

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

PAR TECHNOLOGY CORP
Form 8-K/A
December 17, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

Amendment No. 1
to
Form 8-K
as filed on December 17, 2004

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

October 7, 2004
Date of Report (Date of earliest event reported)

PAR TECHNOLOGY CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware	1-09720	16-1434688
-----	-----	-----
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

PAR Technology Park, 8383 Seneca Turnpike, New Hartford, NY	13413-4991
-----	-----
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (315) 738-0600

Not applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

Item 2.01. Acquisition or Disposition of Assets.

PAR Technology Corporation hereby amends its Current Report on Form 8-K originally filed with the United States Securities and Exchange Commission on October 7, 2004 relating to the acquisition of PAR Springer-Miller Systems, Inc. to include the financial statements of the business acquired, the pro forma financial information and related exhibits as set forth below.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

1. The audited consolidated financial statements of Springer-Miller Systems, Inc. and Subsidiaries as of and for the years ended December 31, 2003 and 2002 are filed with this report as Exhibit 99.1.
2. The unaudited interim consolidated financial statements of Springer-Miller Systems, Inc. and Subsidiaries as of September 30, 2004 and for the three and nine months ended September 30, 2004 and 2003 are filed with this report as Exhibit 99.2

(b) Pro forma Financial Information.

1. The unaudited pro forma Consolidated Statement of Income for the year ended December 31, 2003 and for the nine months ended September 30, 2004 and the unaudited pro forma Consolidated Balance Sheet as of September 30, 2004.

(c) Exhibits.

Exhibit Number -----	Description -----
99.1	The audited consolidated financial statements of Springer-Miller Systems, Inc. and Subsidiaries as of and for the years ended December 31, 2003 and 2002
99.2	The unaudited interim consolidated financial statements of Springer-Miller Systems, Inc. and Subsidiaries as of September 30, 2004 and for the three and nine months ended September 30, 2004 and 2003
99.3	The unaudited pro forma Consolidated Statement of Income for the year ended December 31, 2003 and for the nine months ended September 30, 2004 and the unaudited pro forma Consolidated Balance Sheet as of September 30, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PAR TECHNOLOGY CORPORATION

Date: December 17, 2004

By: /s/ Ronald J. Casciano

Ronald J. Casciano
Vice President, Chief Financial
Officer and Treasurer

EXHIBIT INDEX

Exhibit Number -----	Description -----
99.1	The audited consolidated financial statements of Springer-Miller Systems, Inc. and Subsidiaries as of and for the years ended December 31, 2003 and 2002
99.2	The unaudited interim consolidated financial statements of Springer-Miller Systems, Inc. and Subsidiaries as of September 30, 2004 and for the three and nine months ended September 30, 2004 and 2003
99.3	The unaudited pro forma Consolidated Statement of Income for the year ended December 31, 2003 and for the nine months ended September 30, 2004 and the unaudited pro forma Consolidated Balance Sheet as of September 30, 2004.
EX-99.1	The audited consolidated financial statements of Springer-Miller Systems, Inc. and Subsidiaries as of and for the years ended December 31, 2003 and 2002

CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

SPRINGER-MILLER SYSTEMS, INC., AND SUBSIDIARIES

DECEMBER 31, 2003 AND 2002

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

SPRINGER-MILLER SYSTEMS, INC.,
AND SUBSIDIARIES

DECEMBER 31, 2003 AND 2002

CONTENTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEETS

STATEMENTS OF OPERATIONS

STATEMENTS OF STOCKHOLDER'S DEFICIT

STATEMENTS OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS

[GRAPHIC OMITTED]

Report of Independent Certified Public Accountants

To the Stockholder of
Springer-Miller Systems Inc.,
and Subsidiaries

We have audited the accompanying consolidated balance sheets of Springer-Miller Systems, Inc., and Subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of operations, stockholder's deficit 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 auditing standards generally accepted in the United States of America. 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 our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Springer-Miller Systems, Inc., and Subsidiaries as of December 31, 2003 and

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

2002, and the consolidated results of their operations and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/Gallagher, Flynn & Company LLP

March 4, 2004

SPRINGER-MILLER SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31

	2003	2002
	-----	-----
Current Assets		
Cash and cash equivalents	\$ 2,000,968	\$ 924,495
Accounts receivable, less allowance for doubtful Accounts of \$291,069 in 2003 and \$353,402 in 2002	2,774,194	2,954,882
Inventories	28,844	31,742
Current portion of notes receivable	113,556	107,313
Costs on uncompleted contracts	62,360	55,628
Other current assets	327,832	240,200
	-----	-----
Total current assets	5,307,754	4,314,260
	-----	-----
Property and equipment, net of accumulated		
Depreciation and amortization	1,078,340	1,212,956
	-----	-----
Other Assets		
Software held for resale, net of accumulated amortization of \$688,567 in 2003 and \$232,550 in 2002	1,651,656	1,926,179
Marketable securities and other investments	--	112,731
Notes receivable, less current portion	708,837	822,393
Other	8,500	8,500
	-----	-----
	2,368,993	2,869,803
	-----	-----
	\$ 8,755,087	\$ 8,397,019
	=====	=====
Current Liabilities		
Notes payable - bank	\$ 75,000	\$ 300,000
Accounts payable	615,346	919,617
Accrued liabilities	632,475	308,362
Billings on uncompleted contracts	3,693,576	2,637,127
Deferred revenue	3,725,204	3,639,319
Current portion of acquisition liability	327,454	560,000
Income tax payable	2,848	2,205
	-----	-----
Total current liabilities	9,071,903	8,366,630
	-----	-----
Acquisition liability, less current portion	1,082,925	1,082,925

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

Accounts payable, less current portion	126,000	--
Stockholder's deficit:		
Common stock, no par value, 100 shares authorized; issued and outstanding	--	--
Additional paid-in capital	462,401	462,401
Accumulated deficit	(2,103,908)	(1,525,559)
Accumulated other comprehensive income	115,766	10,622
	(1,525,741)	(1,052,536)
	\$ 8,755,087	\$ 8,397,019
	=====	=====

The accompany notes are an integral part of these statements

SPRINGER-MILLER SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

Years ended December 31,

	2003	2002
	-----	-----
Revenue	\$ 13,962,500	\$ 11,685,771
Operating expenses:		
Direct project and support service costs	5,684,764	4,067,900
Research and development	2,326,865	2,250,594
Selling, general and administrative	6,499,495	5,927,900
	14,511,124	12,246,394
Loss from operations	(548,624)	(560,623)
Other income (Expense)		
Amortization of deferred credit and other acquisition related income	--	203,597
Interest income	91,788	78,531
Interest expense	(12,135)	(12,233)
Other income	120,453	75,593
Unrealized and realized gain (loss) on marketable securities	405	(75,730)
Gain (loss) on disposal of property and equipment	(1,258)	131
Other	(4,724)	(8,816)
	194,529	261,073
Loss before income taxes	(354,095)	(299,550)
Provision for income taxes	2,134	1,561

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

Loss before extraordinary item	(356,229)	(301,111)
Extraordinary gain - negative goodwill recognition (net of income taxes of \$0)	--	1,842,261
Net earnings (loss)	\$ (356,229)	\$ 1,541,150

The accompany notes are an integral part of these statements

SPRINGER-MILLER SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDER'S DEFICIT
YEARS ENDED DECEMBER 31, 2003 AND 2002

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Comprehensive Income (loss)
Balance, January 1, 2002	\$ --	\$ 462,401	\$ (2,809,849)	
Net earnings for the year ..	--	--	1,541,150	\$ 1,541,150
Translation adjustments	--	--	--	9,307
Comprehensive income	--	--	--	\$ 1,550,457
Distributions to stockholder	--	--	(256,860)	
Balance, December 31, 2002	--	462,401	(1,525,559)	
Net loss for the year	--	--	(356,229)	\$ (356,229)
Translation adjustments	--	--	--	105,144
Comprehensive loss	--	--	--	\$ (251,085)
Distributions to stockholder	--	--	(222,120)	
Balance, December 31, 2003	\$ --	\$ 462,401	\$ (2,103,908)	

The accompanying notes are an integral part of these statements

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

SPRINGER-MILLER SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31

	2003	2002
	-----	-----
Decrease In Cash and Cash Equivalents		
Cash flows from operating activities:		
Net earnings (loss)	\$ (356,229)	\$ 1,541,150
Noncash items included in net earnings (loss):		
Provision for doubtful accounts	75,926	497,457
Depreciation and amortization	814,196	407,309
Revenues from reduction of acquisition liability .	(59,960)	--
Change in accounting principle - negative goodwill	--	(1,842,261)
Unrealized loss on marketable securities	--	84,510
(Gain) loss on disposal of property and equipment	1,258	(131)
Changes in assets and liabilities:		
Accounts receivable	(22,244)	(922,465)
Inventory	2,898	12,367
Costs on uncompleted contracts	(6,732)	11,106
Marketable securities	112,731	(15,215)
Other current assets	(87,632)	(19,479)
Accounts payable and accrued liabilities	(25,257)	79,222
Deferred revenue and billings on		
uncompleted contracts	1,142,334	1,107,302
	-----	-----
Net cash provided by operating activities .	1,947,518	(600,278)
	-----	-----
Cash flows from investing activities:		
Purchase of property and equipment	(224,821)	(196,243)
Proceeds from disposal of property and equipment .	--	4,835
Costs of software held for resale	(55,332)	--
Business acquisition	--	(640,847)
Loan to stockholder	--	(250,000)
Payments received on notes receivable		
from stockholder	107,313	135,784
	-----	-----
Net cash used in investing activities	(172,840)	(946,471)
	-----	-----
Subtotal (forward)	\$ 1,418,449	\$ (5,599)
	-----	-----

(CONTINUED)

SPRINGER-MILLER SYSTEMS, INC. AND SUBSIDIARIES

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31

	2003	2002
	-----	-----
Subtotal (forwarded)	\$ 1,418,449	\$ (5,599)
	-----	-----
Cash flows from financing activities:		
Distributions to stockholder	(222,120)	(256,860)
Net payments on note payable - bank	(225,000)	--
Principal payments on capital lease obligations	--	(8,999)
	-----	-----
Net cash used in financing activities	(447,120)	(265,859)
	-----	-----
Foreign currency translation adjustment ...	105,144	9,307
	-----	-----
Net increase (decrease) in cash and cash equivalents	1,076,473	(262,151)
Cash and cash equivalents, beginning of year	924,495	1,186,646
	-----	-----
Cash and cash equivalents, end of period	\$ 2,000,968	\$ 924,495
	=====	=====
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ 12,135	\$ 12,233
	=====	=====
Income taxes	\$ 1,491	\$ 2,089
	=====	=====

Noncash investing and financing activities:

During 2003, the Company capitalized \$168,000 of software costs and recorded long-term accounts payable for this amount. Also in 2003, the Company reduced the acquisition liability by \$172,586 through adjustments to accounts receivable, software held for resale and accounts payable.

During 2002, the Company paid cash \$640,847 and incurred acquisition liabilities of \$1,642,925 to acquire assets totaling \$2,517,674 and assume liabilities totaling \$233,902 from clubessential, Inc., (see Note B).

The accompanying notes are an integral part of these statements.

SPRINGER-MILLER SYSTEMS INC.,
AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS
DECEMBER 31, 2003 AND 2002

A) SUMMARY OF OPERATIONS AND ACCOUNTING POLICIES

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

Operations:

Springer-Miller Systems, Inc., (the Company) was founded in 1983 in Stowe, Vermont and develops comprehensive property management computer systems for hotels, resorts and time-share properties. The geographic market for the Company is primarily the United States and international locations in Canada, the Caribbean, Southeast Asia and Europe.

Springer-Miller International, LLC, (SMI) a wholly owned subsidiary of the Company, provides services to the customers in Southeast Asia and Europe. This subsidiary opened branch offices in Malaysia in December 1998, Hong Kong in 2002 and acquired an office in Great Britain in 2001.

Springer-Miller Canada, ULC, (SMC) a wholly owned subsidiary of SMI, provides services to the customers in Canada. SMC began operations in 2002.

Accounting policies:

A summary of the Company's significant accounting policies applied in the preparation of the accompanying financial statements follows:

1. Basis of presentation

The accompanying consolidated financial statements of the Company have been prepared in conformity with generally accepted accounting principles. The consolidated financial statements include the accounts of Springer-Miller Systems, Inc., and its wholly owned subsidiaries, Springer-Miller International, LLC and Springer-Miller Canada, ULC. All significant intercompany transactions have been eliminated in consolidation.

2. Foreign currency transactions

All balance sheet accounts of the Company's foreign subsidiary are translated into U.S. dollars at the year-end rate of exchange and statement of earnings items are translated at the weighted average exchange rates for the year. The resulting translation adjustments are made directly to a separate component of stockholder's equity.

SPRINGER-MILLER SYSTEMS INC., AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS DECEMBER 31, 2003 AND 2002

A) SUMMARY OF OPERATIONS AND ACCOUNTING POLICIES (continued)

3. Cash and cash equivalents

For purposes of the statements of cash flows, the Company considers all highly liquid instruments purchased with maturities of three months or less to be cash equivalents.

4. Accounts receivable

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

Current earnings are charged with an allowance for doubtful accounts receivable based on collection experience and a review of the collectibility of specific accounts. Accounts deemed uncollectible are charged against this allowance.

5. Inventories Inventories are stated at the lower cost or market. Cost is determined principally by the first-in, first-out method.

6. Property and equipment

Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter. Leased property under capital leases is amortized over the lives of the respective leases or over the service lives of the assets for those leases that substantially transfer ownership. The straight-line method of depreciation is followed for substantially all assets for financial reporting purposes, but accelerated methods are used for tax purposes.

7. Software held for resale

Software held for resale represents costs related to the development and acquisition of software product masters. These costs are capitalized as incurred and are amortized on a straight-line basis over three to five years, the estimated economic lives of the software products, which exceeds revenue-based amortization. Amortization expense charged to operations for these costs was \$490,261 in 2003 and \$66,566 in 2002. The estimated minimum amortization expense for each of the ensuing years through December 31, 2008 is \$541,881, \$506,985, \$392,995, \$203,081 and \$6,714, respectively.

SPRINGER-MILLER SYSTEMS INC., AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS DECEMBER 31, 2003 AND 2002

A) SUMMARY OF OPERATIONS AND ACCOUNTING POLICIES (continued)

8. Marketable securities and other investments

Investments in marketable securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are recorded at fair value on the balance sheet, with the change in fair value during the period included in earnings. The Company liquidated its marketable securities during 2003. The net realized gains, which were included in earnings during 2003, were \$405. Net unrealized losses on such securities, which were included in earnings during 2002, were \$84,510. Marketable securities also included cash equivalents of \$3,156 at December 31, 2002.

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

9. Income taxes

Springer-Miller Systems, Inc., has elected to be taxed under provisions of Subchapter S of the Internal Revenue code. Income taxes on net earnings are payable personally by the stockholder pursuant to this election. Accordingly, no provision has been made for income taxes other than certain minimum state taxes and the subsidiary's foreign income taxes.

10. Revenue recognition

Installations - revenue is recognized upon delivery and completed installation of the system, fulfillment of all significant contract obligations and determination that collectibility of any remaining receivable is probable.

Master license agreements - revenue from license fees is recognized upon the latter of shipment of product or completion of significant obligations to customers.

Support services - software support is billed and collected prior to the coverage period and revenue is recognized on a straight-line basis over the coverage period.

Software development - through 2002, revenue from a long-term software development contract was recognized as work on the contract progressed, using the percentage of completion method.

SPRINGER-MILLER SYSTEMS INC., AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS DECEMBER 31, 2003 AND 2002

A) SUMMARY OF OPERATIONS AND ACCOUNTING POLICIES (continued)

11. Billings and costs of uncompleted contracts

The Company generally requires that customers place a deposit of 65% of the contract value upon the signing of an installment contract or master license agreement. These deposits are recorded as a liability until the project is completed and are presented as billings on uncompleted contracts. Direct project costs on work in progress are presented as costs on uncompleted contracts. Management periodically reviews the profitability of uncompleted contracts based on their estimate of costs to complete the project. Losses on contracts are recorded in the period in which such losses are determined. There are no estimated losses recorded at December 31, 2003 and 2002.

12. Excess of fair value of net assets of company acquired over cost

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

Prior to 2002, negative goodwill (excess of fair value of net assets acquired over cost) was recorded as a deferred credit and was being amortized on a straight-line basis over the remaining benefit period of the credit. As of January 1, 2002, the Company adopted FASB Statement No. 141, Business Combinations, issued July 20, 2001. Upon initial application of Statement No. 141, the negative goodwill remaining from a business combination prior to applying the Statement was recognized as extraordinary income.

13. Advertising

Advertising costs are charged to operations as incurred. Advertising expense was \$26,383 in 2003 and \$42,450 in 2002.

14. Research and development

Research and development costs are expensed as incurred.

15. Comprehensive income

Comprehensive income is the total of (1) net earnings plus (2) all other changes in net assets arising from nonowner sources, which are referred to as other comprehensive income. The Company has presented a statement of stockholder's deficit that includes other comprehensive income and an analysis of changes in components of accumulated other comprehensive income.

SPRINGER-MILLER SYSTEMS INC., AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS DECEMBER 31, 2003 AND 2002

A) SUMMARY OF OPERATIONS AND ACCOUNTING POLICIES (continued)

16. Product warranties

The Company's software contracts include a warranty period of ninety days during which the customer is entitled to receive support at no charge. The Company estimates the costs that may be incurred during this period, and if necessary, records a liability in the amount of such costs at the time the product revenue is recognized. Factors that affect the Company's anticipated warranty costs include the number of new installations, and historical and anticipated costs per claim. No warranty liability was required at December 31, 2003 and 2002.

17. Use of estimates

The preparation of financial statements in conformity with generally

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B) BUSINESS ACQUISITION

On November 28, 2002, the Company acquired certain assets of clubessential, Inc., in a business combination accounted for as a purchase. clubessential, Inc., was primarily engaged in the business of developing spa management software for hotels, resorts and time-share properties. The total cost of the acquisition was \$2,283,772 and was allocated as follows:

Current assets	\$ 368,754
Property and equipment	185,191
Software held for resale ..	1,963,729

	2,517,674
Current liabilities assumed	(233,902)

Net assets acquired	\$ 2,283,772
	=====

The consideration paid for the acquisition was allocated as follows:

Cash	\$ 640,847
Acquisition liabilities due to seller	1,642,925

	\$2,283,772
	=====

SPRINGER-MILLER SYSTEMS INC., AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS DECEMBER 31, 2003 AND 2002

B) BUSINESS ACQUISITION (continued)

The software held for resale is being amortized over the weighted average estimated useful life of 4.6 years. It is not anticipated that such assets will have significant residual values. The acquisition liabilities due to the seller include cash and credits against future sales of products and services, and the Company is contingently liable for additional consideration of up to \$1,500,000 based on 25% of certain revenues generated by the acquired products.

In conjunction with the acquisition referred to in Note A.12, the Company was entitled to earn fees from the collection of certain accounts receivable balances. This income had no effect on negative goodwill and was included in other income in 2002, totalling \$203,597. The Company also entered into a \$2,500,000 long-term software development contract with the seller and an agreement to settle certain commitments to customers through 2002, for which the Company was compensated \$2,400,000.

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

C) CONCENTRATIONS OF CREDIT RISK AND MAJOR CUSTOMERS

In 2002, a substantial portion of the Company's revenues were from one customer. Revenues from this customer approximated \$1,700,000 (15% of total revenues) for the year ended December 31, 2002. The amount due from this customer, included in trade accounts receivable, was approximately \$157,000 at December 31, 2002.

The Company maintains domestic bank account balances, which, at times, may exceed federally insured limits. The Company has not experienced any losses with these accounts. Management believes the Company is not exposed to any significant credit risk on domestic cash balances. The Company also maintains certain foreign bank balances that are not covered by deposit insurance totalling approximately \$88,000 at December 31, 2003.

SPRINGER-MILLER SYSTEMS INC.,
AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS
DECEMBER 31, 2003 AND 2002

D) PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2003	2002
	-----	-----
Furniture and fixtures	\$ 766,629	\$ 742,675
Leasehold improvements	749,762	390,668
Computer hardware and software	1,167,499	1,012,643
Vehicles	--	5,598
Construction in progress - leasehold improvements	--	339,621
	-----	-----
	2,683,890	2,491,205
Less accumulated depreciation and amortization ..	1,605,550	1,278,249
	-----	-----
	\$1,078,340	\$1,212,956
	=====	=====

E) NOTES RECEIVABLE

Notes receivable consist of the following at December 31:

	2003	2002
	-----	-----
Stockholder -		
Due in equal monthly installments of \$10,436, including interest at 6%, due July 2009	\$592,895	\$679,706
Due in equal monthly installments of \$2,561,		

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

including interest at 4.25%, due December 1, 2013	229,498	250,000
	-----	-----
	822,393	929,706
Less current portion	113,556	107,313
	-----	-----
	\$708,837	\$822,393
	=====	=====

F) NOTE PAYABLE - BANK

Note payable - bank represents the amount due under a \$300,000 line of credit from a bank due December 2004. Interest is payable monthly at The Wall Street Journal prime rate (4% at December 31, 2004), adjusted monthly. The note is secured by substantially all business assets and is personally guaranteed by the stockholder of the Company.

SPRINGER-MILLER SYSTEMS INC.,
AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS
DECEMBER 31, 2003 AND 2002

G) OPERATING LEASES

The Company leases office space and office equipment under various operating lease agreements. The Company also rents a building on a month-to-month basis from its sole stockholder (see Note I). Future minimum payments for all noncancellable operating leases having a term in excess of one year at December 31, 2003, are as follows:

Years ending December 31, -----	Amount -----
2004	\$ 291,857
2005	225,139
2006	200,676
2007	39,763
2008	39,071
Thereafter	18,508

	\$ 815,014
	=====

Total rent expense charged to operations was \$1,002,468 for 2003 and \$765,801 for 2002.

H) PROFIT SHARING PLAN

The Company has a 401(k) profit sharing plan (the Plan) that covers substantially all employees. All employees over the age of 20 1/2 years who have completed three months of service are eligible to participate in the Plan. Contributions to the Plan are at the discretion of the board of directors. Contributions to the Plan were \$200,000 in 2003 and \$0 in 2002.

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

SPRINGER-MILLER SYSTEMS INC.,
AND SUBSIDIARIES

NOTES TO CONSOLIDATED STATEMENTS
DECEMBER 31, 2003 AND 2002

I) RELATED PARTY TRANSACTIONS AND GUARANTEES

The Company has a loan agreement with its sole stockholder (see Note E). Interest income related to this note included in operations was \$48,650 in 2003 and \$43,464 in 2002.

The Company rents a building on a month-to-month basis from its stockholder. Rent expense under these agreements was approximately \$360,000 in 2003 and \$230,000 in 2002.

The Company's sole stockholder obtained unsecured bank financing totalling \$1,388,308 at December 31, 2003, which is due in full at its maturity in January 2021. For no consideration, the Company agreed to guarantee the bank debt on behalf of the stockholder because the purpose of the loan was to finance the expansion of office facilities. The Company can be required to perform on the guarantee only in the event of nonpayment of the debt by the stockholder. Management evaluates the Company's exposure to loss at each balance sheet date and provides accruals for such as deemed necessary. No accruals were deemed necessary at December 31, 2003 and 2002. The Company has recourse only to the general credit of the stockholder should the Company be required to perform under the guarantee.

[GRAPHIC OMITTED]

To the Board of Directors of
Springer-Miller Systems, Inc.,
and Subsidiaries

We consent to the use of our report dated March 4, 2004, included herein with respect to the consolidated balance sheets of Springer-Miller Systems, Inc., and Subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of operations, stockholder's deficit, and cash flows for each of the years in the two-year period ended December 31, 2003.

[GRAPHIC OMITTED]

/s/Gallagher, Flynn & Company LLP

Burlington, Vermont 05401
December 15, 2004

EX-99.2 The unaudited interim consolidated financial statements of Springer-Miller Systems, Inc. and Subsidiaries as of September 30, 2004 and for the three and nine months ended September 30, 2004 and 2003.

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

SPRINGER-MILLER SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands except share amounts)
(unaudited)

	September 30, 2004	December 31, 2003
	-----	-----
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,574	\$ 2,001
Accounts receivable-net	1,761	2,774
Inventories-net	19	29
Current portion of notes receivable	29	114
Costs on uncompleted contracts	187	62
Other current assets	322	328
	-----	-----
Total current assets	4,892	5,308
Property and equipment - net	1,330	1,078
Notes receivable, less current portion	709	709
Other assets	1,025	1,660
	-----	-----
	\$ 7,956	\$ 8,755
	=====	=====
Liabilities and Stockholder's Deficit		
Current liabilities:		
Notes payable - bank	\$ --	\$ 75
Accounts payable	618	615
Accrued liabilities	461	633
Billings on uncompleted contracts	4,993	3,694
Deferred revenue	3,094	3,725
Current portion of acquisition liability	212	327
Income tax payable	52	3
	-----	-----
Total current liabilities	9,430	9,072
Acquisition liability	1,000	1,083
	-----	-----
Accounts payable - less current portion	126	126
	-----	-----
Stockholder's deficit:		
Common stock, no par value, 100 shares authorized; issued and outstanding	--	--
Additional paid-in capital	462	462
Accumulated deficit	(3,205)	(2,104)
Accumulated other comprehensive income	143	116
	-----	-----
Total stockholder's deficit	(2,600)	(1,526)
	-----	-----
	\$ 7,956	\$ 8,755
	=====	=====

Continued

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

SPRINGER-MILLER SYSTEMS, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (in thousands)
 (unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2004	2003	2004	2003
Net revenues:				
Product	\$ 1,186	\$ 974	\$ 4,256	\$ 3,352
Service	2,660	2,070	7,946	6,328
	-----	-----	-----	-----
	3,846	3,044	12,202	9,680
	-----	-----	-----	-----
Costs of sales:				
Product	148	207	693	573
Service	1,346	1,122	3,798	3,357
	-----	-----	-----	-----
	1,494	1,329	4,491	3,930
	-----	-----	-----	-----
Gross margin	2,352	1,715	7,711	5,750
	-----	-----	-----	-----
Operating expenses:				
Selling, general and administrative	1,876	1,694	5,182	5,148
Research and development	674	513	1,843	1,548
	-----	-----	-----	-----
	2,550	2,207	7,025	6,696
	-----	-----	-----	-----
Operating income (loss)	(198)	(492)	686	(946)
Other income (expense), net	(113)	8	232	120
Interest expense	(1)	(8)	(2)	(10)
	-----	-----	-----	-----
Income (loss) before provision for income taxes	(312)	(492)	916	(836)
Provision for income taxes	--	--	--	--
	-----	-----	-----	-----
Net income (loss)	\$ (312)	\$ (492)	\$ 916	\$ (836)
	-----	-----	-----	-----

SPRINGER-MILLER SYSTEMS, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
 (in thousands)
 (unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2004	2003	2004	2003
Net income (loss)	\$ (312)	\$ (492)	\$ 916	\$ (836)

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

Other comprehensive income (loss):				
Foreign currency translation adjustments	45	(6)	27	53
	-----	-----	-----	-----
Comprehensive income (loss)	\$ (267)	\$ (498)	\$ 943	\$ (783)
	=====	=====	=====	=====

SPRINGER-MILLER SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	For the nine months ended September 30,	
	2004	2003
	-----	-----
Cash flows from operating activities:		
Net income (loss)	\$ 916	\$ (836)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	599	605
Provision for bad debts	30	6
Increase (decrease) from changes in:		
Accounts receivable	983	1,580
Inventories	10	4
Costs on uncompleted contracts	(125)	8
Other current assets	6	25
Other assets	(47)	(17)
Accounts payable and accrued expenses	(120)	(358)
Deferred revenue and billings on uncompleted contracts	668	658
Net cash provided by operating activities	2,920	1,675
	-----	-----
Cash flows from investing activities:		
Marketable securities	--	113
Capital expenditures	(169)	(186)
Payments received on notes receivable from stockholder	85	80
Net cash provided (used) in investing activities	(84)	7
	-----	-----
Cash flows from financing activities:		
Net payments on note payable - bank	(75)	(85)
Acquisition liability	(198)	(233)
Distributions to stockholder	(2,017)	(133)
Net cash used in financing activities	(2,290)	(451)
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	27	53
	-----	-----
Net increase in cash and cash equivalents	573	1,284
Cash and cash equivalents at beginning of year	2,001	924

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

	-----	-----
Cash and cash equivalents at		
end of period	\$ 2,574	\$ 2,208
	=====	=====

Supplemental disclosures of cash flow information: Cash paid during the year for:

Interest	\$ 2	\$ 10
----------	------	-------

SPRINGER-MILLER SYTEMS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. The accompanying unaudited interim consolidated financial statements have been prepared by Springer-Miller Systems, Inc. and Subsidiaries (the "Company") in accordance with accounting principles generally accepted in the United States of America for interim financial statements. Accordingly, these interim financial statements do not include all information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of the Company such unaudited statements include all adjustments (which comprise only normal recurring accruals) necessary for a fair presentation of the results for such periods. The results of operations for the three and nine months ended September 30, 2004 are not necessarily indicative of the results of operations to be expected for any future period. The unaudited interim consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes (included in this SEC Form 8-K/A in Exhibit 99.1) as of and for the years ended December 31, 2003 and 2002.

2. On October 1, 2004, PAR Technology Corporation ("PAR") and its wholly-owned subsidiary, PAR Springer-Miller Systems, Inc. (f/k/a PSMS Acquisition Inc.) (the "Subsidiary"), completed its previously-announced transaction with Springer-Miller Systems, Inc. ("Springer-Miller") and John Springer-Miller pursuant to which the Subsidiary acquired substantially all of the assets (including the equity interests in each of Springer-Miller International, LLC and Springer-Miller Canada, ULC), and assumed certain liabilities, of Springer-Miller. The purchase price of the net assets acquired was \$16.1 million adjusted, in accordance with the purchase agreement, to \$15.0 million based on changes in the balance sheet of Springer-Miller through September 30, 2004 plus approximately \$3.2 million (an amount equal to the cash and cash equivalents held by Springer-Miller and its subsidiaries at the closing date of the acquisition, October 1, 2004). The purchase price consisted of \$1.9 million worth of PAR common stock (208,653 shares of PAR Technology Corporation common stock) and the remainder in cash.

- EX-99.3 The unaudited pro forma Consolidated Statements of Income for the year ended December 31, 2003 and for the nine months ended September 30, 2004 and the unaudited pro forma Consolidated Balance Sheet as of September 30, 2004.

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

On October 1, 2004, PAR Technology Corporation (the "Company") and its wholly-owned subsidiary, PAR Springer-Miller Systems, Inc. (f/k/a PSMS Acquisition Inc.) (the "Subsidiary"), completed its previously-announced transaction with Springer-Miller Systems, Inc. ("Springer-Miller") and John Springer-Miller pursuant to which the Subsidiary acquired substantially all of the assets (including the equity interests in each of Springer-Miller International, LLC and Springer-Miller Canada, ULC), and assumed certain liabilities, of Springer-Miller. The purchase price of the net assets acquired was \$16.1 million adjusted, in accordance with the purchase agreement, to \$15.0 million based on changes in the consolidated balance sheet of Springer-Miller through September 30, 2004 plus approximately \$3.2 million (an amount equal to the cash and cash equivalents held by Springer-Miller and its subsidiaries at the closing date of the acquisition, October 1, 2004). The purchase price consisted of \$1.9 million worth of Company common stock (208,653 shares of PAR Technology Corp. common stock) and the remainder in cash.

Springer-Miller, based in Stowe, Vermont, is a developer of software for hotel and restaurant management.

PAR TECHNOLOGY CORPORATION
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME
 For the year ended December 31, 2003
 (in thousands except per share amounts)

	PAR Technology Corporation	Springer-Miller Systems, Inc.	Acquisiti Pro forma Adjustmen
Net revenues:			
Product	\$ 60,223	\$ 5,156	\$
Service	37,865	8,807	
Contract	41,682	--	
	139,770	13,963	
Costs of sales:			
Product	39,024	594	
Service	32,140	5,091	
Contract	39,613	--	
	110,777	5,685	
Gross margin	28,993	8,278	
Operating expenses:			
Selling, general and administrative	19,340	6,499	
Research and development	5,310	2,328	
Amortization of identifiable			

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

intangible assets	--	--	1
	-----	-----	-----
	24,650	8,827	1
	-----	-----	-----
Operating income (loss)	4,343	(549)	(1)
Other income, net	582	207	
Interest expense	(540)	(12)	
	-----	-----	-----
Income (loss) from continuing operations before provision for income taxes	4,385	(354)	(1)
(Provision) benefit for income taxes	(1,593)	(2)	
	-----	-----	-----
Income (loss) from continuing operations	2,792	(356)	(1)
	-----	-----	-----
Discontinued operations:			
Loss from operations of discontinued component	(570)	--	
Income tax benefit	207	--	
	-----	-----	-----
Loss from discontinued operations	(363)	--	
	-----	-----	-----
Net income (loss)	\$ 2,429	\$ (356)	\$ (
	=====	=====	=====

Continued

PAR Technology Corporation
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME (Continued)
 For the year ended December 31, 2003
 (in thousands except per share amounts)

	PAR Technology Corporation	Springer-Miller Systems, Inc.	Acquisiti Pro forma Adjustmen
	-----	-----	-----
Earnings per share:			
Basic:			
Income from continuing operations	\$.33	\$ --	\$
Loss from discontinued operations	\$ (.04)	\$ --	\$
Net income	\$.29	\$ --	\$
Diluted:			
Income from continuing operations	\$.32	\$ --	\$
Loss from discontinued operations	\$ (.04)	\$ --	\$
Net income	\$.27	\$ --	\$
Weighted average shares outstanding			
Basic	8,438		2
	=====	=====	=====
Diluted	8,861		2
	=====	=====	=====

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

See notes to unaudited pro forma Consolidated Financial Statements.

PAR Technology Corporation
 UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
 September 30, 2004
 (in thousands except share amounts)

	PAR Technology Corporation	Springer-Miller Systems, Inc.	Acquisiti Pro forma Adjustmen
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,505	\$ 2,574	\$ (2
Accounts receivable-net	28,052	1,761	
Inventories-net	31,086	19	
Current portion of notes receivable	--	29	
Deferred income taxes	6,102	--	
Costs on uncompleted contracts	--	187	
Other current assets	2,658	322	
	-----	-----	-----
Total current assets	73,403	4,892	(2
Property and equipment - net	7,307	1,330	
Notes receivable	--	709	
Deferred income taxes	1,467	--	
Other assets	3,397	1,025	21
	-----	-----	-----
	\$ 85,574	\$ 7,956	\$ 17
	=====	=====	=====

PAR Technology Corporation
 UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET (Continued)
 September 30, 2004
 (in thousands except share amounts)

	PAR Technology Corporation	Springer-Miller Systems, Inc.	Acquisiti Pro for Adjustm
Liabilities and Stockholders' Equity			
Current liabilities:			
Current portion of long-term debt	\$ 87	\$ --	\$
Notes payable - bank	--	--	13
Accounts payable	10,081	618	
Accrued salaries and benefits	6,029	--	
Accrued expenses	2,074	513	
Billings on uncompleted contracts	--	4,993	

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

Deferred revenue	5,506	3,094	
Current portion of acquisition liability	--	212	
Total liabilities of discontinued operations	390	--	
	-----	-----	-----
Total current liabilities	24,167	9,430	13
	-----	-----	-----
Acquisition liability	--	1,000	
	-----	-----	-----
Accounts payable - less current portion	--	126	
	-----	-----	-----
Long-term debt	2,027	--	
	-----	-----	-----
Stockholders' equity (deficit):			
Preferred stock, \$.02 par value, 1,000,000 shares authorized			
Common stock, \$.02 par value, 19,000,000 shares authorized; 10,080,182 shares issued; 8,669,495 outstanding (Pro forma PAR; 10,288,835 issued; 8,878,148 outstanding	202	--	
Additional paid-in capital	30,309	462	1
Retained earnings (Accumulated deficit)	36,157	(3,205)	3
Accumulated other comprehensive income (loss)	(235)	143	
Treasury stock, at cost, 1,410,687 shares	(7,053)	--	
	-----	-----	-----
Total stockholders' equity (deficit)	59,380	(2,600)	4
	-----	-----	-----
	\$ 85,574	\$ 7,956	\$ 17
	=====	=====	=====

See notes to unaudited pro forma Consolidated Financial Statements.

PAR Technology Corporation
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME
 For the nine months ended September 30, 2004
 (in thousands except per share amounts)

	PAR Technology Corporation	Springer-Miller Systems, Inc.	Acquisition Pro forma Adjustments
	-----	-----	-----
Net revenues:			
Product	\$ 54,212	\$ 4,256	\$
Service	32,490	7,946	
Contract	36,756	0	
	-----	-----	-----

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

	123,458	12,202	
	-----	-----	-----
Costs of sales:			
Product	36,413	693	
Service	28,079	3,798	
Contract	34,245	0	
	-----	-----	-----
	98,737	4,491	
	-----	-----	-----
Gross margin	24,721	7,711	
	-----	-----	-----
Operating expenses:			
Selling, general and administrative	15,143	5,182	
Research and development	3,914	1,843	
Amortization of identifiable intangible assets	--	--	1,0
	-----	-----	-----
	19,057	7,025	1,0
	-----	-----	-----
Operating income	5,664	686	(1,0
Other income, net	588	232	
Interest expense	(146)	(2)	(3
	-----	-----	-----
Income (loss) from continuing operations before provision for income taxes	6,106	916	(1,3
(Provision) benefit for income taxes	(2,324)	--	2
	-----	-----	-----
Net income (loss)	\$ 3,782	\$ 916	\$ (1,1
	=====	=====	=====

PAR Technology Corporation
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF INCOME
For the nine months ended September 30, 2004
(in thousands except per share amounts)

	PAR Technology Corporation	Springer-Miller Systems, Inc.	Acquisiti Pro forma Adjustmen
	-----	-----	-----
Earnings per share:			
Basic:	\$ 0.44	\$ --	\$ --
	=====		
Diluted:	\$ 0.41	\$ --	\$ --
	=====		
Weighted average shares outstanding			
Basic	8,625		209
	=====	=====	=====
Diluted	9,159		209
	=====	=====	=====

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

See notes to unaudited pro forma Consolidated Financial Statements

Notes to unaudited pro forma Consolidated Financial Statements

1. Purchase Price Allocation

The total purchase price discussed above is allocated to the tangible and identifiable intangible assets acquired and liabilities assumed by the Company based on their estimated fair values as of the closing date of the acquisition. The following table presents the preliminary estimated fair value of the assets acquired and liabilities assumed:

(in thousands)

Cash and cash equivalents	\$ 3,227
Accounts receivable, net	1,761
Prepaid and other current assets	528
Property and equipment, net	861
Accounts payable	(618)
Accrued expenses and other current liabilities	(725)
Deferred revenues	(8,087)
Long-term liabilities	(1,126)

Net liabilities assumed	(4,179)
Identifiable intangible assets acquired	
Software	3,500
Customer relationships	2,800
Trademark and trade names	2,100
Others	300
Goodwill	13,679

Total estimated purchase price	\$ 18,200
	=====

The identifiable intangible assets acquired and their estimated useful lives (based on preliminary third party valuation) are as follows:

(in thousands)	Fair Value	Estimated Useful Life
-----	-----	-----
Software	\$ 3,500	5 Years
Customer relationships	2,800	5 Years
Trademarks and trade names	2,100	Indefinite
Others	300	3 - 4 Years

	\$ 8,700	
	=====	

2. Pro forma assumptions

The accompanying unaudited pro forma consolidated balance sheet at September 30, 2004 and the unaudited pro forma consolidated statements of income for the nine months ended September 30, 2004 and the year ended

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

December 31, 2003 give effect to the acquisition referred to above. The pro forma consolidated statements of income assume the acquisition took place on January 1, 2003. The pro forma consolidated balance sheet at September 30, 2004 assumes the acquisition took place on September 30, 2004. The pro forma consolidated balance sheet and statements of income are presented for illustrative purposes only and do not necessarily reflect the results of operations that would have occurred had the acquisition actually occurred during the periods presented.

The accompanying unaudited pro forma consolidated balance sheet and statements of income are subject to a number of estimates, assumptions and uncertainties, and do not purport to be indicative of actual results had the acquisition taken place on the date indicated, nor do these statements of income purport to be indicative of the results of operations that may be achieved in the future.

The unaudited pro forma consolidated balance sheet at September 30, 2004 and the unaudited pro forma consolidated statements of income for the nine months ended September 30, 2004 and the year ended December 31, 2003 have been adjusted as discussed in the notes below:

- a) Reflects the cash portion of the purchase price held by Springer-Miller and its subsidiaries at the closing.
- b) To eliminate the note receivable which is not included in the purchase agreement.
- c) To eliminate certain specifically identified property and equipment which are not included in the purchase agreement.
- d) To record the identifiable intangibles and goodwill resulting from the acquisition as detailed in note 1.
- e) To record the debt incurred in connection with the acquisition.
- f) To record the 208,653 shares of PAR Technology Corp. common stock issued in connection with the acquisition. The number of shares issued was determined based on a formula in the purchase agreement. For purposes of recording the acquisition, these shares were valued based upon the average value of the Company's common stock based on the average closing share price for the period of 2 days preceding through the 2 days following the announcement of the acquisition.
- g) To eliminate historical Springer-Miller additional paid in capital and accumulated deficit.
- h) To eliminate historical Springer-Miller accumulated other comprehensive income.
- i) To record pro forma amortization of the identifiable intangible assets with finite lives acquired based on periods indicated in note 1 for the year ended December 31, 2003.
- j) To record pro forma interest expense on debt incurred for the year ended December 31, 2003. Interest expense assumes the entire amount of debt incurred of \$13.1 million was outstanding for all of 2003 at an average annual borrowing rate of 4.1%.
- k) To record pro forma tax benefit using statutory tax rates assuming results of Springer Miller (formerly an S-Corp) combined with PAR Technology Corp. and after giving effect to the pro forma adjustments.

Edgar Filing: PAR TECHNOLOGY CORP - Form 8-K/A

- l) To record pro forma amortization for identifiable intangible assets with finite lives acquired based on periods indicated in note 1 for the nine months ended September 30, 2004.
- m) To record pro forma interest expense on debt incurred for the nine months ended September 30, 2004. Interest expense assumes the entire amount of debt incurred of \$13.1 million was outstanding for the first 6 months of 2004 at an average borrowing rate for that period of 3.9%, reduced to \$11.6 million (from available cash flow for 2004) for the three months ended September 30, 2004 at an average borrowing rate for that period of 4.3%.
- n) To record pro forma tax provision using statutory tax rates assuming results of Springer Miller (formerly an S-Corp) combined with PAR Technology Corp. and after giving effect to the pro forma adjustments.