October 2002 Treasurer's Report:

1) Consistent with September statements, segregated cash is at $0. This amount is usually offset directly by a liability called "Unearned revenues" as sometimes for projects we receive money in advance of expenses incurred. We need to pursue receiving cash in advance of our efforts more in the future as this helps us stay out of an out of pocket situation.

2) There was a large receivables balance in September at close to $70,000. Two large payments have been received related to Smart Capital. Of the remaining balance $2,123 is due from HRDC for Thin Client and $5,966 is due for Smart Capital.

3) Amortization on Capital Assets as well as the amortization of Deferred Contributions is only taken on a quarterly basis – and therefore these balances are unchanged from September – both Capital Assets and Deferred Contributions are therefore overstated but in effect as one is an asset and the other a liability they wash each other out.

4) Again accounts payable includes $3,035 of vacation accrual which is calculated only at year end and unchanged throughout the year. This amount is therefore inaccurate and given timing of employee vacation may be understated or overstated at any given point. Getting closer to year end and assuming employees take their vacation yearly at roughly the same time, this amount is probably fairly close to the actual liability.

5) Revenue is not too far from budget for this month, although on a yearly basis we are still under target for renewal donations.

6) Timesheets have not yet been received from one employee for either September or October and therefore 100% of their time is reflected in general operations expense and not allocated to projects. When these are allocated to projects our loss for these two months will be less by his appropriate amount of time and will no longer affect our bottom line.