

**From:** John Price  
**To:** kathy\_nealy@msn.com  
**Sent:** 11/5/2007 4:12:34 PM  
**Subject:** Fwd: Additional Financial Information on CyberDyne

>>> Shannon Brown 11/05/2007 12:21:21 PM >>>

Last week in Commissioners Court, Commissioner Price requested additional information on the financial stability of the firm recommended for award of RFP 2007-117-3023 RFP for Desktop Technical Support to CyberDyne. This item is court order #26 on tomorrow's agenda.

CyberDyne provided and unaudited financial statement from 2006 as a part of its original RFP submission. The RFP requirements allowed for unaudited statements if a firm was privately held and did not have audited financial statements, as long as sufficient information was provided to evaluate the firm's financial capability. In addition, each firm was asked to provide their current creditworthiness summary from Dunn & Bradstreet. The Purchasing Department requested financial statements from 2005 and an updated Dunn & Bradstreet summary based on the discussions on Tuesday morning.

CyberDyne's 2006 financial statements show \$15.1 million in revenue in 2006, compared to \$12.6 million in 2005 which represents a 19% increase. Gross profit was \$6.5 million in 2006, compared to \$5.47 million in 2005, a 20.5% increase. Operating expenses were \$4.6 million in 2006, compared to \$4.1 in 2005 for a 13.6% increase. Net income was \$1.9 million in 2006 and \$1.4 million in 2005, a 38% increase. CyberDyne had \$2.9 million in cash in the bank at the end of 2006 (approximately 62% of the annual operating expenses or 7-8 months), compared with \$2.1 million in 2005. Receivables at the end of 2006 was \$230,000, compared to \$228,000 in 2005.

The Dunn & Bradstreet creditworthiness summary originally submitted showed the following:

Payment within Terms: Commercial Credit Summary - Moderate Risk  
Default on Payment: Financial Stress Summary - Low Risk  
Supplier Statistics: Supplier Evaluation Risk Summary - Moderate Risk

A review of their Dunn & Bradstreet information updated for November 2007 shows no change in this status. The report provides a comparison with other similar companies in this region. CyberDyne has a credit score percentile of 51% - similar companies in this region have a score of 47%, the industry as a whole is at 60%, firms with this number of employees 69%, and firms in business for the same amount of time 64%.

The Financial Stress Summary shows that no open suits, liens or judgments are known by Dunn & Bradstreet. The score given in this category is 75%. For the region, the score is 47%, industry is 58%, employee range is 80% and years in business is 52%.

Dunn & Bradstreet information concurs with the amount of annual sales reported in the financial statements. It also indicates that CyberDyne has 15 accounts. CyberDyne listed nine (9) references, including two (2) that were five year contracts.

Dallas County's estimated annual expenses under this contract will be \$1.7 - \$1.8 million, which will represent about 12% of the annual revenue based on 2006 figures.

I hope this information is helpful and I will have it available for additional questions tomorrow morning.

GOVERNMENT  
EXHIBIT NO.

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