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ACXIOM CORP
Form 11-K
June 24, 2004

SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF

(Mark One)

Annual Report pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2003.

OR

Transition Report pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____
Commission File Number 0-16163

A. Full title of the plan and the address of the plan, if different from that of the issuer, set forth below:

Acxiom Corporation
Retirement Savings Plan

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

Acxiom Corporation
1 Information Way
Little Rock, AR 72202

ACXIOM CORPORATION
RETIREMENT SAVINGS PLAN

Financial Statements and Supplemental Schedule

December 31, 2003 and 2002

(With Report of Independent Registered Public Accounting Firm Thereon)

ACXIOM CORPORATION
RETIREMENT SAVINGS PLAN

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Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2003

All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Employee Retirement Income Security Act of 1974 are omitted as they are inapplicable or not required.

Report of Independent Registered Public Accounting Firm

The Plan Administrator
Acxiom Corporation Retirement Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Acxiom Corporation Retirement Savings Plan (the Plan) as of December 31, 2003 and 2002, and the related statement of changes in net assets available for benefits for the year ended December 31, 2003. 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. An audit includes examining, on a test basis, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting 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 Acxiom Corporation Retirement Savings Plan as of December 31, 2003 and 2002, and the changes in net assets available for benefits for the year ended December 31, 2003, in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements and the supplemental schedule of assets (held at end of year) is presented for purposes of additional information. The supplemental schedule is 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. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule is not audited and the auditing procedures applied in the audits of the basic financial statements and, in our opinion, do not provide a basis for an audit of the supplemental schedule. Material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

Dallas, Texas

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May 28, 2004

ACXIOM CORPORATION
 RETIREMENT SAVINGS PLAN
 Statements of Net Assets Available for Benefits
 December 31, 2003 and 2002

	2003

Assets:	
Investments, at fair value (note 3):	
Acxiom Corporation common stock	\$ 67,060,59
Other common stock	191,08
Mutual funds	115,638,86
Common collective trust fund	15,186,50
Participant notes receivable	4,134,21
Cash	84,20

Total investments	202,295,46

Net assets available for benefits (note 10)	\$ 202,295,46
	=====

See accompanying notes to financial statements.

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ACXIOM CORPORATION
 RETIREMENT SAVINGS PLAN
 Statement of Changes in Net Assets Available for Benefits
 Year ended December 31, 2003

Additions to net assets attributed to:

Investment income:

Dividends

Interest

Net appreciation in fair value of investments (note 3)

Contributions:

Participants

Employer, net of \$1,263,230 of forfeitures

Total additions

Deductions from net assets attributed to:

Plan expenses

Distribution of benefits

Total deductions

Net increase in net assets available for benefits

Net assets available for benefits, beginning of year

Net assets available for benefits, end of year

See accompanying notes to financial statements.

ACXIOM CORPORATION
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2003 and 2002

(1) Plan Description

The following description of the Acxiom Corporation Retirement Savings Plan (the Plan) provides information. Participants should refer to the Plan agreement (the Agreement) for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution Plan covering substantially all employees of Acxiom Corporation and its domestic subsidiaries (Acxiom, the Company or the Employer). The Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

(b) Contributions

The Plan includes a 401(k) provision whereby each non-highly compensated participant may elect to defer annual compensation not to exceed limits determined under Section 415(c) of the Internal Revenue Code (IRC). Deferrals for highly compensated participants are limited to meet nondiscrimination requirements under the IRC and are currently limited to 6% of annual compensation.

The Plan has historically provided a matching contribution of 50% of deferrals for non-highly compensated participants (maximum matching contribution of 3%). During 2003 the Plan was amended to allow for discretionary instead of mandatory matching contributions (see note 9). From August 1, 2003 to August 31, 2003, the discretionary matching contribution was suspended. On November 1, 2003, the discretionary matching contribution was reinstated at the level of 25% for deferrals up to 6% (maximum matching contribution of 1.5%). During the 2004 plan year, March 1, 2004, the discretionary matching contribution was increased to its prior level of 50% of 6%, for a maximum 3.0%.

Participant contributions to the Plan are invested as directed by participants into various investment options. The Company's matching contributions are made with Acxiom common stock and valued at the fair value of the common stock at the date contributed. During the years ended December 31, 2002 and 2003, the Company contributed 142,481 and 285,097 shares, respectively, of Acxiom common stock. Upon deposit into the Plan, the match shares are 100% diversifiable, at the election of the participant, among the other investment options with the Plan.

Certain fees for attorneys, accountants, and Plan administration have been paid by the Company for the year ended December 31, 2003. The Company may continue to pay these fees in the future. If the Company is unable to pay these fees, otherwise, fees will be paid out of the trust of the Plan.

(c) Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's matching contribution, and discretionary contributions, if any, and is adjusted for investment income/losses. Allocations of income/losses are made according to formulas specified in the Agreement. The benefit to which a participant is entitled is based on the participant's compensation or account balances. The benefit to which a participant is entitled is provided from the participant's vested account.

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Notes to Financial Statements

December 31, 2003 and 2002

(d) Participant Notes Receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their vested account balance. Loans are repayable through payroll deductions over five years unless the loan is for the purchase of a primary residence, in which case the loan is repaid over ten years. The loans are secured by the balance in the participant's account and are repaid at the prime rate in effect at the date of the loan plus 2%. The interest rates on the loans at December 31, 2003 range from 6.0% to 11.5%.

(e) Vesting

Participants are immediately vested in their voluntary contributions and the earnings thereon. Participants are vested in the remainder of their accounts based on years of service, whereby participants become fully vested in 20% increments beginning after two years of service until participants become fully vested after ten years of service. If applicable, nonvested portions of Company contributions are forfeited at the termination date and are used to reduce future Company matching contributions or to reduce future Company contributions.

At December 31, 2003 and 2002, forfeited nonvested accounts totaled \$431,925 and \$2,100,000, respectively. These accounts will be used to reduce future Employer contributions. During 2003 \$1,100,000 of participants' accounts were forfeited and Employer contributions were reduced by \$1,100,000. During 2002, nonvested accounts were forfeited and Employer contributions were reduced by \$1,100,000. During 2003 the forfeiture account balance was also increased by the market value of the investments held in the account.

(f) Investment Options

Upon enrollment in the Plan, a participant may direct employee contributions in any one of the common collective trust funds currently offered by T. Rowe Price Investment Services, Inc. (T. Rowe Price) (see note 4). In addition, participants have the option to open a separate investment account with T. Rowe Price in order to invest in numerous other stocks, bonds, and mutual funds. Common stock is also an investment option for employee contributions. For the years ended December 31, 2003 and 2002, employee contributions to the Acxiom common stock fund were \$158,601 and \$1,100,000, respectively.

The Plan's investment in the T. Rowe Price Stable Value Fund (the Fund), a common collective trust fund, includes substantial investments in guaranteed investment contracts, bank investment contracts, and other investment contracts. The value of the Fund reflects the value of the underlying investments plus or minus changes in principal value, reinvested dividends and capital gains distributions. The Fund's value is based on market value. The stated interest rates of the contracts vary and the average yield on the contracts at December 31, 2003 was 4.74% after expenses.

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ACXIOM CORPORATION
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2003 and 2002

(g) Withdrawals and Payment of Benefits

Benefits paid upon retirement, death, or disability are made in the form of a lump-sum payment of the participant's vested account balance in the form of common stock of the Company. If a participant receives benefits prior to retirement, the benefits paid from the participant's Employer contribution account shall not exceed the participant's vested balance therein.

(2) Summary of Significant Accounting Policies

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(a) Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(c) Investment Valuation and Income Recognition

The Plan's investments are stated at fair value, based upon quoted market prices, except for notes receivable, which are stated at unpaid principal balance, which approximates fair value. Purchases and sales of securities and related income are recorded on a trade date basis.

The Plan provides for investment in investment securities that, in general, are exposed to market risk, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, changes can materially affect the amounts reported in the financial statements and assets available for benefits.

(d) Payment of Benefits

Benefits are recorded when paid.

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ACXIOM CORPORATION
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2003 and 2002

(3) Investments

The fair value of the individual investments held by the Plan is as follows (investments that are not included in the Plan's net assets are separately identified):

	2003	
	Number of shares or units	Fair Value
Acxiom common stock	3,599,602	\$ 67,060,591
Other common stock		191,080
Mutual funds:		
**T. Rowe Price Equity Income Fund	803,035	19,401,323
**T. Rowe Price Balanced Fund	932,819	17,173,203
**T. Rowe Price Growth Stock Fund	733,103	18,809,597
**T. Rowe Price Small-Cap Value Fund	388,226	11,409,965
**T. Rowe Price Mid-Cap Growth Fund	359,851	15,437,602
**Other funds		33,407,174
Total mutual funds		115,638,864

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Common collective trust fund:		
**T. Rowe Price Stable Value Fund	15,186,509	15,186,509
Participant notes receivable (6.0%-11.5%)		4,134,215
Cash		84,208

Total investments		\$ 202,295,467
		=====

* The Employer matching portion of this investment is nonparticipant directed for the first half
 **All T. Rowe Price Funds are a part in interest. Other Funds consist of various investments in
 in the amount of \$32,962,682 for 2003 and \$30,104,221 for 2002.

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ACXIOM CORPORATION
 RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2003 and 2002

During 2003, the Plan's investments (including investments bought, sold, and held during t
 value as follows:

Acxiom common stock	\$ 12,038,535
Other common stock	144,776
Mutual funds	23,808,894

	\$ 35,992,205
	=====

(4) Plan Administration

The Plan is administered by the Company. During 2003 and 2002 participant records and asse
 by T. Rowe Price Trust Company as recordkeeper and trustee (see note 6).

(5) Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated Jul
 is designed in accordance with applicable sections of the IRC. The Plan has been amended s
 determination letter. The plan administrator and the Plan's tax counsel believe that the P
 designed and being operated in compliance with the applicable requirements of the IRC.

(6) Parties in Interest

All investment transactions were executed with T. Rowe Price Trust Company, the Plan's tru
 Accordingly, all investment transactions during the respective years were with a party in

(7) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Pla
 contributions at any time and to terminate the Plan subject to the provisions of ERISA. Up
 discontinuance of contributions, termination, or partial termination of the Plan, particip
 vested in their accounts, in which event the value of such accounts shall be distributed a

(8) Reconciliation to Form 5500

Participant directed brokerage accounts are reported in the aggregate on Form 5500 but are
 investment type in the statements of net assets available for benefits. As of December 31,
 participant-directed brokerage accounts included \$444,492 and \$255,163 of mutual fund inve
 \$94,518 of common stock investments, respectively.

ACXIOM CORPORATION
RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2003 and 2002

(9) Plan Amendments

Effective June 30, 2003 the Plan was amended to provide for immediate vesting of the account balance of participants who cease to be employed by the Company due to a divestiture.

The Plan was amended on July 30, 2003 to permit amendments to be adopted by either the Board of Directors or the committee designated by the Board of Directors.

Effective August 1, 2003 the Plan was amended to provide for a discretionary Company match of a mandatory company matching contribution.

(10) Subsequent Events

The Company entered into an agreement to acquire Computer Graphics of Arizona and several other companies on December 31, 1998. Computer Graphics had a 401(k) plan which Acxiom froze after the acquisition. Participants of the plan became immediately eligible to participate in the plan.

On March 31, 2004 the account balances of all current participants in the Computer Graphics of Arizona Plan and Trust (CG 401(k) Plan) were transferred to the Plan. The sum of the participant account balances in the CG 401(k) Plan equaled the fair market value of the Plan (determined as of the date of the merger). After the merger, each participant in the merged Plan had an account balance equal to the sum of the account balances she had in the Plans immediately prior to the merger. Separate accounts for the affected participants were established under the Plan to receive and account for the merged CG 401(k) account. There were no accrued benefits to participants as a result of the merger.

ACXIOM CORPORATION
RETIREMENT SAVINGS PLAN

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2003

Identity of issuer, borrower, lessor, or similar party	Description	Shares	
* Acxiom Corporation	Common stock	3,599,602	\$ 65,
Participant Directed Investments	Tradelink Investments		
* T. Rowe Price	Mutual funds:		
	PIMCO Total Return Admin.	9,190	\$
	American Growth Fund of America	59,508	
	Strong Common Stock Fund	40,988	
	BGI Lifepath Income	6,648	
	BGI Lifepath 2010	12,406	
	BGI Lifepath 2020	18,182	
	BGI Lifepath 2030	25,988	
	BGI Lifepath 2040	8,587	
	International Stock Fund	411,887	

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Growth Stock Fund	773,103
New Horizons Fund	311,886
Small-Cap Value Fund	388,226
Equity Index 500 Fund	131,200
Mid-Cap Growth Fund	359,851
Balanced Fund	932,819
Equity Income Fund	803,035
Spectrum Income Fund	615,526
Spectrum Growth Fund	396,731

Total mutual funds

* T. Rowe Price	Common collective trust fund	15,186,509
* Participant notes receivable, loans to participants, interest rates range from 6.0% - 11.5%		
* T. Rowe Price	Cash	

Total investments

* Indicates a party in interest.
** Not applicable - cost is excluded as investments are participant directed.

See accompanying report of independent registered public accounting firm.

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SIGNATURES

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

Acxiom Corporation
As Sponsor and Administrator
Acxiom Corporation Retirement Plan

Date: June 24, 2004

By: /s/ Jefferson D. Stalder

Jefferson D. Stalder
Company Financial Controller

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EXHIBIT INDEX

Exhibit 23.1 Consent of KPMG LLP