PERFICIENT INC
Form 11-K
June 27, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 11-K

[x] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

OR

[_] TRANSITION 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 the 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.
520 Maryville Centre Drive, Suite 400
Saint Louis, Missouri 63141

The Perficient, Inc. 401(k) Employee Savings Plan
Financial Statements and Supplemental Schedules
Years ended December 31, 2012 and 2011

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* Other schedules required by 29 C.F.R. § 2520.103-10 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

To Administrative Committee and Administrator of
The Perficient, Inc. 401(k) Employee Savings Plan

We have audited the accompanying statements of net assets available for benefits of The Perficient, Inc. 401(k) Employee Savings Plan (the Plan) as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012. These financial statements are the responsibility of the Plan's management. 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 audit 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2012 and 2011, and the changes in its net assets available for benefits for the year ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are 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 have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Brown Smith Wallace, LLC

St. Louis, Missouri
June 25, 2013

The Perficient, Inc. 401(k) Employee Savings Plan
Statements of Net Assets Available for Benefits
As of December 31, 2012 and 2011

	2012	2011
Investments, at fair value (Notes 3 and 4)	$ 64,249,125	$ 49,955,486
Receivables:		
Employer contributions	-	72,455
Participant contributions	-	250,017
Notes receivable – participants	519,088	524,083
Total receivables	519,088	846,555
Net assets available for benefits, at fair value	64,768,213	50,802,041
Adjustment from fair value to contract value for fully benefit-responsive investment contract (Note 5)	213,634	255,995
Net assets available for benefits	$ 64,981,847	$ 51,058,036

The accompanying notes are an integral part of these financial statements.

The Perficient, Inc. 401(k) Employee Savings Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2012

Additions to net assets attributed to:	
Contributions:	
Participant	$ 9,151,632
Employer	2,646,247
Rollover	2,525,038
Total contributions	14,322,917
Net appreciation in fair value of investments (Note 3)	6,834,130
Interest and dividend investment income	807,798
Interest – notes receivable from participants	23,546
Total additions	21,988,391
Deductions from net assets attributed to:	
Benefits paid to participants	7,949,064
Administrative expenses	115,516
Total deductions	8,064,580
Net increase	13,923,811
Net assets available for benefits at beginning of year	51,058,036
Net assets available for benefits at end of year	$64,981,847

The accompanying notes are an integral part of these financial statements.

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 Document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan covering all full-time United States employees of Perficient, Inc. (the “Company”) who are age 21 or older, except contracted and leased employees, or any employee that is a non-resident alien. Employees may participate in the Plan on the first day of the month on or after they are determined to meet these conditions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Effective May 1, 2012, the Plan changed 401(k) service providers. The Company’s new provider is Transamerica Retirement Services (formerly known as Diversified Retirement Corporation and/or Diversified Investment Advisors), which is a part of the Aegon group. As a result of this change, the Plan’s investment options have changed.

Contributions

For 2012, participants could contribute from a percentage of their pre-tax annual compensation to any of the investment funds up to a maximum of $17,000, subject to the Internal Revenue Code. Participants who had attained age 50 before the end of the year were eligible to make catch-up contributions of an additional $5,500. Participants could also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

The Company made matching contributions of 50% (25% in cash and 25% in Company common stock) of the first 6% of eligible compensation deferred by the participant. The Company made matching contributions of $1,450,261 in Company common stock during 2012.

Participant Accounts

Each participant’s account is credited with the participant’s contribution, the Company’s matching contribution, and an allocation of 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.

Vesting

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

Years of Service	Non-forfeitable Percentage

Less than 1	0
1	33
2	66
3 or more	100

Notes Receivable – Participants

Upon written application of a participant, the Plan may make a loan to the participant. Participants may borrow no less than $1,000 and no greater than the lesser of (i) 50% of the participant's vested account balance, or (ii) $50,000. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local rates for similar plans. Loans are amortized over a maximum of 60 months unless used to purchase the participant's principal residence. Repayment is made through payroll deductions. Participant loans are measured at the unpaid principal balance plus any accrued but unpaid interest. Participant loans outstanding were $519,088 and $524,083 as of December 31, 2012 and 2011, respectively.

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 70½ while still employed. Benefits may be paid in a lump-sum distribution or installment payments.

Forfeitures

As of December 31, 2012 and 2011, forfeitures not utilized to offset employer contributions were $0 and $17,421, respectively. In accordance with the Plan provisions, forfeitures are used to reduce employer contributions. During the year ended December 31, 2012, employer contributions were reduced by forfeitures of $245,947, which included account balances forfeited during the year.

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 mutual funds, collective trusts, a guaranteed investment contract, and Company common stock. As a result of the change in service providers, as of May 1, 2012, all funds which were held in the guaranteed investment contract were frozen and no longer an option for participants. Although this did not impact the benefit-responsive classification of the investment, participants did not have the ability to direct the investments which were held in this account as of the date of change. The funds were liquidated and transferred to the new service provider on January 17, 2013 which allowed participants to direct their investments based on the current investment options. See Notes 4 and 5 for additional quantitative disclosures.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits present the fair value of the investment contract as well as the adjustment of the fully benefit-responsive investment contract from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Use of Estimates

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

Investment Valuation and Income Recognition

The Plan’s investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fully benefit-responsive investment contract is valued at contract value. See Note 4 for discussion of fair value measurement.

Purchases and sales of investments and realized gains and losses are accounted for on the trade date. Interest income is recorded as earned and dividend income is recorded on the ex-dividend date. Net appreciation includes the Plan’s gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Operating expenses of maintaining the Plan are paid by the Company. Administrative expenses for participant-directed transactions are paid by the Plan.

Adoption of New Accounting Standards

In May 2011, the FASB issued ASU No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. Under this guidance, an entity is required to provide additional disclosures about the valuation processes and sensitivities of Level 3 assets and the categorization by level of the fair value hierarchy for items that are not measured at fair value in the statement of financial position, but for which the fair value is required to be disclosed. This guidance also requires disclosure of information about transfers between Level 1 and Level 2. The Plan adopted this guidance as of January 1, 2012 and all required disclosures which impact the Plan are reflected in Note 4.

3. Investments

The following investments represented 5% or more of the Plan's net assets:

	December 31, 2012	December 31, 2011
Vanguard 500 Index Signal, 41,002 shares	$4,449,498	$*
Schwab:		
Schwab Indexed Retirement 2030, 379,329 shares	5,909,947	*
Schwab Indexed Retirement 2040, 321,143 shares	5,125,446	*
PIMCO Total Return Instl, 397,808 shares	4,471,367	*
Principal Life Insurance Company:		
Fixed Income Option 401(a)/401(k), 263,509 and 323,128 shares, respectively	4,276,282	5,119,989
Lifetime 2030 R5, 370,173 shares	*	4,094,113
Lifetime 2040 R5, 344,726 shares	*	3,829,901
Large Cap S&P 500 Index Institutional, 372,299 shares	*	3,272,511
American Funds:		
EuroPacific Growth R6, 111,450 shares	4,589,523	*
EuroPacific Growth R4, 110,972 shares	*	3,834,066
Growth Fund of America R6, 134,357 shares	4,613,831	