts, agreeing the key terms, including the terms of the award and incentive fees, to contract documentation and management’s estimates, and obtaining an understanding of contract performance through review of customer correspondence.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2002.

Tysons, Virginia
August 14, 2020

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of CACI International Inc

Opinion on Internal Control over Financial Reporting

We have audited CACI International Inc's internal control over financial reporting as of June 30, 2020, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, CACI International Inc (the Company) maintained, in all material respects, effective internal control over financial reporting as of June 30, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements of the Company as of June 30, 2020 and 2019, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended June 30, 2020, and the related notes and our report dated August 14, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Tysons, Virginia
August 14, 2020

CACI INTERNATIONAL INC

CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands, except per share data)

	Fiscal Year Ended June 30,		
	2020	2019	2018
Revenue	$ 5,720,042	$ 4,986,341	$ 4,467,860
Costs of revenue:			
Direct costs	3,719,056	3,304,053	2,978,608
Indirect costs and selling expenses	1,432,602	1,218,544	1,076,356
Depreciation and amortization	110,688	85,877	72,196
Total costs of revenue	5,262,346	4,608,474	4,127,160
Income from operations	457,696	377,867	340,700
Interest expense and other, net	56,059	49,958	42,036
Income before income taxes	401,637	327,909	298,664
Income tax expense (benefit)	80,157	62,305	(2,507)
Net income	$ 321,480	$ 265,604	$ 301,171
Basic earnings per share	$ 12.84	$ 10.70	$ 12.23
Diluted earnings per share	$ 12.61	$ 10.46	$ 11.93
Weighted-average basic shares outstanding	25,031	24,833	24,616
Weighted-average diluted shares outstanding	25,485	25,395	25,255

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(amounts in thousands)

	Fiscal Year Ended June 30,		
	2020	2019	2018
Net income	$ 321,480	$ 265,604	$ 301,171
Other comprehensive income (loss):			
Foreign currency translation adjustment	(4,990)	(6,103)	1,986
Effects of post-retirement adjustments, net of tax	141	(109)	627
Change in fair value of interest rate swap agreements, net of tax	(24,280)	(17,914)	7,473
Other comprehensive income (loss), net of tax	(29,129)	(24,126)	10,086
Comprehensive income	$ 292,351	$ 241,478	$ 311,257

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC

CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except per share data)

	June 30, 2020	June 30, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 107,236	$ 72,028
Accounts receivable, net	841,227	869,840
Prepaid expenses and other current assets	137,423	89,652
Total current assets	1,085,886	1,031,520
Goodwill	3,407,110	3,336,079
Intangible assets, net	406,885	436,115
Property and equipment, net	170,521	149,676
Operating lease right-of-use assets	330,767	—
Supplemental retirement savings plan assets	96,355	92,736
Accounts receivable, long-term	9,629	7,381
Other long-term assets	35,319	33,336
Total assets	$ 5,542,472	$ 5,086,843
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 46,920	$ 46,920
Accounts payable	89,961	118,917
Accrued compensation and benefits	338,760	290,274
Other accrued expenses and current liabilities	293,518	235,611
Total current liabilities	769,159	691,722
Long-term debt, net of current portion	1,357,519	1,618,093
Supplemental retirement savings plan obligations, net of current portion	103,004	92,291
Deferred income taxes	213,096	205,339
Operating lease liabilities, noncurrent	309,680	—
Other long-term liabilities	128,704	107,932
Total liabilities	2,881,162	2,715,377
Commitments and contingencies		
Shareholders' equity:		
Preferred stock $0.10 par value, 10,000 shares authorized, no shares issued or outstanding	—	—
Common stock $0.10 par value, 80,000 shares authorized; 42,525 issued and 25,093 outstanding at June 30, 2020 and 42,314 issued and 24,880 outstanding at June 30, 2019	4,253	4,231
Additional paid-in capital	573,744	576,277
Retained earnings	2,731,644	2,410,164
Accumulated other comprehensive loss	(72,285)	(43,156)
Treasury stock, at cost (17,432 and 17,434 shares, respectively)	(576,181)	(576,185)
Total CACI shareholders' equity	2,661,175	2,371,331
Noncontrolling interest	135	135
Total shareholders' equity	2,661,310	2,371,466
Total liabilities and shareholders' equity	$ 5,542,472	$ 5,086,843

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)

	Fiscal Year Ended June 30,		
	2020	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 321,480	$ 265,604	$ 301,171
Reconciliation of net income to net cash provided by operating activities:			
Depreciation and amortization	110,688	85,877	72,196
Amortization of deferred financing costs	2,346	2,406	4,061
Non-cash lease expense	73,248	—	—
Loss on extinguishment of debt	—	363	104
Loss on disposal of assets	190	70	989
Stock-based compensation expense	29,302	25,272	23,628
Deferred income taxes	17,874	(1,009)	(77,324)
Changes in operating assets and liabilities, net of effect of business acquisitions:			
Accounts receivable, net	34,550	96,754	(42,575)
Prepaid expenses and other assets	(38,432)	(5,372)	(9,146)
Accounts payable and other accrued expenses	(24,406)	70,692	1,097
Accrued compensation and benefits	46,769	8,387	13,544
Income taxes payable and receivable	(25,118)	1,119	6,090
Deferred rent	—	(538)	(183)
Operating lease liabilities	(74,928)	—	—
Long-term liabilities	45,142	5,672	27,808
Net cash provided by operating activities	518,705	555,297	321,460
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(72,303)	(47,902)	(41,594)
Cash paid for business acquisitions, net of cash acquired	(106,226)	(1,082,809)	(76,910)
Other	—	2,729	3,898
Net cash used in investing activities	(178,529)	(1,127,982)	(114,606)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings under bank credit facilities	1,698,000	2,531,500	477,000
Principal payments made under bank credit facilities	(1,960,920)	(1,928,420)	(647,474)
Payment of financing costs under bank credit facilities	—	(3,177)	(2,915)
Payment of contingent consideration	(8,700)	(616)	(11,553)
Proceeds from employee stock purchase plans	7,432	5,702	4,929
Repurchases of common stock	(7,806)	(5,838)	(5,138)
Payment of taxes for equity transactions	(31,400)	(19,595)	(21,365)
Net cash provided by (used in) financing activities	(303,394)	579,556	(206,516)
Effect of exchange rate changes on cash and cash equivalents	(1,574)	(1,037)	317
Net increase in cash and cash equivalents	35,208	5,834	655
Cash and cash equivalents, beginning of year	72,028	66,194	65,539
Cash and cash equivalents, end of year	$ 107,236	$ 72,028	$ 66,194
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the period for income taxes, net of refunds	$ 79,071	$ 68,303	$ 57,941
Cash paid during the period for interest	$ 50,986	$ 44,673	$ 40,100
Non-cash financing and investing activities:			
Accrued capital expenditures	1,078	8,223	609
Landlord sponsored tenant incentives	$ 2,925	$ 5,180	$ —

See Notes to Consolidated Financial Statements.

CACI INTERNATIONAL INC

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(amounts in thousands)

	Common Stock					Treasury Stock				
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Shares	Amount	Total CACI Shareholders' Equity	Noncontrolling Interest	Total Shareholders' Equity
BALANCE, June 30, 2017	41,896	$ 4,190	$ 569,080	$ 1,825,619	$ (29,116)	17,435	$ (576,187)	$ 1,793,586	$ 135	$ 1,793,721
Net income	—	—	—	301,171	—	—	—	301,171	—	301,171
Stock-based compensation expense	—	—	23,628	—	—	—	—	23,628	—	23,628
Tax withholdings on restricted share vestings	243	24	(21,368)	—	—	—	—	(21,344)	—	(21,344)
Change in fair value of interest rate swap agreements, net	—	—	—	—	7,473	—	—	7,473	—	7,473
Currency translation adjustment	—	—	—	—	1,986	—	—	1,986	—	1,986
Repurchases of common stock	—	—	(383)	—	—	36	(4,755)	(5,138)	—	(5,138)
Treasury stock issued under stock purchase plans	—	—	7	—	—	(37)	4,756	4,763	—	4,763
Post-retirement benefit costs	—	—	—	—	627	—	—	627	—	627
BALANCE, June 30, 2018	42,139	$ 4,214	$ 570,964	$ 2,126,790	$ (19,030)	17,434	$ (576,186)	$ 2,106,752	$ 135	$ 2,106,887
Net income	—	—	—	265,604	—	—	—	265,604	—	265,604
Cumulative effect adjustment of ASC 606, net of taxes	—	—	—	17,770	—	—	—	17,770	—	17,770
Stock-based compensation expense	—	—	25,272	—	—	—	—	25,272	—	25,272
Tax withholdings on restricted share vestings	175	17	(19,572)	—	—	—	—	(19,555)	—	(19,555)
Change in fair value of interest rate swap agreements, net	—	—	—	—	(17,914)	—	—	(17,914)	—	(17,914)
Currency translation adjustment	—	—	—	—	(6,103)	—	—	(6,103)	—	(6,103)
Repurchases of common stock	—	—	(392)	—	—	34	(5,446)	(5,838)	—	(5,838)
Treasury stock issued under stock purchase plans	—	—	5	—	—	(34)	5,447	5,452	—	5,452
Post-retirement benefit costs	—	—	—	—	(109)	—	—	(109)	—	(109)
BALANCE, June 30, 2019	42,314	$ 4,231	$ 576,277	$ 2,410,164	$ (43,156)	17,434	$ (576,185)	$ 2,371,331	$ 135	$ 2,371,466
Net income	—	—	—	321,480	—	—	—	321,480	—	321,480
Stock-based compensation expense	—	—	29,302	—	—	—	—	29,302	—	29,302
Tax withholdings on restricted share vestings	211	22	(31,293)	—	—	—	—	(31,271)	—	(31,271)
Change in fair value of interest rate swap agreements, net	—	—	—	—	(24,280)	—	—	(24,280)	—	(24,280)
Currency translation adjustment	—	—	—	—	(4,990)	—	—	(4,990)	—	(4,990)
Repurchases of common stock	—	—	(622)	—	—	34	(7,184)	(7,806)	—	(7,806)
Treasury stock issued under stock purchase plans	—	—	80	—	—	(36)	7,188	7,268	—	7,268
Post-retirement benefit costs	—	—	—	—	141	—	—	141	—	141
BALANCE, June 30, 2020	42,525	$ 4,253	$ 573,744	$ 2,731,644	$ (72,285)	17,432	$ (576,181)	$ 2,661,175	$ 135	$ 2,661,310

See Notes to Consolidated Financial Statements.

NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

Business Activities

CACI International Inc (collectively, with its consolidated subsidiaries, the Company, we, us and our) is a leading provider of information solutions and services primarily to the U.S. government. Other customers include state and local governments, commercial enterprises and agencies of foreign governments.

The Company's operations are subject to certain risks and uncertainties including, among others, the dependence on contracts with federal government agencies, dependence on revenue derived from contracts awarded through competitive bidding, existence of contracts with fixed pricing, dependence on subcontractors to fulfill contractual obligations, dependence on key management personnel, ability to attract and retain qualified employees, ability to successfully integrate acquired companies, and current and potential competitors with greater resources.

Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) and include the assets, liabilities, results of operations and cash flows for the Company, including its subsidiaries and ventures that are majority-owned or otherwise controlled by the Company. All intercompany balances and transactions have been eliminated in consolidation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reported periods. The most significant of these estimates and assumptions relate to estimating contract revenue and costs, measuring progress against the Company's performance obligations, assessing the fair value of acquired assets and liabilities accounted for through business acquisitions, valuing and determining the amortization periods for long-lived intangible assets, assessing the recoverability of long-lived assets, reserves for accounts receivable, and reserves for contract related matters. Management evaluates its estimates on an ongoing basis using the most current and available information. However, actual results may differ significantly from estimates. Changes in estimates are recorded in the period in which they become known.

Revenue Recognition

The Company generates almost all of our revenue from three different types of contractual arrangements with the U.S. government: cost-plus-fee, fixed-price, and time-and-materials (T&M) contracts. Our contracts with the U.S. government are generally subject to the Federal Acquisition Regulation (FAR) and are competitively priced based on estimated costs of providing the contractual goods or services.

We account for a contract when the parties have approved the contract and are committed to perform on it, the rights of each party and the payment terms are identified, the contract has commercial substance, and it is probable that we will collect substantially all of the consideration.

At contract inception, the Company determines whether the goods or services to be provided are to be accounted for as a single performance obligation or as multiple performance obligations. This evaluation requires professional judgment and it may impact the timing and pattern of revenue recognition. If multiple performance obligations are identified, we generally use the cost plus a margin approach to determine the relative standalone selling price of each performance obligation.

When determining the total transaction price, the Company identifies both fixed and variable consideration elements within the contract. Variable consideration includes any amount within the transaction price that is not fixed, such as: award or incentive fees; performance penalties; unfunded contract value; or other similar items. For our contracts with award or incentive fees, the Company estimates the total amount of award or incentive fee expected to be recognized into revenue. Throughout the performance period, we recognize as revenue a constrained amount of variable consideration only to the extent that it is probable that a significant reversal of the cumulative amount recognized to date will not be required in a subsequent period. Our estimate of variable consideration is periodically adjusted based on significant changes in relevant facts and circumstances. In the period in which we can calculate the final amount of award or incentive fee earned - based on the receipt of the customer's final performance score or determining that more objective, contractually-defined criteria have been fully satisfied - the Company will adjust our cumulative revenue recognized to date on the contract. This adjustment to revenue will be disclosed as the amount of revenue recognized in the current period for a previously satisfied performance obligation.

We generally recognize revenue over time throughout the performance period as the customer simultaneously receives and consumes the benefits provided on our services-type revenue arrangements. This continuous transfer of control for our U.S. government contracts is supported by the unilateral right of our customer to terminate the contract for a variety of reasons without having to provide justification for its decision. For our services-type revenue arrangements in which there are a repetitive amount of services that are substantially the same from one month to the next, the Company applies the series guidance. We use a variety of input and output methods that approximate the progress towards complete satisfaction of the performance obligation, including: costs incurred, labor hours expended, and time-elapsed measures for our fixed-price stand ready obligations. For certain contracts, primarily our cost-plus and T&M services-type revenue arrangements, we apply the right-to-invoice practical expedient in which revenue is recognized in direct proportion to our present right to consideration for progress towards the complete satisfaction of the performance obligation.

When a performance obligation has a significant degree of interrelation or interdependence between one month's deliverables and the next, when there is an award or incentive fee, or when there is a significant degree of customization or modification, the Company generally records revenue using a percentage of completion methodology. For these revenue arrangements, substantially all revenue is recognized over time using a cost-to-cost input method based on the ratio of costs incurred to date to total estimated costs at completion. When estimates of total costs to be incurred on a contract exceed total revenue, a provision for the entire loss on the contract is recorded in the period in which the loss is determined.

Contract modifications are reviewed to determine whether they should be accounted for as part of the original performance obligation or as a separate contract. When a contract modification changes the scope or price and the additional performance obligations are at their standalone selling price, the original contract is terminated and the Company accounts for the change prospectively when the new goods or services to be transferred are distinct from those already provided. When the contract modification includes goods or services that are not distinct from those already provided, the Company records a cumulative adjustment to revenue based on a remeasurement of progress towards the complete satisfaction of the not yet fully delivered performance obligation.

Based on the critical nature of our contractual performance obligations, the Company may proceed with work based on customer direction prior to the completion and signing of formal contract documents. The Company has a formal review process for approving any such work that considers previous experiences with the customer, communications with the customer regarding funding status, and our knowledge of available funding for the contract or program.

Costs of Revenue

Costs of revenue includes all direct contract costs such as labor, materials, subcontractor costs, and indirect costs that are allowable and allocable to contracts under federal procurement standards. Costs of revenue also includes expenses that are unallowable under applicable procurement standards and are not allocable to contracts for billing purposes. Such unallowable expenses do not directly generate revenue but are necessary for business operations.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at amounts earned less an allowance for doubtful accounts. The Company periodically reassesses its allowance for doubtful accounts by analyzing reasonably available information as of the balance sheet date, including the length of time that the receivable has been outstanding, historical bad debts and aging trends, and other general and contract specific factors. Upon determination that a specific receivable is uncollectible, the receivable is written off against the allowance for doubtful accounts reserve.

Contract Assets

Contract assets include unbilled receivables in which our right to consideration is conditional on factors other than the passage of time. Contract assets exclude billed and billable receivables.

In addition, the costs to fulfill and obtain a contract are considered for capitalization based on contract specific facts and circumstances. The incremental costs to fulfill a contract (e.g. ramp up costs at the beginning of the period of performance) may be capitalized when expenses are incurred prior to satisfying a performance obligation. The incremental costs of obtaining a contract (e.g. sales commissions) are capitalized as an asset when the Company expects to recover them either directly or indirectly through the revenue arrangement's profit margins. These capitalized costs are subsequently expensed over the revenue arrangement's period of performance. The Company has elected to apply the practical expedient to immediately expense the costs to obtain a contract when the performance obligation will be completed within twelve months of contract inception.

Contract assets are periodically reassessed based on reasonably available information as of the balance sheet date to ensure they do not exceed their net realizable value.

Contract Liabilities

Contract liabilities primarily include advance payments received from a customer in excess of revenue that may be recognized as of the balance sheet date. The advance payment is subsequently recognized into revenue as the performance obligation is satisfied.

Remaining Performance Obligations

The Company's remaining performance obligations balance represents the expected revenue to be recognized for the satisfaction of remaining performance obligations on our existing contracts as of period end. The remaining performance obligations balance excludes unexercised contract option years and task orders that may be issued underneath an Indefinite Delivery/Indefinite Quantity (IDIQ) vehicle until such task orders are issued. The remaining performance obligations balance generally increases with the execution of new contracts and converts into revenue as our contractual performance obligations are satisfied.

The Company continues to monitor our remaining performance obligations balance as it is subject to change from execution of new contracts, contract modifications or extensions, government deobligations, or early terminations. Based on this analysis, an adjustment to the period end balance may be required.

Cash and Cash Equivalents

The Company considers all investments with an original maturity of three months or less on their trade date to be cash equivalents. The Company classifies investments with an original maturity of more than three months but less than twelve months on their trade date as short-term marketable securities.

Accounting for Business Combinations and Goodwill

The purchase price of an acquired business is allocated to the tangible assets and separately identifiable intangible assets acquired less liabilities assumed based upon their respective fair values, with the excess recorded as goodwill. Determining the fair value of the acquired intangibles requires significant judgment in selecting underlying assumptions, including projected revenue growth rates, profit margins, and discount rates. In some cases, the Company uses discounted cash flow analyses, which were based on our best estimate of future sales, earnings and cash flows after considering such factors as general market conditions, customer budgets, existing firm and future orders, changes in working capital, long-term business plans and recent operating performance. Use of different estimates and judgments could yield materially different results.

The Company evaluates goodwill at least annually for impairment, or whenever events or circumstances indicate that the carrying value may not be recoverable. The evaluation includes comparing the fair value of the relevant reporting unit to the carrying value, including goodwill, of such unit. The level at which the Company tests goodwill for impairment requires management to determine whether the operations below the operating segments constitute a self-sustaining business for which discrete financial information is available and segment management regularly reviews the operating results. If the fair value exceeds the carrying value, no impairment loss is recognized. However, if the carrying value of the reporting unit exceeds its fair value, the goodwill of the reporting unit may be impaired. Impairment is measured by comparing the implied fair value of the goodwill to its carrying value. Separately identifiable intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment if impairment indicators are present.

As part of the annual assessment, the Company estimates the fair value of its reporting units using both an income approach and a market approach. The valuation process considers management's estimates of the future operating performance of each reporting unit. Companies in similar industries are researched and analyzed and management considers the domestic and international economic and financial market conditions, both in general and specific to the industry in which the Company operates, prevailing as of the valuation date. The income approach utilizes discounted cash flows. The Company calculates a weighted average cost of capital for each reporting unit in order to estimate the discounted cash flows.

The Company evaluates goodwill as of the first day of the fiscal fourth quarter. In addition, the Company will perform interim impairment testing should circumstances requiring it arise. The Company completed its annual goodwill assessment as of April 1, 2020 and no impairment charge was necessary as a result of this assessment.

Leases

The Company enters into contractual arrangements primarily for the use of real estate facilities, information technology equipment, and certain other equipment. These arrangements contain a lease when the Company controls the underlying asset and has the right to obtain substantially all of the economic benefits or outputs from the asset. All of our leases are operating leases.

The Company records a right of use (ROU) asset and lease liability as of the lease commencement date equal to the present value of the remaining lease payments. Most of our leases do not provide an implicit rate that can be readily determined. Therefore, we use a discount rate based on the Company's incremental borrowing rate, which is determined using our credit rating and information available as of the commencement date. The ROU asset is then adjusted for initial direct costs and certain lease incentives included in the contractual arrangement. The Company has elected to not apply the lease recognition guidance for short-term equipment leases and to separate lease from non-lease components. Our operating lease arrangements may contain options to extend the lease term or for early termination. We account for these options when it is reasonably certain we will exercise them. ROU assets are evaluated for impairment in a manner consistent with the treatment of other long-lived assets.

Operating lease expense is recognized on a straight-line basis over the lease term and is recorded primarily within indirect costs and selling expenses on the consolidated statement of operations. Variable lease expenses are generally recorded in the period they are incurred and are excluded from the ROU asset and lease liability.

Long-Lived Assets (Excluding Goodwill)

Long-lived assets such as property and equipment and intangible assets subject to amortization are reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized if the sum of the long-term undiscounted cash flows is less than the carrying amount of the long-lived asset being evaluated. Any write-downs are treated as permanent reductions in the carrying amount of the assets. Property and equipment is recorded at cost. Depreciation of equipment and furniture has been provided over the estimated useful life of the respective assets (ranging from three to eight years) using the straight-line method. Leasehold improvements are generally amortized using the straight-line method over the remaining lease term or the useful life of the improvements, whichever is shorter. Repairs and maintenance costs are expensed as incurred. Separately identifiable definite-lived intangible assets are amortized over their respective estimated useful lives.

External Software Development Costs

Costs incurred in creating a software product to be sold or licensed for external use are expensed as incurred until technological feasibility has been established. Technological feasibility is established upon completion of a detailed program design or, in its absence, completion of a working model. Thereafter, all such software development costs are capitalized and subsequently reported at the lower of unamortized cost or estimated net realizable value. Capitalized costs are amortized on a straight-line basis over the remaining estimated economic life of the product.

Supplemental Retirement Savings Plan

The Company maintains the CACI International Inc Group Executive Retirement Plan (the Supplemental Savings Plan) and maintains the underlying assets in a Rabbi Trust. The Supplemental Savings Plan is a non-qualified defined contribution supplemental retirement savings plan for certain key employees whereby participants may elect to defer and contribute a portion of their compensation, as permitted by the plan. Each participant directs his or her investments in the Supplemental Savings Plan (see Note 21).

A Rabbi Trust is a grantor trust established to fund compensation for a select group of management. The assets of this trust are available to satisfy the claims of general creditors in the event of bankruptcy of the Company. The assets held by the Rabbi Trust are invested in corporate owned life insurance (COLI) products. The COLI products are recorded at cash surrender value in the consolidated financial statements as supplemental retirement savings plan assets. The amounts due to participants are based on contributions, participant investment elections, and other participant activity and are recorded as supplemental retirement savings plan obligations.

Income Taxes

Income taxes are accounted for using the asset and liability method whereby deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of assets and liabilities, and their respective tax bases, and operating loss and tax credit carry forwards. The Company accounts for tax contingencies in accordance with ASC 740-10-25, *Income Taxes – Recognition*. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income in the period that includes the enactment date. Estimates of the realizability of deferred tax assets are based on the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies. Any interest or penalties incurred in connection with income taxes are recorded as part of income tax expense for financial reporting purposes.

Costs of Acquisitions

Costs associated with legal, financial and other professional advisors related to acquisitions, whether successful or unsuccessful, are expensed as incurred.

Foreign Currency Translation

The assets and liabilities of the Company's foreign subsidiaries whose functional currency is other than the U.S. dollar are translated at the exchange rate in effect on the reporting date, and income and expenses are translated at the weighted-average exchange rate during the period. The Company's primary practice is to negotiate contracts in the same currency in which the predominant expenses are incurred, thereby mitigating the exposure to foreign currency fluctuations. The net translation gains and losses are not included in net income, but are accumulated as a separate component of shareholders' equity. Foreign currency transaction gains and losses are recorded as incurred in indirect costs and selling expenses in the accompanying consolidated statements of operations.

Earnings Per Share

Basic earnings per share excludes dilution and is computed by dividing income by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock but not securities that are anti-dilutive, including stock options and stock settled stock appreciation rights (SSARs) with an exercise price greater than the average market price of the Company's common stock. Using the treasury stock method, diluted earnings per share includes the incremental effect of SSARs, stock options, restricted shares, and those restricted stock units (RSUs) that are no longer subject to a market or performance condition. Information about the weighted-average number of basic and diluted shares is presented in Note 24.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and amounts included in other current assets and current liabilities that meet the definition of a financial instrument approximate fair value because of the short-term nature of these amounts.

The fair value of the Company's debt under its bank credit facility approximates its carrying value at June 30, 2020. The fair value of the Company's debt under its bank credit facility was estimated using Level 2 inputs based on market data on companies with a corporate rating similar to CACI's that have recently priced credit facilities.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to credit risk include accounts receivable and cash equivalents. Management believes that credit risk related to the Company's accounts receivable is limited due to a large number of customers in differing segments and agencies of the U.S. government. Accounts receivable credit risk is also limited due to the credit worthiness of the U.S. government. Management believes the credit risk associated with the Company's cash equivalents is limited due to the credit worthiness of the obligors of the investments underlying the cash equivalents. In addition, although the Company maintains cash balances at financial institutions that exceed federally insured limits, these balances are placed with high quality financial institutions.

Accounting for Sales of Financial Assets

The Company accounts for receivable transfers under its Master Accounts Receivable Purchase Agreement (MARPA) as sales under ASC 860, *Transfers and Servicing*, and derecognizes the sold receivables from its balance sheets.

Other Comprehensive Income (Loss)

Comprehensive income is the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Other comprehensive income (loss) refers to revenue, expenses, and gains and losses that under U.S. GAAP are included in comprehensive income, but excluded from the determination of net income. The elements within other comprehensive income consist of foreign currency translation adjustments; the changes in the fair value of interest rate swap agreements, net of tax of $8.7 million, $6.4 million and $4.2 million for the years ended June 30, 2020, 2019 and 2018, respectively; and differences between actual amounts and estimates based on actuarial assumptions and the effect of changes in actuarial assumptions made under the Company's post-retirement benefit plans, net of tax (see Note 17).

As of June 30, 2020 and 2019, accumulated other comprehensive loss included a loss of $38.6 million and $33.6 million, respectively, related to foreign currency translation adjustments, a loss of $33.2 million and $9.0 million, respectively, related to the fair value of its interest rate swap agreements, and a loss of $0.5 million and $0.6 million, respectively, related to unrecognized post-retirement costs.

Commitments and Contingencies

The Company is involved in various lawsuits, claims, and administrative proceedings arising in the normal course of business. Management is of the opinion that any liability or loss associated with such matters, either individually or in the aggregate, will not have a material adverse effect on the Company's operations and liquidity. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated.

NOTE 3. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Accounting Standards Updates Issued but Not Yet Adopted

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, which aligns the capitalization requirements for implementation costs incurred in a hosting arrangement that is a service contract with the existing capitalization requirements for implementation costs associated with internal-use software (Subtopic 350-40). ASU 2018-15 becomes effective for the Company in the first quarter of FY2021 and will be applied prospectively. We do not expect a significant impact to our operating results, financial position or cash flows as a result of adopting this new standard.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses,* which requires companies to record an allowance for expected credit losses over the contractual term of financial assets, including short-term trade receivables and contract assets, and expands disclosure requirements for credit quality of financial assets. ASU 2016-13 becomes effective for the Company in the first quarter of FY2021. We do not expect a significant impact to our operating results, financial position or cash flows as a result of adopting this new standard.

Accounting Standards Updates Adopted

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate (LIBOR) or another reference rate expected to be discontinued because of reference rate reform. The guidance in this ASU is optional and expedients may be elected over time through December 31, 2022, as reference rate reform activities occur. During the fourth quarter of FY2020, CACI elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives consistent with past presentation. Application of these expedients assisted in preserving the Company's presentation of derivatives as qualifying cash flow hedges. The Company continues to evaluate this guidance and may apply other elections, as applicable, as additional changes in the market occur.

In February 2016, the FASB issued ASU 2016-02, *Leases*, which amends the existing guidance on accounting for leases. The new standard requires lessees to put virtually all leases on the balance sheet by recognizing lease assets and lease liabilities. Lessor accounting is largely unchanged from that applied under previous guidance. The amended guidance was effective for the fiscal year, and interim periods within that fiscal year, beginning after December 15, 2018, and requires a modified retrospective approach.

The Company adopted this standard on July 1, 2019. As part of our implementation, the Company accumulated data required to measure its existing leases, reviewed lease contracts, implemented a new lease accounting solution and evaluated accounting policy and internal control changes. The Company adopted certain practical expedients provided under ASC 842, including reassessment of whether expired or existing contracts contain leases, reassessment of lease classification for expired or existing leases, reassessing initial direct costs for existing leases, and an election to separate lease from non-lease components.

Upon adoption of ASC 842, the Company recorded right of use assets of $354.3 million and current and non-current lease liabilities of $67.0 million and $331.8 million, respectively, on the consolidated balance sheet, inclusive of required reclassifications for prepaid and deferred rent, lease incentives, and other lease-related balances.

The impact of adoption on our consolidated balance sheet is as follows (in thousands):

	June 30, 2019 As Reported Under ASC 840	Adjustments Due to ASC 842	July 1, 2019 Balance Under ASC 842
Assets:			
Prepaid expenses and other current assets	$ 89,652	$ (3,199)	$ 86,453
Operating lease right-of-use assets	—	354,317	354,317
Liabilities and Shareholders' Equity:			
Other accrued expenses and current liabilities	235,611	59,034	294,645
Operating lease liabilities, noncurrent	—	331,761	331,761
Other long-term liabilities	107,932	(39,677)	68,255

The standard had no impact on our results of operations or cash flows. In addition, new disclosures are provided to enable users to assess the amount, timing and uncertainty of cash flows arising from leases.

NOTE 4. ACQUISITIONS

Year Ended June 30, 2020

During the second quarter of FY2020, CACI completed three strategic acquisitions adding key capabilities in mission expertise and technology. The aggregate purchase consideration was approximately $109.4 million. The Company preliminarily recognized fair values of the assets acquired and liabilities assumed and allocated $70.3 million to goodwill and $29.5 million to intangible assets. At June 30, 2020, the Company had not finalized the determination of fair values allocated to assets and liabilities.

On June 29, 2020, CACI entered into an agreement to acquire Ascent Vision Technologies (AVT) for a purchase price of approximately $350.0 million. On August 11, 2020, CACI completed the acquisition. AVT specializes in Electro-Optical Infrared payloads, On-Board Computer Vision Processing and C-UAS Solutions.

Year Ended June 30, 2019

Domestic Acquisitions

SE&A BU

On August 15, 2018, CACI acquired certain assets of the systems engineering and acquisition support services business unit (SE&A BU) of CSRA LLC, a managed affiliate of General Dynamics Information Technology, Inc. for purchase consideration of $96.1 million. The Company recognized fair values of the assets acquired and liabilities assumed and allocated $46.4 million to goodwill and $8.9 million to intangible assets. The intangible assets consist of customer relationships. Of the value attributed to goodwill and intangible assets, approximately $55.3 million is deductible for income tax purposes. The final purchase price allocation was completed in Q1 FY2020. The differences between the preliminary and final purchase price allocation did not have a material impact on CACI's results of operations or financial position.

Mastodon

On January 29, 2019, CACI acquired all of the equity interests of Mastodon Design LLC (Mastodon) for a purchase consideration of $225.0 million, which includes a $220.0 million initial cash payment and $5.0 million of deferred consideration. Mastodon specializes in the rapid design of rugged tactical communications, signals intelligence (SIGINT) and electronic warfare (EW) equipment.

The Company recognized fair values of the assets acquired and liabilities assumed and allocated $139.2 million to goodwill and $83.9 million to intangible assets. The goodwill of $139.2 million is largely attributable to the assembled workforce of Mastodon and expected synergies between the Company and Mastodon. The intangible assets consist of customer relationships of $19.8 million and technology of $64.1 million. The fair value attributed to intangible assets is being amortized on an accelerated basis over approximately 20 years for customer relationships and over a range of approximately 5 to 9 years for technology. The fair value attributed to the intangible assets acquired was based on assumptions and other information compiled by management, including independent valuations that utilized established valuation techniques. Of the value attributed to goodwill and intangible assets, approximately $223.1 million is deductible for income tax purposes. During the year ended June 30, 2020, CACI finalized its valuation of assets acquired and liabilities assumed.

LGS

On March 1, 2019, CACI acquired all of the equity interests of Legos Intermediate Holdings, LLC and MDCP Legos Blocker, Inc., the parent companies of LGS Innovations (LGS). The purchase consideration was $758.2 million. LGS is a leading provider of SIGINT and cyber products and solutions to the Intelligence Community and Department of Defense.

During the year ended June 30, 2020, CACI finalized its valuation of assets acquired and liabilities assumed. Total purchase consideration of $758.2 million has been allocated to assets acquired and liabilities assumed as follows (in thousands):

Accounts receivable	$	85,066
Prepaid expenses and other current assets		19,922
Property and equipment		23,275
Intangible assets		147,650
Goodwill		530,826
Other long-term assets		127
Accounts payable		(10,309)
Accrued compensation and benefits		(22,347)
Other accrued expenses and current liabilities		(9,876)
Deferred income taxes, noncurrent		60
Other long-term liabilities		(6,243)
Total estimated consideration	$	758,151

The goodwill of $530.8 million is largely attributable to the assembled workforce of LGS and expected synergies between the Company and LGS. The intangible assets consist of customer relationships of $86.9 million and technology of $60.8 million. The estimated fair value attributed to intangible assets is being amortized on an accelerated basis over approximately 20 years for customer relationships and over a range of approximately 5 to 15 years for technology. The fair value attributed to the intangible assets acquired was based on assumptions and other information compiled by management, including independent valuations that utilized established valuation techniques. Of the value attributed to goodwill and intangible assets, approximately $599.9 million is deductible for income tax purposes.

From the March 1, 2019 acquisition date through June 30, 2019, LGS generated $132.3 million of revenue and $1.3 million of net income. LGS' net income includes the impact of $5.2 million of amortization of intangibles and $2.6 million of integration and restructuring costs from the acquisition date through June 30, 2019. LGS' net income does not include $11.4 million of acquisition-related expenses during the year ended June 30, 2019, which are included in indirect costs and selling expenses.

The following pro forma results are prepared for comparative purposes only and do not necessarily reflect the results that would have occurred had the acquisition occurred at the beginning of the years presented or the results which may occur in the future. The following unaudited pro forma results of operations assume the LGS acquisition had occurred on July 1, 2017 (in thousands, except per share amounts):

	Year Ended June 30,	
	2019	**2018**
Revenue	$ 5,271,872	$ 4,822,318
Net income	275,630	289,143
Basic EPS	11.10	11.75
Diluted EPS	10.85	11.45

Significant pro forma adjustments incorporated into the pro forma results above include the recognition of additional amortization expense related to acquired intangible assets and additional interest expense related to debt incurred to finance the acquisition. Significant nonrecurring adjustments include the elimination of non-recurring acquisition-related expenses incurred during the year ended June 30, 2019.

International Acquisitions

Effective June 1, 2019 CACI Limited acquired 100 percent of the outstanding shares of Mood Enterprises Limited, a United Kingdom company that provides software and managed services to defense, national security and commercial organizations. Its technology platform improves enterprise transparency and enables significant improvement in business processes and is typically deployed in organizations with complex data environments where access to critical information in a timely manner is essential. The purchase consideration was approximately $9.1 million, which includes initial cash payments and deferred consideration.

Year Ended June 30, 2018

Domestic Acquisitions

On November 22, 2017, CACI acquired 100 percent of the outstanding membership interests of a business in the United States which provides cyber solutions. The acquisition was financed with cash on hand. The purchase consideration was $53.0 million, which includes a $40.1 million initial cash payment, $4.5 million of deferred consideration, $8.7 million estimated fair value of contingent consideration to be paid upon achieving certain metrics and a $0.3 million refund from the seller for a net working capital adjustment. The Company recognized fair values of the assets acquired and liabilities assumed and allocated $26.7 million to goodwill and $24.9 million to intangible assets. The intangible assets primarily consist of customer relationships and acquired technology. The purchase price and purchase price allocation was finalized as of March 31, 2018, with no significant changes to preliminary amounts.

On May 31, 2018, CACI acquired certain assets of an entity in the United States which constituted a business, providing Enterprise IT solutions. The purchase consideration was $24.0 million, consisting of cash paid at closing. The Company recognized fair values of the assets acquired and liabilities assumed and allocated $8.4 million to goodwill and $14.9 million to intangible assets. The intangible assets consist of customer relationships. The final purchase price allocation was completed during FY2019. The differences between the preliminary and final purchase price allocation did not have a material impact on CACI's results of operations or financial position.

International Acquisitions

On October 1, 2017, CACI Limited acquired 100 percent of the outstanding shares of a United Kingdom IT consulting services and software engineering company. The purchase consideration was approximately $9.1 million, which includes initial cash payments, deferred consideration and an estimated net working capital payment.

On November 1, 2017, CACI Limited acquired 100 percent of the outstanding shares of a London-based software and mapping data company. The acquired company provides geographical information systems, logistics and route optimization software and related map data. The purchase consideration was approximately $7.5 million, which includes initial cash payments, deferred consideration and an estimated net working capital payment.

NOTE 5. ACCOUNTS RECEIVABLE

Total accounts receivable, net of allowance for doubtful accounts of $3.0 million, $4.2 million, and $3.7 million at June 30, 2020, 2019, and 2018, respectively, consisted of the following (in thousands):

	June 30, 2020	June 30, 2019
Billed receivables	$ 555,472	$ 638,135
Billable receivables	223,867	141,632
Unbilled receivables	61,888	90,073
Total accounts receivable, current	841,227	869,840
Unbilled receivables, long-term	9,629	7,381
Total accounts receivable	$ 850,856	$ 877,221

NOTE 6. GOODWILL

The changes in the carrying amount of goodwill for the years ended June 30, 2020 and 2019 are as follows (in thousands):

	Domestic	International	Total
Balance at June 30, 2018	$ 2,514,520	$ 106,315	$ 2,620,835
Goodwill acquired (1)	710,165	9,038	719,203
Foreign currency translation	—	(3,959)	(3,959)
Balance at June 30, 2019	$ 3,224,685	$ 111,394	$ 3,336,079
Goodwill acquired (1)	55,171	19,978	75,149
Foreign currency translation	—	(4,118)	(4,118)
Balance at June 30, 2020	$ 3,279,856	$ 127,254	$ 3,407,110

(1) Includes goodwill initially allocated to new business combinations as well as measurement period adjustments.

NOTE 7. INTANGIBLE ASSETS

Intangible assets consisted of the following (in thousands):

	June 30, 2020 (1)	June 30, 2019
Intangible assets		
Customer contracts and related customer relationships	$ 570,562	$ 549,552
Acquired technologies	129,925	137,959
Other	8	800
Intangible assets	700,495	688,311
Less accumulated amortization		
Customer contracts and related customer relationships	(271,708)	(236,935)
Acquired technologies	(21,900)	(14,750)
Other	(2)	(511)
Accumulated amortization	(293,610)	(252,196)
Total intangible assets, net	$ 406,885	$ 436,115

(1) During FY2020, the Company removed $17.6 million in fully amortized intangible assets.

Intangible assets are primarily amortized on an accelerated basis over periods ranging from one to twenty years. The weighted-average period of amortization for customer contracts and related customer relationships as of June 30, 2020 is 17.0 years, and the weighted-average remaining period of amortization is 13.6 years. The weighted-average period of amortization for acquired technologies as of June 30, 2020 is 10.4 years, and the weighted-average remaining period of amortization is 9.0 years.

Amortization expense for the years ended June 30, 2020, 2019 and 2018 was $59.3 million, $45.8 million and $38.2 million, respectively. Expected amortization expense for each of the fiscal years through June 30, 2025 and for years thereafter is as follows (in thousands):

	Amount
Year ending June 30, 2021	$ 58,273
Year ending June 30, 2022	55,174
Year ending June 30, 2023	50,071
Year ending June 30, 2024	43,289
Year ending June 30, 2025	37,046
Thereafter	163,032
Total intangible assets, net	$ 406,885

NOTE 8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following (in thousands):

	June 30, 2020	June 30, 2019
Equipment and furniture	$ 214,107	$ 193,940
Leasehold improvements	160,723	149,935
Property and equipment, at cost	374,830	343,875
Less accumulated depreciation and amortization	(204,309)	(194,199)
Total property and equipment, net	$ 170,521	$ 149,676

Depreciation expense, including amortization of leasehold improvements, was $49.4 million, $36.4 million and $30.7 million for the years ended June 30, 2020, 2019 and 2018, respectively.

NOTE 9. ACCRUED COMPENSATION AND BENEFITS

Accrued compensation and benefits consisted of the following (in thousands):

	June 30, 2020	June 30, 2019
Accrued salaries and withholdings	$ 178,293	$ 164,631
Accrued leave	123,972	97,832
Accrued fringe benefits	36,495	27,811
Total accrued compensation and benefits	$ 338,760	$ 290,274

NOTE 10. OTHER ACCRUED EXPENSES AND CURRENT LIABILITIES

Other accrued expenses and current liabilities consisted of the following (in thousands):

	June 30, 2020	June 30, 2019
Vendor obligations	$ 82,104	$ 90,238
Deferred revenue (Note 12)	57,082	55,667
MARPA payable (Note 14)	57,020	54,567
Operating lease liabilities, current (Note 16)	67,549	—
Other	29,763	35,139
Total other accrued expenses and current liabilities	$ 293,518	$ 235,611

NOTE 11. REVENUE RECOGNITION

We disaggregate our revenue arrangements by contract type, customer, and whether the Company performs on the contract as the prime or subcontractor. We believe that these categories allow for a better understanding of the nature, amount, timing, and uncertainty of revenue and cash flows arising from our contracts.

Revenue by Contract Type

The Company generated revenue on our cost-plus-fee, firm fixed-price, and time-and-materials contracts as follows during the year ended June 30, 2020 and 2019 (in thousands):

	Year Ended June 30, 2020			Year Ended June 30, 2019		
	Domestic	International	Total	Domestic	International	Total
Cost-plus-fee	$ 3,274,707	$ —	$ 3,274,707	$ 2,764,291	$ —	$ 2,764,291
Firm fixed-price	1,524,381	105,094	1,629,475	1,365,052	100,507	1,465,559
Time and materials	757,584	58,276	815,860	700,107	56,384	756,491
Total	$ 5,556,672	$ 163,370	$ 5,720,042	$ 4,829,450	$ 156,891	$ 4,986,341

Customer Information

The Company generated revenue from our primary customer groups as follows during the year ended June 30, 2020 and 2019 (in thousands):

	Year Ended June 30, 2020			Year Ended June 30, 2019		
	Domestic	International	Total	Domestic	International	Total
Department of Defense	$ 3,999,261	$ —	$ 3,999,261	$ 3,489,854	$ —	$ 3,489,854
Federal civilian agencies	1,467,801	—	1,467,801	1,263,681	—	1,263,681
Commercial and other	89,610	163,370	252,980	75,915	156,891	232,806
Total	$ 5,556,672	$ 163,370	$ 5,720,042	$ 4,829,450	$ 156,891	$ 4,986,341

Prime or Subcontractor

The Company generated revenue as either the prime or subcontractor as follows during the year ended June 30, 2020 and 2019 (in thousands):

	Year Ended June 30, 2020			Year Ended June 30, 2019		
	Domestic	International	Total	Domestic	International	Total
Prime contractor	$ 5,057,930	$ 163,370	$ 5,221,300	$ 4,429,439	$ 156,891	$ 4,586,330
Subcontractor	498,742	—	498,742	400,011	—	400,011
Total	$ 5,556,672	$ 163,370	$ 5,720,042	$ 4,829,450	$ 156,891	$ 4,986,341

Significant Estimates

For many of our fixed price revenue arrangements and for revenue arrangements that have award or incentive fees, the Company uses an estimate at completion (EAC) to measure progress towards the complete satisfaction of its performance obligations. For these revenue arrangements, revenue is recognized over time primarily using a cost-to-cost input method based on the ratio of costs incurred to date to total estimated costs at completion. The EAC process requires the Company to use professional judgment when assessing risks, estimating contract revenue and costs, estimating variable consideration, and making assumptions for schedule and technical issues. The Company periodically reassesses its EAC assumptions and updates its estimates as needed. When estimates of total costs to be incurred on a contract exceed total revenue, a provision for the entire loss on the contract is recorded in the period in which the loss is determined.

Based on changes in a contract's EAC, a cumulative adjustment to revenue will be recorded. For the twelve months June 30, 2020 and 2019, we recognized an increase to income before income taxes of $33.0 million ($0.95 per diluted share) and $19.7 million ($0.57 per diluted share), respectively. The Company used its statutory tax rate when calculating the impact to diluted earnings per share.

Revenue recognized from previously satisfied performance obligations was $10.5 million for the twelve months ended June 30, 2020, compared with an immaterial amount for the twelve months ended June 30, 2019. The change in revenue generally relates to final true-up adjustments to our estimated award or incentive fees in the period in which we receive the customer's final performance score or when we can determine that more objective, contractually-defined criteria have been fully satisfied. During the twelve months ended June 30, 2020, the Company received notification that certain contract close out risks had been mitigated on previously satisfied performance obligations and therefore recorded a reduction to its established reserve amount.

Remaining Performance Obligations

The Company's remaining performance obligations balance as of period end represents the expected revenue to be recognized for the satisfaction of remaining performance obligations on our existing contracts. This balance excludes unexercised contract option years and task orders that may be issued underneath an IDIQ vehicle. Our remaining performance obligations balance as of June 30, 2020 was $6.4 billion.

The Company expects to recognize approximately 80 percent of our remaining performance obligations balance as revenue over the next year and the remaining 20 percent thereafter.

NOTE 12. CONTRACT BALANCES

Contract assets are primarily comprised of conditional unbilled receivables in which revenue has been recognized but an invoice has not yet been issued to the customer as of the balance sheet date. Contract assets exclude billed and billable receivables and are not stated above their net realizable value.

Contract liabilities are primarily comprised of advance payments in which consideration is received in advance of satisfying a performance obligation.

Net contract assets (liabilities) consisted of the following (in thousands):

Description of Contract Related Balance	Financial Statement Classification	June 30, 2020	June 30, 2019
Contract assets – current:			
Unbilled receivables	Accounts receivable, net	$ 61,888	$ 90,073
Costs to obtain – short-term	Prepaid expenses and other current assets	3,492	2,685
Contract assets – noncurrent:			
Unbilled receivables	Accounts receivable, long-term	9,629	7,381
Costs to obtain – long-term	Other long-term assets	7,708	5,353
Contract liabilities – current:			
Deferred revenue and other contract liabilities – short-term	Other accrued expenses and current liabilities	(57,082)	(55,667)
Contract liabilities – noncurrent:			
Deferred revenue and other contract liabilities – long-term	Other long-term liabilities	(6,507)	(7,445)
Net contract assets (liabilities)		$ 19,128	$ 42,380

For the year ended June 30, 2020 and 2019, respectively, we recognized $48.7 million and $35.5 million of revenue that was included in a previously recorded contract liability as of the beginning of the period.

NOTE 13. INVENTORIES

Inventories consisted of the following (in thousands):

	June 30, 2020	June 30, 2019
Materials, purchased parts and supplies	$ 36,692	$ 37,368
Work in process	10,867	6,021
Finished goods	17,608	3,834
Total	$ 65,167	$ 47,223

Inventories are stated at the lower of cost (average cost or first-in, first-out) or net realizable value and are included in prepaid expenses and other current assets on the accompanying consolidated balance sheets. The Company periodically assesses its current inventory balances and records a provision for damaged, deteriorated, or obsolete inventory based on historical patterns and forecasted sales.

NOTE 14. SALES OF RECEIVABLES

On December 27, 2019, the Company amended its MARPA with MUFG Bank, Ltd. (the Purchaser), for the sale of certain designated eligible U.S. government receivables. The amendment extended the term of the MARPA to December 24, 2020. Under the MARPA, the Company can sell eligible receivables, including certain billed and unbilled receivables up to a maximum amount of $200.0 million. The Company’s receivables are sold under the MARPA without recourse for any U.S. government credit risk.

The Company accounts for receivable transfers under the MARPA as sales under ASC 860, *Transfers and Servicing*, and derecognizes the sold receivables from its balance sheets. The fair value of the sold receivables approximated their book value due to their short-term nature.

The Company does not retain an ongoing financial interest in the transferred receivables other than cash collection and administrative services. The Company estimated that its servicing fee was at fair value and therefore no servicing asset or liability related to these receivables was recognized as of June 30, 2020. Proceeds from the sold receivables are reflected in our operating cash flows on the statement of cash flows.

MARPA activity consisted of the following (in thousands):

	As of and for the Year Ended June 30,	
	2020	2019
Beginning balance:	$ 192,527	$ —
Sales of receivables	2,393,684	1,126,395
Cash collections	(2,386,211)	(933,868)
Outstanding balance sold to Purchaser: (1)	200,000	192,527
Cash collected, not remitted to Purchaser (2)	(57,020)	(54,567)
Remaining sold receivables	$ 142,980	$ 137,960

(1) For the year ended June 30, 2020 and 2019, the Company recorded a net cash inflow in its cash flows from operating activities of $7.5 million and $192.5 million, respectively, from sold receivables. MARPA cash flows are calculated as the change in the outstanding balance during the fiscal year.

(2) Includes the cash collected on behalf of but not yet remitted to the Purchaser as of June 30, 2020 and 2019. This balance is included in other accrued expenses and current liabilities as of the balance sheet date.

NOTE 15. LONG-TERM DEBT

Long-term debt consisted of the following (in thousands):

	June 30,	
	2020	2019
Bank credit facility – term loans	$ 844,555	$ 891,475
Bank credit facility – revolver loans	569,000	785,000
Principal amount of long-term debt	1,413,555	1,676,475
Less unamortized discounts and debt issuance costs	(9,116)	(11,462)
Total long-term debt	1,404,439	1,665,013
Less current portion	(46,920)	(46,920)
Long-term debt, net of current portion	$ 1,357,519	$ 1,618,093

Bank Credit Facility

The Company has a $2,438.4 million credit facility (the Credit Facility), which consists of a $1,500.0 million revolving credit facility (the Revolving Facility) and a $938.4 million term loan (the Term Loan). The Revolving Facility has sub-facilities of $100.0 million for same-day swing line loan borrowings and $25.0 million for stand-by letters of credit. At any time and so long as no default has occurred, the Company has the right to increase the Revolving Facility or the Term Loan in an aggregate principal amount of up to the greater of $500.0 million or an amount subject to 3.50 times senior secured leverage, calculated assuming the Revolving Facility is fully drawn, with applicable lender approvals. The Credit Facility is available to refinance existing indebtedness and for general corporate purposes, including working capital expenses and capital expenditures.

The Revolving Facility is a secured facility that permits continuously renewable borrowings of up to $1,500.0 million. As of June 30, 2020, the Company had $569.0 million outstanding under the Revolving Facility and no borrowings on the swing line. The Company pays a quarterly facility fee for the unused portion of the Revolving Facility.

The Term Loan is a five-year secured facility under which principal payments are due in quarterly installments of $11.7 million until the balance is due in full on June 30, 2024. As of June 30, 2020, the Company had $844.6 million outstanding under the Term Loan.

The interest rates applicable to loans under the Credit Facility are floating interest rates that, at the Company's option, equal a base rate or a Eurodollar rate plus, in each case, an applicable rate based upon the Company's consolidated total leverage ratio. As of June 30, 2020, the effective interest rate, including the impact of the Company's floating-to-fixed interest rate swap agreements and excluding the effect of amortization of debt financing costs, for the outstanding borrowings under the Credit Facility was 2.58 percent.

The Credit Facility requires the Company to comply with certain financial covenants, including a maximum total leverage ratio and a minimum interest coverage ratio. The Credit Facility also includes customary negative covenants restricting or limiting the Company's ability to guarantee or incur additional indebtedness, grant liens or other security interests to third parties, make loans or investments, transfer assets, declare dividends or redeem or repurchase capital stock or make other distributions, prepay subordinated indebtedness and engage in mergers, acquisitions or other business combinations, in each case except as expressly permitted under the Credit Facility. As of June 30, 2020, the Company was in compliance with all of the financial covenants. A majority of the Company's assets serve as collateral under the Credit Facility.

All debt issuance costs are being amortized from the date incurred to the expiration date of the Credit Facility.

The aggregate maturities of long-term debt at June 30, 2020 are as follows (in thousands):

Year ending June 30,		
2021	$	46,920
2022		46,920
2023		46,920
2024		1,272,795
Principal amount of long-term debt		1,413,555
Less unamortized discounts and debt issuance costs		(9,116)
Total long-term debt	$	1,404,439

Cash Flow Hedges

The Company periodically uses derivative financial instruments as part of a strategy to manage exposure to market risks associated with interest rate fluctuations. The Company has entered into several floating-to-fixed interest rate swap agreements for an aggregate notional amount of $800.0 million which hedge a portion of the Company's floating rate indebtedness. The swaps mature at various dates through 2026. The Company has designated the swaps as cash flow hedges. Unrealized gains are recognized as assets while unrealized losses are recognized as liabilities. The interest rate swap agreements are highly correlated to the changes in interest rates to which the Company is exposed. Realized gains and losses in connection with each required interest payment are reclassified from accumulated other comprehensive income or loss to interest expense. The Company does not hold or issue derivative financial instruments for trading purposes.

The effect of derivative instruments in the consolidated statements of operations and accumulated other comprehensive loss for the years ended June 30, 2020, 2019 and 2018 is as follows (in thousands):

	Interest Rate Swaps					
		2020		**2019**		**2018**
Gain (loss) recognized in other comprehensive income	$	(26,915)	$	(14,011)	$	6,344
Amounts reclassified to earnings from accumulated other comprehensive loss		2,635		(3,903)		1,129
Net current period other comprehensive income (loss)	$	(24,280)	$	(17,914)	$	7,473

NOTE 16. LEASES

All of the Company's leases are operating leases. The current portion of operating lease liabilities is included in other accrued expenses and current liabilities in our consolidated balance sheets. Lease balances in our consolidated balance sheet are as follows (in thousands):

		June 30, 2020
Operating lease right-of-use assets	$	330,767
Operating lease liabilities, current		67,549
Operating lease liabilities, noncurrent		309,680
	$	377,229

The Company’s total lease cost is recorded primarily within indirect costs and selling expenses and had the following impact on the consolidated statement of operations (in thousands):

		June 30, 2020
Operating lease cost	$	86,039
Short-term and variable lease cost		14,777
Sublease income		(1,201)
Total lease cost	$	99,615

The Company’s future minimum lease payments under non-cancelable operating leases at June 30, 2020 are as follows (in thousands):

Year ending June 30:		
2021	$	78,302
2022		68,239
2023		62,529
2024		55,302
2025		47,430
Thereafter		106,067
Total undiscounted lease payments		417,869
Less: imputed interest		(40,640)
Total discounted lease liabilities	$	377,229

The weighted-average remaining lease term (in years) and weighted-average discount rate was 6.27 years and 3.14 percent, respectively.

Cash paid for operating leases was $87.1 million for the year ended June 30, 2020. During the year ended June 30, 2020 operating lease liabilities arising from obtaining new ROU assets was $50.5 million, which includes all noncash changes arising from new or remeasured operating lease arrangements.

During April 2020, the Company entered into a lease agreement that will impact its financial statements starting in Q2 FY2021. Annual lease cost is expected to be approximately $6.0 million over a lease term of 12 years.

The Company’s future minimum lease payments under non-cancelable operating leases at June 30, 2019 are as follows (in thousands):

Year ending June 30:		
2020	$	81,027
2021		72,331
2022		63,655
2023		54,056
2024		43,691
Thereafter		132,792
Total minimum lease payments	$	447,552

NOTE 17. OTHER LONG-TERM LIABILITIES

Other long-term liabilities consisted of the following (in thousands):

	June 30, 2020	June 30, 2019
Deferred rent, net of current portion	$ —	$ 41,427
Interest rate swap agreements	43,168	12,264
Deferred and contingent acquisition consideration	740	6,510
Deferred revenue	6,507	7,445
Deferred payroll taxes	40,594	—
Accrued post-retirement obligations	6,715	5,982
Long-term incentive compensation	—	13,085
Reserve for unrecognized tax benefits	8,869	1,544
Transition tax	5,071	4,472
Other	17,040	15,203
Total other long-term liabilities	$ 128,704	$ 107,932

Accrued post-retirement obligations include projected liabilities for benefits the Company is obligated to provide under long-term care, group health, and executive life insurance plans, each of which is unfunded. Plan benefits are provided to certain current and former executives, their dependents and other eligible employees, as defined. Post-retirement obligations also include accrued benefits under supplemental retirement benefit plans covering certain executives. The expense recorded under these plans was $1.2 million during the year ended June 30, 2020 and $0.4 million during the year ended June 30, 2019, respectively.

The Company has entered into floating-to-fixed interest rate swap agreements related to a portion of the Company's floating rate indebtedness (see Note 15). See Note 23 for fair values of the swap agreements as of June 30, 2020 and 2019.

NOTE 18. BUSINESS SEGMENTS

Segment Information

The Company reports operating results and financial data in two segments: domestic operations and international operations. Domestic operations provide information solutions and services to its customers. Its customers are primarily U.S. federal government agencies. Other customers of the Company's domestic operations include commercial enterprises. The Company places employees in locations around the world in support of its customers. International operations offer services to both commercial and non-U.S. government customers primarily within the Company's business systems and enterprise IT markets. The Company evaluates the performance of its operating segments based on net income. Summarized financial information concerning the Company's reportable segments is shown in the following tables.

	Domestic Operations	International Operations (in thousands)	Total
Year Ended June 30, 2020			
Revenue from external customers	$ 5,556,672	$ 163,370	$ 5,720,042
Net income	302,822	18,658	321,480
Net assets	2,482,283	179,027	2,661,310
Goodwill	3,279,856	127,254	3,407,110
Total long-term assets	4,297,885	158,701	4,456,586
Total assets	5,293,588	248,884	5,542,472
Capital expenditures	70,499	1,804	72,303
Depreciation and amortization	105,874	4,814	110,688
Year Ended June 30, 2019			
Revenue from external customers	$ 4,829,450	$ 156,891	$ 4,986,341
Net income	249,793	15,811	265,604
Net assets	2,206,109	165,357	2,371,466
Goodwill	3,224,685	111,394	3,336,079
Total long-term assets	3,927,783	127,540	4,055,323
Total assets	4,876,399	210,444	5,086,843
Capital expenditures	46,406	1,496	47,902
Depreciation and amortization	81,205	4,672	85,877
Year Ended June 30, 2018			
Revenue from external customers	$ 4,304,602	$ 163,258	$ 4,467,860
Net income	286,024	15,147	301,171
Net assets	1,948,768	158,119	2,106,887
Goodwill	2,514,520	106,315	2,620,835
Total long-term assets	2,975,620	127,395	3,103,015
Total assets	3,829,417	204,789	4,034,206
Capital expenditures	40,639	955	41,594
Depreciation and amortization	67,891	4,305	72,196

Interest income and interest expense are not presented above as the amounts attributable to the Company's international operations are insignificant.

Customer Information

The Company earned 95.6 percent, 95.3 percent and 94.8 percent of its revenue from various agencies and departments of the U.S. government for the years ended June 30, 2020, 2019 and 2018, respectively.

NOTE 19. OTHER COMMITMENTS AND CONTINGENCIES

General Legal Matters

The Company is involved in various lawsuits, claims, and administrative proceedings arising in the normal course of business. Management is of the opinion that any liability or loss associated with such matters, either individually or in the aggregate, will not have a material adverse effect on the Company's operations and liquidity.

Government Contracting

Payments to the Company on cost-plus-fee and T&M contracts are subject to adjustment upon audit by the Defense Contract Audit Agency (DCAA) and other government agencies that do not utilize DCAA's services. The DCAA has completed audits of the Company's annual incurred cost proposals through fiscal year 2018. We are still negotiating the results of prior years' audits with the respective cognizant contracting officers and believe our reserves for such are adequate. In the opinion of management, adjustments that may result from these audits and the audits not yet started are not expected to have a material effect on the Company's financial position, results of operations, or cash flows as the Company has accrued its best estimate of potential disallowances. Additionally, the DCAA continually reviews the cost accounting and other practices of government contractors, including the Company. In the course of those reviews, cost accounting and other issues are identified, discussed and settled.

NOTE 20. INCOME TAXES

The Tax Cuts and Jobs Act (TCJA) was enacted on December 22, 2017. Among other things, the TCJA reduced the U.S. federal corporate tax rate from 35.0 percent to 21.0 percent effective on January 1, 2018.

The domestic and foreign components of income before provision for income taxes are as follows (in thousands):

	Year Ended June 30,		
	2020	2019	2018
Domestic	$ 379,414	$ 308,922	$ 279,360
Foreign	22,223	18,987	19,304
Income before income taxes	$ 401,637	$ 327,909	$ 298,664

The components of income tax expense (benefit) are as follows (in thousands):

	Year Ended June 30,		
	2020	2019	2018
Current:			
Federal	$ 42,268	$ 41,675	$ 56,467
State and local	14,744	17,606	13,006
Foreign	5,271	4,033	5,344
Total current	62,283	63,314	74,817
Deferred:			
Federal	12,940	(27)	(80,395)
State and local	5,465	(877)	3,481
Foreign	(531)	(105)	(410)
Total deferred	17,874	(1,009)	(77,324)
Total income tax expense (benefit)	$ 80,157	$ 62,305	$ (2,507)

Income tax expense differs from the amounts computed by applying the U.S. federal statutory income tax rate as a result of the following (in thousands):

	Year Ended June 30, 2020	2019	2018
Expected tax expense computed at federal statutory rate (1)	$ 84,344	$ 68,861	$ 83,805
State and local taxes, net of federal benefit	15,965	13,216	11,860
Nonincludible and nondeductible items, net	3,133	1,971	1,832
Remeasurement of deferred taxes and transition tax	—	(2,182)	(86,593)
Effect of foreign tax rates	(377)	(380)	(1,261)
R&D tax credit, net	(10,700)	(6,755)	(3,630)
Other tax credits	(1,183)	(2,138)	(2,102)
Stock-based compensation	(10,900)	(7,493)	(5,388)
Other	(125)	(2,795)	(1,030)
Total income tax expense (benefit)	$ 80,157	$ 62,305	$ (2,507)

(1) The U.S. federal statutory income tax rate for FY2020 and FY2019 is 21.0 percent. The federal statutory rate for FY2018 was a blended rate of 28.06 percent due to the TCJA.

The tax effects of temporary differences that give rise to deferred taxes are presented below (in thousands):

	June 30, 2020	2019
Deferred tax assets:		
Deferred compensation and post-retirement obligations	$ 33,094	$ 29,206
Reserves and accruals	41,137	30,205
Stock-based compensation	9,860	9,881
Lease liability	99,539	—
Interest rate swaps	11,349	2,688
Other asset	6,786	9,392
Total deferred tax assets	201,765	81,372
Deferred tax liabilities:		
Goodwill and other intangible assets	(273,088)	(257,762)
Unbilled revenue	(17,429)	(17,640)
Prepaid expenses	(6,444)	(2,974)
Right of use assets	(85,275)	—
Property and equipment	(32,625)	(8,335)
Total deferred tax liabilities	(414,861)	(286,711)
Net deferred tax liability	$ (213,096)	$ (205,339)

The Company is subject to income taxes in the U.S. and various state and foreign jurisdictions. Tax statutes and regulations within each jurisdiction are subject to interpretation and require the application of significant judgment. The Company is currently under examination by the Internal Revenue Service for year 2015; one state jurisdiction for years 2016 through 2018; and one state jurisdiction for years 2016 and 2017. The Company does not expect the resolution of these examinations to have a material impact on its results of operations, financial condition or cash flows.

The effective income tax rate in FY2020, FY2019, and FY2018, was 20.0 percent, 19.0 percent, and (0.8) percent, respectively. The effective income tax rate increased in FY2020 primarily as a result of pretax book income increasing more than favorable credits and permanent items. In each period, the effective income tax rate was favorably affected by excess tax benefits from employee stock-based payment awards as well as a benefit from the research and development tax credit.

U.S. income taxes have not been provided for undistributed earnings of foreign subsidiaries that have been permanently reinvested outside the United States. As of June 30, 2020, the estimated deferred tax liability associated with these undistributed earnings is approximately $1.4 million.

The Company's total liability for unrecognized tax benefits as of June 30, 2020, 2019 and 2018 was approximately $8.8 million, $1.5 million and $4.1 million, respectively. Any amount, if recognized, would positively impact the Company's effective tax rate. A reconciliation of the beginning and ending amount of unrecognized benefits is shown in the table below (in thousands):

	Year Ended June 30,		
	2020	2019	2018
Beginning of year	$ 1,530	$ 4,122	$ 1,639
Additions based on current year tax positions	2,293	676	2,483
Lapse of statute of limitations	—	(164)	—
Additions based on prior year tax positions	5,003	—	—
Reductions based on prior tax year positions	—	(3,104)	—
End of year	$ 8,826	$ 1,530	$ 4,122

The Company recognizes net interest and penalties as a component of income tax expense. Over the next 12 months, the Company does not expect a significant increase or decrease in the unrecognized tax benefits recorded at June 30, 2020. As of June 30, 2020, the entire balance of unrecognized tax benefits is included in other long-term liabilities.

NOTE 21. RETIREMENT SAVINGS PLANS

401(k) Plan

The Company maintains a defined contribution plan under Section 401(k) of the Internal Revenue Code, the CACI $MART Plan (the 401(k) Plan). Employees can contribute up to 75 percent (subject to certain statutory limitations) of their total cash compensation. The Company provides matching contributions equal to 50 percent of the amount of salary deferral employees elect, up to 8 percent of each employee's total calendar year cash compensation, as defined. The Company may also make discretionary profit sharing contributions to the 401(k) Plan. Employee contributions vest immediately. Employer contributions vest in full after three- years of employment. Total 401(k) Plan Company contribution expense for the years ended June 30, 2020, 2019, and 2018 were $46.9 million, $35.0 million, and $27.1 million, respectively.

The Company maintains several qualified 401(k) profit-sharing plans (PSP) that cover eligible employees. Employees are eligible to participate in the PSP beginning on the first of the month following the start of employment and attainment of age 18. Under the PSP, the Company may make discretionary contributions based on a percentage of the total compensation of all eligible participants. Company contribution expense for the year ended June 30, 2020, 2019 and 2018 was $41.8 million, $32.0 million and $26.3 million, respectively.

Supplemental Savings Plan

The Company maintains the Supplemental Savings Plan through which, on a calendar year basis, officers at the director level and above can elect to defer for contribution to the Supplemental Savings Plan up to 50 percent of their base compensation and up to 100 percent of their bonuses. The Company provides a contribution of 5 percent of compensation for each participant's compensation that exceeds the limit as set forth in IRC 401(a)(17) (currently $285,000 per year). The Company also has the option to make annual discretionary contributions. Company contributions vest five-years from the date of enrollment, and vesting is accelerated in the event of a change of control of the Company. Participant deferrals and Company contributions will be credited with the rate of return based on the investment options and asset allocations selected by the Participant. Participants may change their asset allocation as often as daily, if they so choose. A Rabbi Trust has been established to hold and provide a measure of security for the investments that finance benefit payments. Distributions from the Supplemental Savings Plan are made upon retirement, termination, death, or total disability. The Supplemental Savings Plan also allows for in-service distributions.

Supplemental Savings Plan obligations due to participants totaled $110.7 million at June 30, 2020, of which $7.7 million is included in accrued compensation and benefits in the accompanying consolidated balance sheet. Supplemental Savings Plan obligations increased by $11.8 million during the year ended June 30, 2020, consisting of $4.9 million of investment gains, $14.1 million of participant compensation deferrals, and $1.5 million of Company contributions, offset by $8.7 million of distributions.

The Company maintains COLI assets in a Rabbi Trust to offset the obligations under the Supplemental Savings Plan. The value of the COLI in the Rabbi Trust was $96.4 million at June 30, 2020 and COLI gains were $4.7 million for the year ended June 30, 2020. The value of the COLI in the Rabbi Trust was $92.7 million at June 30, 2019 and COLI gains were $4.6 million for the year ended June 30, 2019.

Contribution expense for the Supplemental Savings Plan during the years ended June 30, 2020, 2019, and 2018, was $1.9 million, $1.6 million, and $1.2 million, respectively.

NOTE 22. STOCK PLANS AND STOCK-BASED COMPENSATION

Historically, the Company grants stock options, SSARs, non-performance-based RSUs and performance-based RSUs to key employees. Stock-based compensation expense is recognized on a straight-line basis ratably over the respective vesting periods. Performance-based RSUs are subject to achievement of a performance metric in addition to grantee service. Stock-based compensation expense for performance-based RSUs is recognized on an accelerated basis by treating each vesting tranche as if it was a separate grant. A summary of the components of stock-based compensation expense recognized during the years ended June 30, 2020, 2019, and 2018, together with the income tax benefits realized, is as follows (in thousands):

	Year Ended June 30,		
	2020	2019	2018
Stock-based compensation included in indirect costs and selling expense:			
Restricted stock and RSU expense	$ 29,302	$ 25,272	$ 23,628
Income tax benefit recognized for stock-based compensation	$ 5,849	$ 4,865	$ 7,769

The Company recognizes the effect of expected forfeitures of equity grants by estimating an expected forfeiture rate for grants of equity instruments. Amounts recognized for expected forfeitures are subsequently adjusted periodically and at major vesting dates to reflect actual forfeitures.

The incremental income tax benefits realized upon the exercise or vesting of equity instruments are reported as operating cash flows. During the years ended June 30, 2020, 2019, and 2018, the Company recognized $13.5 million, $9.2 million, and $6.3 million of excess tax benefits, respectively, which have been reported as operating cash inflows in the accompanying consolidated statements of cash flows.

Equity Grants and Valuation

Under the terms of its 2016 Amended and Restated Incentive Compensation Plan (the 2016 Plan), the Company may issue, among others, non-qualified stock options, restricted stock, RSUs, SSARs, and performance awards, collectively referred to herein as equity instruments. The 2016 Plan was approved by the Company's stockholders in November 2016 and amended and restated the 2006 Stock Incentive Plan (the 2006 Plan) which was due to expire at the end of the ten-year period. Grants that were made under the 2006 Plan, and equity instruments granted prior to approval of the 2016 Plan continue to be governed by the terms of the 2006 Plan. During the periods presented all equity instrument grants were made in the form of RSUs.

Annual grants under the 2016 Plan and the 2006 Plan are generally made to the Company's key employees during the first quarter of the Company's fiscal year and to members of the Company's Board of Directors during the second quarter of the Company's fiscal year. With the approval of its Chief Executive Officer, the Company also issues equity instruments to strategic new hires and to employees who have demonstrated superior performance.

Upon the vesting of restricted shares and RSUs, the Company fulfills its obligations under the equity instrument agreements by either issuing new shares of authorized common stock or by issuing shares from treasury. The total number of shares authorized by shareholders for grants under the 2016 Plan and its predecessor plan was 1,200,000 plus any forfeitures from the 2006 Plan. The aggregate number of grants that may be made may exceed this approved amount as forfeited restricted stock and RSUs become available for future grants. As of June 30, 2020, cumulative grants of 864,430 equity instruments underlying the shares authorized have been awarded, and 187,711 of these instruments have been forfeited.

The Company granted performance-based stock awards to key employees in October of 2019 and 2018 and September of 2017. The final number of RSUs that are earned by participants and vest is based on the achievement of a specified EPS for the fiscal year and on the average share price for the 90-day period ended for the following three years. If the 90-day average share price of the Company's stock in years one, two and three exceeds the 90-day average share price at the grant date by 100 percent or more the number of shares ultimately awarded could range up to 200 percent of the specified target award. In addition to the performance and market conditions, there is a service vesting condition that stipulates 50 percent of the award will vest 3 years from the grant date and 50 percent will vest approximately 4 years from the grant date, depending on the award date.

The annual performance-based awards granted for each of the fiscal years presented were as follows:

	Performance-based stock awards granted	Number of additional shares earned under performance-based stock awards
Fiscal year 2020	108,844	—
Fiscal year 2019	129,108	5,874
Fiscal year 2018	185,056	51,808

We account for stock-based payments to employees, including grants of employee stock awards and purchases under employee stock purchase plans, in accordance with ASC 718, *Compensation-Stock Compensation,* which requires that stock-based payments (to the extent they are compensatory) be recognized in our consolidated statements of operations based on their fair values. The fair value of RSU grants are determined based on the Company's common stock closing price on the date of grant. The fair value of RSUs with market-based vesting features is also measured on the grant date but uses a binomial lattice model.

We determine the fair value of our market-based and performance-based RSUs at the date of grant using generally accepted valuation techniques and the closing market price of our stock. The fair value for the annual grant made in October 2019 was determined using a Monte Carlo simulation model incorporating the following factors: 90-day average stock price at the grant date of $216.02 a share, risk free rate of return of 1.50 percent and expected volatility of 24.54 percent. Stock-based compensation cost is recognized as expense on an accelerated basis over the requisite service period for performance-based awards. The weighted-average fair value of RSUs granted during the years ended June 30, 2020, 2019, and 2018, was $252.25, $201.27, and $146.27, respectively.

The Company also issues equity instruments in the form of RSUs under its Management Stock Purchase Plan (MSPP) and Director Stock Purchase Plan (DSPP). In addition, annual grants are made to members of the Company's Board of Directors in the form of a set dollar value of RSUs. Grants to members of the Board of Directors vest based on the passage of time and continued service as a Director of the Company.

Restricted shares and most non-performance-based RSUs vest in full three years from the date of grant. RSUs granted to the Company's Chief Executive Officer in February 2012 have longer vesting periods.

Changes in the number of unvested restricted stock and RSUs during each of the years in the three-year period ended June 30, 2020, 2019, and 2018, together with the corresponding weighted-average fair values, are as follows:

	Restricted Stock and Restricted Stock Units	
	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at June 30, 2017	834,607	$ 71.20
Granted	276,871	146.27
Vested	(394,293)	66.29
Forfeited	(53,198)	95.03
Unvested at June 30, 2018	663,987	$ 107.96
Granted	274,261	201.27
Vested	(276,626)	61.85
Forfeited	(32,816)	123.55
Unvested at June 30, 2019	628,806	$ 134.10
Granted	271,542	252.25
Vested	(348,897)	77.33
Forfeited	(49,528)	181.89
Unvested at June 30, 2020	501,923	$ 173.18

The total intrinsic value of RSUs that vested during the years ended June 30, 2020, 2019, and 2018 was $79.6 million, $53.0 million and $55.2 million, respectively, and the income tax benefit realized was $15.9 million, $10.2 million and $13.3 million, respectively.

As of June 30, 2020, there was no unrecognized compensation cost related to SSARs and stock options and $40.7 million of unrecognized compensation cost related to restricted stock and RSUs scheduled to be recognized over a weighted-average period of 2.5 years.

Stock Purchase Plans

The Company adopted the 2002 Employee Stock Purchase Plan (ESPP), MSPP and DSPP in November 2002, and implemented these plans beginning July 1, 2003. There are 1,500,000, 500,000, and 75,000 shares authorized for grants under the ESPP, MSPP and DSPP, respectively.

The ESPP allows eligible full-time employees to purchase shares of common stock at 95 percent of the fair market value of a share of common stock on the last day of the quarter. The maximum number of shares that an eligible employee can purchase during any quarter is equal to two times an amount determined as follows: 20 percent of such employee's compensation over the quarter, divided by 95 percent of the fair market value of a share of common stock on the last day of the quarter. The ESPP is a qualified plan under Section 423 of the Internal Revenue Code and, for financial reporting purposes, was amended effective July 1, 2005 so as to be considered non-compensatory. Accordingly, there is no stock-based compensation expense associated with shares acquired under the ESPP. As of June 30, 2020, participants have purchased 1,217,404 shares under the ESPP, at a weighted-average price per share of $61.49. Of these shares, 33,894 were purchased by employees at a weighted-average price per share of $211.97 during the year ended June 30, 2020. During the year ended June 30, 2013, the Company established a 10b5-1 plan to facilitate the open market purchase of shares of Company stock to satisfy its obligations under the ESPP.

The MSPP provides those senior executives with stock holding requirements a mechanism to receive RSUs in lieu of up to 100 percent of their annual bonus. For the fiscal years ended June 30, 2020, 2019, and 2018, RSUs awarded in lieu of bonuses earned were granted at 85 percent of the closing price of a share of the Company's common stock on the date of the award, as reported by the New York Stock Exchange. RSUs granted under the MSPP vest at the earlier of 1) three-years from the grant date, 2) upon a change of control of the Company, 3) upon a participant's retirement at or after age 65, or 4) upon a participant's death or permanent disability. Vested RSUs are settled in shares of common stock. The Company recognizes the value of the discount applied to RSUs granted under the MSPP as stock compensation expense ratably over the three-year vesting period.

Activity related to the MSPP during the year ended June 30, 2020 is as follows:

	MSPP
RSUs outstanding, June 30, 2019	2,921
Granted	1,805
Issued	(2,473)
Forfeited	(30)
RSUs outstanding, June 30, 2020	2,223
Weighted average grant date fair value as adjusted for the applicable discount	$ 159.36

The DSPP allows directors to elect to receive RSUs at the market price of the Company's common stock on the date of the award in lieu of up to 100 percent of their annual retainer fees. Vested RSUs are settled in shares of common stock. There were no DSPP awards outstanding during the year ended June 30, 2020.

NOTE 23. FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

The Company's financial assets and liabilities recorded at fair value on a recurring basis are categorized based on the priority of the inputs used to measure fair value. The inputs used in measuring fair value are categorized into three levels, as follows:

- Level 1 Inputs – unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs – unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.
- Level 3 Inputs – amounts derived from valuation models in which unobservable inputs reflect the reporting entity's own assumptions about the assumptions of market participants that would be used in pricing the asset or liability.

The Company's financial instruments measured at fair value included interest rate swap agreements and contingent consideration in connection with business combinations. The following table summarizes the financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2020 and June 30, 2019, and the level they fall within the fair value hierarchy (in thousands):

Description of Financial Instrument	Financial Statement Classification	Fair Value Hierarchy	As of June 30, 2020 Fair Value	As of June 30, 2019 Fair Value
Contingent consideration	Other accrued expenses and current liabilities	Level 3	$ —	$ 12,000
Interest rate swap agreements	Other long-term assets	Level 2	$ —	$ 2,081
Interest rate swap agreements	Other accrued expenses and current liabilities	Level 2	$ —	$ 43
Interest rate swap agreements	Other long-term liabilities	Level 2	$ 43,168	$ 12,264

The Company entered into interest rate swap agreements to manage its interest rate risk. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. To comply with the provisions of ASC 820, the Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. Changes in the fair value of the interest rate swap agreements are recorded as a component of accumulated other comprehensive income or loss.

Various acquisitions contained provisions requiring that the Company pay contingent consideration in the event that the acquired businesses achieved certain specified earnings results. The Company determined the fair value of the contingent consideration as of each acquisition date using a valuation model which included the evaluation of the most likely outcome and the application of an appropriate discount rate. At the end of each reporting period, the fair value of the contingent consideration was remeasured and any changes were recorded in indirect costs and selling expenses. During the years ended June 30, 2020 and 2019, this remeasurement resulted in a $3.0 million and $1.0 million net increase to the liability recorded, respectively. The remaining contingent consideration was settled during Q3 FY2020.

NOTE 24. EARNINGS PER SHARE

Earnings per share and the weighted-average number of diluted shares are computed as follows (in thousands, except per share data):

	Year Ended June 30, 2020	2019	2018
Net income	$ 321,480	$ 265,604	$ 301,171
Weighted-average number of basic shares outstanding during the period	25,031	24,833	24,616
Dilutive effect of RSUs after application of treasury stock method	454	562	639
Weighted-average number of diluted shares outstanding during the period	25,485	25,395	25,255
Basic earnings per share	$ 12.84	$ 10.70	$ 12.23
Diluted earnings per share	$ 12.61	$ 10.46	$ 11.93

NOTE 25. QUARTERLY FINANCIAL DATA (UNAUDITED)

This data is unaudited, but in the opinion of management, includes and reflects all adjustments that are normal and recurring in nature, and necessary, for a fair presentation of the selected data for these interim periods. Quarterly condensed financial operating results of the Company for the years ended June 30, 2020 and 2019, are presented below (in thousands except per share data).

	Year Ended June 30, 2020			
	First	**Second**	**Third**	**Fourth**
Revenue	$ 1,363,392	$ 1,395,469	$ 1,465,600	$ 1,495,581
Income from operations	$ 100,157	$ 110,187	$ 113,676	$ 133,676
Net income	$ 67,977	$ 79,195	$ 80,577	$ 93,731
Basic earnings per share	$ 2.73	$ 3.16	$ 3.21	$ 3.74
Diluted earnings per share	$ 2.66	$ 3.11	$ 3.16	$ 3.68
Weighted-average shares outstanding:				
Basic	24,894	25,065	25,078	25,089
Diluted	25,532	25,435	25,478	25,496

	Year Ended June 30, 2019			
	First	**Second**	**Third**	**Fourth**
Revenue	$ 1,165,864	$ 1,181,641	$ 1,264,958	$ 1,373,878
Income from operations	$ 99,600	$ 102,263	$ 94,908	$ 81,096
Net income	$ 78,833	$ 68,596	$ 68,145	$ 50,030
Basic earnings per share	$ 3.19	$ 2.76	$ 2.74	$ 2.01
Diluted earnings per share	$ 3.10	$ 2.71	$ 2.69	$ 1.96
Weighted-average shares outstanding:				
Basic	24,737	24,856	24,866	24,875
Diluted	25,424	25,338	25,348	25,472

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on the 14th day of August 2020.

CACI International Inc
Registrant

Date: August 14, 2020

By: /s/ JOHN S. MENGUCCI
John S. Mengucci
President,
Chief Executive Officer and Director
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in capacities and on the dates indicated.

Signatures	Title	Date
/s/ JOHN S. MENGUCCI **John S. Mengucci**	President, Chief Executive Officer and Director (Principal Executive Officer)	August 14, 2020
/s/ THOMAS A. MUTRYN **Thomas A. Mutryn**	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	August 14, 2020
/s/ CHRISTOPHER A. VOCI **Christopher A. Voci**	Senior Vice President, Corporate Controller (Principal Accounting Officer)	August 14, 2020
/s/ DR. J. P. LONDON **Dr. J. P. London**	Chairman of the Board, Executive Chairman	August 14, 2020
/s/ MICHAEL A. DANIELS **Michael A. Daniels**	Director	August 14, 2020
/s/ SUSAN M. GORDON **Susan M. Gordon**	Director	August 14, 2020
/s/ WILLIAM L. JEWS **William L. Jews**	Director	August 14, 2020
/s/ GREGORY G. JOHNSON **Adm Gregory G. Johnson, USN (Ret.)**	Director	August 14, 2020
/s/ JAMES L. PAVITT **James L. Pavitt**	Director	August 14, 2020
/s/ DR. WARREN R. PHILLIPS **Dr. Warren R. Phillips**	Director	August 14, 2020
/s/ DEBORA A. PLUNKET **Debora A. Plunket**	Director	August 14, 2020
/s/ CHARLES P. REVOILE **Charles P. Revoile**	Director	August 14, 2020
/s/ WILLIAM S. WALLACE **Gen William S. Wallace, USA (Ret.)**	Director	August 14, 2020

Exhibit 4.1

Description of the Corporation's Securities Registered
Pursuant to Section 12 of the Securities Exchange Act of 1934

The following is a description of the capital stock of CACI International Inc (the "Corporation," "us," "we," or "our") and is summarized from, and qualified in its entirety by reference to, our Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and By-laws (the "By-laws"), copies of which are filed with the Securities and Exchange Commission, and to the provisions of the General Corporation Law of the State of Delaware (the "DGCL"). We urge you to review our Certificate of Incorporation, By-laws and the DGCL for additional information.

Authorized Capital Stock

The Corporation's authorized capital stock consists of 80,000,000 shares of common stock, par value $0.10 per share ("Common Stock"), and 10,000,000 shares of preferred stock, par value $0.10 per share ("Preferred Stock"). All outstanding shares of Common Stock are fully paid and non-assessable and our Common Stock is listed on the New York Stock Exchange under the ticker symbol "CACI." There are no shares of Preferred Stock currently outstanding.

Common Stock

Dividend Rights. Holders of our common stock are entitled to dividends as declared by our Board of Directors (the "Board") from time to time, subject to the preferences of any outstanding series of Preferred Stock.

Voting Rights. Each share of Common Stock entitles the holder to one vote per share on all matters upon which stockholders are entitled to vote. The By-laws generally establish a majority voting standard for all matters, including the election of directors, unless a greater or different voting standard is required by statute, any applicable law or regulation, the rights of any authorized class of stock or our Certificate of Incorporation or By-laws. Holders of Common Stock may act by written consent if such action is authorized by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at any meeting at which all shares entitled to vote thereon were present and voted.

Liquidation Rights. Holders of Common Stock share ratably in all assets legally available for distribution to stockholders in the event of dissolution of the Corporation, subject to the preferences of any outstanding series of Preferred Stock.

Other Rights and Preferences. Our Common Stock has no preferences, preemptive, conversion or exchange rights, and is not subject to any redemption or sinking fund provisions or to calls or assessments by, or liabilities of, the Corporation.

Anti-takeover Effects of the Certificate of Incorporation, By-laws and Delaware Law

Certificate of Incorporation and By-laws. Various provisions contained in the Certificate of Incorporation and the By-laws could delay or discourage some transactions involving an actual or potential change in control of us or a change in our management and may limit the ability of our stockholders to remove current management or approve transactions that our stockholders may deem to be in their best interests. Among other things, these provisions include:

- our Board is authorized to establish one or more series of preferred stock with designations, rights and preferences as may be determined from time to time by our Board;

- with the exception of vacancies tendered to take effect at a future time, only a majority of our directors may fill any vacancies on our Board, including vacancies resulting from the removal of one or more directors or an increase in the number of directors constituting the full Board;
- our Bylaws establish an advance notice procedure for stockholders to submit proposed nominations of persons for election to our board of directors and other proposals for business to be brought before an annual meeting of our stockholders;
- the right to call special meetings of stockholders is limited to the Chairman of the Board and the President of the Corporation; and
- our By-laws may be amended by our stockholders or our Board.

Delaware Law. As a Delaware corporation, we are subject to certain anti-takeover provisions of the DGCL. Subject to certain exceptions, Section 203 of the DGCL prevents a publicly-held Delaware corporation from engaging in a “business combination” with any person that within the past three years was:

- the owner of 15% or more of the outstanding voting stock of the corporation (otherwise known as an “interested stockholder”); or
- was an affiliate or associate of an interested stockholder.

A “business combination” includes, among other things, a merger or consolidation involving the corporation and the interested stockholder and the sale of more than 10% of the corporation’s assets.

However, the above provisions of Section 203 do not apply if:

- the board of directors approves the transaction that made the stockholder an interested stockholder, prior to the date of the transaction;
- after the completion of the transaction that resulted in the stockholder becoming an interested stockholder, that stockholder owned at least 85% of the Company’s voting stock outstanding at the time the transaction commenced, other than statutorily excluded shares of Common Stock; or
- on or subsequent to the date of the transaction, the business combination is approved by the board of directors and authorized at a meeting of the Company’s stockholders, and not by written consent, by an affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Exclusive Forum Provision

Our Certificate of Incorporation provides that, unless we select or consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, and subject to applicable jurisdictional requirements, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, stockholder or employee of the Corporation to the Corporation or the Corporation’s shareholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, the Certificate of Incorporation or By-laws, or (iv) any action asserting a claim governed by the internal affairs doctrine; provided however, to the extent the Court of Chancery of the State of Delaware does not have jurisdiction, such claims or causes of action may only be brought in the United States District Court for the State of Delaware.

Transfer Agent and Registrar

Computershare Trust Company, N.A. is the transfer agent and registrar for our Common Stock.

Exhibit 10.30

CACI INTERNATIONAL INC 2016 AMENDED AND RESTATED INCENTIVE COMPENSATION PLAN

PERFORMANCE RESTRICTED STOCK UNIT GRANT AGREEMENT

This Performance Restricted Stock Unit Grant Agreement (the **"Agreement"**) is entered into by and between **CACI International Inc**, a Delaware corporation (the **"Company"** or **"CACI"**) and NAME (the **"Grantee")**, effective as of **DATE** (the **"Grant Date"**).

Recitals

WHEREAS, the 2016 Amended and Restated CACI International Incentive Compensation Plan (the **"Plan"**) was duly adopted by the CACI Board of Directors on September 20, 2016 and approved by the stockholders of the Company on November 17, 2016;

WHEREAS, the Plan provides for Awards to key employees of the Company, or its Subsidiaries and Affiliates;

WHEREAS, the Grantee has been determined to be a key employee who is entitled to an Award under the Plan; and

WHEREAS, the Company desires to provide the Grantee the opportunity to acquire stock ownership in the Company based on the performance of the Company, in order to provide the Grantee with a direct proprietary interest in the Company and to provide the Grantee with an incentive to remain in the employ of the Company or a Subsidiary or Affiliate of the Company.

NOW, THEREFORE, the Company and the Grantee covenant and agree as follows:

1. DEFINITIONS.

Under this Agreement, except where the context otherwise indicates, the following definitions apply:

(a) **"Account"** means the bookkeeping account maintained for the Grantee pursuant to Section 2.

(b) **"Agreement"** means this Performance Restricted Stock Unit Grant Agreement and shall include the applicable provisions of the Plan, which is hereby incorporated into and made a part of this Agreement.

(c) **"Cause"** means:

(1) gross negligence, willful misconduct or willful malfeasance by the Grantee in connection with the performance of any material duty for the Company or an Affiliate;

(2) the Grantee's commission or participation in any violation of any legal requirement or obligation relating to the Company (unless the Grantee had a reasonable good faith belief that the act, omission or failure to act in question was not a violation of such legal requirement or obligation) and such violation has materially and adversely affected the Company;

(3) the Grantee's conviction of, or plea of guilty or *nolo contendere,* to a crime committed during the course of his/her employment with the Company that the Committee, acting in good faith, reasonably determines is likely to have a material adverse effect on the reputation or business of the Company or a Subsidiary or Affiliate of the Company;

(4) theft, embezzlement or fraud by the Grantee in connection with the performance of his or her duties for the Company or a Subsidiary or Affiliate of the Company;

(5) a violation of any confidentiality agreement or obligation or non-compete agreement with the Company or a Subsidiary or Affiliate of the Company;

(6) a material violation of (i) the Company's Standards of Conduct, as the same may be amended and in effect from time to time, or (ii) any other published Company policy; or

(7) the diversion or appropriation of any material business opportunity.

If the written employment agreement between the Grantee and the Company provides a different definition of "Cause" (or other term that defines conduct on the part of the Grantee that permits the Company to terminate such written employment agreement without liability to the Grantee), that definition shall control and shall be substituted for the above in applying the Plan to the Grantee.

(d) **"Change in Control Date"** shall be the date (after the Grant Date) on which a Change in Control event is legally consummated and legally binding upon the parties.

(e) **"EPS"** means earnings per share of Stock calculated using fully diluted shares of Stock outstanding (i.e. including the impact of all convertible securities) from continuing operations before the cumulative effect of any change in accounting principles, as determined in accordance with GAAP and reflected in the Company's Consolidated Statements of Operations in its filing with the Securities and Exchange Commission, but without regard to any change in accounting standards that may be required by the Financial Accounting Standards Board after the Grant Date and modified so as to exclude any Extraordinary Items of Income.

(f) **"Extraordinary Items of Income"** means any amount of income or gain included in the calculation of the net income of the Company that the Committee, in its discretion, but acting in good faith, determines to be unusual in nature; provided, however, in no event will the revenue or income from an acquisition be deemed to be unusual in nature, to the extent revenue or income from such acquisition is consolidated and included with revenue and income of the Company for reporting purposes.

(g) **"First Year"** means the period beginning **YEAR 1 START DATE** and ending **YEAR 2 START DATE**.

(h) **"First Year At Risk RSUs"** means one-third (1/3) of the number of Total At Risk RSUs, rounded down to the nearest whole Performance RSU.

(i) **"First Year Earned RSUs"** means the Performance RSUs earned as provided in Section 3(a)(2) herein.

(j) **"First Year Ending Stock Price Average"** means the average of the closing prices per share of Stock during the First Year Measurement Period as reported by such registered national securities exchange on which the Stock is listed, or, if the Stock is not listed on such an exchange, as quoted on NASDAQ.

(k) **"First Year Measurement Period"** means the period beginning **YEAR 1 MEASUREMENT PERIOD START DATE** and ending **YEAR 1 MEASUREMENT PERIOD END DATE**.

(l) **"Fiscal Year"** means the fiscal year of the Company, which is currently July 1 through June 30.

(m) **"GAAP"** means U.S. generally accepted accounting principles, consistently applied.

(n) **"Good Reason Termination"** means the Grantee's Separation from Service resulting from the Grantee's resignation following the occurrence of any of the following circumstances without the Grantee's prior written consent:

(1) A material reduction in the Grantee's total compensation and benefit opportunity from that in effect on the day before the Change in Control Date (other than a reduction made by the Board, acting in good faith, based upon the performance of the Grantee, or to align the compensation and benefits of the Grantee with that of comparable executives, based on market data);

(2) A substantial adverse alteration in the conditions of the Grantee's employment from those in effect on the day before the Change in Control Date;

(3) A substantial adverse alteration in the nature or status of the Grantee's position or responsibilities from those in effect on the day before the Change in Control Date; or

(4) A change in the geographic location of the Grantee's job more than fifty (50) miles from the place at which such job was based on the day before the Change in Control Date.

Before the Grantee may resign for Good Reason, the Grantee must provide the Company at least thirty (30) days' prior written notice of his intent to resign for Good Reason and specify in reasonable detail the Good Reason upon which such resignation is based. The Company shall have a reasonable opportunity to cure any such Good Reason (that is susceptible of cure) within thirty (30) days after the Company's receipt of such notice. The Grantee's delay in providing such notice shall not be deemed to be a waiver of any such Good Reason, nor does the failure to resign for one Good Reason prevent any later Good Reason resignation for a similar or different reason.

(o) **"Grandfathered Executive"** means 1) a Grantee who, as of July 1, 2008, was age 62 or older and an employee of the Company (or a Subsidiary or Affiliate of the Company); or 2) a Grantee approved by the Committee.

(p) **"Grandfathered Retirement"** means, in the case of a Grandfathered Executive, the date of the Grantee's Separation from Service, on or after age 65, due to retirement following delivery of a Retirement Notice.

(q) **"Grant Date"** means **DATE**.

(r) **"Involuntary Termination Without Cause"** means a Separation from Service due to the Grantee's termination of employment by the Company without Cause.

(s) **"Maximum Earned RSUs"** means two hundred percent (200%) of the number of Performance RSUs stated in the Performance RSU Overview.

(t) **"Measurement Period"** means the period that includes the First Year Measurement Period, Second Year Measurement Period, and Third Year Measurement Period and which ends on **YEAR 3 MEASUREMENT PERIOD END DATE**.

(u) **"Performance RSU"** means a bookkeeping entry that represents an amount equivalent to one share of Stock.

(v) "**Performance RSU Overview**" means the Performance RSU Overview immediately following the signature lines of this Agreement.

(w) **"Plan"** means CACI International Inc 2016 Amended and Restated Incentive Compensation Plan, as amended from time to time.

(x) **"Retirement"** means the date of the Grantee's Separation from Service, on or after age 62, due to retirement following delivery of a Retirement Notice. The term "Retirement" excludes a Grandfathered Retirement.

(y) **"Retirement Notice"** means a written notice from the Grantee to the Committee of the Grantee's intention to have a Separation from Service due to Retirement or Grandfathered Retirement without any other employment in the information technology industry.

(z) **"Second Year"** means the period beginning **YEAR 2 START DATE** and ending **YEAR 2 END DATE**.

(aa) **"Second Year At Risk RSUs"** means one-third (1/3) of the number of Total At Risk RSUs, rounded down to the nearest whole RSU.

(bb) **"Second Year Earned RSUs"** means the RSUs earned as provided in Section 3(a)(3) herein.

(cc) **"Second Year Ending Stock Price Average"** means the average of the closing prices per share of Stock during the Second Year Measurement Period as reported by such registered national securities exchange on which the Stock is listed, or, if the Stock is not listed on such an exchange, as quoted on NASDAQ.

(dd) **"Second Year Measurement Period"** means the period beginning **YEAR 2 MEASUREMENT PERIOD START DATE** and ending **YEAR 2 MEASUREMENT PERIOD END DATE**.

(ee) **"Separation from Service"** means a Separation from Service, as defined in the Plan, of the Grantee from the Company (or a Subsidiary or Affiliate of the Company).

(ff) **"Service Requirement"** means the Grantee must have been in the continuous employment of the Company (or a Subsidiary or Affiliate of the Company) from the Grant Date through the applicable vesting anniversary of the Grant Date as provided in Section 3(b) without incurring a Separation from Service.

(gg) **"Specified Employee"** means a specified employee within the meaning of Code Section 409A(a)(2)(B)(i).

(hh) **"Starting Stock Price Average"** means **STARTING STOCK PRICE AVERAGE**, which is the average of the closing prices per share of the Stock for the 90 calendar-day period ending on the Grant Date (i.e., from **STOCK PRICE AVERAGE START DATE** through **STOCK PRICE AVERAGE END DATE**) as reported by such registered national securities exchange on which the Stock is listed.

(ii) **"Target Achievement Level"** means the First Year Ending Stock Price Average equals the Starting Stock Price Average at the end of the First Year Measurement Period; the Second Year Ending Stock Price Average equals the Starting Stock Price Average at the end of the Second Year Measurement Period; and Third Year Ending Stock Price Average equals the Starting Stock Price Average at the end of the Third Year Measurement Period.

(jj) **"Third Year"** means the period beginning **YEAR 3 START DATE** and ending **YEAR 3 END DATE**.

(kk) **"Third Year At Risk RSUs"** means the Total At Risk RSUs less the First Year At Risk RSUs and Second Year At Risk RSUs.

(ll) **"Third Year Earned RSUs"** means the RSUs earned as provided in Section 3(a)(4) herein.

(mm) **"Third Year Ending Stock Price Average"** means the average of the closing prices per share of Stock during the Third Year Measurement Period as reported by such registered national securities exchange on which the Stock is listed, or, if the Stock is not listed on such an exchange, as quoted on NASDAQ.

(nn) **"Third Year Measurement Period"** means the period beginning **YEAR 3 MEASUREMENT PERIOD START DATE** and ending **YEAR 3 MEASUREMENT PERIOD END DATE**.

(oo) **"Total At Risk RSUs"** means the number of Performance RSUs as stated in the Performance RSU Overview.

Any capitalized term used herein that is not expressly defined in this Agreement shall have the meaning that such term has under the Plan unless otherwise provided herein.

2. AWARD OF PERFORMANCE RSUs.

(a) **Grant of Performance RSUs**. Subject to the provisions of this Agreement and pursuant to the provisions of the Plan, the Committee hereby grants to the Grantee a Performance RSU Award on the Grant Date for the targeted number of Performance RSUs stated in the Performance RSU Overview representing the number of Performance RSUs that would be tentatively earned by the Grantee upon attainment by the Company of the Target Achievement Level and the EPS condition and which would vest upon the Grantee's completion of the Service Requirement. The Grantee shall be entitled to receive one share of Stock for each Performance RSU earned by the Grantee and vested pursuant to the terms of this Agreement. The number of Performance RSUs to which the Grantee would be entitled if the Target Achievement Level and EPS condition is attained by the Company, and the Service Requirement fully completed, shall be credited to the Grantee's Account as of the Grant Date. The Grantee's Account shall be the record of Performance RSUs granted to the Grantee hereunder and is solely for accounting purposes and shall not require a segregation of any assets of the Company. The Grantee shall not have the rights of a stockholder with respect to any Performance RSUs credited to the Grantee's Account until shares of Stock have been distributed to the Grantee pursuant to Section 4, and the Grantee's name has been entered as a stockholder of record on the books of the Company with respect to such distributed shares of Stock.

(b) **Dividend Equivalents**. If on any date prior to issuance of the shares of Stock subject to the Performance RSUs, the Company shall pay any dividend on the Stock (other than a dividend payable in shares of Stock), the number of Performance RSUs that are ultimately earned by the Grantee pursuant to Section 3 shall as of the date such Performance RSUs are earned, be increased by an amount equal to: (A) the product of the number of Performance RSUs earned by the Grantee pursuant to Section 3 (with such RSUs being treated, for purposes of this provision, as if they had been credited to the Grantee's Account as of the record date for such dividend), multiplied by the per share amount of any dividend (or, in the case of any dividend payable in property other than cash, the per share value of such dividend, as determined in good faith by the Board of Directors of the Company), divided by (B) the Fair Market Value of a share of Stock on the payment date of such dividend. In the case of any dividend declared on Stock which is payable in shares of Stock, the number of Performance RSUs credited to the Grantee shall be increased by a number equal to the product of (X) the aggregate number of Performance RSUs that are earned by the Grantee pursuant to Section 3 (with such RSUs being treated, for purposes of this provision, as if they had been credited to the Grantee's Account through the related dividend record date), multiplied by (Y) the number of shares of Stock (including any fraction thereof) payable as a dividend on a share of Stock. The Grantee shall have no right to the payment of any dividends either declared or accrued on shares of Stock subject to the Performance RSUs for any period prior to the date of issuance of the Stock.

3. PERFORMANCE, VESTING AND OTHER RESTRICTIONS.

The Performance RSUs shall become earned and vested only upon, and to the extent of, the satisfaction of the Performance Measures (as defined in the Plan) and the completion of the employment requirements set forth below.

(a) Performance Measures.

(1) EPS Condition. No Performance RSUs shall become tentatively earned under this Section 3(a) in the event the EPS for the fiscal year of the Company ending **FISCAL YEAR END DATE** is less than **EPS THRESHOLD**. If such EPS condition is satisfied (i.e., if EPS for the fiscal year of the Company ending **FISCAL YEAR END DATE** is at least **EPS THRESHOLD**), the Grantee shall, subject to satisfaction of the Performance Measures set forth in this Section 3, tentatively earn the following number of Performance RSUs:

(A) the number of Performance RSUs granted in the Performance RSU Overview, plus or minus

(B) the number of Performance RSUs determined in Sections 3(a)(2), 3(a)(3), and 3(a)(4).

(2) First Year Average Stock Price Condition. Subject to satisfying the EPS condition in Section 3(a)(1) above, the number of Performance RSUs in Section 3(a)(1)(A) above shall either be increased or decreased by the following number of Performance RSUs:

(A) The First Year At Risk RSUs multiplied by the percentage, if any, (subject to the cap on increases below) by which the First Year Ending Stock Price Average exceeds the Starting Stock Price Average, or

(B) The First Year At Risk RSUs multiplied by the percentage, if any, by which the Starting Stock Price Average exceeds the First Year Ending Stock Price Average.

(3) Second Year Average Stock Price Condition. Subject to satisfying the EPS condition in Section 3(a)(1) above, the number of Performance RSUs in Section 3(a)(1)(A) above shall either be increased or decreased by the following number of Performance RSUs:

(A) The Second Year At Risk RSUs multiplied by the percentage, if any, (subject to the cap on increases below) by which the Second Year Ending Stock Price Average exceeds the Starting Stock Price Average, or

(B) The Second Year At Risk RSUs multiplied by the percentage, if any, by which the Starting Stock Price Average exceeds the Second Year Ending Stock Price Average.

(4) **__Third Year Average Stock Price Condition__.** Subject to satisfying the EPS condition in Section 3(a)(1) above, the number of Performance RSUs in Section 3(a)(1)(A) above shall either be increased or decreased by the following number of RSUs:

(A) The Third Year At Risk RSUs multiplied by the percentage, if any, (subject to the cap on increases below) by which the Third Year Ending Stock Price Average exceeds the Starting Stock Price Average, or

(B) The Third Year At Risk RSUs multiplied by the percentage, if any, by which the Starting Stock Price Average exceeds the Third Year Ending Stock Price Average.

The total increase in Sections 3(a)(2)(A), 3(a)(3)(A), and 3(a)(4)(A) above shall be capped at the Maximum Earned RSUs, such that the number of Performance RSUs tentatively earned in this Agreement shall be capped at two hundred percent (200%) of the number of Performance RSUs in Section 3(a)(1)(A) above (plus any Performance RSUs earned as the result of dividend equivalents under Section 2(b)). Therefore, any excess earned based on the First Year Average Stock Price Condition, Second Year Average Stock Price Condition, and/or Third Year Average Stock Price Condition will not result in any additional Performance RSUs being tentatively earned under this Agreement beyond the Maximum Earned RSUs.

(b) **__Vesting Following Measurement Period__.** Performance RSUs which are tentatively earned under Section 3(a) above shall become earned and vested as follows:

(1) **__Completion of Service Requirement__**. Except as otherwise provided in this Section 3(b),

(A) Fifty percent (50%) of the Performance RSUs which were tentatively earned under Section 3(a) above shall become earned and vested on **__FIRST VESTING DATE__**, provided the Grantee remains in the continuous employment of the Company (or a Subsidiary or Affiliate of the Company) from the Grant Date through **__FIRST VESTING DATE__**; and

(B) an additional fifty percent (50%) of the Performance RSUs which were tentatively earned under Section 3(a) above shall become earned and vested on **__SECOND VESTING DATE__**, provided the Grantee remains in the continuous employment of the Company (or a Subsidiary or Affiliate of the Company) from the Grant Date through **__SECOND VESTING DATE__**.

(2) **__Retirement; Involuntary Termination Without Cause.__** Upon the Grantee's Retirement or Involuntary Termination Without Cause following the end of the

Measurement Period and prior to the fourth year anniversary of the Grant Date, then in lieu of vesting under Section 3(b)(1) above, the Grantee shall vest in the Performance RSUs tentatively earned under Section 3(a) at the rate of one forty-eighth (1/48th) of such Performance RSUs for each full month of employment with the Company (or a Subsidiary or Affiliate of the Company) completed by the Grantee following the Grant Date and prior to Retirement or Involuntary Termination Without Cause, less the number, if any, of Performance RSUs that previously vested under Section 3(b)(1) above.

(3) **Grandfathered Retirement.** Upon the Grandfathered Retirement of the Grantee following the end of the Measurement Period and prior to the fourth year anniversary of the Grant Date, any Performance RSUs which had not previously become earned and vested, but which were tentatively earned under Section 3(a) above, shall become earned and vested on such date.

(4) **Disability or Death.** If there is a Separation from Service of the Grantee after the end of the Measurement Period and prior to the fourth year anniversary of the Grant Date due to Disability or death, then any Performance RSUs which had not previously become earned and vested, but which were tentatively earned under Section 3(a) above, shall become earned and vested on the date of the Grantee's Separation from Service due to Disability or death.

(5) **Change in Control.** If after the end of the Measurement Period and prior to the fourth year anniversary of the Grant Date, there is a Change in Control of the Company that qualifies as a "change in ownership or control" under Treas. Regs. § 1.409A-3(i)(5) and a Good Reason Termination or Involuntary Termination Without Cause occurs during such time period, then any Performance RSUs which had not previously become earned and vested, but which were tentatively earned under Section 3(a) above, shall become earned and vested upon the date of Separation from Service due to such Good Reason Termination or Involuntary Termination Without Cause, and Sections 3(b)(1), (2), (3) and (4) above shall no longer thereafter apply.

(c) **Effect of Separation from Service, Change in Control, Death or Disability During First Year**.

(1) **Separation from Service.** Except as provided in Sections 3(c)(2), (3), (4) and (5) below, if the Grantee incurs a Separation from Service for any reason during the First Year, all Performance RSUs shall be forfeited.

(2) **Retirement; Grandfathered Retirement; Involuntary Termination Without Cause.** If the Grantee incurs a Separation from Service during the First Year due to Retirement, Grandfathered Retirement or Involuntary Termination Without Cause, the Grantee shall vest, on the date of Separation from Service, in any Performance RSUs tentatively earned under Sections 3(a)(1) and 3(a)(2) at the rate of one forty-eighth (1/48th) of such Performance RSUs for each full month of employment with the Company (or a Subsidiary or Affiliate of the Company) completed by the Grantee following the Grant Date and prior to Retirement, Grandfathered Retirement or Involuntary Termination Without Cause; provided, however, that the Total At Risk RSUs shall be used in place of the First Year At Risk RSUs.

(3) **Disability**. If the Grantee incurs a Separation from Service during the First Year due to the Grantee's Disability, the Grantee shall become vested, on the date of Separation from Service, in the number of Performance Shares tentatively earned under Sections 3(a)(1) and 3(a)(2) above; provided, however, that the Total At Risk RSUs shall be used in place of the First Year At Risk RSUs.

(4) **Death.** If the Grantee incurs a Separation from Service during the First Year due to the Grantee's death, the Grantee shall become vested, on the date of Separation from Service, in the number of Performance Shares tentatively earned under Sections 3(a)(1) and 3(a)(2) above; provided, however, that the Total At Risk RSUs shall be used in place of the First Year At Risk RSUs.

(5) **Change in Control.** If there is a Change in Control of the Company during the First Year that qualifies as a "change in ownership or control" under Treas. Regs. § 1.409A-3(i)(5):

(A) The Grantee shall earn two hundred percent (200%) of the number of Performance RSUs that would have been achieved at the Target Achievement Level without regard to the EPS condition in Section 3(a)(1); and

(B) If within twenty-four (24) months after such Change in Control there is a Good Reason Termination or an Involuntary Termination Without Cause, then the Performance RSUs earned under (A) above shall become fully vested on the date of Separation from Service.

(d) **Effect of Separation from Service, Change in Control, Death or Disability During Second Year**.

(1) **Separation from Service.** Except as provided in Sections 3(d)(2), (3), (4) and (5) below, if the Grantee incurs a Separation from Service for any reason during the Second Year, all Performance RSUs shall be forfeited.

(2) **Retirement; Involuntary Termination Without Cause.** If the Grantee incurs a Separation from Service during the Second Year due to Retirement or Involuntary Termination Without Cause, the Grantee shall vest, on the date of Separation from Service, in any Performance RSUs tentatively earned under Sections 3(a)(1), 3(a)(2), and 3(a)(3) at the rate of one forty-eighth (1/48th) of such Performance RSUs for each full month of employment with the Company (or a Subsidiary or Affiliate of the Company) completed by the Grantee following the Grant Date and prior to Retirement or Involuntary Termination Without Cause; provided, however, that the sum of the Second Year At Risk RSUs and Third Year At Risk RSUs shall be used in place of the Second Year At Risk RSUs.

(3) **Grandfathered Retirement.** Upon the Grandfathered Retirement of the Grantee during the Second Year, the Grantee shall become vested, on the date of Separation from Service, in the number of Performance Shares tentatively earned under Sections 3(a)(1), 3(a)(2) and 3(a)(3); provided, however, that the sum of the Second Year At Risk RSUs and

Third Year At Risk RSUs shall be used in place of the Second Year At Risk RSUs, and the First Year Ending Stock Price Average shall be used in place of the Second Year Ending Stock Price Average.

(4) <u>**Disability**</u>. If the Grantee incurs a Separation from Service during the Second Year due to the Grantee's Disability, the Grantee shall become vested, on the date of Separation from Service, in the number of Performance Shares tentatively earned under Sections 3(a)(1), 3(a)(2) and 3(a)(3); provided, however, that the sum of the Second Year At Risk RSUs and Third Year At Risk RSUs shall be used in place of the Second Year At Risk RSUs, and the First Year Ending Stock Price Average shall be used in place of the Second Year Ending Stock Price Average.

(5) <u>**Death**</u>**.** If the Grantee incurs a Separation from Service during the Second Year due to the Grantee's death, the Grantee shall become vested, on the date of Separation from Service, in the number of Performance Shares tentatively earned under Sections 3(a)(1), 3(a)(2) and 3(a)(3); provided, however, that the sum of the Second Year At Risk RSUs and Third Year At Risk RSUs shall be used in place of the Second Year At Risk RSUs, and the First Year Ending Stock Price Average shall be used in place of the Second Year Ending Stock Price Average.

(6) <u>**Change in Control**</u>**.** If there is a Change in Control of the Company during the Second Year that qualifies as a "change in ownership or control" under Treas. Regs. § 1.409A-3(i)(5):

(A) The Grantee shall earn (i) the First Year Earned RSUs, plus (ii) either two hundred percent (200%) of the sum of the Second Year At Risk RSUs and Third Year At Risk RSUs, or the Maximum Earned RSUs, whichever is lower; and

(B) If within twenty-four (24) months after such Change in Control there is a Good Reason Termination or an Involuntary Termination Without Cause, then the Performance RSUs earned under (A) above shall become fully vested on the date of Separation from Service.

(e) <u>**Effect of Separation from Service, Change in Control, Death or Disability During Third Year**</u>.

(1) <u>**Separation from Service**</u>**.** Except as provided in Sections 3(e)(2), (3), (4) and (5) below, if the Grantee incurs a Separation from Service for any reason during the Third Year, all Performance RSUs shall be forfeited.

(2) <u>**Retirement; Involuntary Termination Without Cause**</u>**.** If the Grantee incurs a Separation from Service during the Third Year due to Retirement or Involuntary Termination Without Cause, the Grantee shall vest, on the date of Separation from Service, in any Performance RSUs tentatively earned under Section 3(a) at the rate of one forty-eighth (1/48th) of such Performance RSUs for each full month of employment with the Company (or a

Subsidiary or Affiliate of the Company) completed by the Grantee following the Grant Date and prior to Retirement or Involuntary Termination Without Cause.

(3) **Grandfathered Retirement.** Upon the Grandfathered Retirement of the Grantee during the Third Year, the Grantee shall become vested, on the date of Separation from Service, in the number of Performance Shares tentatively earned under Section 3(a) above; provided, however, that the Second Year Ending Stock Price Average shall be used in place of the Third Year Ending Stock Price Average.

(4) **Disability**. If the Grantee incurs a Separation from Service during the Third Year due to the Grantee's Disability, the Grantee shall become vested, on the date of Separation from Service, in the number of Performance Shares tentatively earned under Section 3(a) above; provided, however, that the Second Year Ending Stock Price Average shall be used in place of the Third Year Ending Stock Price Average.

(5) **Death.** If the Grantee incurs a Separation from Service during the Third Year due to the Grantee's death, the Grantee shall become vested, on the date of Separation from Service, in the number of Performance Shares tentatively earned under Section 3(a) above; provided, however, that the Second Year Ending Stock Price Average shall be used in place of the Third Year Ending Stock Price Average.

(6) **Change in Control.** If there is a Change in Control of the Company during the Third Year that qualifies as a "change in ownership or control" under Treas. Regs. § 1.409A-3(i)(5):

(A) The Grantee shall earn (i) the First Year Earned RSUs, plus (ii) either the Second Year Earned RSUs plus two hundred percent (200%) of the Third Year At Risk RSUs, or the Maximum Earned RSUs, whichever is lower; and

(B) If there is a Good Reason Termination or an Involuntary Termination Without Cause, then the Performance RSUs earned under (A) above shall become fully vested on the date of Separation from Service.

(f) **Examples**. Hypothetical examples of the calculations of earned and vested Performance RSUs based on certain assumptions appear in Appendices A, B, C, D and E. Such hypothetical examples are presented solely as illustrations of the calculation methodology.

(g) **Committee Determination**. The Performance Measures in Section 3(a) are evaluated independently by the Committee. The Committee shall determine and certify the extent to which the Performance Measures have been met following the end of the Measurement Period and the number of Performance RSUs tentatively earned and the number earned and vested by the Grantee hereunder. The Committee's determinations shall be binding and conclusive on all parties. Performance RSUs shall not be deemed to have been tentatively earned until the Committee's determination and certification as to the attainment of the respective Performance Measures has been completed. The Committee may not exercise discretion to increase the amount earned or vested and/or the shares of Stock otherwise due based on the extent to which the Performance Measures are met.

(h) **Employment Requirement; Forfeiture.**

(1) **General.** Except as otherwise provided in Sections 3(b), (c), (d), or (e), in order to become vested in (i.e., earn) Performance RSUs under the terms of this Agreement, the Performance RSUs must be tentatively earned under Section 3(a) and the Grantee must meet the Service Requirement. The Grantee shall not be deemed to meet the Service Requirement if the Grantee incurs a Separation from Service, even if the Grantee is receiving severance in the form of salary continuation through the regular payroll system. Any portion of the Performance RSUs which have not yet or do not become earned and vested under Section 3(b), (c), (d), or (e), as of the date Grantee incurs a Separation from Service, shall be forfeited, except to the extent otherwise provided in Sections 3(b), (c), (d), or (e). Any Performance RSUs then credited to the Grantee's Account which are determined by the Committee to have not been tentatively earned under Section 3(a) following the end of the Measurement Period shall be forfeited.

(2) **Adjustment of Award.** In the event it is determined that a Performance RSU was paid based on incorrect financial results, the Committee will review a Performance RSU paid to the Grantee**.** If the amount of any payment under a Performance RSU would have been lower had the level of achievement of applicable Performance Measures been calculated based on the correct financial results, the Committee may, in its sole discretion, adjust (i.e., lower) the amount of such payment so that it reflects the amount that would have been paid based on the correct financial results and, to the extent permitted by applicable law, require the reimbursement of any amount paid to or received by the Grantee with respect to such Performance RSU. Additionally, payments under this Agreement are subject to recovery by the Company to the extent required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the Sarbanes-Oxley Act of 2002 and any regulations promulgated thereunder.

(3) **Forfeiture of Award and Right to Payments.**

(A) In the event that the Grantee incurs a Separation from Service due to termination by the Company for Cause then, in such event, the Grantee shall forfeit all rights to the Performance RSUs and shall repay to the Company all shares of Stock received by the Grantee with respect to such Performance RSUs or the Fair Market Value of such shares of Stock if no longer in the Grantee's possession on or after the date of the act giving rise to the Grantee's termination for Cause.

(B) In the event that, following the Grantee's Separation from Service, the Company discovers that, during the course of his/her employment with the Company, the Grantee committed an act that would have given rise to a termination for Cause, then, in such event, the Grantee shall forfeit all outstanding rights to the Performance RSUs. Further, the Grantee agrees and undertakes to repay to the Company all shares of Stock received by the Grantee or the Fair Market Value of such shares of Stock if no longer in the Grantee's possession on or after the date of such act or violation.

4. ISSUANCE OF SHARES.

(a) Issuance of Shares. The Company shall establish an account for the Grantee at UBS Financial Services, Inc., or such other similar organization which provides stock administration services to the Company, and transfer into such account shares of Stock equal in number to the number of Performance RSUs that the Committee determines have become earned and vested (except for any shares of Stock which are withheld to satisfy any tax withholding requirement) as soon as practical after the earlier of the following dates (but no later than the 15th day of the third calendar month following the applicable date):

(1) The date on which the Performance RSUs have been earned and vested under Sections 3(b), (c), (d), and (e), based on the determination of the Committee;

(2) The September 30th next following the end of the First Year Measurement Period, Second Year Measurement Period, or Third Year Measurement Period as to Performance RSUs which have been earned and vested under Section 3(c), (d), or (e), based on the determination of the Committee; provided, however, that to the extent the Performance RSUs are nonqualified deferred compensation subject to Code Section 409A, and to which an exception to Code Section 409A does not apply, any distribution to the Grantee, if the Grantee is a Specified Employee, on account of a Separation from Service shall be made within the thirty (30) day period after the first day of the seventh month following the date of Separation from Service (or, if earlier, the date of the Grantee's death),

(3) Separation from Service following the First Year Measurement Period, Second Year Measurement Period, or Third Year Measurement Period on account of Disability, Grandfathered Retirement, Involuntary Termination Without Cause or Retirement; provided, however, that to the extent the Performance RSUs are nonqualified deferred compensation subject to Code Section 409A, and to which an exception to Code Section 409A does not apply, any distribution to the Grantee, if the Grantee is a Specified Employee, on account of a Separation from Service shall be made within the thirty (30) day period after the first day of the seventh month following the date of Separation from Service (or, if earlier, the date of the Grantee's death),

(4) Separation from Service on account of a Good Reason Termination within twenty-four (24) months after a Change in Control (provided that such Change in Control qualifies as a "change in ownership or control" under Treas. Reg. §1.409A-3(i)(5)); provided, however, that to the extent the Performance RSUs are nonqualified deferred compensation subject to Code Section 409A, and to which an exception to Code Section 409A does not apply, any distribution to the Grantee, if the Grantee is a Specified Employee, on account of a Separation from Service shall be made within the thirty (30) day period after the first day of the seventh month following the date of Separation from Service (or, if earlier, the date of the Grantee's death), or

(5) The date of death of the Grantee.

In the event of any amendment to this Agreement that affects the date of vesting under Section 3(b)(1) or 3(c)(2), the date of distribution under Section 4(a)(1) above shall be determined without regard to any such amendment.

Upon issuance, such shares of Stock shall be registered on the Company's books in the name of the Grantee in full payment and satisfaction of such Performance RSUs.

(b) **Transfer Restrictions.** Transfer of the shares of Stock shall be subject to the Company's trading policies and any applicable securities laws or regulations governing transferability of shares of the Company.

(c) **Securities Regulations.** No Stock shall be issued hereunder until the Company has received all necessary stockholder and regulatory approvals and has taken all necessary steps to assure compliance with federal and state securities laws or has determined to its satisfaction and the satisfaction of its counsel that an exemption from the requirements of the federal and applicable state securities laws are available. To the extent applicable, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 under the U. S. Securities and Exchange Act of 1934. Any ambiguities or inconsistencies in the construction of this Agreement or the Plan shall be interpreted to give effect to such intention. However, to the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void to the extent permitted by law and deemed advisable by the Committee in its discretion.

(d) **Fractional Shares.** No fractional shares or scrip representing fractional shares of Stock shall be issued pursuant to this Agreement. If, upon the issuance of shares of Stock under this Agreement, the Grantee would be entitled to a fractional share of Stock, the number of shares to which the Grantee is entitled shall be rounded down to the next lower whole number.

(e) **Beneficiary**.

(1) The Grantee may, from time to time, designate a beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of the Grantee's death before the Grantee has received all benefits to which the Grantee would have been entitled under this Agreement. Each designation of beneficiary shall revoke all prior designations by the Grantee, shall be in a form prescribed by the Committee, and will be effective only when received in writing by the Committee. The last valid beneficiary designation received shall be controlling; provided, however, that no beneficiary designation, or change or revocation thereof, shall be effective unless received prior to the Grantee's death.

(2) If no valid and effective beneficiary designation exists at the time of the Grantee's death, or if no designated beneficiary survives the Grantee, or if the Grantee's beneficiary designation is invalid under the law, any benefit payable hereunder shall be made to the Grantee's surviving spouse, if any, or if there is no such surviving spouse, to the executor or administrator of the Grantee's estate. If the Committee is in doubt as to the right of any person to receive payment of any benefit hereunder, the Committee may direct that the amount of such benefit be paid into a court of competent jurisdiction in an interpleader action, and such payment into court shall fully and completely discharge any liability or obligation of the Plan, CACI, the Committee, or the Board of Directors of CACI under this Agreement.

5. **MISCELLANEOUS**.

(a) **No Restriction on Company Authority**. The award of Performance RSUs to the Grantee pursuant to this Agreement shall not affect in any way the right or power of CACI or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in CACI's capital structure or its business, or any merger or consolidation of CACI, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the common stock or the rights thereof, or the dissolution or liquidation of CACI, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) **Adjustment of Performance RSUs**. Except as hereinbefore expressly provided, if CACI shall effect a subdivision or consolidation of shares of Stock or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of Stock outstanding, without receiving compensation therefore in money, services or property, the number and class of shares of Stock represented by the Performance RSUs granted pursuant to this Agreement and credited to the Grantee's Account shall be appropriately adjusted by the Committee in accordance with the terms of the Plan in such a manner as to represent the same total number of Performance RSUs that the owner of an equal number of outstanding shares of Stock would own as a result of the event requiring the adjustment.

(c) **No Adjustment Otherwise**. Except as hereinbefore expressly provided, the issue by CACI of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefore, or upon conversion of shares or obligations of CACI convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock represented by the Performance RSUs granted pursuant to this Agreement.

(d) **Performance RSUs Nontransferable**. Performance RSUs are not transferable by the Grantee by means of sale, assignment, exchange, pledge, hypothecation, or otherwise.

(e) **Obligation Unfunded.** The obligation of the Company with respect to Performance RSUs granted hereunder shall be interpreted solely as an unfunded contractual obligation to make payments of Stock in the manner and under the conditions prescribed under this Agreement. Any shares or other assets set aside with respect to amounts payable under this Agreement shall be subject to the claims of the Company's general creditors, and no person other than the Company shall, by virtue of the provisions of the Plan or this Agreement, have any interest in such assets. In no event shall any assets set aside (directly or indirectly) with respect to amounts payable under this Agreement be located or transferred outside the United States. Neither the Grantee nor any other person shall have any interest in any particular assets of the Company by reason of the right to receive a benefit under this Agreement, and the Grantee or any such other person shall have only the rights of a general unsecured creditor of the Company with respect to any rights under the Plan or this Agreement.

(f) **Withholding Taxes.** The Company shall effect a withholding of shares of Stock to be issued hereunder in such number whose aggregate Fair Market Value at such time equals the total amount of any federal, state or local taxes or any applicable taxes or other withholding of any jurisdiction required by law to be withheld as a result of the issuance of the Stock in whole or in part; provided, however, that the value of the Stock withheld by the Company may not exceed the statutory minimum withholding amounts required by law. In lieu of such deduction, the Company may permit the Grantee to make a cash payment to the Company equal to the amount required to be withheld.

(g) **Impact on Other Benefits.** The value of the Performance RSUs (either on the Grant Date or at the time, if ever, the Performance RSUs are vested) shall not be includable as compensation or earnings for purposes of any other benefit plan offered by the Company.

(h) **Compliance With Code Section 409A.** Notwithstanding anything herein to the contrary, no amount shall be paid earlier than the earliest date permitted under Section 409A of the Code or an exception thereto. The terms of this Agreement are intended to comply with the provisions of Section 409A of the Code or an exception thereto and if any provision is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of the interpretation or construction which is consistent with the Agreement complying with the provisions of Section 409A or an exception thereto. CACI makes no representations as to the tax consequences of the award of Performance RSUs to the Grantee or their vesting (including, without limitation, under Section 409A of the Code, if applicable). The Grantee understands and agrees that the Grantee is solely responsible for any and all income, employment or other taxes imposed on the Grantee with respect to the award.

(i) **Right to Continued Employment.** Nothing in the Plan or this Agreement shall be construed as a contract of employment between the Company (or a Subsidiary or Affiliate of the Company) and the Grantee, or as a contractual right of the Grantee to continue in the employ of the Company (or a Subsidiary or Affiliate of the Company), or as a limitation of the right of the Company (or a Subsidiary or Affiliate of the Company) to discharge the Grantee at any time.

(j) **Governing Law.** This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware.

(k) **Arbitration.** Any dispute between the parties hereto arising under or relating to this Agreement shall be resolved in accordance with the procedures of the American Arbitration Association. Any resulting hearing shall be held in the Washington, DC metropolitan area. The resolution of any dispute achieved through such arbitration shall be binding and enforceable by a court of competent jurisdiction**.**

(l) **Successors.** This Agreement shall be binding upon and insure to the benefit of the successors, assigns and heirs of the respective parties.

(m) **Headings.** Headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this agreement.

(n) **Notices.** All notices and other communications made or given pursuant to the Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by first class or certified mail, addressed to the Grantee at the address contained in the records of the Company, or addressed to the Committee, care of the Company for the attention of its Secretary at its principal office or, if the receiving party consents in advance, transmitted and received via telecopy or via such other electronic transmission mechanism as may be available to the parties.

(o) **Entire Agreement; Modification.** The Agreement contains the entire agreement between the parties with respect to the subject matter contained herein and may not be modified, except as provided in the Plan or in a written document signed by each of the parties hereto.

(p) **Code Section 162(m).** This Performance Share Grant Agreement, to the extent the Grantee is a Covered Employee, as defined in the Plan, is intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Code. As such, this Agreement shall be subject to the restrictions set forth in Section 10(b) of the Plan.

(q) **Conformity with Plan.** This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan, which is incorporated herein by reference. Unless stated otherwise herein, capitalized terms in this Agreement shall have the same meaning as defined in the Plan. Inconsistencies between this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in the Agreement or any matters as to which the Agreement is silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (i) interpret the Plan and Grant Agreements related thereto, (ii) prescribe, amend and rescind rules and regulations relating to the Plan, and (iii) make all other determinations deemed necessary or advisable for the administration of the Plan. The Grantee acknowledges by signing this Agreement that he or she has reviewed a copy of the Plan.

(r) **Counterparts**. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Company has caused this Performance RSU Grant Agreement to be executed by its duly authorized officer, and the Grantee has hereunto set his or her hand and seal, on the date(s) written below.

CACI INTERNATIONAL INC

By: ______________________________________
J. William Koegel, Jr., General Counsel

Date: _________________________________

By: ______________________________________
Name

Date: _________________________________

PERFORMANCE RSU OVERVIEW

Number Performance RSUs Being Granted
(at the Target Achievement Level): **X,XXX**
Grant Date: **GRANT DATE**

Exhibit 21.1

Subsidiaries of the Registrant

CACI, INC. – FEDERAL, a Delaware corporation

CACI, LLC – COMMERCIAL, a Delaware limited liability company

CACI NSS, LLC, a Delaware limited liability company

CACI N.V., a Netherlands corporation

CACI Limited, a United Kingdom private company limited by shares

CACI Technologies, LLC, a Virginia limited liability company (also does business as “CACI Productions Group”)

CACI Dynamic Systems, LLC, a Virginia limited liability company

CACI Premier Technology, LLC, a Delaware limited liability company

CACI Enterprise Solutions, LLC, a Delaware limited liability company

CACI-ISS, LLC, a Delaware limited liability company

CACI Technology Insights, LLC, a Virginia limited liability company

CACI-CMS Information Systems, LLC, a Virginia limited liability company

CACI-WGI, LLC, a Delaware limited liability company (also does business as “The Wexford Group International”)

CACI-Athena, LLC, a Delaware limited liability company

CACI Products Company, a Delaware corporation

LGS Innovations LLC, a Delaware limited liability company

Six3 Systems, LLC, a Delaware limited liability company

Six3 Advanced Systems, Inc., a Virginia corporation

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1) Registration Statement (Form S-8 No. 333-148032) pertaining to the 2016 Amended and Restated Incentive Compensation Plan,
2) Registration Statement (Form S-8 No. 333-146505) pertaining to the 2002 Employee Stock Purchase Plan,
3) Registration Statement (Form S-8 No. 333-146504) pertaining to the CACI $MART Plan,
4) Registration Statement (Form S-8 No. 333-104118) pertaining to the 2002 Employee, Management, and Director Stock Purchase Plans, as amended,
5) Registration Statement (Form S-8 No. 333-91676) pertaining to the CACI $MART Plan,
6) Registration Statement (Form S-8 No. 333-157093) pertaining to the 2016 Amended and Restated Incentive Compensation Plan,
7) Registration Statement (Form S-8 No. 333-164710) pertaining to the 2002 Employee Stock Purchase Plan, as amended,
8) Registration Statement (Form S-8 No. 333-179392) pertaining to the 2016 Amended and Restated Incentive Compensation Plan, and
9) Registration Statement (Form S-8 No. 333-193781) pertaining to the 2002 Employee Stock Purchase Plan, as amended;

of our reports dated August 14, 2020, with respect to the consolidated financial statements of CACI International Inc and the effectiveness of internal control over financial reporting of CACI International Inc included in this Annual Report (Form 10-K) of CACI International Inc for the year ended June 30, 2020.

/s/ Ernst & Young LLP

Tysons, Virginia
August 14, 2020

Exhibit 31.1

Section 302 Certification

I, John S. Mengucci certify that:

1. I have reviewed this Annual Report on Form 10-K, of CACI International Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financing reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the designs or operation of internal control over financial reporting which are reasonably likely to affect the Registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 14, 2020

/s/ John S. Mengucci

John S. Mengucci
President,
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

Section 302 Certification

I, Thomas A. Mutryn, certify that:

1. I have reviewed this Annual Report on Form 10-K, of CACI International Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financing reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the designs or operation of internal control over financial reporting which are reasonably likely to affect the Registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: August 14, 2020

/s/ Thomas A. Mutryn

Thomas A. Mutryn
Executive Vice President, Chief Financial Officer
and Treasurer
(Principal Financial Officer)

Exhibit 32.1

Section 906 Certification

In connection with the Annual Report on Form 10-K of CACI International Inc (the “Company”) for the fiscal year ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned President and Chief Executive Officer of the Company certifies, to the best of his knowledge and belief pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2020

/s/ JOHN S. MENGUCCI

John S. Mengucci
President,
Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 32.2

Section 906 Certification

In connection with the Annual Report on Form 10-K of CACI International Inc (the "Company") for the fiscal year ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Executive Vice President, Chief Financial Officer and Treasurer of the Company certifies, to the best of his knowledge and belief pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2020

/s/ Thomas A. Mutryn

Thomas A. Mutryn
Executive Vice President, Chief Financial Officer
and Treasurer
(Principal Financial Officer)