CACI INTERNATIONAL INC /DE/

FORM 10-Q
(Quarterly Report)

Filed 2/13/1997 For Period Ending 12/31/1996

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Industry	Computer Services
Sector	Technology
Fiscal Year	06/30

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended December 31, 1996

Commission File Number 0-8401

CACI International Inc

(Exact name of registrant as
specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

54-1345888
(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	Name of each exchange on which registered
None	None

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

CACI International Inc Common Stock, $0.10 par value
(Title of each class)

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 X No Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of December 31, 1996: CACI International Inc Common Stock, $0.10 par value, 10,456,000 shares.

CACI INTERNATIONAL INC AND SUBSIDIARIES

PART I: FINANCIAL INFORMATION

PART 1: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CACI INTERNATIONAL INC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

ASSETS

	December 31, 1996	June 30, 1996
CURRENT ASSETS	(Unaudited)	
Cash and equivalents	$ 2,577	$ 1,778
Accounts receivable:		
Billed	60,460	59,330
Unbilled	12,760	7,770
Total accounts receivable	73,220	67,100
Income taxes receivable	1,466	1,627
Deferred income taxes	147	133
Prepaid expenses and other	3,692	3,593
TOTAL CURRENT ASSETS	81,102	74,231
PROPERTY AND EQUIPMENT, NET		
Equipment and furniture	26,566	24,007
Leasehold improvements	2,326	2,186
Property and equipment, at cost	28,892	26,193
Accumulated depreciation & amortization	(18,968)	(17,138)
TOTAL PROPERTY AND EQUIPMENT, NET	9,924	9,055
ACCOUNTS RECEIVABLE, LONG TERM	7,082	7,289
GOODWILL, NET	13,997	10,548
OTHER ASSETS	1,728	1,813
DEFERRED INCOME TAXES	651	372
TOTAL ASSETS	$114,484	$103,308

CACI INTERNATIONAL INC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1996	June 30, 1996
CURRENT LIABILITIES	(Unaudited)	
Note payable	$ 0	$ 9,987
Accounts payable and accrued expenses	16,374	19,196
Accrued compensation and benefits	11,736	13,406
Deferred rent expense	665	724
Deferred income taxes	3,225	2,243
TOTAL CURRENT LIABILITIES	32,000	45,556
NOTES PAYABLE	15,900	0
DEFERRED RENT EXPENSES	2,064	2,274
DEFERRED INCOME TAXES	155	140
SHAREHOLDERS' EQUITY		
Common stock - $.10 par value, 40,000,000 shares authorized, 13,982,000 and 13,755,000 shares issued	1,398	1,376
Capital in excess of par	8,287	6,239
Retained earnings	68,172	62,628
Cumulative currency translation adjustments	170	(1,243)
Treasury stock, at cost (3,526,000 shares)	(13,662)	(13,662)
TOTAL SHAREHOLDERS' EQUITY	64,365	55,338
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	$114,484	$103,308

See notes to consolidated financial statements (unaudited).

CACI INTERNATIONAL INC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(Dollars in thousands)	Three Months Ended December 31, 1996	1995
REVENUE	$ 68,821	$ 59,332
COSTS AND EXPENSES:		
Direct costs	36,758	31,211
Indirect costs and selling expenses	25,448	22,726
Depreciation and amortization	1,556	1,391
Total Operating Expenses	63,762	55,328
Operating Income	5,059	4,004
Interest expense	277	129
INCOME BEFORE INCOME TAXES	4,782	3,875
INCOME TAXES	1,936	1,528
NET INCOME	$ 2,846	$ 2,347
EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE	$ 0.26	$ 0.22
AVERAGE NUMBER OF SHARES AND EQUIVALENT SHARES OUTSTANDING	10,978	10,675
Dividends paid per share	NONE	NONE

See notes to consolidated financial statements (unaudited).

CACI INTERNATIONAL INC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(Dollars in thousands)	Six Months Ended December 31, 1996	Six Months Ended December 31, 1995
REVENUE	$ 131,555	$ 116,942
COSTS AND EXPENSES:		
Direct costs	69,546	62,680
Indirect costs and selling expenses	49,264	43,963
Depreciation and amortization	2,968	2,633
Total Operating Expenses	121,778	109,276
Operating Income	9,777	7,666
Interest expense	461	170
INCOME BEFORE INCOME TAXES	9,316	7,496
INCOME TAXES	3,772	2,925
NET INCOME	$ 5,544	$ 4,571
EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE	$ 0.51	$ 0.43
AVERAGE NUMBER OF SHARES AND EQUIVALENT SHARES OUTSTANDING	10,934	10,684
Dividends paid per share	NONE	NONE

See notes to consolidated financial statements (unaudited).

CACI INTERNATIONAL INC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Dollars in thousands)

	Six Months Ended December 31,	
	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 5,544	$ 4,571
Reconciliation of net income to net cash provided by operating activities		
Depreciation and amortization	2,968	2,632
Provision for deferred income taxes	703	437
Loss on sale of property and equipment	0	62
Changes in operating assets & liabilities		
Accounts receivable	(3,829)	(2,273)
Prepaid expenses and other assets	26	(135)
Accounts payable and accrued expenses	(2,393)	895
Accrued compensation & vacation	(1,779)	(3,562)
Deferred rent expense	(268)	(227)
Income taxes receivable	144	(1,899)
Net cash provided by operating activities	1,116	501
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment	(2,711)	(2,046)
Purchase of businesses	(5,645)	(12,440)
Proceeds from sale of property & equipment	0	27
Other	(59)	(534)
Net cash used in investing activities	(8,415)	(14,993)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds under line-of-credit	58,372	51,656
Payments under line-of-credit	(52,459)	(38,558)
Proceeds from stock options	2,070	408
Net cash provided by financing activities	7,983	13,506
Effect of exchanges rates on cash & equivalents	117	(9)
Net increase (decrease) in cash & equivalents	801	(995)
Cash and equivalents, beginning of period	1,776	1,996
Cash and equivalents, end of period	$ 2,577	$ 1,001
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for		
Income taxes, net of refunds	$ 1,659	$ 3,863
Interest	$ 362	$ 170

See notes to consolidated financial statements (unaudited).

CACI INTERNATIONAL INC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

A. BASIS OF PRESENTATION The accompanying unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in the annual financial statements, prepared in accordance with generally accepted accounting principles, have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information presented not misleading.

In the opinion of management, the accompanying unaudited consolidated financial statements reflect all necessary adjustments and reclassifications (all of which are of a normal, recurring nature) that are necessary for fair presentation for the periods presented. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's latest annual report to the Securities and Exchange Commission on Form 10-K for the year ended June 30, 1996.

B. ACCOUNTS RECEIVABLE Total accounts receivable are net of allowance for doubtful accounts of $2,076,000 and $2,245,000 at December 31, 1996 and June 30, 1996, respectively. Accounts Receivable are classified as follows:

(Dollars in thousands)

	Dec. 31, 1996	June 30, 1996
BILLED AND BILLABLE RECEIVABLES:		
Billed receivables	$ 54,519	$ 53,836
Billable receivables at end of period	5,941	5,494
TOTAL BILLED AND BILLABLE RECEIVABLES	60,460	59,330
UNBILLED RECEIVABLES:		
Unbilled pending receipt of contractual documents authorizing billing	12,597	7,598
Unbilled Retainages & fee withholds expectedto be billed within the next 12 months	163	172
	12,760	7,770
Unbilled retainages and fee withholds expected to be billed beyond the next 12 months	7,082	7,289
TOTAL UNBILLED RECEIVABLES	19,842	15,059
TOTAL ACCOUNTS RECEIVABLE	$ 80,302	$ 74,389

C. ACQUISITION AND GOODWILL On October 1, 1996, the Company purchased the majority of contracts and assets of Sunset Resources, Inc. ("SRI"). SRI is an engineering and information technology firm that has focused on logistics and engineering support services to the U.S. Air Force and are experts in electronic commerce. The purchase price of the acquisition was financed primarily through bank borrowing under the Company's existing line of credit. The purchase price was allocated to the assets and liabilities using their fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was $3.6 million. This excess has been recorded as goodwill and will be amortized on a straight line basis over 15 years. The preliminary purchase price allocation is subject to change during the year following the acquisition as additional information concerning net asset valuation is obtained. Therefore, the final allocation may differ from the preliminary allocation.

D. NOTE PAYABLE - CLASSIFICATION At the end of fiscal year 1996, the Company had a $25 million revolving credit agreement scheduled to expire on March 31, 1997. On July 26, 1996, the Company entered into a new three-year $50 million revolving credit agreement. Because the new credit facility extends the term of the agreement from a one year to a three year credit facility effective in fiscal 1997, the Company has classified its December 31, 1996, line of credit balance as a long term debt, while the June 30, 1996, line of credit balance remains classified as a short term debt.

E. EVENT SUBSEQUENT TO DECEMBER 31, 1996 On January 3, 1997, the Company acquired the business of Sales Performance Analysis Limited ("SPA") including the intellectual property rights to certain software products for $2.6 million. SPA develops and markets a unique range of specialized software products and services that enable companies to make more effective use of their field forces through the optimal configuration of sales and services territories. SPA's annual revenue prior to acquisition was $2.0 million. It is currently estimated that some $0.7 million of the purchase consideration will be allocated to goodwill, which will be amortized over 15 years with $1.7 million allocated to software, which will be amortized over 5 years.

As the acquisition took place in January 1997, it had no impact on the Company's results for the second quarter of FY97.

Item 2. Management's Discussion and Analysis of Financial Condition and
Results of Operations - For the Three and Six Months ended December 31, 1996 and December 31, 1995.

REVENUE

The table below sets forth the customer mix in revenue with related percentages of total revenue for the three and six months ended on December 31, 1996 (FY 1997) and December 31, 1995 (FY 1996), respectively:

(Dollars in thousands, except as percents)

	Second Quarter				First Six Months			
	FY97		FY96		FY97		FY96	
Department of Defense	$ 35,671	51.8%	$ 31,536	53.1%	$ 68,485	52.1%	$ 60,946	52.1%
Federal Civilian Agencies	16,327	23.7%	14,636	24.7%	32,390	24.6%	29,533	25.3%
Commercial	14,822	21.6%	11,731	19.8%	26,601	20.2%	22,192	19.0%
State & Local Governments	2,001	2.9%	1,429	2.4%	4,079	3.1%	4,271	3.6%
Total	$ 68,821	100.0%	$ 59,332	100.0%	$131,555	100.0%	$116,942	100.0%

During the three months ("second quarter") and six months ended December 31, 1996, the Company's total revenue increased by 16%, or $9.5 million, and by 12.5%, or $14.6 million, respectively, over the same periods last year. The increases were primarily the result of the acquisitions described below and an increase in sales of commercial products and services.

On September 1, 1995, the Company acquired Automated Sciences Group, Inc. ("ASG") which contributed approximately $2.8 million to the FY 1997 first quarter revenue versus $1.2 million for the same quarter last year. On January 1, 1996, IMS Technologies, Inc. ("IMS") was acquired, and it contributed revenue of approximately $4.2 million and $8.2 million, respectively, for the quarter and six months ending December 31, 1996. On October 1, 1996, the Company acquired the majority of contracts and assets of Sunset Resources, Inc. ("SRI"), which added approximately $2.6 million in revenue in the second quarter FY 1997.

Revenue from the Department of Defense ("DoD") increased by 13%, to $35.7 million, for the quarter, and by 12%, to $68.5 million, for the first six months. This growth was the result of internal growth coupled with the second quarter acquisition of SRI and the first quarter effect of the ASG acquisition discussed above.

Federal Civilian Agencies revenue is primarily derived from Department of Justice ("DoJ") litigation support efforts. These services are dependent on the level of DoJ litigation that the Company is supporting at any period of time and have fluctuated from quarter to quarter. FY 1997 second quarter DoJ revenue decreased slightly to $11.8 million versus last year's second quarter $12.3 million. For the first six months of FY 1997, revenue from DoJ was $23.7 million compared to $25.2 million for the same period last year. Total revenue from Federal Civilian Agencies increased by 11.6%, to $16.3 million, for the quarter, and by 9.7%, to $32.4 million, for the first six months in FY 1997. The Federal Civilian Agencies revenue growth was primarily the result of the IMS acquisition discussed above.

During the three and six months ended December 31, 1996, Commercial revenue increased by 26%, or $3.1 million, and 20%, or $4.4 million, respectively, over the same periods last year. These increases are primarily the result of increases in sales of simulation and marketing analysis software products coupled with higher commercial litigation support and systems sales. The nature of the Company's proprietary software products business is inherently less predictable than the Company's longer-term contract work with the Federal Government and may fluctuate from quarter to quarter.

RESULTS OF OPERATIONS

The following table sets forth the amounts and the relative percentage that certain items of expense and earnings bear to revenue for the three months and six months ended December 31, 1996 and December 31, 1995, respectively.

	Dollar Amount (in thousands)				Percentage of Revenue			
	Second Quarter		First Six Months		Second Quarter		First Six Months	
	FY97	FY96	FY97	FY96	FY97	FY96	FY97	FY96
Revenue	$68,821	$59,332	$131,555	$116,942	100.0%	100.0%	100.0%	100.0%
Costs and expenses								
Direct costs	36,758	31,211	69,546	62,680	53.4%	52.7%	52.9%	53.5%
Indirect costs	25,448	22,726	49,264	43,963	37.0%	38.3%	37.4%	37.6%
Depreciation & amortization	1,556	1,391	2,968	2,633	2.3%	2.3%	2.3%	2.3%
Total operating expenses	63,762	55,328	121,778	109,276	92.7%	93.3%	92.6%	93.4%
Income from operations	5,059	4,004	9,777	7,666	7.3%	6.7%	7.4%	6.6%
Interest expense	277	129	461	170	0.4%	0.2%	0.4%	0.1%
Earnings before income taxes	4,782	3,875	9,316	7,496	6.9%	6.5%	7.0%	6.5%
Income taxes	1,936	1,528	3,772	2,925	2.8%	2.5%	2.8%	2.6%
Net income	$ 2,846	$ 2,347	$ 5,544	$ 4,571	4.1%	4.0%	4.2%	3.9%

Compared with the second quarter of FY 1996, operating income increased by 26%, to $5.1 million, from $4.0 million. For the first six months of FY 1997, operating income increased to $9.8 million from $7.7 million, or 27.3%. Operating income increased as a result of revenue increases, as well as from margin improvements associated with the higher proportion of software product sales which carry greater margins. Operating income in the first quarter of FY 1997 also benefitted from a $0.5 million favorable impact of a settlement of prior year indirect cost rates which had been the subject of a routine government audit.

For the quarter, direct costs increased by $5.5 million, or 17.8%, largely due to increases in revenue. Direct costs include direct labor and other direct costs (i.e. non-labor direct cost) which generally are passed to the customer without significant mark-up. Direct labor, the principal driver of profit bearing revenue, increased by 11.6% in the second quarter of FY 1997 versus the same period last year. Other direct costs, which historically vary from quarter to quarter, increased by approximately $3.1 million, or 29.7%. These higher other direct costs are the principal reason for the increase in the percentage of total direct costs in the most recent quarter. For the first six months of FY 1997, direct costs increased by $6.9 million, or 11%, primarily due to the increases in direct labor with a corresponding increase in revenue.

Indirect costs include fringe benefits, indirect labor, marketing and bid & proposal costs, and other discretionary costs. Fringe benefits, representing the largest category of indirect expenses, increased proportionally to total labor costs. Total indirect costs increased by $2.7 million, or 12%, for the quarter, and, by $5.3 million, or 12%, for the first six months of the year, primarily as a result of increased revenue and related direct labor. For the second quarter, however, indirect costs as a percentage of revenue decreased from 38.3% to 37.0% due to higher other non-labor direct costs and increased software product sales, which did not significantly effect the indirect costs.

The depreciation and amortization expense increase of $0.2 million for the quarter and $0.3 million for the first six months were primarily the result the acquisitions previously discussed.

Interest expense for the three and six month periods ending December 31, 1996 was $277,000 and $461,000, respectively. Compared to the same periods last year, interest expense increased by $148,000 and $291,000, respectively. These increases are the result of increased borrowings incurred to support the acquisitions discussed above.

The effective income tax rate for the quarter and the first six months was 40.5% versus 39.0% for the same period last year. The increase in the effective tax rate is primarily the result of the increase in non-deductible amortization goodwill expense associated with the acquisitions discussed above.

LIQUIDITY AND CAPITAL RESOURCES

For the first six months of FY 1997, operations provided $1.1 million of cash compared to the $0.5 million in FY 1996. The FY 1997 increase in cash provided by operating activities is largely the result of increases in net income, partially offset by the increase in accounts receivable and decrease in accounts payable and accrued expenses and compensation.

Investing activities used cash of approximately $8.4 million during the six months ended December 31, 1996 versus $15.0 million for the same period last year. Acquisitions discussed above accounted for the majority of the investments, with most of the remaining investments allocated to the purchase of office and computer-related equipment for use in the performance of contracts and for increased efficiency in the Company's administration.

During the six months ended December 31, 1996, the Company's financing activities provided cash of approximately $8.0 million, primarily from a $5.9 million increase in borrowings under the Company's revolving line of credit and from $2.1 million in proceeds derived from exercises of stock options.

On October 1, 1996 the Company completed its acquisition of the business and most of the assets of SRI for $5.3 million. The acquisition was financed with bank borrowings under the existing line of credit.

The Company maintains a $50 million unsecured revolving bank credit facility in the U.S., and a 500,000 pound sterling unsecured line of credit in London, England. These credit facilities expire on July 1999 and December 1997, respectively. At December 31, 1996, the Company had approximately $35 million available for borrowing under its revolving lines of credit.

Accordingly, the Company believes that the combination of internally generated funds, available bank credit and cash on hand will provide the required liquidity and capital resources for the foreseeable future.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

Pentagen Litigation:
Since 1993 the Registrant has been reporting on a series of lawsuits between the Registrant and its operating subsidiaries, CACI Systems Integration Inc. and CACI, Inc. - Federal, and Pentagen Technologies International, Limited (the "Pentagen Litigation"). Although some appeals from judgements in favor of the Registrant and some collateral proceedings are still pending, at this time Registrant will discontinue reporting of the Pentagen litigation because the Registrant believes that the merits have been substantially ajudicated and it is not reasonably possible that the Pentagen litigation will have a material adverse affect.

Ceridian Corporation v. CACI Systems Integration Inc.
Reference is made to Part II, Item 1, Legal Proceedings, in the Registrant's Quarterly Report on Form 10-Q for the period ending September 30, 1996, for the most recently filed information concerning the suit filed on October 6, 1995 by Ceridian Corporation ("Ceridian") in the District Court for Hennepin County, Minnesota, against Registrant's wholly-owned subsidiary, CACI Systems Integration Inc. ("CACI"), alleging breach of contract, breach of warranty, and repudiation by CACI in connection with a contract for the development of a manufacturing system. On January 26, 1996, CACI filed its answer and counterclaims, denying Ceridian's allegations and seeking damages from Ceridian for breach of contract, intentional and negligent misrepresentation, and tortious interference with contract.

Since the filing of the Registrant's report indicated above, the parties have been engaged in discovery.

CACI, INC. - FEDERAL v. Arizona Department of Transportation
Reference is made to Part II, Item 1, Legal Proceedings, in the Registrant's Quarterly Report on Form 10-Q for the period ending September 30, 1996 for the most recently filed information concerning the lawsuit filed on June 25, 1996, by CACI, Inc.-Federal ("CACI"), the Registrant's wholly-owned subsidiary, in Superior Court for Maricopa County, Arizona, against the Arizona Department of Transportation ("ADOT"). This suit was filed in the wake of termination of CACI's contract to provide certain software and systems development and seeks the following: (i) a declaratory judgment that the disputes procedure mandated by the Arizona Procurement Code is unconstitutional; (ii) a declaratory judgment that ADOT cannot assert claims against CACI under the mandated disputes procedure; (iii) a declaratory judgment that ADOT is not entitled to recover consequential damages in connection with the dispute; (iv) $2,938,990 plus interest in breach of contract damages; (v) the return of CACI property seized by ADOT in connection with the termination of the contract; and (vi) lawyer's fees.

On July 17, 1996, ADOT filed a motion to dismiss the case on the grounds that the Court lacks jurisdiction of the matter because of CACI's failure to exhaust its administrative remedies. By Order dated February 10, 1997 the Court denied ADOT's motion to dismiss.

Item 5. Other Information - Forward Looking Statements

This filing may contain "forward-looking" statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements concerning expectations of the Company s future performance in terms of revenue and earnings. The Company cautions investors that there can be no assurance that actual results will not differ materially from those projected or suggested in such forward-looking statements. Factors which could cause a material difference in results include, but are not limited to, the following: regional and national economic conditions; changes in interest rates; changes in government spending policies and/or decisions concerning specific programs; individual business decisions of customers and clients; developments in technology; competitive factors and pricing pressures; acts of God; and changes in government laws or regulations.

SIGNATURES

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

CACI International Inc
(Registrant)

Date: ____________________________ *By:* /s/ ____________________________________

Dr. J.P. London
Chairman of the Board,
President, and Director
(Principal Executive Officer)

Date: ____________________________ *By:* /s/ ____________________________________

James P. Allen
Executive Vice President,
Chief Financial Officer,
and Treasurer
(Principal Financial and
Accounting Officer)

CACI INTERNATIONAL INC AND SUBSIDIARIES

INDEX TO EXHIBITS

Exhibit Number	Title
11	Computation of Earnings per Common and Common Equivalent Share
27	Financial Data Schedule

EXHIBIT 11

CACI INTERNATIONAL INC AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE

Three Months Ended 12/31, Six Months Ended 12/31,

	1996	1995	1996	1995
Net Income	$ 2,846	$ 2,347	$ 5,544	$ 4,571
Average shares outstanding during the period	10,405	10,102	10,352	10,094
Dilutive effect of stock options after application of treasury stock method	573	573	582	590
Average number of shares outstanding during the period	10,978	10,675	10,934	10,684
Earnings per common and common equivalent share	$ 0.26	$ 0.22	$ 0.51	$ 0.43

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10-Q FOR FY1997 QUARTER ENDED DECEMBER 31, 1996, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

PERIOD TYPE	6 MOS
FISCAL YEAR END	JUN 30 1997
PERIOD END	DEC 31 1996
CASH	2,577,000
SECURITIES	0
RECEIVABLES	75,296,000
ALLOWANCES	(2,076,000)
INVENTORY	0
CURRENT ASSETS	81,102,000
PP&E	28,892,000
DEPRECIATION	(18,968,000)
TOTAL ASSETS	114,484,000
CURRENT LIABILITIES	32,000,000
BONDS	15,900,000
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	1,398,000
OTHER SE	62,967,000
TOTAL LIABILITY AND EQUITY	114,484,000
SALES	0
TOTAL REVENUES	131,555,000
CGS	0
TOTAL COSTS	69,546,000
OTHER EXPENSES	52,109,000
LOSS PROVISION	123,000
INTEREST EXPENSE	461,000
INCOME PRETAX	9,316,000
INCOME TAX	3,772,000
INCOME CONTINUING	5,544,000
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	5,544,000
EPS PRIMARY	.51
EPS DILUTED	.51

End of Filing