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Subject: SCI Financials
Attachments: SCI 2007 financials.xls

As a follow-up to the eGovernment Oversight Committee meeting held on April 17th, I thought it would be beneficial to go ahead and send some additional details related to the financials.

For those of you who missed the meeting a question was raised regarding the financials. As I understood, the question primarily centered on why the "Other Operating" expenses were approximately 20K higher than January.

I have attached a slightly revised version of the financials which also includes February 2007. The revisions have to do with three categories of expense: Rent and Maintenance, Depreciation / Amortization, and Other Operating expenses.

The Rent and Maintenance category should only have included the following:

- Rent for the Office
- Equipment Rental and Maintenance (i.e. copier)

In January, I also incorrectly included Software Maintenance in this category.

As an ongoing improvement to our financial reporting to the Oversight Committee, I would propose that we change the Depreciation / Amortization expense line to be labeled, Hardware / Software. This would provide a more meaningful expense category and would include the following:

- Hardware Depreciation
- Software Amortization

- Hardware Maintenance (previously was shown in Other Operating Expenses)
- Software Maintenance

I have attached the revised financials and have also included a brief description for each expense category. In addition, I have also provided comments for both February and March explaining why they are higher than January.

As mentioned, I wanted to go ahead and send this out while it was “fresh” on everyone’s mind. I also plan on discussing this in our next meeting.

Please feel free to contact me if you have any questions.

Thanks!

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