PERFICIENT INC Form 11-K July 10, 2006

#### UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, DC 20549

#### FORM 11-K

#### xANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 2005

#### OR

# oTRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

#### Commission file number 001-15169

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

The Perficient, Inc. 401(k) Employee Savings Plan

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

Perficient, Inc. 1120 South Capital of Texas Highway, Bldg B Suite 220 Austin, Texas 78746

# The Perficient, Inc. 401(k) Employee Savings Plan

#### Financial Statements and Supplemental Schedule

# Years ended December 31, 2005 and 2004

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#### **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Trustees The Perficient, Inc. 401(k) Employee Savings Plan Austin, Texas

We have audited the accompanying statements of net assets available for benefits of The Perficient, Inc. 401(k) Employee Savings Plan as of December 31, 2005 and 2004, and the related statements of changes in net assets available for benefits for the years then ended. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Perficient, Inc. 401(k) Employee Savings Plan as of December 31, 2005 and 2004, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule (Schedule of Assets (Held at End of Year)) as of December 31, 2005, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Wipfli LLP

June 14, 2006 Eau Claire, Wisconsin

#### The Perficient, Inc. 401(k) Employee Savings Plan Statements of Net Assets Available for Benefits December 31, 2005 and 2004

| Assets                            | 2005                | 2004      |
|-----------------------------------|---------------------|-----------|
| Investments:                      |                     |           |
| Mutual funds                      | \$<br>14,901,978 \$ | 6,836,413 |
| Employer securities               | 646,687             | 273,172   |
| Guaranteed interest contract      | 490,153             | 0         |
| Participant loans                 | 105,515             | 46,410    |
|                                   |                     |           |
| Total investments                 | 16,144,333          | 7,155,995 |
|                                   |                     |           |
| Receivables:                      |                     |           |
| Employer contributions            | 13,615              | 12,072    |
| Participant contributions         | 92,632              | 46,513    |
| Loan payments                     | 1,740               | 921       |
|                                   |                     |           |
| Total receivables                 | 107,987             | 59,506    |
|                                   |                     |           |
| NET ASSETS AVAILABLE FOR BENEFITS | \$<br>16,252,320 \$ | 7,215,501 |
|                                   |                     |           |

See accompanying notes to financial statements.

#### The Perficient, Inc. 401(k) Employee Savings Plan Statements of Changes in Net Assets Available for Benefits Year Ended December 31, 2005 and 2004

|   | 2005                | 2004      |
|---|---------------------|-----------|
| Additions to net assets attributed to:        |                     |           |
| Investment income:                            |                     |           |
| Net appreciation in fair value of investments | \$<br>993,255 \$    | 829,970   |
| Interest and dividends                        | 201,519             | 0         |
| Participant loan interest                     | 4,591               | 1,459     |
| Total investment income                       | 1,199,365           | 831,429   |
| Contributions:                                |                     |           |
| Employee                                      | 2,727,348           | 1,503,302 |
| Employer                                      | 390,191             | 244,241   |
| Rollover                                      | 864,297             | 177,482   |
| Total contributions                           | 3,981,836           | 1,925,025 |
| Transfers from merged plans                   | 5,732,037           | 0         |
| Total additions                               | 10,913,238          | 2,756,454 |
| Deductions from net assets attributed to:     |                     |           |
| Benefits paid directly to participants        | 1,864,240           | 515,726   |
| Administrative expenses                       | 12,179              | 674       |
| Total deductions                              | 1,876,419           | 516,400   |
| Net increase                                  | 9,036,819           | 2,240,054 |
| Net assets available for benefits:            |                     |           |
| Beginning of year                             | 7,215,501           | 4,975,447 |
| End of year                                   | \$<br>16,252,320 \$ | 7,215,501 |

See accompanying notes to financial statements.

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#### The Perficient, Inc. 401(k) Employee Savings Plan Notes to Financial Statements

1.

**Description of Plan** 

The following description of The Perficient, Inc. 401(k) Employee Savings Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

#### General

The Plan is a defined contribution plan covering substantially all employees of Perficient, Inc. (the "Company") who are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

# Contributions

Each year participants may contribute up to 25% of their pretax annual compensation to any of the investment funds. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company may make matching contributions up to specified amounts at its discretion. The Company may not make a contribution to the Plan for any Plan year to the extent the contribution would exceed the participant's maximum permissible amount. The matching contribution for 2005 and 2004 was 25% of the first 6% of eligible compensation deferred by the participant.

# **Participant Accounts**

Each participant's account is credited with the participant's contribution, the Company's matching contribution, and an allocation of (a) other Company discretionary contributions and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

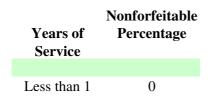
# **Participant-Directed Investments**

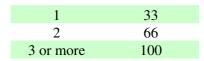
All assets of the Plan are participant-directed investments.

Participants have the option of directing their account balance to one or more different investment options. The investment options include various fixed and equity mutual funds, a guaranteed investment contract, and Perficient, Inc. common stock.

# Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. The Company contributions plus earnings thereon vest based on years of service as follows:





#### **Payment of Benefits**

Participants are entitled to receive benefit payments at the normal retirement age of 65, participant's death or disability, in the event of termination, or if the participant reaches age 70  $\frac{1}{2}$  while still employed. Benefits may be paid in a lump-sum distribution or installment payments.

#### **Forfeited Accounts**

In accordance with the Plan provisions, the forfeitures are used to reduce employer contributions. Forfeitures during the years ended December 31, 2005 and 2004, were \$43,925 and \$11,754, respectively. At December 31, 2005, forfeited nonvested accounts totaled \$82,838.

#### **Participant Loans**

Upon written application of a participant, the Plan may make a loan to the participant. Participants are allowed to borrow no less than \$1,000 and no greater than the lesser of 50% of the participant's vested account balance, or \$50,000. Loans are amortized over a maximum of 60 months unless used to purchase the participant's principal residence and repayment is made through payroll deductions. The amount of the loan is deducted from the participant's investment accounts and bears interest at a rate commensurate with local rates for similar plans.

2. Summary of Significant Accounting Policies

#### **Basis of Presentation**

The financial statements of the Plan have been prepared on the accrual basis of accounting.

#### Valuation of Investments

Investments in mutual funds and employer securities are stated at fair value, which is determined based on quoted market prices. The guaranteed interest contract with Principal Life Insurance Company is a general account-backed stable value contract that is valued at contract value. Contract value represents contributions made by participants, plus interest at a specified rate determined semiannually, less withdrawals or transfers by participants. The stated rate of return of the contract at December 31, 2005, was 3.4%. The rate was reset to 3.3% on January 1, 2006. There are no reserves against the contract value for credit risk of the contract issuer or otherwise. Participant loans are valued at their outstanding balances, which approximate fair value.

#### **Use of Estimates**

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

#### **Payment of Benefits**

Benefits are recorded when paid.

#### 3.

#### Investments

The following investments represented 5% or more of the Plan's net assets available for benefits at December 31, 2005 and 2004:

|                                   | 2005 | 2004 |
|-----------------------------------|------|------|
| Principal Life Insurance Company: |      |      |
| S&P 500 Index                     | \$   |      |