

Reconciliations of Non-GAAP Financial Measures

June 30, 2007



**PARK CITY**
GROUP
trusted business solutions

Non-GAAP Metrics Disclosure

- ❑ The Company believes that providing both GAAP and adjusted non-GAAP measures of its performance will provide meaningful supplemental information regarding its operational effectiveness and to enhance investors' overall understanding of the Company's current financial performance and prospects for the future. Management believes that investors benefit from seeing its results "through the eyes" of management in addition to the GAAP presentation.
- ❑ It is Management's belief that while not in accordance with or an alternative for GAAP, the adjusted information allows for greater transparency to supplemental information used by management in its financial and operational decision making.
- ❑ The adjusted information excludes items, such as amortization of intangible assets, impairment charges, depreciation, charges to consolidate and integrate recently acquired businesses and non-cash stock based compensation, and other non-cash charges that may have a material effect on the Company's net income and net income per share in accordance with GAAP.
- ❑ Management monitors these items to ensure that expenses are in line with expectations and that its GAAP results are correctly stated, but does not use them to measure the ongoing bottom line operating performance of the Company. Furthermore, the non-GAAP or adjusted information provided by the Company may be different from the non-GAAP or adjusted information provided by other companies.

Reconciliation of GAAP and Non-GAAP Financial Measures For the Year Ended, June 30, 2007

(In 000's)	For the Year Ended June 30 <u>FY 2007</u>
Unaudited pro-forma combined financial statements	
Net income (loss)	\$ (3,897)
Non-GAAP adjustments	
Depreciation and amortization	\$ 872
Bad debt expense	104
Stock issued for services and expenses	415
Interest, net	<u>372</u>
Adjusted Non-GAAP EBITDA (loss)	\$ (2,134)

Note:

The unaudited pro-forma results of operations for the year ended June 30, 2007 as though Prescient had been acquired as of July 1, 2006.

