



**SOUTHSIDE BUSINESS TECHNOLOGY CENTER**

**ANNUAL ACTIVITY REPORT  
FOR FISCAL YEAR 2006-2007**

**Title: SBTC Achieves Higher Than Expected Results**

**Submitted to: the Harvest Foundation**

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## I. Executive Summary

The Southside Business Technology Center (SBTC) completed its second full year of operations with better than expected/planned results on June 30, 2007. The center achieved its goals in all three core objectives regarding: 1.) Client recruitment/Project development, 2.) Financial sustainability and 3.) Contributing to the overall economic development of the region.

The Southside Business Technology Center was created to implement the common goal of concerned citizens and business leaders to strengthen the economic development outlook of the Southside region 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 center officially opened its doors on May 17, 2005. The SBTC was funded by the Harvest Foundation and the Lucy P. Sale Foundation in August, 2004. Additional funding was received in FY 2006-2007 from the Virginia Tobacco Commission in order to increase the center's capacity in direct correlation with the higher than expected demand for its management consulting projects.

Modeled after the Virginia Tech Business Technology Center (VT BTC), in Blacksburg, Virginia, the SBTC was able to modify its structure, service offerings and financial requirements to match the needs of and resources available in Southside Virginia.

In summary, during the fiscal year of 2006-2007 the SBTC:

- Delivered 18 in-depth multi-phase management consulting projects (45 to-date) to Southside entities and assisted 35 + companies (78 to-date);
- Provided 4,392 consulting hours to Southside businesses (8,886 to-date);
- Generated \$64,709 in revenues from client fees (\$88,494 to-date);
- Conducted third-party Client Impact Evaluation Survey resulting in 100% client satisfaction;
- Recruited and trained 5 interns from local colleges and 5 Virginia Tech student interns to work on SBTC consulting projects (25 to-date);
- Recruited a full-time Market Researcher to manage the client demand that was higher than originally anticipated (4 full-time employees total);
- Secured additional organizational funding for FY 06-07 from the Commonwealth of Virginia, local foundations and Southside locals in the amount of: \$130,000
- Expanded its operations to greater Southside Virginia and opened a part-time branch office in Danville, Virginia;
- Expanded SBTC Board of Directors membership to 12 members to include regional representatives.

The purpose of this annual report is to document in detail SBTC's activities for the fiscal year 2006-2007.

## **II. Overview**

### **Vision for Southside Virginia**

The economic transformation in the Southside region and Southside diversification can only happen by further developing the region's human infrastructure, technology infrastructure, competitiveness in economic development, and civic infrastructure. The Southside Business Technology Center (SBTC) is envisioned to be a partner in non-traditional economic development that provides new enhancement opportunities to existing and emerging businesses.

### **Mission of the Southside Business Technology Center**

The mission of the Southside Business Technology Center is to provide strategic planning and business development services to existing and emerging businesses in order to promote economic development in Southside Virginia.

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 manufacturing and 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 and analysis, organizational analysis 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 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 the SBTC Annual Work Plan Evaluation for FY 2006-2007**

The Southside Business Technology Center Board of Directors approved the SBTC Annual Work Plan for Fiscal Year 2006-2007 at its FY 05-06 Annual Board meeting in June 2006. The SBTC implemented its objectives, both programmatic and organizational, based on the approved work plan and the implementation results are presented in detail below in **Table III.1. SBTC FY 2006-2006 ANNUAL WORK PLAN EVALUATION.**

**Table III.1: SBTC FY 2006-2007 ANNUAL WORK PLAN EVALUATION**

SBTC FY 2006-2007 ANNUAL WORK PLAN EVALUATION							
Name:	Eva Doss	Title:	Executive Director	From:	7-01-2006	To:	6-30-2007
Major Performance Objectives (functions, assignments, projects)			Performance Standards & Results (cost, quality, quantity, timeliness)			*Weight%	**Actual %
#1	<b>Deliver projects that will enhance Southside’s overall economic development</b> <b>1.1 Facilitate new business entity formation</b> - Recruit 5 entrepreneurs/groups with feasible business ideas to establish new businesses in the Southside - Write 5 Business Plans to be presented to outside investors/banks to start the new businesses - Incorporate 5 new client firms in the Southside based on SBTC’s Business Plans		- <b>5 entities recruited:</b> Confidential, MHC Courthouse, NASA VT Halifax, Danville Museum, SPCA - <b>5 projects developed to secure outside investment/funds</b> (list above) - Legal incorporation has occurred prior to project start date			Weight: 10%	Actual: 10%
						<b>1.2 Enhance Prosperity for existing businesses</b> - Recruit established businesses for consulting projects - Deliver SBTC consulting projects to increase efficiency of existing Southside businesses	
#2	<b>Continue to establish the base for organizational sustainability</b> - Collect client fees: \$1,500/project minimum; Total: \$37,500; Total Consulting Hours: 4,200 (utilizing interns) - Develop 3 additional grant opportunities with private, state and federal organizations totaling minimum \$30,000 - Secure funding support from the Southside locals (Patrick, Franklin, Henry, Pittsylvania, and Halifax Counties) in the total amount of \$33,000 for FY 2007-2008		- Total Client Fees invoiced (incl. VS MAP \$24,000): <b>\$64,709</b> - Total Consulting Hours (approx.): <b>4,392*</b> - Lucy P. Sale Foundation - <b>\$10,000</b> contribution; <b>\$30,000</b> grant for 3 years; VA state budget appropriation: <b>\$75,000</b> - Local funding secured: Henry County <b>\$5,000</b> ; City of Danville <b>\$10,000</b> - <b>TOTAL FUNDS RAISED: \$130,000</b>			Weight: 35%	Actual: 55%

Major Performance Objectives (functions, assignments, projects)		Performance Standards & Results (cost, quality, quantity, timeliness)	*Weight%
			**Actual %
#3	<p><b>Maintain and increase client satisfaction for delivering top-quality consulting projects</b></p> <ul style="list-style-type: none"> <li>- Continue to employ professional staff members at the current caliber</li> <li>- Recruit free interns to work on SBTC Consulting Projects</li> <li>- Provide mentoring and training to interns in business management and strategic thinking</li> <li>- Conduct periodic client satisfaction evaluations</li> </ul>	<ul style="list-style-type: none"> <li>- Maintained SBTC staff level until June 1, 2007 and recruited 1 full-time Market Researcher</li> <li>- Recruited 5 interns from VT, Averett, James Mason and worked with 5 students on a class project (total 840 con. hrs.)</li> <li>- Conducted weekly mentoring sessions with interns and Business Analyst participated at VPMEP Lean manufacturing 1 day training</li> <li>- Client satisfaction evaluation was conducted after completion of each project (98% satisfaction)</li> <li>- SBTC Client Impact Evaluation was conducted through VT resulting in 100% client satisfaction</li> </ul>	<p>Weight: 10%</p> <p>Actual: 20%</p>
#4	<p><b>Continue to build SBTC's positive reputation in the Southside -</b></p> <ul style="list-style-type: none"> <li>- In addition to the current locals recruit clients from the following target cities/counties: Danville – Pittsylvania, South Boston – Halifax, Rocky Mount – Franklin</li> <li>- Participate in business receptions, chamber business after hours, seminars, networking events, etc.</li> <li>- Establish and improve strong client referral relationships with chambers, EDCs, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Clients recruited from: Danville – 2, South Boston – 3 clients (5 projects); Franklin County – 1 client (2 projects)</li> <li>- Participated in over 40 business after hours/receptions, conducted 4 business seminars, participated in 2 business expos and 3 career/job fairs, organized SBTC 2<sup>nd</sup> annual reception</li> <li>- Improved cooperation with EDCs (included in Danville EDC budget), plans to co-host business seminars with MHC EDC, and participated in business round-table meetings.</li> </ul>	<p>Weight: 15%</p> <p>Actual: 25%</p>
<p><b>TOTAL WEIGHT</b></p> <p>* Weight % means: time allocation planned to implement the given objective as a percentage distribution of the total time available.</p>			<p>Weight: <b>100%</b></p>
<p>**Actual % means: actual time allocation to the implementation of the given objective.</p>			<p>Actual: <b>145%</b></p>

Total SBTC official consulting hours distribution: Total intern/VT class hours: 840; Total outside consultant hours: 256;  
Total SBTC Staff: 3,296; **Total FY 06-07 consulting hours: 4,392 (not including overtime)**

### III. A. Report on SBTC Client Activity

During fiscal year 2006-2007 the SBTC recruited 5 new businesses/entities and 11 existing companies for multi-phase in-depth management consulting projects: 16 companies total with 18 multi-phase projects. The projects' scopes were more in-depth, multi-focus and time demanding than during previous years, attesting to the increased capacity and expertise of the SBTC staff. The 18 projects ranged from business plan writing (1), market research and analysis (13), organizational analysis (2), feasibility study (1) and marketing plan development (1). The 18 projects represented companies from the entire Southside region, including: Martinsville-Henry County, Danville-Pittsylvania County, Stuart-Patrick County, Floyd, Franklin, and Halifax Counties. Additionally, through walk-ins, ad-hoc meetings and on-site training seminars, the SBTC assisted another 35+ client companies. The Virginia Tobacco Commission funding assured that increased SBTC capacity lead to servicing business demand from this enlarged geographic span.

The targeted client fee/project for FY 06-07 was \$1,500 per client project; the year-end results show that the average client fee per project was \$3,595. The SBTC was successful securing several project subsidies from Virginia's Small Manufacturing Assistance Program (VSMAP), managed by Virginia's Philpott Manufacturing Extension Partnership, in the amount of \$24,000 for four separate Market Research and Analysis projects. In addition, one of the 18 projects was delivered free of charge, as they were developed by Virginia Tech's business program students as class projects.

The SBTC planned to generate \$37,500 from client fees throughout FY 06-07; the total revenue generated from client fees exceeded this goal resulting in \$64,709 (including \$24,000 from VSMAP). Total consulting hours planned were 4,000 hours, which was also exceeded resulting in 4,392 project consulting hours (not including overtime).

During FY 2006-2007 the SBTC also assisted 3 non-profit organizations with their management consulting needs (Danville Tobacco Museum, Henry County Historic Courthouse and MHC SPCA). These projects have the potential to contribute to Southside's economic development through heritage tourism. These projects also exposed the SBTC to additional funding sources and boosted the center's reputation in the local communities garnering additional business, citizen and political support.

The Virginia Tech Center for Survey Research (CSR) was contracted by the Virginia Tech Business Technology Center and the Southside Business Technology Center to implement a survey of clients from FY 05/06 and first half of FY 06/07 to assess client satisfaction and to garner information that could be used in improving services. The survey project was designed to identify the benefits and business impacts stemming from the services provided by the two Business Technology Centers and to identify any areas for possible improvement in services. Specifically, the CSR was engaged to administer a telephone survey to clients identified as having recently used the services of either of the two Business Technology Centers. The results of the Client Impact Evaluation from 11 companies that are well into the 1<sup>st</sup> year of project implementation are presented in **Table III.A.1: SBTC Post Project Client Impact Evaluation Results** in Appendix A.

### **III. B. Report on SBTC Organizational Development**

The Martinsville-Henry County Chamber of Commerce served as SBTC's fiscal agent for the FY 2005-2006. Based on the 501 (c) (3) status granted to the center by the IRS on November 2005, the SBTC Board of Directors decided that the SBTC will prepare its own accrual based accounting and financial reporting in-house and will not utilize MHC Chamber as its fiscal agent in the future effective July 1, 2006 (FY 2006-2007).

#### **Report on SBTC Board and Staff Development**

The SBTC Board of Directors during its Annual Board of Directors meeting held on June 27, 2007 elected Joe Cobbe – former Vice-Chair to become the Chair, and Phyllis Karavatakis, former SBTC Board member to become the Vice-Chair of the SBTC Board of Directors effective July 1, 2007. In addition, Kim Adkins, Jeff Kohler and Dr. Tim Franklin were re-appointed to serve their second three-year term on the SBTC Board of Directors.

In order to achieve the organization's long-term goal to become a regional economic development force, the SBTC Board of Directors amended the SBTC Bylaws to enlarge Board membership from 9 to 12 members and elected Linda Hudson-Green – President of the Dan River Business Development Center (incubator) to serve as a new Danville/Pittsylvania County representative. The list of current Board of Directors members (10) is as follows:

1. Joe Cobbe, Chairman of the SBTC Board, Member of the SBTC Executive and Finance Committees;
2. Phyllis Karavatakis, Vice-Chair of the SBTC Board; Senior Executive Vice President of Carter Bank and Trust, Member of the SBTC Executive and Finance Committees;
3. Candace Payne, Member of the SBTC Executive and Marketing Committees; President of Shenandoah Furniture;
4. Kim Adkins, Member of the SBTC Executive and Marketing Committees, President of the Workforce Investment Board;
5. Dr. Richard Daugherty, Member of the SBTC Executive Committee; Director of the Virginia Tech Business Technology Center;
6. Jeff Kohler, Member of the SBTC Finance Committee, Executive Director of the Virginia's Philpott Manufacturing Extension Partnership;
7. Dr. Ted Settle, Member of the SBTC Marketing Committee, Director of the Office of Economic Development at Virginia Tech;
8. Dr. Tim Franklin, Executive Director of the Institute for Advanced Learning and Research;
9. Harold Thornton, Member of the SBTC Finance Committee, Executive Vice President of Davenport Energy, Chatham, VA;
10. Linda Hudson-Green, President of the Dan River Business Development Center.

The SBTC Board plans to increase its Board membership to 12 representatives from Southside Virginia in FY 2007-2008.

The Southside Business Technology Center hired a new Market Researcher/Business Analyst as of May 1, 2007. The creation of the second Market Researcher/Business Analyst full-time position was not part of the original SBTC Annual Work Plan for FY 2006-2007 adopted by the SBTC Board of Directors in June 2005; however, the additional staff was hired to meet the constantly growing client demand. This new hire contributed to the delivery of the 18 high quality management projects to Southside businesses and will result in the decrease in the 4 month project backlog in FY 2007-2008.

### **III. C. Report on SBTC Organizational Cooperation Development/EDA Grant**

The Southside Business Technology Center created a wide network of affiliated and referral organizations, including agreements on mutually beneficial cooperation and direct client referrals with the regional economic development organizations, local colleges and universities, chambers of commerce, local banks and other key institutions contributing to the overall economic development efforts of the Southside region.

The SBTC strengthened its service offering through very active cooperation with the Economic Development Department of the City of Danville resulting in an establishment of a SBTC part-time office on the Averett University campus in Danville, Virginia. The purpose of establishing the office is to serve the needs of Averett University student interns and to provide services to Danville/Pittsylvania County businesses locally. As the result of the effective cooperation with the Danville EDC, the SBTC received a Danville city budget appropriation in the amount of \$10,000 for FY 2007-2008 as part of the Danville EDC allocation.

The SBTC as a founding member participated at the small business assistance providers' round table sessions organized by the MHC EDC. The purpose of the round table is to promote economic development in MHC through synchronized business assistance and entrepreneurial training programs.

In addition, the SBTC also strengthened its cooperation with Virginia Tech and the Institute for Advanced Learning and Research (IALR) by participating in an Economic Development Administration (EDA) grant awarded to commercialize research in Southside Virginia. The \$1.8 million grant over a 2-year period also calls for the development of a Strategic Plan for Growth for Southside Virginia and the creation of a three member "Commercialization Team" to provide specific services to Southside businesses in the areas of Market Research, Capital Access and Commercialization. The Market Research Specialist, an employee of the IALR, will be co-housed at the SBTC and will contribute 30% of his time to the development of SBTC specific management consulting projects for regional clients.

## **IV. Report on SBTC Fund-raising activities**

### **IV. A. Funding Allocation for FY 2006-2007**

#### **IV.A.1. Virginia Tobacco Indemnification and Community Revitalization Commission Grant Award for FY 2006-2007 (\$75,000)**

The Southside Business Technology Center submitted a grant application to the Virginia Tobacco Indemnification and Community Revitalization Commission (TICRC) in February 2006 under the project title: "Expansion of the Southside Business Technology Center, a cross-regional top-quality business consulting organization, to improve economic development through new entrepreneurship creation and existing industry expansion in Southside Virginia."

The TICRC awarded grant amount of \$75,000 was drawn down by the SBTC in FY 2006-2007. The funds awarded by the Special Projects Committee of TICRC supported SBTC's unprecedented demand-driven growth throughout the Tobacco Commission region in the Southside counties and cities of Virginia. The principal objectives of the project were to maintain and further expand the multi-regional geographic service delivery/outreach in the Tobacco Commission region by funding SBTC's increased capacity through a Business Analyst position. As the result of the additional funds the SBTC was able to service clients from the cities of Martinsville, Danville, towns of Stuart, Floyd, Clarksville, and Rocky Mount and from the counties of Floyd, Patrick, Henry, Franklin, Pittsylvania, Halifax and Mecklenburg. In addition, the TICRC funds were also used to cover portions of the SBTC Executive Assistant salary and benefits and office expansion expenses, including parts of the computer and IT, telecommunications, travel, and marketing and advertising costs of the SBTC associated with the establishment of a part-time office in Danville.

The direct and indirect economic benefits of the TICRC project are in direct correlation with Building Human Infrastructure and Building Conditions for Innovation, as they result in: 1) Leadership in technology-assisted businesses via on-site business consulting, 2) Delivery of technology-assisted programs to college and university students via SBTC internships, 3) Providing supplementary consulting support and leadership in building modern business and civic entities, and 4) Encouraging regional ownership in businesses and institutions.

#### **IV.A.2. Lucy P. Sale Foundation donation for FY 2006-2007**

The Lucy P. Sale Foundation of Martinsville-Henry County provided a one-time donation to support SBTC's efforts throughout FY 2006-2007 in the amount of \$10,000. The amount was used to support the center's service offerings in Martinsville-Henry County.

## **IV.B. Additional Funds Secured for FY 2007-2008**

### **IV.B.1. Commonwealth of Virginia Budget Appropriation for FY 2007-2008: \$75,000**

To increase SBTC's capacity to meet higher than expected client demand for the center's in-depth tangible management consulting projects, \$148,000 was requested to be appropriated by the Commonwealth for FY 2008 and for the upcoming years and a \$75,000 budget allocation was included in the Commonwealth of Virginia's 2008 Budget Appropriation for the SBTC as a non-state agency support.

The state's investment will support job creation and retention by creating an entrepreneurial regional economy in the Southside focused on new business development and existing industry expansion to the new economy. As the result of state funding, the SBTC will serve 66 client businesses - 40 business counseling and 26 in-depth management/business consulting projects - with an average number of 25 employees per organization resulting in 1,650 people served. In addition, 15 internships and 5 class projects will be provided to students from local colleges totaling 40 students served what may potentially result not just in enhanced business skills, but also in job placement with SBTC client companies. As measurable economic benefits, the following results will be achieved if the requested state funds are approved: 1) New business entity formation measured by number of incorporated new client firms, 2) Enhanced prosperity for existing businesses measured by profitability and number of new and retained employment at client businesses, 3) Improved economic development of the region measured by business retention, number of new businesses attracted to the region, and overall economic impact of businesses as a group.

The Southside Business Technology through state budget appropriation will directly contribute to the implementation of key economic development goals as defined in Governor Kaine's Economic Development Strategic Plan announced in September 2006. Under **Goal Two: Establish state and local programs that identify and meet the needs of existing businesses and facilitate their expansion in Virginia**, the SBTC will provide management consulting services to existing industries throughout Southside Virginia that will result in measurable economic development results. Under **Goal Four: Enhance economic development efforts in Virginia's distressed areas to help reduce economic disparity and to promote opportunity for all Virginia's regions**, the SBTC will recruit 26 new and existing companies from the Southside region.

### **IV.B.2. Southside Local Funding for FY 2007-2008**

As a direct result of SBTC services provided to Southside businesses since May 2005 resulting in 100% client satisfaction (see Client Impact Evaluation below) and higher than expected client demand, the SBTC was able to secure additional funding from Southside locals and foundations. Henry County appropriated \$5,000 and the city of Danville allocated \$10,000 in their FY 2007-2008 Operating Budgets for the SBTC. These funds will be used to support SBTC's capacity increase from 3 to 4 full-time employees that will ultimately result in strengthening Southside's economic based through more businesses served.

The Southside Business Technology Center requested and was awarded \$30,000 in funding from the Lucy P. Sale Foundation in May 2006. The Lucy P. Sale Foundation was one of the original financial founders of the SBTC, contributing \$25,500 to cover SBTC rent over a three year period. Given the positive results in SBTC's organizational development and client impact in MHC, the Lucy P. Sale Foundation extended its founding of the SBTC. The \$30,000 is intended to be used to cover SBTC rent for three consecutive fiscal years effective July 1, 2007.

## **V. Report on Financial Management and Budgeting**

The SBTC Operating Budget for Fiscal Year 2006-2007 was developed and approved by the Board of Directors at the SBTC Annual Board meeting on June 28, 2006. The Year-End Budget vs. Actual results is shown below in **Appendix C: SBTC FY 2006-2007 Year-end Budget vs. Actual.**

The Southside Business Technology Center has over achieved its financial goals in both objectives related to revenue generation from client fees and financial managerial practices resulting in reduction of planned expenses. The approved SBTC FY 2006-2007 Operating Budget planned for \$37,500 in revenues from client fees; the actual revenues generated from clients in FY 2006-2007 were \$64,709. In addition, in spite of the increased expenses associated with hiring a fourth full-time employee, SBTC's Year-end expenses were lower than expected. The detailed year-end financial reports, including the Budget vs. Actual, Profit & Loss Statement, Balance Sheet and Cash Flow are included in Appendix C.

The Client Fee Structure was developed as a guide for the SBTC Director. The fees charged to specific clients was ultimately determined by the SBTC Executive Director based on the client company's developmental stage, financial status and the depth of the projects rendered. The majority of the student internships were offered either as for credit or unpaid internships, with only the travel and other administrative expenses associated with the project development as reimbursable to the interns. Outside subcontracting consultants were also recruited to assist with specific project development activities. Consulting fees charged by the subcontracting agencies were covered from client fees.

## **VI. Conclusion**

The Southside Business Technology Center was successful in meeting and exceeding its priority goals regarding: client recruitment, student/intern training, organizational development and growth, and financial sustainability in the fiscal year of 2006-2007.

The SBTC has provided in-depth multi-phase management consulting projects to 16 Southside entities and assisted an additional 35 companies, and provided 4,400 management consulting hours resulting in job creation, job retention, increased capital, higher sales volume, extended market shares, decreased operating costs, purchase of additional assets and overall improved efficiency of managerial and leadership practices.

The SBTC recruited and trained 15 student interns through management consulting internship opportunities and Virginia Tech business class projects providing valuable experiential learning opportunities to future business leaders and entrepreneurs.

The SBTC exceeded its goal of securing additional funds for fiscal year of 2007-2008. The center was awarded a total of \$130,000 in financial resources from the Commonwealth of Virginia, the Lucy P. Sale Foundation, Henry County and the City of Danville contributing to the increased capacity and financial sustainability of the organization and hence, supporting to the implementation of the SBTC mission of promoting economic development in Southside Virginia.

The SBTC's transformation to a regional service provider was further enabled by the expansion of the SBTC Board of Directors to 12 members who represent different communities in Southside Virginia.

The SBTC exceeded its organizational development goals, mainly in capacity building: SBTC's staff grew from one full time employee to four full time staff. The center grew from a Martinsville-Henry County organization to a regional Southside entity with a part-time office in Danville gaining recognition at the Virginia state government level.

**Appendix A: Table III.A.1: SBTC Post Project Client Impact Evaluation Results**

<b>Business Center ID</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Southside Business Technology Center</b>	11	100.0	100.0	100.0

<b>How did you first learn about the Southside Business Technology Center?</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>A friend, William Fray.</b>	1	9.1	9.1	9.1
	<b>Back when the City of Martinsville announced its opening.</b>	1	9.1	9.1	18.2
	<b>Friend (financial advisor).</b>	1	9.1	9.1	27.3
	<b>Incubator in Martinsville.</b>	1	9.1	9.1	36.4
	<b>Located in same building.</b>	1	9.1	9.1	45.5
	<b>Met them at Chamber of Commerce meeting.</b>	1	9.1	9.1	54.5
	<b>Office next door to my own.</b>	1	9.1	9.1	63.6
	<b>Our executive director is affiliated with them.</b>	1	9.1	9.1	72.7
	<b>Through local chamber of commerce.</b>	1	9.1	9.1	81.8
	<b>Wife works in the same building.</b>	1	9.1	9.1	90.9
	<b>Word of mouth.</b>	1	9.1	9.1	100.0
<b>Total</b>		11	100.0	100.0	

<b>Why did you choose the Southside Business Technology Center to assist you with your business needs?</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>At an after hour meeting, Eva Doss spoke, liked her approach.</b>	1	9.1	9.1	9.1
	<b>Didn't know where else to turn. Looking to get things done.</b>	1	9.1	9.1	18.2
	<b>I liked her and her ethics.</b>	1	9.1	9.1	27.3
	<b>I needed a business plan. They seemed competent. The prices were reasonable.</b>	1	9.1	9.1	36.4
	<b>Impressed with expertise.</b>	1	9.1	9.1	45.5
	<b>Limited availability.</b>	1	9.1	9.1	54.5
	<b>Price and my level of confidence in them.</b>	1	9.1	9.1	63.6
	<b>Referred.</b>	1	9.1	9.1	72.7
	<b>Seemed competent in developing business plans.</b>	1	9.1	9.1	81.8

	<b>Sounded like they could help us.</b>	1	9.1	9.1	90.9
	<b>Thought they would do a competent job.</b>	1	9.1	9.1	100.0
	<b>Total</b>	11	100.0	100.0	

<b>Overall, how satisfied were you with the services you received from the SBTC?</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Very Satisfied</b>	11	100.0	100.0	100.0

**Give your experience with the SBTC, would you use their services again if you had such a need in the future?**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Yes</b>	11	100.0	100.0	100.0

**The services provided by the SBTC on my project led to increased revenue for my business. Do you...**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Strongly Agree</b>	6	54.5	54.5	54.5
	<b>Somewhat Agree</b>	3	27.3	27.3	81.8
	<b>Don't Know</b>	2	18.2	18.2	100.0
	<b>Total</b>	11	100.0	100.0	

**The services provided by the SBTC led to the creation of jobs.**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Strongly Agree</b>	4	36.4	36.4	36.4
	<b>Somewhat Agree</b>	5	45.5	45.5	81.8
	<b>Don't Know</b>	2	18.2	18.2	100.0
	<b>Total</b>	11	100.0	100.0	

**The services provided by the SBTC led to the increased investments by my business.**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Strongly Agree</b>	4	36.4	36.4	36.4
	<b>Somewhat Agree</b>	2	18.2	18.2	54.5
	<b>Somewhat Disagree</b>	1	9.1	9.1	63.6
	<b>Strongly Disagree</b>	1	9.1	9.1	72.7
	<b>Don't Know</b>	3	27.3	27.3	100.0
	<b>Total</b>	11	100.0	100.0	

<b>The services provided by the SBTC led to cost savings for my business.</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Strongly Agree</b>	4	36.4	36.4	36.4
	<b>Somewhat Agree</b>	3	27.3	27.3	63.6
	<b>Somewhat Disagree</b>	1	9.1	9.1	72.7
	<b>Strongly Disagree</b>	1	9.1	9.1	81.8
	<b>Don't Know</b>	2	18.2	18.2	100.0
	<b>Total</b>	11	100.0	100.0	

<b>The services led to the avoidance of unnecessary investments by my company.</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Strongly Agree</b>	7	63.6	63.6	63.6
	<b>Somewhat Agree</b>	1	9.1	9.1	72.7
	<b>Strongly Disagree</b>	1	9.1	9.1	81.8
	<b>Don't Know</b>	2	18.2	18.2	100.0
	<b>Total</b>	11	100.0	100.0	

<b>The services helped my company to be more competitive.</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Strongly Agree</b>	6	54.5	54.5	54.5
	<b>Somewhat Agree</b>	2	18.2	18.2	72.7
	<b>Strongly Disagree</b>	2	18.2	18.2	90.9
	<b>Don't Know</b>	1	9.1	9.1	100.0
	<b>Total</b>	11	100.0	100.0	

<b>The SBTC staff had the necessary expertise for my project.</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Strongly Agree</b>	9	81.8	81.8	81.8
	<b>Somewhat Agree</b>	2	18.2	18.2	100.0
	<b>Total</b>	11	100.0	100.0	

<b>The SBTC staff was easy to work with.</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Strongly Agree</b>	10	90.9	90.9	90.9
	<b>Somewhat Agree</b>	1	9.1	9.1	100.0
	<b>Total</b>	11	100.0	100.0	

<b>Can you estimate what the additional revenues for your organization will be within the next 2 years as a result of the SBTC project?</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>\$100,000</b>	1	9.1	9.1	9.1
	<b>\$150,000</b>	1	9.1	9.1	18.2
	<b>\$250,000</b>	1	9.1	9.1	27.3
	<b>\$300,000</b>	1	9.1	9.1	36.4
	<b>\$500,000</b>	1	9.1	9.1	45.5
	<b>Don't Know</b>	5	45.5	45.5	90.9
	<b>Refuse to Answer</b>	1	9.1	9.1	100.0
	<b>Total</b>	11	100.0	100.0	

<b>How many jobs would you estimate will be created in the next 2 years because of the SBTC project?</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>0</b>	1	9.1	9.1	9.1
	<b>1</b>	1	9.1	9.1	18.2
	<b>10</b>	1	9.1	9.1	27.3
	<b>14</b>	1	9.1	9.1	36.4
	<b>2</b>	1	9.1	9.1	45.5
	<b>3</b>	1	9.1	9.1	54.5
	<b>7</b>	1	9.1	9.1	63.6
	<b>At least 4</b>	1	9.1	9.1	72.7
	<b>Don't Know</b>	2	18.2	18.2	90.9
	<b>Refuse to Answer</b>	1	9.1	9.1	100.0
	<b>Total</b>	11	100.0	100.0	

<b>How much are you expecting to invest as a result of the SBTC project?</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>\$10,000</b>	2	18.2	18.2	18.2
	<b>\$150,000</b>	1	9.1	9.1	27.3
	<b>\$20,000</b>	1	9.1	9.1	36.4
	<b>\$400-450,000</b>	1	9.1	9.1	45.5
	<b>\$500,000</b>	2	18.2	18.2	63.6
	<b>Don't Know</b>	3	27.3	27.3	90.9
	<b>Refuse to Answer</b>	1	9.1	9.1	100.0
	<b>Total</b>	11	100.0	100.0	

**What is your expected approximate total cost savings over the next 2 years as a result of the project?**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>\$0</b>	1	9.1	9.1	9.1
	<b>\$150,000</b>	1	9.1	9.1	18.2
	<b>\$300,000</b>	1	9.1	9.1	27.3
	<b>\$40-50,000</b>	2	18.2	18.2	45.5
	<b>\$75,000</b>	1	9.1	9.1	54.5
	<b>Don't Know</b>	4	36.4	36.4	90.9
	<b>Refuse to Answer</b>	1	9.1	9.1	100.0
	<b>Total</b>	11	100.0	100.0	

**What is your expected approximate savings resulting from the avoidance of unnecessary investments?**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>\$0</b>	1	9.1	9.1	9.1
	<b>\$20,000</b>	1	9.1	9.1	18.2
	<b>\$300,000</b>	1	9.1	9.1	27.3
	<b>\$40,000</b>	1	9.1	9.1	36.4
	<b>\$50-100,000</b>	1	9.1	9.1	45.5
	<b>Don't Know</b>	4	36.4	36.4	81.8
	<b>Priceless</b>	1	9.1	9.1	90.9
	<b>Refuse to Answer</b>	1	9.1	9.1	100.0
	<b>Total</b>	11	100.0	100.0	

<b>Is there anything the SBTC staff in particular could have done to improve the service they provided your company?</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>No</b>	11	100.0	100.0	100.0

<b>Is there anything else about your experiences with the SBTC you can share that might help them improve their services?</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	<b>Don't Know</b>	1	9.1	9.1	9.1
	<b>I don't know. I was really happy with the experience.</b>	1	9.1	9.1	18.2
	<b>I think they have a great value to Martinsville, and the region. Keep doing what they are doing.</b>	1	9.1	9.1	27.3
	<b>It's a good resource to have when necessary.</b>	1	9.1	9.1	36.4
	<b>No, but they are a needed asset for this area, especially with the loss of the textile jobs.</b>	1	9.1	9.1	45.5
	<b>No, they were really good and competent. Very customer oriented.</b>	1	9.1	9.1	54.5
	<b>Nope. They were on point.</b>	1	9.1	9.1	63.6
	<b>There were communication problems between them at first.</b>	1	9.1	9.1	72.7
	<b>To be honest, there was nothing they needed to work on. They were very efficient and helpful.</b>	1	9.1	9.1	81.8
	<b>Very helpful for small companies.</b>	1	9.1	9.1	90.9
	<b>Wonderful, great analysis.</b>	1	9.1	9.1	100.0
<b>Total</b>		11	100.0	100.0	

**Appendix B: SBTC FY 2007-2008 ANNUAL WORK PLAN**

Southside Business Technology Center (SBTC) Annual Work Plan for Fiscal Year 2007-2008							
<b>Name:</b>	Eva Doss	<b>Title:</b>	Executive Director	<b>From:</b>	7-01-2007	<b>To:</b>	6-30-2008
<b>Major Performance Objectives</b> (functions, assignments, projects)			<b>Performance Standards</b> (cost, quality, quantity, timeliness)			<b>Weight %</b>	
<b>#1</b>	<b>Deliver management consulting projects to enhance the overall business performance of Southside Virginia businesses</b>	<b>1.1 Facilitate new business entity formation and enhance prosperity for existing business</b> - Recruit 20 Southside businesses (start-ups/existing companies) for consulting projects - Deliver 26 SBTC consulting projects to increase efficiency of existing Southside businesses - Provide 5,500 consulting hours to develop in-depth consulting projects [Director - 600 hrs, Business Analyst – 2,000 hrs, Market Researcher – 2,000 hrs, 5 interns (12 weeks x 15 hrs) – 900 hrs.]			25%		
<b>#2</b>	<b>Continue to establish the base for organizational sustainability</b>	- Collect client fees: \$1,800/project minimum; Total: \$48,000 - Secure VA state funding for the next biennium in the amount of \$150,000 (\$75,000/year) - Secure Harvest Foundation new grant in the amount of \$300,000 over a 3 year period (\$100,000/year) starting FY 2008-2009 - Secure funding support from the Southside locals (Patrick, Franklin, Henry, Pittsylvania, and Halifax Counties) in the total amount of \$25,000 for FY 2007-2008 (\$5,000 each min.) - Create and maintain periodic communications and performance reporting to current funders/supporters.			50%		

<b>Major Performance Objectives</b> (functions, assignments, projects)		<b>Performance Standards</b> (cost, quality, quantity, timeliness)	<b>Weight %</b>
<b>#3</b>	<b>Increase SBTC capacity to deliver top-quality consulting projects and to maintain client satisfaction</b>	<ul style="list-style-type: none"> <li>- Replace full-time Business Analyst and recruit full-time Market Researcher of high caliber to increase capacity</li> <li>- Recruit minimum 5 free interns to work on projects</li> <li>- Provide mentoring and training to staff and interns in business management and strategic thinking</li> <li>- Conduct periodic client satisfaction evaluations</li> </ul>	10%
<b>#4</b>	<b>Continue to maintain and build SBTC's positive reputation in the Southside</b>	<ul style="list-style-type: none"> <li>- Appoint 2 new regional Board members to the SBTC Board</li> <li>- In addition to the current locals focus client recruitment to the following target cities/counties: Danville – Pittsylvania County and Rocky Mount – Franklin County.</li> <li>- Expand Danville office operations to 2 days/week based on client demand</li> <li>- Participate in business expos/receptions, chamber business after hours, seminars, networking events, career fairs, etc.</li> <li>- Establish and improve strong client referral relationships with funders, chambers, EDCs, etc.</li> </ul>	15%
<b>TOTAL WEIGHT</b>			<b>100%</b>

**Appendix C: SBTC FY 2006-2007 Year-End Financial Statements**

**SBTC FY 2006-2007 Year-end Budget vs. Actual**

	Year to Date Actual	Year to Date Budget	Year to Date Variance
<b>Revenues</b>			
Harvest Foundation Grant	\$100,000.00	\$ 100,000.00	0.00
Lucy P. Sale Foundation Grant	18,500.00	8,500.00	10,000.00
Client Fees	64,710.00	37,500.00	27,210.00
Tobacco Commission Grant	72,795.91	75,000.00	(2,204.09)
Contribution from MHC-BTC Acct	35,213.86	0.00	35,213.86
Misc. Income	11,025.93	0.00	11,025.93
<b>Total Revenues</b>	<b>302,245.70</b>	<b>221,000.00</b>	<b>81,245.70</b>
<b>Expenses</b>			
Executive Director Salary	73,182.84	72,100.00	1,082.84
Director Social Security Match	4,537.38	4,470.24	67.14
Director Medicare Match	1,061.14	1,045.44	15.70
Director SUTA	430.38	215.20	215.18
Director FUTA	112.00	56.00	56.00
Director Health Insurance	3,651.17	3,597.60	53.57
Director Life Insurance	114.00	114.00	0.00
Director IRA Match	2,289.96	2,253.00	36.96
Director Disability Insurance	2,246.42	2,400.00	(153.58)
<b>Total Executive Assistant Salary</b>	<b>30,541.42</b>	<b>30,000.00</b>	<b>541.42</b>
<b>Total Assistant Social Security Match</b>	<b>1,893.57</b>	<b>1,860.00</b>	<b>33.57</b>
<b>Total Assistant Medicare Match</b>	<b>442.97</b>	<b>435.12</b>	<b>7.85</b>
<b>Total Assistant SUTA</b>	<b>431.45</b>	<b>215.20</b>	<b>216.25</b>
<b>Total Assistant FUTA</b>	<b>112.00</b>	<b>56.00</b>	<b>56.00</b>
<b>Total Assistant Health Insurance</b>	<b>3,162.48</b>	<b>3,118.20</b>	<b>44.28</b>
<b>Total Assistant Life Insurance</b>	<b>102.00</b>	<b>102.00</b>	<b>0.00</b>
<b>Total Assistant IRA Match</b>	<b>900.00</b>	<b>900.00</b>	<b>0.00</b>
<b>Total Assistant Disability Insurance</b>	<b>964.20</b>	<b>840.00</b>	<b>124.20</b>
Assistant Dental	0.00	0.00	0.00
<b>Total Business Analyst Salary</b>	<b>37,208.09</b>	<b>40,000.00</b>	<b>(2,791.91)</b>
<b>Total Analyst Social Security Match</b>	<b>2,306.83</b>	<b>2,479.92</b>	<b>(173.09)</b>
<b>Total Analyst Medicare Match</b>	<b>539.59</b>	<b>580.08</b>	<b>(40.49)</b>
<b>Total Analyst SUTA</b>	<b>430.38</b>	<b>215.20</b>	<b>215.18</b>
<b>Total Analyst FUTA</b>	<b>112.00</b>	<b>56.00</b>	<b>56.00</b>
<b>Total Analyst Health Insurance</b>	<b>2,546.06</b>	<b>2,777.52</b>	<b>(231.46)</b>
<b>Total Analyst Life Insurance</b>	<b>93.50</b>	<b>102.00</b>	<b>(8.50)</b>
<b>Analyst IRA Match - TC</b>	<b>0.00</b>	<b>1,200.00</b>	<b>(1,200.00)</b>
<b>Analyst Disability Ins. - TC</b>	<b>856.80</b>	<b>1,152.00</b>	<b>(295.20)</b>
Analyst Dental	0.00	0.00	0.00
<b>Market Researcher Salary</b>	<b>4,095.00</b>	<b>0.00</b>	<b>4,095.00</b>
<b>Market Res. Soc Security Match</b>	<b>253.89</b>	<b>0.00</b>	<b>253.89</b>
<b>Market Res. Medicare Match</b>	<b>59.38</b>	<b>0.00</b>	<b>59.38</b>
<b>Market Researcher SUTA</b>	<b>110.16</b>	<b>0.00</b>	<b>110.16</b>

**SBTC FY 2006-2007 Year-end Budget vs. Actual Continued**

	<b>Year to Date Actual</b>	<b>Year to Date Budget</b>	<b>Year to Date Variance</b>
<b>Market Researcher FUTA</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Legal</b>	<b>112.50</b>	<b>0.00</b>	<b>112.50</b>
<b>VT BTC Support</b>	<b>25,000.00</b>	<b>25,000.00</b>	<b>0.00</b>
<b>D &amp; O Insurance</b>	<b>1,994.11</b>	<b>1,994.00</b>	<b>0.11</b>
<b>Workmen's Compensation Ins.</b>	<b>681.00</b>	<b>662.00</b>	<b>19.00</b>
<b>Total Computer/Printer/Software</b>	<b>3,200.06</b>	<b>3,600.00</b>	<b>(399.94)</b>
<b>Total Phone/Fax/Copies</b>	<b>2,294.23</b>	<b>2,340.00</b>	<b>(45.77)</b>
<b>Office Furniture</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Office Rent</b>	<b>8,093.84</b>	<b>7,935.12</b>	<b>158.72</b>
<b>Total Office Supplies</b>	<b>1,653.67</b>	<b>2,088.00</b>	<b>(434.33)</b>
<b>Total Travel Expense</b>	<b>4,244.06</b>	<b>4,739.36</b>	<b>(495.30)</b>
<b>Staff Training</b>	<b>55.36</b>	<b>1,200.00</b>	<b>(1,144.64)</b>
<b>Misc.</b>	<b>12,852.42</b>	<b>1,800.00</b>	<b>11,052.42</b>
<b>Accounting &amp; Audit Fees</b>	<b>325.00</b>	<b>2,700.00</b>	<b>(2,375.00)</b>
<b>Total Web Update &amp; Maintenance</b>	<b>418.07</b>	<b>1,200.00</b>	<b>(781.93)</b>
<b>Professional Memberships</b>	<b>834.00</b>	<b>894.00</b>	<b>(60.00)</b>
<b>Total Marketing &amp; Advertising</b>	<b>2,295.11</b>	<b>1,920.00</b>	<b>375.11</b>
<b>Total Expenses</b>	<b>238,840.49</b>	<b>230,413.20</b>	<b>8,427.29</b>
<b>Excess Revenues Over Expenses</b>	<b>\$ 63,405.21</b>	<b>(\$ 9,413.20)</b>	<b>72,818.41</b>

## SBTC Profit and Loss Statement as of June 30, 2007

	Current Month	Year to Date
<b>Revenues</b>		
Harvest Foundation Grant	\$ 100,000.00	\$ 100,000.00
Lucy P. Sale Foundation Grant	18,500.00	18,500.00
Client Fees	64,710.00	64,710.00
Tobacco Commission Grant	72,795.91	72,795.91
Contribution from MHC-BTC Acct	35,213.86	35,213.86
Misc. Income	11,025.93	11,025.93
	302,245.70	302,245.70
<b>Total Revenues, Gains &amp; Other Support</b>		
<b>Expenditures</b>		
Executive Director Salary	73,182.84	73,182.84
Director Social Security Match	4,537.38	4,537.38
Director Medicare Match	1,061.14	1,061.14
Director SUTA	430.38	430.38
Director FUTA	112.00	112.00
Director Health Insurance	3,651.17	3,651.17
Director Life Insurance	114.00	114.00
Director IRA Match	2,289.96	2,289.96
Director Disability Insurance	2,246.42	2,246.42
Executive Assistant Salary	7,500.00	7,500.00
Executive Assistant Salary -TC	23,041.42	23,041.42
Assist. Soc. Security Match	465.00	465.00
Assist. Soc. Security Match-TC	1,428.57	1,428.57
Assistant Medicare Match	72.52	72.52
Assistant Medicare Match - TC	370.45	370.45
Assistant SUTA	19.50	19.50
Assistant SUTA - TC	411.95	411.95
Assistant FUTA - TC	112.00	112.00
Assistant Health Insurance	823.83	823.83
Assistant Health Ins. - TC	2,338.65	2,338.65
Assistant Life Insurance	25.50	25.50
Assistant Life Insurance - TC	76.50	76.50
Assistant IRA Match	225.00	225.00
Assistant IRA Match - TC	675.00	675.00
Assistant Disability Ins. - TC	964.20	964.20
Business Analyst Salary	5,000.01	5,000.01
Business Analyst Salary - TC	32,208.08	32,208.08
Analyst Soc. Security Match	413.32	413.32
Analyst Soc. Security Match-TC	1,893.51	1,893.51
Analyst Medicare Match	96.68	96.68
Analyst Medicare Match - TC	442.91	442.91
Analyst SUTA - TC	430.38	430.38
Analyst FUTA - TC	112.00	112.00
Analyst Health Insurance	461.89	461.89
Analyst Health Insurance - TC	2,084.17	2,084.17
Analyst Life Insurance	17.00	17.00
Analyst Life Insurance -TC	76.50	76.50
Analyst Disability Ins. - TC	856.80	856.80
Market Researcher Salary	4,095.00	4,095.00
Market Res. Soc Security Match	253.89	253.89
Market Res. Medicare Match	59.38	59.38
Market Researcher SUTA	110.16	110.16
Legal	112.50	112.50
VT BTC Support	25,000.00	25,000.00
D & O Insurance	1,994.11	1,994.11
Workmen's Compensation Ins.	681.00	681.00
Computer/Printer/Software - TC	874.94	874.94
Phone/Fax/Copies	659.16	659.16
Phone/Fax/Copies - TC	1,635.07	1,635.07
Office Rent	8,093.84	8,093.84

**SBTC Profit and Loss Statement as of June 30, 2007 Continued**

	Current Month	Year to Date
Office Supplies	53.95	53.95
Office Supplies - TC	1,599.72	1,599.72
Travel Expense	1,440.21	1,440.21
Travel Expense - TC	2,803.85	2,803.85
Staff Training	55.36	55.36
Misc.	12,852.42	12,852.42
Accounting & Audit Fees	325.00	325.00
Web Update & Maintenance	60.00	60.00
Web Update & Maintenance - TC	358.07	358.07
Professional Memberships	834.00	834.00
Marketing & Advertising	276.68	276.68
Marketing & Advertising - TC	2,018.43	2,018.43
	<hr/>	<hr/>
Total Expenditures	236,515.37	236,515.37
	<hr/>	<hr/>
Excess Revenues Over Expenditures	\$ 65,730.33	\$ 65,730.33
	<hr/> <hr/>	<hr/> <hr/>

## SBTC Balance Sheet as of June 30, 2007

### ASSETS

Current Assets		
BB&T Checking Account	\$	29,881.21
Client Fees - A/R		24,464.50
Prepaid Insurance		1,458.55
Prepaid Rent		4,238.95
		60,043.21
Total Current Assets		
Property and Equipment		
Furniture & Fixtures		7,279.55
		7,279.55
Total Property and Equipment		
Other Assets		
		0.00
Total Other Assets		
Total Assets	\$	67,322.76

### LIABILITIES AND CAPITAL

Current Liabilities		
Federal Payroll Taxes Payable	\$	0.01
State Payroll Taxes Payable		0.01
SUTA Tax Payable		152.82
Dell Lease Payable		1,439.59
		1,592.43
Total Current Liabilities		
Long-Term Liabilities		
		0.00
Total Long-Term Liabilities		
Total Liabilities		
		1,592.43
Capital		
Net Income		65,730.33
		65,730.33
Total Capital		
Total Liabilities & Capital	\$	67,322.76

## SBTC Statement of Cash Flow as of June 30, 2007

	Year to Date
Cash Flows from operating activities	
Net Income	\$ 65,730.33
Adjustments to reconcile net income to net cash provided by operating activities	
Client Fees - A/R	(24,464.50)
Prepaid Insurance	(1,458.55)
Prepaid Rent	(4,238.95)
Federal Payroll Taxes Payable	0.01
State Payroll Taxes Payable	0.01
SUTA Tax Payable	152.82
Dell Lease Payable	1,439.59
	<hr/>
Total Adjustments	(28,569.57)
	<hr/>
Net Cash provided by Operations	37,160.76
	<hr/>
Cash Flows from investing activities	
Used For	
Furniture & Fixtures	(7,279.55)
	<hr/>
Net cash used in investing	(7,279.55)
	<hr/>
Cash Flows from financing activities	
Proceeds From	
Used For	<hr/>
	<hr/>
Net cash used in financing	0.00
	<hr/>
Net increase <decrease> in cash	\$ 29,881.21
	<hr/> <hr/>
Summary	
Cash Balance at End of Period	\$ 29,881.21
Cash Balance at Beg of Period	0.00
	<hr/>
Net Increase <Decrease> in Cash	\$ 29,881.21
	<hr/> <hr/>