

CACI INTERNATIONAL INC /DE/

FORM 8-K (Unscheduled Material Events)

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Industry	Computer Services
Sector	Technology
Fiscal Year	06/30

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report

January 16, 1996

CACI International Inc

(Exact name of registrant as specified in its Charter)

Delaware

(State or other jurisdiction of incorporation)

0-8401

(Commission File Number)

54-1345888

(IRS Employer Identification No.)

1100 N. Glebe Road

Arlington, Virginia 22201

(Address of principal executive offices) (Zip Code)

(703) 841-7800

(Registrant's telephone number, including area code)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

Effective January, 1996, CACI, Inc., a wholly-owned subsidiary of the Company (CACI) purchased all of the outstanding shares of the common stock of IMS Technologies, Inc. (IMS) for \$6.5 million in cash. The purchase was funded through the Company's line of credit with Signet Bank, and, based upon current forecasts, is expected to provide at least \$0.05 in earnings per share during the first full year of operations. The terms of the agreement also provide for the payment of consulting fees of \$1.5 million over three years to four founders of IMS. The Company previously announced the signing of a Letter of Intent to acquire IMS on October 27, 1995.

As a result of the acquisition, approximately 285 new employees, generating approximately \$21 million in annual revenue, have joined CACI. IMS provides a wide range of computer services, including consulting, programming, communications design and installation, software development, and systems integration, for a variety of applications under U.S. Federal Government and commercial contracts. Major government clients of IMS include the U.S. Navy, the Departments of Justice and Education, the Drug Enforcement Agency, the Social Security Administration, and the Internal Revenue Service. IMS has major offices in Rockville, MD, Dahlgren, VA, Arlington, VA, New Orleans, LA and Cherry Point, NC.

A copy of the Company's January 2, 1996 press release regarding the acquisition of IMS is attached as an Exhibit to this Report on Form 8-K.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a)(4)(iv) Consolidated Financial Statements of IMS for the years ended September 30, 1995 and 1994 and Independent Auditors' Report; and

Unaudited Financial Statements of IMS for the period ending December 2, 1995.

(b) Pro forma financial information of the Company for the year ended June 30, 1995; and

Pro forma financial information of the Company for the quarter ended September 30, 1995.

The following pro forma condensed consolidated statements of operations for the year ended June 30, 1995 and the quarter ended September 30, 1995, and the pro forma consolidated balance sheet as of September 30, 1995 are unaudited and have been prepared on a pro forma basis to give effect to the acquisition (accounted for as a purchase) of the business and substantially all of the assets of IMS as if all transactions had occurred on July 1, 1995.

The pro forma condensed consolidated statements of operations do not purport to represent what the Company's result of operations would actually have been had the transaction in fact occurred at the beginning of the respective fiscal period, or to project the Company's results of operations for any future periods. The pro forma adjustments are based upon available

information and upon certain assumptions that management believes are reasonable under the circumstances.

(c) Exhibits.

Exhibit 99(a) Press Release dated January 2, 1996, completion of acquisition of IMS.

Consolidated Financial Statements

IMS Technologies, Inc.

Years ended September 30, 1995 and 1994
with Report of Independent Auditors

IMS Technologies, Inc.

Consolidated Financial Statements

Years ended September 30, 1995 and 1994

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Report of Independent Auditors

The Board of Directors and Stockholders
IMS Technologies, Inc.

We have audited the accompanying consolidated balance sheets of IMS Technologies, Inc. as of September 30, 1995 and 1994, and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In accordance with the terms of our engagement, we did not audit the financial statements of Information Management Systems, Inc., a foreign investment, for the year ended September 30, 1995 and 1994. The Company accounts for this interest in the foreign investment using the cost method. During 1994, the investment should have been accounted for using the equity method (Note 4). The effect of this departure from generally accepted accounting principles has not been determined.

In our opinion, except for the effects on the September 30, 1994 financial statements as discussed in the preceding paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of IMS Technologies, Inc. at September 30, 1995 and 1994, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles.

/s/

Ernst & Young LLP
December 1, 1995

IMS Technologies, Inc.

Consolidated Balance Sheets

	September 30	
	1995	1994
ASSETS		
Current assets:		
Accounts receivable, net (Note 3)	\$ 8,625,867	\$ 8,914,417
Prepaid expenses	92,744	93,993
Prepaid income taxes	156,296	-
Deferred income tax benefit (Note 11)	110,000	271,000
Inventory	-	160,586
Total current assets	8,984,907	9,439,996
Property and equipment (Note 2):		
Data processing equipment and software	1,662,211	1,632,162
Office furniture and equipment	706,976	730,217
Leasehold improvements	154,608	155,558
Vehicles	84,771	84,771
Land	83,980	83,980
	2,692,546	2,686,688
Less accumulated depreciation and amortization	2,406,854	2,304,300
Net property and equipment	285,692	382,388
Deferred income tax benefit (Note 11)	274,000	292,000
Cash surrender value of officers' life insurance	420,254	399,228
Investment in and advances to foreign entity (Note 4)	131,198	131,198
Other assets	26,102	27,002
	851,554	849,428
Total assets	\$10,122,153	\$10,671,812

IMS Technologies, Inc.

Consolidated Balance Sheets (cont'd)

	September 30	
	1995	1994
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Line of credit (Note 5)	\$ 1,428,952	\$ 622,564
Accounts payable	1,344,345	2,535,941
Accrued compensation	900,172	1,009,068
Payroll taxes and benefits accrued	215,698	350,357
Income taxes payable	-	71,191
Other	5,886	25,811
	-----	-----
	3,895,053	4,614,932
	-----	-----
Long-term liabilities:		
Deferred compensation (Note 7)	575,253	575,253
Other	-	2,380
	-----	-----
Total long-term liabilities	575,253	577,633
	-----	-----
Total liabilities	4,470,306	5,192,565
	-----	-----
Stockholders' equity:		
Class B common stock, issued and outstanding shares of 70,483 as of September 30, 1995 and 1994	750	750
Additional paid-in capital	199,427	199,427
Treasury stock (Note 8 & 13)	(299,432)	(299,432)
Retained earnings	5,751,102	5,578,502
	-----	-----
Total stockholders' equity	5,651,847	5,479,247
	-----	-----
Total liabilities and stockholders' equity	\$10,122,153	\$10,671,812
	=====	=====

See accompanying notes.

IMS Technologies, Inc.

Consolidated Statements of Income

	Year ended September 30 1995	1994
	-----	-----
Revenue	\$21,734,544	\$22,939,203
	-----	-----
Cost of revenue:		
Direct labor	9,977,040	10,273,848
Operational overhead	4,887,045	5,175,330
Other direct costs:		
Subcontractors	2,346,743	2,150,923
Other, principally equipment and supplies	1,601,844	2,381,546
Travel	295,025	269,603
	-----	-----
Total cost of revenue	19,107,697	20,251,250
	-----	-----
Gross profit	2,626,847	2,687,953
	-----	-----
General and administrative expense	2,247,983	2,343,913
	-----	-----
Income from operations	378,864	344,040
	-----	-----
Interest income (expense):		
Interest income	778	935
Interest expense	(98,266)	(77,480)
	-----	-----
Net interest expense	(97,488)	(76,545)
	-----	-----
Income before income taxes	281,376	267,495
Provision for income taxes (Note 11)	108,776	113,155
	-----	-----
Net income	\$ 172,600	\$ 154,340
	=====	=====

See accompanying notes.

IMS Technologies, Inc.

Consolidated Statements of Stockholders' Equity

Retained		Class B	Additional	Treasury
		Common	Paid-in	
		Stock	Capital	Stock
Earnings	Total			
-----		-----	-----	-----
Balance at September 30, 1993		\$750	\$199,427	\$(299,432)
\$5,424,162	\$5,324,907			
Net income for year ended				
September 30, 1994		-	-	-
154,340	154,340			
-----		-----	-----	-----
Balance at September 30, 1994		750	199,427	(299,432)
5,578,502	5,479,247			
Net income for year ended				
September 30, 1995		-	-	-
172,600	172,600			
-----		-----	-----	-----
Balance at September 30, 1995		\$750	\$199,427	\$(299,432)
\$5,571,102	\$5,651,847			
=====		=====	=====	=====

</table/

See accompanying notes.

IMS Technologies, Inc.

Consolidated Statements of Cash Flows

	Year ended September 30	
	1995	1994
	-----	-----
OPERATING ACTIVITIES		
Net income	\$ 172,600	\$154,340
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	135,345	180,201
Deferred compensation expense	-	40,706
Gain on disposal	-	(131)
Decrease in receivables of foreign entity	-	180,000
Changes in operating assets & liabilities:		
Accounts receivable	288,550	659,212
Other assets	162,735	187,684
Accounts payable and other accrued expenses	(1,474,585)	(478,312)
Deferred income taxes	(31,358)	(99,695)
	-----	-----
Net cash (used) provided by operating activities	(746,713)	824,005
	-----	-----
INVESTING ACTIVITIES		
Purchases of property and equipment	(39,424)	(98,265)
Proceeds from disposition of property and equipment	775	1,890
Increase in cash surrender value of officers' life insurance	(21,026)	(23,947)
	-----	-----
Net cash used in investing activities	(59,675)	(120,322)
	-----	-----
FINANCING ACTIVITIES		
Net borrowings on line of credit	806,388	(690,162)
Payments on long-term notes payable	-	(13,521)
	-----	-----
Net cash provided (used) in financing activities	806,388	(703,683)
	-----	-----
Change in cash	-	-
Cash at beginning of year	-	-
	-----	-----
Cash at end of year	\$ -	\$ -
	=====	=====

See accompanying notes.

IMS Technologies, Inc.
Notes to Consolidated Financial Statements
September 30, 1995 and 1994

1. NATURE OF BUSINESS

IMS Technologies, Inc. (IMS Tech) was formed in fiscal year 1992 as a holding company for Integrated Microcomputer Systems, Inc. (IMS) and IMS Services, Inc. (IMSS), collectively referred to as the Company. The Company engages in the business of providing a complete range of computer services, including consulting, programming, communications design and installment, software engineering, and systems integration, for a variety of applications under U.S. Government and commercial contracts.

The majority of the Company's revenue is generated from contracts with the U.S. Government and its related departments or agencies.

The Company has an investment in a foreign entity that performs similar types of software engineering and systems integration work in the Taiwan market.

2. SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies of the Company is as follows:

Principles of Consolidation and Investment in Foreign Entity

The consolidated financial statements of the Company include the accounts of IMS Tech and its wholly owned subsidiaries, IMS and IMSS. All significant intercompany balances have been eliminated in consolidation.

The Company's foreign investment is subject to exchange restrictions and other foreign controls. In view of the uncertainty regarding the availability of and access to its assets, the Company accounts for this investment under the cost method which recognizes income from the foreign entity when dividends are received and records the investment in the foreign entity at the lower of cost or estimated net realizable value.

Revenue and Cost Recognition

Revenue from "cost-plus-fixed-fee" contracts is recognized on the basis of reimbursable contract costs incurred during the period plus an estimate of the fee earned, measured by the cost-to-cost method. Revenue from "fixed-price-labor-hour" and "time and material" contracts is recognized on the basis of hours utilized plus other reimbursable contract costs incurred during the period.

Revenue from "firm-fixed-price" contracts is recognized on the basis of the percentage-of-completion method. Under this method, individual contract revenue earned is measured by the percentage relationship that contract costs incurred bear to management's estimate of total contract costs.

Contract costs include direct costs and allocations of operational overhead. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and

estimated profitability may result in revisions to costs and revenue and are recognized using the cumulative catch up method in the period in which the revisions are determined.

An allowance is provided for the estimated amount of accounts receivable for which collection is uncertain due to pending final settlement of total contract costs with Federal government customers. This allowance is a component of accounts receivable. Accounts receivable are written off when, in the opinion of management, the amounts are determined to be uncollectible.

Inventory - - - - -

Inventory is valued at the lower of cost (specific identification method) or market for September 30, 1994. There is no inventory at September 30, 1995.

Property and Equipment - - - - -

Property and equipment are recorded at cost. Depreciation and amortization are computed principally using accelerated methods at rates calculated to amortize the cost of the related assets over their estimated useful lives (software - three years; data processing equipment, and vehicles - five years; office furniture and equipment - seven years). Leasehold improvements are amortized over the lesser of the useful life of the improvement or the term of the related lease.

During fiscal years 1995 and 1994, the Company disposed of data processing equipment, software, and office furniture and equipment which was considered to be damaged or obsolete which had an original cost of approximately \$34,000 and \$23,000, respectively. This property and equipment was either fully or substantially depreciated at the date of disposal.

Accrued Health Insurance Claims - - - - -

The Company provides a self-funded group major medical insurance plan for regular full-time status employees and their eligible dependents. If an employee elects coverage for medical and dental insurance, coverage begins on the first day of employment. Costs of medical and dental care, including an estimate of costs incurred but not reported, are expensed in the period that services are rendered. Accrued health insurance claims have been included in accounts payable on the balance sheet.

Income Taxes - - - - -

The Company uses the liability method as required by SFAS 109 to account for income taxes. Deferred income taxes reflect net tax effects of temporary differences in the recognition of expenses for tax reporting and financial statement purposes. The sources of these differences include allowances for accounts receivable, accrued health insurance claims, accrued vacation, retainages in accounts receivable, deferred compensation, depreciation and certain other items. There is no valuation allowance for deferred tax assets.

3. ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 1995 and 1994 consist of the following:

	1995	1994
	-----	-----
Contract receivables:		
Billed	\$5,722,150	\$3,862,511
Unbilled	2,855,265	4,881,036
Other accounts receivable	48,452	170,870
	-----	-----
	\$8,625,867	\$8,914,417
	=====	=====

Unbilled receivables include billable costs incurred prior to fiscal year-end, but not invoiced until the subsequent period. The excess of actual costs incurred over the agreed upon billing rates generally are not billable until the completion of the contract and final incurred costs audits have been completed by the DCAA.

4. INVESTMENT IN FOREIGN ENTITY AND RELATED PARTIES

During 1994, the Company reduced its investment in Information Management Systems, Inc., located in Taipei, Taiwan, from 33 percent to 16 percent. At September 30, 1995 and 1994, the Company's interest on the investment was 16 percent, which is carried at the lower of cost or market value. No dividends were received from the foreign entity for the years then ended. Revenue and expenses recognized by the Company as a result of subcontractor work performed by the foreign entity represent less than one percent of the consolidated net income for 1995 and 1994.

The following is a summary of the foreign entity's unaudited balance sheets as of September 30, 1995 and 1994:

	1995	1994
	(Unaudited)	(Unaudited)
	-----	-----
Assets	\$2,685,244	\$2,606,042
	=====	=====
Liabilities	\$1,618,565	\$1,056,721
Stockholders' equity	1,066,679	1,549,321
	-----	-----
	\$2,685,244	\$2,606,042
	=====	=====
Net (loss) before taxes	\$ (429,134)	\$ (588,975)
	=====	=====

The Company was either a prime or subcontractor in two contracts during fiscal year 1995 and 1994 with IMS International, an unaffiliated entity which is owned by an IMS Tech stockholder. One contract was completed in March 1994 and the second as of May 1995. These two contracts in total comprise 3 percent and 8 percent of contract revenue in fiscal year 1995 and 1994, respectively.

5. LINE OF CREDIT

The Company has a bank line of credit which provides certain operating and financial restrictions on the Company and is subject to renewal annually. The line of credit is renewable annually in February. The Company's approved line of credit was \$3.25 million for fiscal year 1995. The line of credit is secured by the Company's billed accounts receivable. The line of credit bears interest at the bank's prime rate, which was 8.75 percent at September 30, 1995. Interest paid on the line of credit during the years ended September 30, 1995 and 1994 approximated \$95,000 and \$71,000, respectively.

6. LEASING ARRANGEMENTS

The Company leases its offices and certain equipment and software under noncancelable operating lease agreements which expire at various dates through 1998. The total minimum rental commitments under these leases at September 30 are as follows:

Year ending September 30	Amount
-----	-----
1996	\$ 945,000
1997	712,000
1998	477,000
1999	18,000

	\$2,152,000
	=====

The total rental expense charged to operations was approximately \$1,157,000 and \$1,265,000 for the years ended September 30, 1995 and 1994, respectively. These amounts include payments to related parties for leased office space of approximately \$437,000 each for the years ended September 30, 1995 and 1994.

7. COMPENSATION

The Company has a profit-sharing plan for eligible employees of IMS and IMSS. The annual contribution to the plan is at the discretion of the Board of Directors and is limited to that which is deductible under the Internal Revenue Code. The Company can terminate the plan at any time by giving written notice to the trustee and administrator. During 1993, the Company restructured the profit sharing plan for its IMS employees to a 401(k) matching plan. The amount charged to operations under this plan was \$79,000 and \$110,000 for the years ended September 30, 1995 and 1994, respectively.

The Company had deferred compensation agreements with its key executives providing for annual payments over a period of 10 years upon retirement, death, or disability. On April 8, 1994, the executives waived their rights to further benefits, accordingly the liability recorded has remained fixed. These agreements do not qualify under the Internal Revenue Code and, therefore, tax deductions are allowable only when the benefits are paid.

8. STOCKHOLDERS' EQUITY

The Company has entered into stock repurchase agreements with its stockholders. The Company has the right of first refusal for transfers of the Company's common stock. In addition, the Company may purchase shares in cases in which a stockholder terminates employment with the Company. The purchase price would be based on the most recent audited consolidated balance sheet prior to the date

of repurchase. Pursuant to these stock repurchase agreements, the Company repurchased shares from stockholders during the year ended September 30, 1993. However, during the years ended September 30, 1995 and 1994, the Company elected not to repurchase shares offered for sale. Shares of stock repurchased in 1993 were classified as treasury stock on the financial statements as a reduction to stockholders' equity.

9. PREFERRED AND COMMON STOCK

IMS Technologies, Inc. is authorized to issue two classes of common stock, which are designated "Class A Common Stock" and "Class B Common Stock", and one class of preferred stock which is designated "Preferred Stock." The total number of shares of Class A Common Stock which the company is authorized to issue is 400,000 shares, and each share has a par value of one cent (\$0.01). The total number of shares of Class B Common Stock which the Company is authorized to issue is 125,000 shares, and each share has a par value of one cent (\$0.01). The total number of shares of Preferred Stock which the Company is authorized to issue is 25,000 shares and each share has a par value of one dollar (\$1.00). The Company issued shares of its Class B Common Stock in forming IMS Technologies, Inc. as a holding company. There were no shares of Class A Common Stock or Preferred Stock issued and outstanding as of September 30, 1995 and 1994.

Each holder of Class A Common Stock is entitled to one vote while each holder of Class B Common Stock is entitled to 10 votes for each share held on all matters submitted to stockholders of the Company. Outstanding shares of Class B Common Stock are convertible into shares of Class A Common Stock, on a share-for-share basis, at the option of the holder, on and subject to certain terms and conditions.

The shares of Preferred Stock may be issued in one or more series. The Board of Directors is vested with authority to fix the dividend rate, conversion rights, redemption price, and liquidation preference of any series of shares of Preferred Stock, to fix the number of shares constituting any such series, and to increase or decrease the number of shares of any such series. None of the holders of Preferred Stock of any series have any voting power for any purpose except as determined by the Board of Directors prior to issuance of any shares of such series.

Any dividends on the capital stock of the Company will be paid by the Company as determined by the Board of Directors. During the fiscal years ending September 30, 1995 and 1994, no dividends were declared.

10. STOCK OPTIONS

During fiscal years 1994 and 1993, the Company granted 1,550 and 2,836 stock options, respectively, to purchase its common stock at a price equal to the book value at the date of grant. The options granted in 1993 shall become exercisable in two equal annual installments beginning in the year of grant and shall expire 10 years from such date. The options granted in 1994 shall become exercisable in three equal annual installments beginning in the year of grant and shall expire 10 years from such date. There has been no exercise of any of these options as of September 30, 1995. The Company has recorded compensation expense related to these options. There were no stock options granted during fiscal year 1995.

11. INCOME TAXES

The provision for income taxes consists of the following for the years ended September 30, 1995 and 1994:

	1995	1994
	-----	-----
Current income tax (benefit) provision	\$(75,975)	\$212,850
Deferred income tax provision (benefit)	183,751	(99,695)
	-----	-----
	\$108,776	\$113,155
	=====	=====

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the company's deferred tax liabilities and assets as of September 30 are as follows:

	1995	1994
	-----	-----
Deferred tax liabilities:		
Retainage	\$110,000	\$ 84,000
Prepaid expenses	-	21,000
	-----	-----
Total deferred tax liabilities	\$110,000	\$105,000
	-----	-----
Deferred tax assets:		
Allowance for bad debt	\$105,000	\$112,000
Self insurance claim reserve	15,000	126,000
Accrued vacations	100,000	138,000
Deferred compensation	219,000	214,000
IMS investment writedown	55,000	55,000
Book and tax property, plant and equipment differences	-	23,000
	-----	-----
Total deferred tax assets	\$494,000	\$668,000
	-----	-----
Net deferred tax assets	\$384,000	\$563,000
	=====	=====

12. CONTINGENCIES

The Company is subject to various claims and legal proceedings that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the operations or financial position of the Company.

13. SUBSEQUENT EVENTS

On October 10, 1995, the Company's board of directors decided that consideration be given to the cumulative expenses and efforts provided by a non-employee director for his past seven years serving the Corporation. The Board decided that 2,000 shares of Class B Common Stock, held in treasury, be issued, at no cost to the director, for his services and expenses.

On October 21, 1995, the principal stockholders of the Company signed a letter of intent with CACI International Inc to sell all of the outstanding shares of the Company's common stock. The agreement calls for a cash payment for the outstanding shares and provides for certain consultant agreements with the Company's principal stockholders. The closing date is scheduled for January 1, 1996. As a result of the letter of intent, the Company has begun to take actions toward sale of the Company, which among other things includes negotiating a early termination of its lease for its headquarters facility and other related costs which may be associated with the intended sale. The estimate of these possible future costs is approximately \$180,000 for the termination of the lease and an amount, which has not been quantified by management, for the other related costs.

IMS Technologies, Inc.

Financial Statements

Period Ending December 2, 1995

1. Before Final Adjustment

2. After Final Adjustment

Excluding:

Land

Investment in Foreign Subsidiary

Deferred Compensation Related Asset and Liability

IMS Technologies, Inc.

Statements of Income
For the 2nd Accounting Period Ending 12/02/95
(Before Final Adjustments)

Revenues	\$2,765,504
Cost of Revenue	
Direct labor	\$1,410,311
Operational overhead	\$ 946,816
Other direct costs:	
Subcontracting	\$ 203,916
Other, principally equipment & supplies	\$ 155,611
Travel	\$ 11,232

Total cost of revenue	\$2,727,855
Gross profit	\$ 37,619
General and administrative expenses	\$ 532,895
Income from operations	\$ (495,276)
Other income (expenses):	
Interest income	\$ (279)
Interest expenses	\$ 11,019

Net other income (expenses)	\$ 10,740
Income before income taxes	\$ (506,016)
Provision from income taxes	\$ (61,744)
Net income	\$ (444,272)

IMS Technologies, Inc.

Balance Sheet
For the 2nd Accounting Period Ending 12/02/95
(Before Final Adjustments)

ASSETS

Current Assets

Cash	\$ -
Accounts receivable	\$ 7,434,968
Inventory	\$ -
Prepaid income taxes	\$ 487,735
Prepaid expenses	\$ 113,141

Total current assets	\$ 8,035,844

Property and equipment:

Data processing equipment & software	\$ 1,309,680
Office furniture and equipment	\$ 703,130
Leasehold improvements	\$ 154,608
Vehicles	\$ 35,952
Land	\$ 83,980

Total property and equipment \$ 2,287,350

Less accumulated depreciation & amortization \$(2,040,207)

Net property and equipment \$ 247,143

Other assets:

Cash surrender value of officers' life insurance	\$ 420,254
Investment in foreign subsidiary	\$ 131,198
Deferred income tax benefit	\$ 274,000
Other assets	\$ 26,102

Total other assets \$ 851,554

Total assets \$ 9,134,541

IMS Technologies, Inc.

Balance Sheet (cont'd)
For the 2nd Accounting Period Ending 12/02/95
(Before Final Adjustments)

LIABILITIES AND EQUITY

Current liabilities:	
Line of credit	\$1,033,620
Accounts payable	\$ 652,188
Accrued compensation	\$ 937,858
Payroll taxes & benefit withheld & accrued	\$ 320,693
Income taxes payable	\$ 73,140
Other	\$ 68,207

Total current liabilities	\$3,085,705
Long-term liabilities:	
Deferred compensation	\$ 575,252
Deferred income tax payable	\$ 105,634
Other	\$ -

Total long-term liabilities	\$ 680,886
Total liabilities	\$3,766,592
Stockholders' equity	
Issued and outstanding shares: 72,483	
as of October 10, 1995 and 75,000	
as of September 30, 1992	\$ 750
Additional paid-in capital	\$ 227,221
Treasury stock	\$ (166,852)
Retained earnings	\$5,306,830

Total stockholders' equity	\$5,367,950
Total liabilities and stockholder's equity	\$9,134,541
Total stockholders' equity at 8/25/95	\$5,586,662
Increase (decrease) of total	
stockholders' equity	\$ (218,712)

IMS Technologies, Inc.

Statements of Income
For the 2nd Accounting Period Ending 12/02/95
(After Final Adjustments)

Revenues	\$2,765,504
Cost of revenue	
Direct labor	\$1,410,311
Operational overhead	\$ 946,816
Other direct costs:	
Subcontracting	\$ 203,916
Other, principally equipment & supplies	\$ 155,611
Travel	\$ 11,232

Total cost of revenue	\$2,727,885
Gross profit	\$ 37,619
General and administrative expenses	\$ 593,075
Income from operations	\$ (555,456)
Other income (expenses):	
Interest income	\$ (279)
Interest expenses	\$ 11,019

Net other income (expenses)	\$ 10,740
Income before income taxes	\$ (566,195)
Provision from income taxes	\$ (61,744)
Net income	\$ (504,451)

IMS Technologies, Inc.

Balance Sheet
For the 2nd Accounting Period Ending 12/02/95
(After Final Adjustments)

ASSETS

Current Assets

Cash	\$	-
Accounts receivable	\$	7,434,968
Inventory	\$	-
Prepaid income taxes	\$	487,735
Prepaid expenses	\$	113,141

Total current assets	\$	8,035,844

Property and equipment:

Data processing equipment & software	\$	1,309,680
Office furniture and equipment	\$	703,130
Leasehold improvements	\$	154,608
Vehicles	\$	35,952
Land	\$	-

Total property and equipment \$ 2,203,370

Less accumulated depreciation & amortization \$(2,040,207)

Net property and equipment \$ 163,163

Other assets:

Cash surrender value of officers' life insurance	\$	-
Investment in foreign subsidiary	\$	-
Deferred income tax benefit	\$	274,000
Other assets	\$	26,102

Total other assets \$ 300,102

Total assets \$ 8,499,109

IMS Technologies, Inc.

Balance Sheet (cont'd)
For the 2nd Accounting Period Ending 12/02/95
(After Final Adjustments)

LIABILITIES AND EQUITY

Current liabilities:	
Line of credit	\$1,033,620
Accounts payable	\$ 652,188
Accrued compensation	\$ 937,858
Payroll taxes and benefit withheld and accrued	\$ 320,693
Income taxes payable	\$ 73,140
Other	\$ 68,207

Total current liabilities	\$3,085,705
Long-term liabilities:	
Deferred compensation	\$ -
Deferred income tax payable	\$ 105,634
Other	\$ -

Total long-term liabilities	\$ 105,634
Total liabilities	\$3,191,339
Stockholders' equity	
Issued and outstanding shares: 72,483	
as of October 10, 1995 and 75,000	
as of September 30, 1992	\$ 750
Additional paid-in capital	\$ 227,221
Treasury stock	\$ (166,852)
Retained earnings	\$5,246,651

Total stockholders' equity	\$5,307,770
Total liabilities and stockholder's equity	\$8,499,109
Total stockholders' equity at 8/25/95	\$5,586,662
Increase (decrease) of total	
stockholders' equity	\$ (278,892)

CACI International Inc

Unaudited Pro-Forma Financial Information
For the Year ended June 30, 1995

CACI INTERNATIONAL INC
UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 1995

	HISTORICAL	PRO-FORMA ADJUSTMENTS		PRO-FORMA
	-----	-----		-----
REVENUE	\$232,964,000	\$21,735,000	(1)	\$254,699,000
	-----	-----		-----
COST AND EXPENSES				
Direct costs	126,442,000	14,221,000	(1)	140,663,000
Indirect cost & selling expenses	87,688,000	6,427,000	(1)(2)	94,115,000
Depreciation & amortization	4,981,000	299,000	(3)	5,280,000
	-----	-----		-----
Total operating expenses	219,111,000	20,947,000		240,058,000
	-----	-----		-----
	13,853,000	788,000		14,641,000
Interest expense	478,000	98,000	(1)	576,000
	-----	-----		-----
INCOME BEFORE INCOME TAXES	13,375,000	690,000		14,065,000
INCOME TAXES	5,219,000	267,000	(1)(4)	5,486,000
	-----	-----		-----
NET INCOME	\$ 8,156,000	\$ 423,000		\$ 8,579,000
	=====	=====		=====
EARNINGS PER COMMON & COMMON EQUIVALENT SHARE	\$0.77	\$0.04		\$0.81
AVERAGE NUMBER OF SHARES & EQUIVALENT SHARES OUTSTANDING	10,611,000	10,611,000		10,611,000
	=====	=====		=====

(1) Represents the appropriate historical results of IMS for the year ended June 30, 1995. Assumed the purchase took place 7/1/94.

(2) Adjustments include certain officers compensation of \$573,000 eliminated due to purchase.

(3) Includes goodwill amortization of \$164,000 for the year.

(4) To record \$64,000 tax benefit for goodwill amortization, and an additional \$223,000 of tax expense for certain officer compensation reduction.

CACI International Inc

Unaudited Pro-Forma Financial Information For the Quarter ended September 30, 1995

CACI INTERNATIONAL INC
UNAUDITED PRO-FORMA CONSOLIDATED BALANCE SHEET
FOR THE QUARTER ENDED SEPTEMBER 30, 1995

ASSETS

	HISTORICAL	PRO-FORMA ADJUSTMENTS	PRO-FORMA
	-----	-----	-----
Current assets			
Cash	\$ 775,000	\$ 0	\$ 775,000
Accounts receivable, net	59,192,000	8,626,000 (1)	67,818,000
Deferred income taxes	156,000	110,000 (1)	266,000
Prepaid expenses	4,161,000	249,000 (1)	4,410,000
	-----	-----	-----
Total current assets	64,284,000	8,985,000	73,269,000
	-----	-----	-----
Fixed assets, net of accumulated depreciation & amortization	8,943,000	286,000 (1)	9,229,000
	-----	-----	-----
Accounts receivable, long term	6,470,000	0	6,470,000
Goodwill, net	7,653,000	2,435,000 (1)(4)	10,088,000
Deferred income taxes	215,000	0	215,000
Other assets	1,186,000	636,000 (1)(3)	1,822,000
	-----	-----	-----
TOTAL ASSETS	88,751,000	12,342,000	101,093,000
	=====	=====	=====

(1) Represents the allocation of the total purchase cost of \$8,000,000:

purchase price of \$6,500,000 plus consulting fees of \$1,500,000 to all of the assets, liabilities and intangible assets of IMS Technologies, Inc. The excess of the purchase price over the fair value of the net assets acquired was estimated at \$2,476,000 and will be amortized on a straight line basis over 15 years. The preliminary purchase price allocation may change during the year ending June 30, 1996 as additional information concerning the net asset valuations is obtained.

(2) Includes a \$6,833,000 payment for IMS acquisition.

(3) Eliminated investment in foreign subsidiary and land (not included in purchase).

(4) Includes goodwill amortization of \$41,000 for the first quarter.

(5) Includes \$1,167,000 accrued for the remaining amount due for consulting fees associated with the purchase of IMS.

(6) To record \$16,000 tax benefit for goodwill amortization, and a \$56,000 expense for certain officers compensation reduction.

(7) Adjustments include certain officers compensation of \$143,000 eliminated due to purchase.

CACI INTERNATIONAL INC
UNAUDITED PRO-FORMA CONSOLIDATED BALANCE SHEET
FOR THE QUARTER ENDED SEPTEMBER 30, 1995 - Continued

LIABILITIES AND STOCKHOLDER'S EQUITY

	HISTORICAL	PRO-FORMA ADJUSTMENTS	PRO-FORMA
	-----	-----	-----
Current liabilities			
Notes payable	\$ 9,090,000	\$ 8,119,000	(2)(7) \$17,209,000
Accounts payable	15,512,000	2,733,000	(1)(5) 18,245,000
Accrued compensation & benefits	10,588,000	900,000	(1) 11,488,000
Deferred rent expense	823,000	0	(1) 823,000
Income taxes payable	1,793,000	40,000	(1)(6) 1,833,000
Deferred income taxes	1,123,000	0	(1) 1,123,000
	-----	-----	-----
Total current liabilities	38,929,000	11,792,000	50,721,000
	-----	-----	-----
Long-term liabilities			
Deferred rent expense	2,587,000	0	2,587,000
Deferred compensation	0	575,000	(1) 575,000
Deferred income taxes	143,000	0	143,000
	-----	-----	-----
TOTAL LIABILITIES	41,659,000	12,367,000	54,026,000
	-----	-----	-----
Stockholder's equity	47,092,000	(25,000)	47,067,000
	-----	-----	-----
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	\$88,751,000	\$12,342,000	\$101,093,000
	=====	=====	=====

(1) Represents the allocation of the total purchase cost of \$8,000,000:

purchase price of \$6,500,000 plus consulting fees of \$1,500,000 to all of the assets, liabilities and intangible assets of IMS Technologies, Inc. The excess of the purchase price over the fair value of the net assets acquired was estimated at \$2,476,000 and will be amortized on a straight line basis over 15 years. The preliminary purchase price allocation may change during the year ending June 30, 1996 as additional information concerning the net asset valuations is obtained.

(2) Includes a \$6,833,000 payment for IMS acquisition.

(3) Eliminated investment in foreign subsidiary and land (not included in purchase).

(4) Includes goodwill amortization of \$41,000 for the first quarter.

(5) Includes \$1,167,000 accrued for the remaining amount due for consulting fees associated with the purchase of IMS.

(6) To record \$16,000 tax benefit for goodwill amortization, and a \$56,000 expense for certain officers compensation reduction.

(7) Adjustments include certain officers compensation of \$143,000 eliminated due to purchase.

CACI INTERNATIONAL INC
UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE QUARTER ENDED SEPTEMBER 30, 1995

	HISTORICAL	PRO-FORMA ADJUSTMENTS		PRO-FORMA
	-----	-----		-----
REVENUE	\$57,610,000	\$5,195,000	(1)	\$62,805,000
	-----	-----		-----
COST AND EXPENSES				
Direct costs	31,469,000	3,353,000	(1)	34,822,000
Indirect cost & selling expenses	21,237,000	1,621,000	(1) (2)	22,858,000
Depreciation & amortization	1,242,000	75,000	(3)	1,317,000
	-----	-----		-----
Total operating expenses	53,948,000	5,049,000		58,997,000
	-----	-----		-----
	3,662,000	146,000		3,808,000
	-----	-----		-----
Interest expense	41,000	24,000	(1)	65,000
	-----	-----		-----
INCOME BEFORE INCOME TAXES	3,621,000	122,000		3,743,000
INCOME TAXES	1,397,000	41,000	(1) (4)	1,438,000
	-----	-----		-----
NET INCOME	\$2,224,000	\$81,000		\$2,305,000
	=====	=====		=====
EARNINGS PER COMMON & COMMON EQUIVALENT SHARE	\$0.21	\$0.01		\$0.22
AVERAGE NUMBER OF SHARES & EQUIVALENT SHARES OUTSTANDING	10,693,000	10,693,000		10,693,000
	=====	=====		=====

(1) Represents the historical results of IMS for the quarter ended September 30, 1995. Assumed the purchase took place 7/1/95.

(2) Adjustments include certain officers compensation of \$143,000 eliminated due to purchase.

(3) Includes goodwill amortization of \$41,000 for the first quarter.

(4) To record \$16,000 tax benefit for goodwill amortization, and an additional \$56,000 of tax expense for certain officer compensation reduction.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CACI International Inc
(Registrant)

By: /s/

Jeffrey P. Elefante
Sr. Vice President, General Counsel

Dated: January 16, 1996

and Corporate Secretary

CACI Completes Acquisition of IMS Technologies, Inc.

-- Transaction expected to bring approximately \$21M in revenue and at least \$0.05 earnings per share for the first full year --

Arlington, Va. -- CACI International Inc (NASDAQ: CACI) announced today that they had acquired IMS Technologies, Inc. (IMS) for \$6.5 million in cash. The agreement also calls for the payment of consulting fees of \$1.5 million over 3 years to four founders of IMS. The transaction was effective January 1, 1996.

IMS has approximately 375 employees, and generates approximately \$21 million per year in revenue. IMS solves complex management and technical problems through the effective use of information systems and services. Specialty areas include re-engineering, telecommunications, multi-media data management, mission support and full systems life cycle management. IMS provides a wide range of computer services including consulting, programming, communications design and installation, software development and systems integration for a variety of applications. These services are provided to the U.S. Navy, the Departments of Justice and Education, the Drug Enforcement Agency, the Social Security Administration and the IRS. IMS is headquartered in Rockville, MD and has major offices in Dahlgren, VA, Arlington, VA, New Orleans, LA, and Cherry Point, NC. Based upon current forecasts, the acquisition should provide at least \$0.05 in earnings per share during the first full year of operations. The acquisition will be financed through CACI's line of credit.

CACI Chairman and CEO Dr. Jack London said, "We are extremely pleased to have the people of IMS Technologies join CACI. They are well management, and have received numerous technological achievement awards. We are optimistic that IMS will make a significant contribution to our future growth." Dr. London also noted, "The addition of IMS is a continuation of our business plan calling for synergistic, anti-dilutive niche acquisitions. Along with Automated Sciences Group, Inc. in September 1995, this is our second acquisition this year. We will now be looking for additional deals in the back half of our fiscal year (ending June 30, 1996)."

CACI is an international information technology products and services corporation. The company specializes in developing and integrating systems, software, and simulation products in support of government agencies and commercial enterprises worldwide.

For further information contact: Jeff Elefante, CACI International Inc
(703) 841-7800

Douglas Poretz, Douglas Poretz, Ltd.

(703) 506-1778

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