

SI INTERNATIONAL INC  
Form 10-Q  
November 07, 2007

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTER ENDED September 29, 2007**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number

000-50080

**SI International, Inc.**

(Exact name of registrant as specified in its charter)

Delaware

52-2127278

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(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

**12012 Sunset Hills Road**  
**Reston, Virginia**  
(Address of principal executive offices)

**20190-5869**  
(Zip Code)

Registrant's telephone number, including area code: **(703) 234-7000**

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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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

As of November 1, 2007, there were 13,177,598 shares outstanding of the registrant's common stock.

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SI INTERNATIONAL, INC.

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**PART I: FINANCIAL INFORMATION****Item 1. Financial Statements****SI International, Inc. and Subsidiaries****Consolidated Balance Sheets**

(Amounts in thousands, except share data)

**Unaudited**

	September 29, 2007	December 30, 2006
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 6,798	\$ 19,457
Accounts receivable, net	110,618	91,972
Other current assets	9,041	8,627
Total current assets	126,457	120,056
<b>Property and equipment, net</b>	14,770	12,372
<b>Goodwill</b>	264,822	220,626
<b>Intangible assets, net</b>	29,052	20,418
<b>Other assets</b>	12,083	7,661
Total assets	\$ 447,184	\$ 381,133
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities:</b>		
Note Payable - line of credit	\$ 20,000	\$
Current portion of long-term debt	1,004	754
Accounts payable	24,263	20,715
Note payable - former owner of acquired business		5,839
Accrued expenses and other current liabilities	33,756	28,547
Total current liabilities	79,023	55,855
<b>Long-term debt, net of current portion</b>	93,512	69,452
<b>Deferred income tax, net</b>	9,365	8,961
<b>Other long-term liabilities</b>	10,082	7,653
<b>Stockholders' equity:</b>		
Common stock - \$0.01 par value per share; 50,000,000 shares authorized; 13,060,159 and 12,967,377 shares issued and outstanding as of September 29, 2007 and December 30, 2006, respectively	131	130
Additional paid-in capital	187,305	184,845
Retained earnings	68,205	54,065
Accumulated other comprehensive (loss) income	(439)	172
Total stockholders' equity	255,202	239,212

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Total liabilities and stockholders' equity	\$	447,184	\$	381,133
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See accompanying notes

**SI International, Inc. and Subsidiaries**

**Consolidated Statements of Operations**

(Amounts in thousands, except per share data)

**Unaudited**

	Three Months Ended				Three Months Ended			
	September 29, 2007		September 30, 2006		September 29, 2007		September 30, 2006	
Revenue	\$	141,109	\$	119,869	\$	373,602	\$	346,334
Operating costs and expenses:								
Cost of services		92,915		77,092		237,541		218,669
Selling, general and administrative		36,462		30,652		102,681		