



**SOUTHSIDE BUSINESS TECHNOLOGY CENTER**

**ANNUAL ACTIVITY REPORT  
FOR FISCAL YEAR 2004-2005**

**Submitted to: the Harvest Foundation**

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## **I. Executive Summary**

The Southside Business Technology Center (SBTC) officially opened its doors on May 17, 2005 with the participation of local business owners, political stakeholders and Virginia Tech representatives. In coordination with the Virginia Tech Business Technology Center, Martinsville-Henry County Chamber of Commerce and the Chamber's Partnership for Economic Growth (C-PEG) the SBTC was created to implement the common goal of concerned citizens and business leaders to improve the economic outlook of the Southside region. A driving reason behind the establishment of the Southside Business Technology Center was the recognition that the SBTC would provide the region with targeted assistance to emerging and existing entrepreneurs and businesses which have focused technology-based operations, currently use technology in their daily operations, or are seeking assistance with the introduction of technology into their business. The Center's model has evolved over the past ten years in the Virginia Tech Business Technology Center (VT BTC), in Blacksburg, Virginia. SBTC was created based on the success of VT BTC and was funded by the Harvest Foundation and the Lucy P. Sale Foundation in August, 2004. SBTC is in its organizational development stage and the purpose of this report is to document its activities for the fiscal year 2004-2005.

## **II. Overview**

The mission of the Southside Business Technology Center is to provide top quality business assistance to existing and emerging organizations, individuals, or companies seeking to enhance their competitiveness through technology.

The Southside Business Technology Center is committed to achieving economic development via entrepreneurial innovation, technology transfer, and small business prosperity. The SBTC exposes students to entrepreneurial thinking and develops their business skills; while at the same time benefiting the emergence of small and medium size technology related firms. SBTC uses faculty members, student interns and expert consultants to offer on-site support to its clients in strategic planning, business planning, market research, accounting, legal and financial modeling.

SBTC coordinates and maintains a mutually beneficial working relationship with regional partners to promote economic development and to recruit clients from the entire Southside region. SBTC's goal is to add a strong technology element and tangible deliverables to the list of counseling/referral agencies that currently exist in the area. By the creation of the SBTC, the Southside region of Virginia is able to serve the needs of all business segments.

**III. Report on Organizational Development:**

The Southside Business Technology Center (SBTC) was funded by the Harvest foundation and the Lucy P. Sale Foundation in August 2004. The location of the SBTC at the West Piedmont Business Development Center at 22 East Church Street in Martinsville, Virginia was established in December 2004 parallel to the establishment of a Research Committee to select SBTC’s Executive Director. The SBTC Executive Director – Eva Doss - was selected and hired on February 14, 2005. Since the recruitment of the SBTC Executive Director and because of the very active SBTC Board of Directors the organization achieved several mile-stones in its organizational development, partnership development and client recruitment efforts. This section of the report is written to show the results achieved in the Organizational Development efforts of the SBTC.

The Board of Directors approved the Work Plan for the remaining of the Fiscal Year 2004-2005 based on the approved Harvest Foundation Grant Proposal and as proposed by the SBTC Director on the first Board of Director’s meeting on February 22, 2005 as demonstrated in Table III.1.

	JAN	FEB	MAR	APR	MAY	JUN
Funds available:	+					
Hire director:		+				
Hire assistant:		+	+	+		
Facility Organized:		+	+	+		
Media campaign:		+	+	+	+	+
Networks established:			+	+	+	+
Client activity:					+	+

**Table III.1. SBTC Work Plan and Results for the period February-June, 2005**

All the defined goals under the Organizational Development function were achieved on schedule and additional task were implemented as follows:

**Human Resources / Intern Recruitment:**

- The SBTC Executive Assistant / Paid Intern was hired in March 2005 from Averett University.
- Additional two interns (one paid, one un-paid) participated in client projects throughout the months of May, June and July, 2005 from Averett University, Virginia Tech and University of North Carolina in Greensboro, NC.
- In addition a pool of project interns was pre-selected and an intern database was created for future projects. The interns were identified mainly from Virginia Tech’s MBA program, but also from local colleges and universities.

**Facility / Office Space:**

- The facility was organized, including purchase of equipment, office furniture, computers and necessary filing systems/databases were created by June 2005.

**Marketing and Advertising:**

- A comprehensive media campaign was launched in February 2005, including TV, radio and print media interviews with the SBTC Director introducing the organization. In addition, several press articles were published and presentations were delivered to business network representatives and professional associations to address SBTC's target clientele.
- The official Grand Opening Ceremony of the SBTC was organized on May 17, 2005 with Dr. Richard Sorensen, Dean of Pamplin School of Business at Virginia Tech as the event's keynote speaker. Approximately 85 business owners and political leaders attended the event.
- The SBTC Marketing Budget Plan, the SBTC Logo – including the right to use Virginia Tech's logo, and SBTC marketing materials were developed by the SBTC Marketing Committee and Approved by the Board of Directors. The SBTC's web site is currently under development.

**Legal Frame Establishment:**

At the present, MHC Chamber is serving as a fiscal agent to the SBTC with C-PEG assuming the responsibility for fundraising. The SBTC Board of Directors decided to create an independent 501(c) (3) non-profit organization and the filing process was launched in May 2005. SBTC receives pro-bono assistance from Ford, Moore and Cobbe, Certified Public Accountants and Consultants, throughout the 501 (1) (3) process. Until SBTC is awarded the non-profit status by the Internal Revenue Service, the organization is registered in the city of Martinsville as a for-profit entity. In order to create the necessary organizational legal framework the following task has been implemented:

- The original group of the SBTC founders served as an Advisory Board until the SBTC Director was hired and the official Bylaws of the organization were adopted in May, 2005. The final list of the Board of Directors members includes the former members of the Advisory Board as well as additional representatives of Virginia Tech as follows:
  1. Candace Payne, SBTC Board of Directors Chairperson, Member of the SBTC Executive and Marketing Committee; Vice President of Shenandoah Furniture;
  2. Jon Sayre, SBTC Board of Director Vice-Chair, Member of the SBTC Finance Committee, Fidelity Bank;
  3. Kim Adkins, Member of the SBTC Executive and Marketing Committee, MHC Chamber of Commerce President;
  4. Joe Cobbe, Member of the SBTC Finance Committee, Mayor of the City of Martinsville;

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5. Jeff Kohler, Member of the SBTC Finance Committee, Director of the Virginia Philpott Manufacturing Extension Program;
  6. Dr. Ted Settle, Member of the SBTC Marketing Committee, Director of the Office of Economic Development and Outreach at Virginia Tech;
  7. Dr. Richard Daugherty, Member of the SBTC Executive Committee; Director of the Virginia Tech Business Technology Center;
  8. Dr. Tim Franklin, Executive Director of the Institute for Advanced Learning and Research in Danville, VA.
- SBTC obtained its Martinsville Business License.
  - SBTC's Bylaws, Employee, Intern, Consultant, Client and Intern Contracts, and the SBTC Code of Ethics was developed and approved by the Board of Directors in May, 2005.
  - SBTC was incorporated in the Commonwealth of Virginia in June, 2005.
  - SBTC's 501 (c) (3) application was launched in May, 2005 is currently under completion. The estimated timeframe of the non-profit status approval by the IRS is February, 2006.

### **Networks Establishment:**

- A wide network of partnerships and referral organizations was created, including agreements on mutually beneficial cooperation and direct client referrals with the regional economic development organizations, local colleges and universities, chambers of commerce and other key institutions contributing to the overall economic development efforts of the Southside region. (For detailed list of referral and partnership organizations see section IV. Report on Partnership Development).

### **Client Activity:**

- The Client Activity function of the SBTC was launched in May with two companies requesting three separate projects for delivery by the SBTC. All three projects were delivered as scheduled. (For detailed information regarding Client Activities see section V. Report on Client Activity).

## **IV. Report on Partnership Development**

The Southside Business Technology Center initiated several partnership developments with regional institutions to promote the overall economic growth of the Southside. In several cases Memorandums of Understanding regarding active cooperation were negotiated, in other instances client referral co-operations were established. The SBTC is currently further developing these partnerships and is actively seeking the creation of additional client referral opportunities throughout the region. Co-operation amongst the regional service providers serves as a referral network and provides layers of assistance stimulating the growth of small/medium sized businesses at very little or no cost. Table IV.1.: SBTC Partner and Client Referral Organizations shows SBTC's results in its Partnership Development efforts in the region.

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#:	Organization:	Type of Co-operation:
1.	Virginia Tech: BTC, College of Business, College of Engineering, Institute for Government and Accountability; Office of Economic Outreach	Partnership / Organizational support / Intern recruitment
2.	Averett University	Partnership / Intern recruitment
3.	Ferrum College	Partnership / Intern recruitment
4.	Patrick Henry Community College	Partnership / Intern recruitment
5.	MHC Chamber of Commerce	Partnership / Membership / Client Referral
6.	Halifax County Chamber of Commerce	Membership / Client Referral
7.	Pittsylvania County Chamber of Commerce	Membership / Client Referral
8.	Smith Mountain Lake Chamber of Commerce	Co-operation under development
9.	Patrick County Chamber of Commerce	Co-operation under development
10.	Rocky Mount Chamber of Commerce	Co-operation under development
10.	MHC Economic Development Cooperation	Partnership under development
11.	City of Danville EDC	Partnership / Client referral
12.	Pittsylvania County EDC	Co-operation / Client Referral
13.	Halifax County Industrial Authority	Co-operation / Client referral under development
14.	Patrick County EDC	Co-operation / Client referral under development
15.	Institute for Advanced Learning and Research	MOU
16.	Dan River Small Business Develop. Center	Co-operation / Client referral
17.	Downtown Danville Association	Co-operation / Client referral
18.	Center for Innovative Technology	Client referral
19.	VPMEP	Partnership / Client Referral
20.	West Piedmont Business Develop. Center	Partnership / Client Referral
21.	MHC Rotary Club	Client Referral
22.	MHCPC Association of Realtors	Client Referral
23.	Collinsville-Fieldale Rotary Club	Client Referral
24.	Nonprofit Leaders Network	Membership / Client referral
25.	New Opportunities Club	Membership / Client Referral
26.	United Way	HUD Grant Partner
27.	Piedmont Community Service	HUD Grant Partner
28.	Town of Rocky Mount	Partnership / Client Referral

**Table IV.1.: SBTC Partner and Client Referral Organizations**

## **V. Report on Client Activities**

SBTC launched its client activities three months into its establishment in May, 2005 by providing three separate projects to two private companies currently located in the incubator. The companies are operating in the high-tech and freight transportation industry segments respectively. Two projects were designed to develop business plans and identify market penetration strategies to support the companies' growth plans. The delivered results exceeded the clients' expectations and their implementation should create 5 additional employment opportunities in MHC by the end of this year. In addition, SBTC provided legal assistance to a private client in the company's legal frame creation, including Client/Consultant/Employee Contracts and Confidentiality Agreements. Throughout the months of May and June, 2005 three full-time interns from local universities and one business consultant from Virginia Tech were involved in the three project development processes under the mentoring of the SBTC Director. The SBTC consulting team delivered a total of 400 direct consulting hours, not including one-on-one consultations with potential clients and client referral services.

SBTC also provided direct value added referral services to two private companies in MHC. Based on the clients' request, SBTC pre-negotiated direct assistance with the Wood Sciences Department and the Center for Architectural Design at Virginia Tech.

In summary, SBTC received 18 client requests for business planning and market research and analysis until between May – June, 2005. Out of the 18 requests 3 service contracts were signed. SBTC subsidized 50% of the negotiated fee. Eleven (11) potential client companies declined contracts because of the lack of financial resources. Project negotiations are currently undergoing with 5 independent entities from the Southside region. Extensive organizational partnership development is also under way to assure a steady client referral from the regional business associations and economic development agencies.

## **VI. Report on HUD Grant Proposal**

SBTC in cooperation with the Piedmont Community Services, United Way and Virginia Tech Center for Housing and Research submitted a Grant Proposal to the Department of Housing and Urban Development in June, 2005. The HUD Grant was written with a purpose to create a Virginia Tech Community Outreach Partnership Center (VTCOPC) in Martinsville, VA.

The overall goals of the program are 1) Community Economic Development: Create a climate where existing and new businesses and local entrepreneurs can effectively create quality local jobs in distressed neighborhoods and 2) Neighborhood Improvement: Align all public, private and community leadership behind the vision of a brighter local future to make Martinsville-Henry County a community where people of all ages, incomes and ethnicities will feel welcome and thrive. The SBTC will use HUD funds to supplement funds from a local foundation to provide business assistance services to 1) companies owned by members of disadvantaged groups, 2) companies that would locate in Martinsville City, 3) companies that would provide jobs for low-income, low-wealth individuals, and 4) nonprofits that serve disadvantaged individuals.

The HUD Grant would provide SBTC with additional resources to be used for reduced cost business planning products to Martinsville businesses, focusing on those that are located or are considering locating in distressed neighborhoods served by the COPC. This support will also be utilized to identify, assess, and locate funding for income and wealth strategies for low to moderate income populations, actively seeking to expand the capacity of the SBTC to serve low to moderate income residents of the Fayette Street-West Church Street neighborhoods targeted by the Martinsville COPC Alliance and the VT COPC. Over the duration of the VT COPC, the SBTC will assist over 60 entrepreneurs through consulting services and two open attendance workshops. The Grant is going to be awarded in October, 2005 and should Virginia Tech be selected, SBTC would be involved in the implementation of the entire grant for until October 2008.

**VII. Report on Financial Management and Budgeting:**

- A Preliminary 1-year Operating Budget Estimate was developed by the SBTC Director and approved by the Board of Directors on February 22, 2005 (see Attachment A). Based on this budget estimate the start-up costs associated with the organizational development of the SBTC as planned for the period of February through September 2005 were higher than the available cash on hand as of \$47,952 on January 30, 2005. Hence an official request to the Harvest Foundation was submitted requesting and advance payment of \$40,000. Ultimately, this advance payment was not spent, because of conservative spending techniques, as it is shown in the 2004-2005 year end financial documents.
- An Operating Budget for Fiscal Year 2005-2006 was developed and approved by the Board of Directors at the SBTC Annual Board meeting on June 30, 2005 (see Attachment B).
- 5 Year Budget Estimate, a flexible document subject to changes based on the SBTC's future development, was developed and discussed to estimate SBTC's financial status for the next 5 years (see Attachment C). The Board is currently developing a more comprehensive strategy to augment the chances of SBTC's self-sustainability. Several discussions were held to discuss paid-membership opportunities with other jurisdictions and local economic development agencies, which showed deep interest in developing such relationships with the SBTC.
- The Client Fee Structure was developed by the Finance Committee and approved by the Board of Directors on March 29, 2005 as a guide for the SBTC Director. It was agreed that the fees charged to specific client will be ultimately determined by the SBTC Director based on the client company's developmental stage, financial status and the depth of the projects rendered. It was also specified that the minimum amount of client fess charged has to be equal or higher than the wages of student interns working on the specific projects.

Client Fee Structure	50 hrs	100 hrs	150 hrs	200 hrs	250 hrs
50% Intern Undergrad Salary \$10/hour	250	500	750	1,000	1,250
30% Intern Graduate Salary \$15/hour	450	450	675	900	1,125
20% BTC Director's Time \$50/hour	500	1,000	1,500	2,000	2,500
Print Cost	50	75	100	125	150
Meetings	50	75	100	125	150
Subtotal:	1,300	2,100	3,125	4,150	5,175
Overhead 10%	130	210	313	415	518
Total Project Fee:	1,430	2,310	3,438	4,565	5,693

**Table VII.1: SBTC Preliminary Client Fee Structure**

**VIII. Conclusion**

Since its creation and official establishment in February, 2005 the Southside Business Technology Center evolved to a professional organization benefiting the Southside region in several ways. SBTC has been offering enrichment opportunities to student interns. Students are exposed to entrepreneurial thinking, and are able to use and polish their business skills in a real world environment. Students are utilized from Virginia Tech and local colleges and universities.

SBTC has been providing value added services to new and existing businesses. SBTC’s target constituency includes new and existing technology based businesses, making the center a vehicle for business creation, as well as business retention and development. SBTC has already recruited and served two existing companies in two different industry sectors and assisted in their market growth, potentially creating additional employment opportunities in the Southside region.

Partnerships and co-operation agreements were established with the area economic development agencies and potential private and public investors and chambers of commerce which can benefit from the SBTC by using it as a clearing house for businesses before our local, state, and federal authorities offered incentives to attract them to the Southside region. In the future such potential businesses could submit a business plan to SBTC for review or revision, thus assisting potential funding sources in determining their chance of success.

SBTC was funded by the Harvest and the Lucy P. Sale foundations for its first 4 years of operations. After the first four years, SBTC self-sustainability can be achieved through the purchase of paid Board of Director seats by participating organizations and localities. Co-operative activities have been launched and implemented to prepare the SBTC for this change in funding. The SBTC is currently developing its Strategic plan with a three year organizational development and client recruitment outlook. While the plan is being finalized, it is very clear that the SBTC’s primary mission for the fiscal year of 2005-2006 is client recruitment as preliminarily illustrated in Table VIII.1.:

Year:	# of New Clients:	Consulting Hours:
2005 – 2006	15	3,000
2006 – 2007	35	7,000
2007 – 2008	50	10,000
2008 – 2009	65	13,000
2009 - 2010	70	14,000

**Table VIII.1.: SBTC Client Recruitment Goal**

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Appendix A: SBTC Preliminary Operating Budget Estimate until September 2005

	2004	2005	Jan-05	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01
<b>REVENUE:</b>			Avail:								
Harvest Foundation Grant	70,000	112,950	47,952								195,000
				6,850	6,850	6,850	6,850	6,850	6,850	6,850	16,250
Lucy Sale Foundation Grant	7,700	-	-	-	-	-	-	-	-	-	-
Client Fees	-	10,720	-	-	-	-	1,340	1,340	1,340	1,340	1,340
Advisory Board Membership	-	-	-	-	-	-	-	-	-	-	-
Other Sources	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE 2005:</b>	77,700	123,670	-	6,850	6,850	6,850	8,190	8,190	8,190	8,190	17,590
<b>TOTAL AVAIL. FUNDS:</b>											
<b>FEB-AUG 2005:</b>		53,310									
<b>EXPENSES</b>											
VaTech BTC Support	6,250	25,000	-	6,250	-	-	6,250	-	-	6,250	-
MHC-BTC Director	-	61,257	-	2,917	5,834	5,834	5,834	5,834	5,834	5,834	5,834
MHC-BTC Assistant	-	7,336	-	-	-	-	-	-	-	-	1,834
Student Employees	-	10,000	-	-	-	-	1,250	1,250	1,250	1,250	1,250
Fringe benefits (31.5%)	-	21,607	-	919	1,838	1,838	1,838	1,838	1,838	1,838	2,415
Computer purchase + printer	-	3,000	-	1,500	-	1,500	-	-	-	-	-
Phone/Fax/Copies	-	3,300	-	300	300	300	300	300	300	300	300
Office Furniture	-	5,000	-	2,000	-	1,000	2,000	-	-	-	-
Office Space	7,704	-	-	-	-	-	-	-	-	-	-
Office Supplies	-	1,650	-	150	150	150	150	150	150	150	150
Marketing / Web Design	9,544	5,000	-	-	1,300	1,300	1,300	200	200	200	200
Travel Expense	-	1,210	-	110	110	110	110	110	110	110	110
Miscellaneous	-	2,650	-	150	250	250	250	250	250	250	250
<b>TOTAL EXPENSES 2005:</b>	23,498	147,010	-	14,296	9,782	12,282	19,282	9,932	9,932	16,182	12,343
<b>BUDGET BALANCE 2005:</b>		(23,340)									
<b>TOTAL EXPENSES</b>											
<b>FEB-AUG 2005:</b>		91,686									
<b>BUDGET BALANCE</b>		(38,376)									
<b>FEB-AUG 2005:</b>											
Note: Preliminary Budget narrative is available on page 11, section VII. Report on Financial Management and Budget.											
8/1/2005							1				

## Appendix B: SBTC Operating Budget for Fiscal Year 2005-2006

	Jul-05 Avail:	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Total 05-06
<b>REVENUE:</b>													
Harvest Foundation Grant	36,930	155,000											191,930
Lucy Sale Foundation Grant						8,500							8,500
Client Fees	1,000	1,000	1,000	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	15,060
HUD Grant					31,840								31,840
Other Sources													
<b>TOTAL BUDGETED MONTHLY REVENUE FISCAL 2005-2006:</b>	<b>37,930</b>	<b>156,000</b>	<b>1,000</b>	<b>1,340</b>	<b>33,180</b>	<b>9,840</b>	<b>1,340</b>	<b>1,340</b>	<b>1,340</b>	<b>1,340</b>	<b>1,340</b>	<b>1,340</b>	<b>247,330</b>
<b>EXPENSES:</b>													
<b>Wages &amp; Benefits:</b>													
BTC Director Salary	5,834	5,834	5,834	5,834	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	70,000
BTC Director Benefits (31.5% of salary)	1,838	1,838	1,838	1,838	1,838	1,838	1,837	1,837	1,837	1,837	1,837	1,837	22,050
BTC Executive Assistant Salary	1,600	1,600	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	1,833	21,530
BTC Executive Assistant Benefits (31.5% of salary)	-	-	577	577	577	577	577	577	577	577	577	577	5,770
Student Intern wages	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Consultants	500	500	500	500	500	500	500	500	500	500	500	500	6,000
<b>TOTAL Monthly Wages &amp; Benefits:</b>	<b>10,272</b>	<b>10,272</b>	<b>11,082</b>	<b>11,082</b>	<b>11,081</b>	<b>11,081</b>	<b>11,080</b>	<b>11,080</b>	<b>11,080</b>	<b>11,080</b>	<b>11,080</b>	<b>11,080</b>	<b>131,350</b>
Legal	500												500
VaTech BTC Support		6,250			6,250			6,250			6,250		25,000
<b>Office Expense:</b>													
Computer purchase + printer	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Phone/Fax/Copies	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Office Furniture	3,000					1,000							4,000
Office Space						8,500							8,500
Office Supplies (cartridge, software)	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Travel Expense	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Miscellaneous	150	150	150	150	150	150	150	150	150	150	150	150	1,800
<b>TOTAL Monthly Office Expense:</b>	<b>3,950</b>	<b>950</b>	<b>950</b>	<b>950</b>	<b>950</b>	<b>10,450</b>	<b>950</b>	<b>950</b>	<b>950</b>	<b>950</b>	<b>950</b>	<b>950</b>	<b>23,900</b>
MHC Chamber Administrative Fee					4,500								4,500
Web Design	1,000	1,000	1,000	220	220	220	220	220	220	220	220	220	4,980
Marketing & Advertising	541	541	541	541	542	542	542	542	542	542	542	542	6,500
<b>TOTAL MONTHLY EXPENSE:</b>	<b>15,222</b>	<b>18,472</b>	<b>13,032</b>	<b>12,252</b>	<b>23,001</b>	<b>21,751</b>	<b>12,250</b>	<b>18,500</b>	<b>12,250</b>	<b>12,250</b>	<b>18,500</b>	<b>12,250</b>	<b>196,730</b>
<b>ESTIMATED BUDGET BALANCE FISCAL 2005-2006:</b>	<b>22,708</b>	<b>137,528</b>	<b>(12,032)</b>	<b>(10,912)</b>	<b>10,179</b>	<b>(11,911)</b>	<b>(10,910)</b>	<b>(17,160)</b>	<b>(10,910)</b>	<b>(10,910)</b>	<b>(17,160)</b>	<b>(10,910)</b>	<b>50,600</b>

## ASSUMPTIONS:

1. Available Balance is indicated as of 6-27-2005
2. Executive Assistant will remain an intern until 8/31/05 with no benefits
3. Client fees are calculated based on conservative estimates
4. Intern engagement will not exceed client fees
5. No adjustment will be made to wages based on inflation rates
6. Actual HUD Grant amount to be specified

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**Appendix C: SBTC 5 year Budget Estimate**

	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
<b>Revenue:</b>						
Previous Fiscal Year Budget Balance		36,930	50,600	191	-73,407	-265,006
Harvest Foundation Grant	110,000	155,000	100,000	90,000	0	0
Lucy P. Sale Foundation Grant	7,700	8,500	9,400			
Client fees (95%)	1,000	15,060	26,600	34,200	40,000	45,000
External Sponsorship						
*Other Sources (HUD Grant)		31,840	19,500	19,700		
<b>Total Revenue:</b>	118,700	247,330	206,100	144,091	-33,407	-220,006
<b>Expenses:</b>						
M'ville BTC Director (new hire)	26,250	70,000	72,100	74,263	76,491	78,786
Fringe benefits (31.5% of salary for new hires)	8,269	22,050	22,712	23,393	24,095	24,818
SBTC Executive Assistant (new hire)	3,200	21,530	22,660	23,340	24,040	24,761
SBTC Executive Assistant fringe benefits 31.5%	0	5,770	7,138	7,352	7,573	7,800
Student employees	1,000	6,000	18,000	24,000	32,000	34,000
Consultants	0	6,000	6,000	6,000	6,000	6,000
Legal Fees	0	500	250	200	150	100
VaTech BTC support	18,750	25,000	25,000	25,000	25,000	25,000
Computer purchase (2); printer	2,500	2,400	2,000	1,500	750	500
Phone/fax/copies	1,100	2,400	2,400	2,400	2,400	2,400
Office Furniture	2,000	4,000	500	250	250	250
Office space	7,700	8,500	9,400	10,000	11,000	12,000
Office Supplies	1,500	2,400	2,000	2,200	2,400	2,600
Travel	1,500	2,400	2,800	3,200	3,600	4,000
Miscellaneous	2,000	1,800	2,000	2,200	2,400	2,600
MHC Chamber Admin Fee	4,500	4,500	2,250	2,500	2,750	3,000
Web design	1,000	4,980	1,200	1,200	1,200	1,200
Marketing & Advertising	1,000	6,500	7,500	8,500	9,500	10,000
<b>Total Expenses:</b>	82,269	196,730	205,909	217,498	231,598	239,814
<b>Budget Balance:</b>	36,930	50,600	191	-73,407	-265,006	-459,820
<b>Other Revenue Sources Needed:</b>				-73,407	-265,006	-459,820

Notes:

\* Actual HUD Grant amount to be specified;

**Business Technology Center**  
**Profit & Loss Budget vs. Actual**  
 July 2004 through June 2005

	<u>Jul '04 - Jun 05</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4000 - Client Fees	0.00	2,680.00	-2,680.00	0.0%
4001 - CPEG Grant	455,000.00	110,000.00	345,000.00	413.6%
4003 - Advisory Board Membership	0.00	0.00	0.00	0.0%
4004 - Other Sources	0.00	0.00	0.00	0.0%
4005 - Lucy Sale Foundation	23,100.00	7,700.00	15,400.00	300.0%
<b>Total Income</b>	<u>478,100.00</u>	<u>120,380.00</u>	<u>357,720.00</u>	<u>397.2%</u>
<b>Expense</b>				
6546 - VA Tech BTC Support	18,750.00	18,750.00	0.00	100.0%
6547 - Travel Expense	446.76	550.00	-103.24	81.2%
6548 - Student Interns	640.52	2,500.00	-1,859.48	25.6%
6549 - Phone/Fax/Copies	351.82	1,500.00	-1,148.18	23.5%
6550 - Office Supplies	473.17	750.00	-276.83	63.1%
6551 - Office Space - Lucy Sale Found.	7,704.00	7,700.00	4.00	100.1%
6552 - Office Furniture	3,874.79	5,000.00	-1,125.21	77.5%
6553 - Miscellaneous	2,917.73	1,150.00	1,767.73	253.7%
6554 - Marketing & Advertising	6,373.41	5,043.45	1,329.96	126.4%
6555 - Web Design	624.70	5,200.00	-4,575.30	12.0%
6556 - Fringe benefits (31.5%)	0.00	8,271.00	-8,271.00	0.0%
6557 - Computer purchase + printer	396.52	3,000.00	-2,603.48	13.2%
6558 - BTC Assistant	2,894.20	0.00	2,894.20	100.0%
6559 - Administrative Fee	4,500.00	4,500.00	0.00	100.0%
6560 - BTC Director	28,642.06	32,087.00	-3,444.94	89.3%
6561 - Legal	105.00			
6562 - BTC Intern	296.04			
6563 - Dissability Insurance Mass Mutu	501.60			
6564 - Consultants	2,000.00			
6566 - Health Insurance	317.06			
<b>Total Expense</b>	<u>81,809.38</u>	<u>96,001.45</u>	<u>-14,192.07</u>	<u>85.2%</u>
<b>Net Ordinary Income</b>	<u>396,290.62</u>	<u>24,378.55</u>	<u>371,912.07</u>	<u>1,625.6%</u>
<b>Net Income</b>	<u><u>396,290.62</u></u>	<u><u>24,378.55</u></u>	<u><u>371,912.07</u></u>	<u><u>1,625.6%</u></u>

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07/30/05

Accrual Basis

**Business Technology Center**  
**Balance Sheet**  
**As of June 30, 2005**

	<u>Jun 30, 05</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
BB&T - Checking	36,930.62
Total Checking/Savings	<u>36,930.62</u>
Accounts Receivable	
1110 - Accounts receivable	360,400.00
Total Accounts Receivable	<u>360,400.00</u>
Total Current Assets	<u>397,330.62</u>
<b>TOTAL ASSETS</b>	<b><u>397,330.62</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2200 - Payable - Setup	1,040.00
Total Other Current Liabilities	<u>1,040.00</u>
Total Current Liabilities	<u>1,040.00</u>
Total Liabilities	1,040.00
Equity	
Net Income	396,290.62
Total Equity	<u>396,290.62</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>397,330.62</u></b>

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07/30/05

Accrual Basis

**Business Technology Center**  
**Profit & Loss**  
July 2004 through June 2005

	<u>Jul '04 - Jun 05</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4001 · CPEG Grant	455,000.00
4005 · Lucy Sale Foundation	23,100.00
<b>Total Income</b>	<u>478,100.00</u>
<b>Expense</b>	
6546 · VA Tech BTC Support	18,750.00
6547 · Travel Expense	446.76
6548 · Student Interns	640.52
6549 · Phone/Fax/Copies	351.82
6550 · Office Supplies	473.17
6551 · Office Space - Lucy Sale Found.	7,704.00
6552 · Office Furniture	3,874.79
6553 · Miscellaneous	2,917.73
6554 · Marketing & Advertising	6,373.41
6555 · Web Design	624.70
6557 · Computer purchase + printer	396.52
6558 · BTC Assistant	2,894.20
6559 · Administrative Fee	4,500.00
6560 · BTC Director	28,642.06
6561 · Legal	105.00
6562 · BTC Intern	296.04
6563 · Dissability Insurance Mass Mutu	501.60
6564 · Consultants	2,000.00
6566 · Health Insurance	317.06
<b>Total Expense</b>	<u>81,809.38</u>
<b>Net Ordinary Income</b>	<u>396,290.62</u>
<b>Net Income</b>	<u><u>396,290.62</u></u>