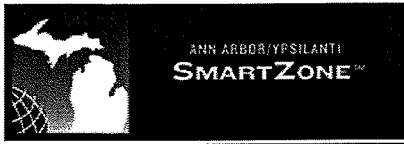


LDFa Board Meeting
April 28, 2009
7:30 am to 12:00 pm
SPARK Central Incubator
330 E. Liberty Street, Ann Arbor, MI 48104

Agenda

7:30 am Breakfast
12:00 pm Lunch

- I. Call to Order**
- II. Public Comment**
Public comment shall be allowed at all meetings. An individual may speak for up to three (3) minutes on any item listed on the Agenda. The Chair may extend an individual's speaking time in his/her discretion. Public comment on non-agenda items may be limited in the Chair's discretion.
- III. Approval of the Agenda**
- IV. Approval of the Minutes of the March 17, 2009 Regular Board Meeting and the April 2, 2009 Special Board Meeting**
- V. LDFa Chair's Report**
- VI. Reports from Service Providers**
 - a. Acceptance of SPARK Report – FY 2009 3rd Quarter Ended March 31, 2009**
 - b. Budget Reallocation for Business Incubator**
- VII. LDFa Treasurer's Report**
 - a. LDFa Financial Report – 3rd Quarter Ended March 31, 2009**
- VIII. Other Business**
 - a. Strategic Planning**
- IX. Motion to Adjourn**



**MINUTES – SPECIAL BOARD MEETING
April 2, 2009**

Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority

**SPARK Central Incubator
330 E. Liberty Street, Ann Arbor, MI 48104**

Members Present: Richard King, Lisa Kurek, Stephen Rapundalo, Theresa Carroll, Mark Maynard, Tom Crawford-Ex-officio, Roselyn Zator-Ex-officio

Members Excused: Rob Risser, Michael Korybalski, Darryl Daniels, Richard Beedon

Others Present: Greg Fronizer-SPARK, Skip Simms-SPARK, Kurt Riegger-SPARK, Sandi Bird-City of Ann Arbor-Finance, Jerry Lax-Bodman LLP

CALL TO ORDER:

King called the meeting to order at 8:08am. A quorum was present.

APPROVAL OF THE AGENDA:

Carroll moved, seconded by Maynard, to add the following to the Agenda for this meeting:

- Attorney review of the March 17, 2009 board resolution to amend the Agreement between the LDFA and Ann Arbor SPARK.
- Cantillon sub-committee report.

Motion approved unanimously.

OTHER BUSINESS:

- 1. Attorney review of the March 17, 2009 board resolution to amend the Agreement between the LDFA and Ann Arbor SPARK.**

LDFA Attorney, Jerry Lax, reviewed the following March 17, 2009 board resolution and provided the opinion it is not in violation of the LDFA Agreement with MEDC; therefore, allowing the LDFA to move forward with proposed amendment:

Daniels moved, seconded by Maynard to accept SPARK's recommendation to amend the Agreement between the LDFA and Ann Arbor SPARK, dated June 30, 2008 and effective as of July 1, 2008, Attachment A, Section 3.1.2 and approval subject to the confirmation the language is within the boundaries of the LDFA Agreements. The SPARK recommendation is as follows:

"For Phase II and III services, Contractor shall be reimbursed on a monthly basis at the rate of \$100/hour for each client served by a subcontractor. Add "Contractor shall be reimbursed also for the other company needs per the intent of Section 1.1.4 at reasonable levels. Additional milestone based on expenditures may include:

DRAFT

- Legal assistance for IP protection work to \$250/hour
- Fixed price services for studies and reports to 90% of actual cost
- Marketing efforts including travel related costs and materials to 75% of cost
- Costs of other reasonable milestone based needs 50% of actual costs

Contractor shall have an Advisory Board it will consult for services and engagements that exceed \$10,000.”

Yes: Daniels, Maynard, Beedon, King, Carroll

No: Risser, Rapundalo

Motion carried.

2. Approval of the FY 2009 LDFA Budget:

Carroll moved, seconded by Kurek to amend the following proposed budget items:

- a) Move \$15,000 from Micro Loan Program for Entrepreneurs to SPARK Central Incubator Operating Expenditure, and
- b) Rename Developmental Projects to LDFA Staff

and to approve the budget committee recommendation of the FY 2010 LDFA Budget in the form presented at this meeting with the amended changes as discussed and attached hereto and made a part thereof, and forward to the respective municipalities for their approval. Motion approved unanimously.

3. Ann Arbor SPARK FY 2009 Cantillon Maintenance Plan:

Maynard moved, seconded by Kurek to authorize for expenditure \$10,000 from Cantillon Web Based Education-Maintenance budget. Motion approved unanimously.

Note for the following resolution: A conflict of interest issue was raised, the matter was discussed and the Board determined there was no conflict of interest and decided to move forward.

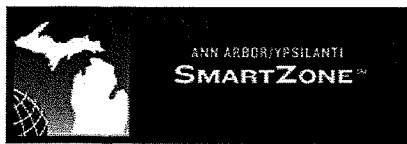
Maynard moved, seconded by Kurek to authorize expenditure up to \$6,500 from the Cantillon Web Based Education – Development budget to obtain the usage data needed to evaluate Cantillon usage to date. Motion approved unanimously.

MOTION TO ADJOURN:

Maynard moved, seconded by Rapundalo, to adjourn the meeting at 9:41am. Motion approved unanimously.

Respectfully Submitted,

Tom Crawford, Recording Secretary



**MINUTES – REGULAR BOARD MEETING
March 17, 2009**

Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority

**SPARK Central Incubator
330 E. Liberty Street, Ann Arbor, MI 48104**

Members Present: Richard King, Rob Risser, Stephen Rapundalo, Theresa Carroll, Mark Maynard, Darryl Daniels, Richard Beedon (by telephone), Tom Crawford-Ex-officio, Roselyn Zator-Ex-officio

Members Excused: Lisa Kurek, Michael Korybalski

Others Present: Greg Fronizer-SPARK, Elizabeth Parkinson-SPARK, Skip Simms-SPARK, Kurt Riegger-SPARK, Sandi Bird-City of Ann Arbor-Finance

CALL TO ORDER:

King called the meeting to order at 8:17am. A quorum was present.

APPROVAL OF THE AGENDA:

Risser moved, seconded by Daniels, to approve the Agenda for this meeting in the form presented at this meeting, as amended per discussion. Motion approved unanimously.

MOTIONS & RESOLUTIONS:

1. Minutes of the January 27, 1009 Board Meeting:

Risser moved, seconded by Daniels, to approve the Minutes of the January 27, 2009 board meeting in the form presented at this meeting, as amended per discussion. Motion approved unanimously.

CHAIR'S REPORT:

Risser moved, seconded by Carroll to change the April 28, 2009 regular board meeting time to 7:30am – 12:00pm, location: SPARK Central Incubator. Motion approved unanimously.

PUBLIC COMMENT:

None.

REPORT FROM SERVICE PROVIDERS:

1. Contract/Budget Committee:

Sponsorships:

The committee approved the sponsorship for Growth Capital Symposium and did not approve the sponsorship for the Bio conference in Atlanta.

Phase III Intensive Services:

Daniels moved, seconded by Maynard to accept SPARK's recommendation to amend the Agreement between the LDFA and Ann Arbor SPARK, dated June 30, 2008 and effective as of July 1, 2008, Attachment A, Section 3.1.2 and approval subject to the confirmation the language is within the boundaries of the LDFA Agreements. The SPARK recommendation is as follows:

"For Phase II and III services, Contractor shall be reimbursed on a monthly basis at the rate of \$100/hour for each client served by a subcontractor. Add "Contractor shall be reimbursed also for the other company needs per the intent of Section 1.1.4 at reasonable levels. Additional milestone based on expenditures may include:

- Legal assistance for IP protection work to \$250/hour
- Fixed price services for studies and reports to 90% of actual cost
- Marketing efforts including travel related costs and materials to 75% of cost
- Costs of other reasonable milestone based needs 50% of actual costs

Contractor shall have an Advisory Board it will consult for services and engagements that exceed \$10,000."

Yes: Daniels, Maynard, Beedon, King, Carroll

No: Risser, Rapundalo

Motion carried.

REPORT FROM SERVICE PROVIDERS:

1. Ann Arbor SPARK FY 2009 Entrepreneurial Plan:

Postponed until the next meeting.

2. Ann Arbor SPARK FY 2009 Cantillon Maintenance Plan:

Risser moved, seconded by Daniels to form a committee to examine Cantillon with the following members:

Kurek
Maynard
Beedon
Crawford

Motion approved unanimously.

3. Microphones Acquisition:

Risser moved, seconded by Rapundalo to approve the Tel Systems bid for purchase of microphones, not to exceed \$10,768 and expend from the Business Incubator-Shared Equipment budget line item. Motion approved unanimously.

4. Proposed FY 2010 Budget:

Discussion ensued regarding Contractor portion of LDFA budget. The Contract/Budget Committee will meet within two weeks to finalize LDFA budget.

OTHER BUSINESS:

King recommended to hold a special board meeting to finalize the recommended budget on April 2, 2009, 8:00am – 9:00am, location: SPARK Central Incubator

MOTION TO ADJOURN:

Risser moved, seconded by Daniels, to adjourn the meeting at 10:30am. Motion approved unanimously.

Respectfully Submitted,

Tom Crawford, Recording Secretary

Ann Arbor-Ypsilanti SmartZone
 Local Development Finance Authority
 Ann Arbor SPARK
Quarterly Report
 January 1, 2009 through March 31, 2009

Work Accomplished

Number and identity of companies in each phase, plus relevant aspects of commercialization

37 companies in Ann Arbor were served this quarter. Counting companies outside the area a total of 70 companies were served with Phase I, II and III services.

The following companies only received Phase I reviews

Account Name	City	Opportunity Description	Account Description
ACES International, Inc.	Whitmore Lake	Business planning and market strategy	Advanced solar energy systems
Acme Glassworks	Ann Arbor	Business planning	Borosilicate colored glass rods and frit for glassblowers
Ann Arbor EDM	Ann Arbor	Business planning	Electronics technology for machines used in diesel engine manufacturing
Ann Arbor Swim School	ann arbor	Business planning	Swim school
Ann Rubber	Tecumseh	Business planning assistance with retail concept	High fashion latex clothing
Arzac, Inc.	Ann Arbor	Business planning	Web based content management system for non-technical users
Bertolina Newco	Portage	Business planning assistance	Medical management software for surgeons
Bibby Planning Services	Ann Arbor	Business planning and funding	Planning and design services for developers, municipalities, and firms to partner with landscape architects, engineers, and urban planners

BKMEDIC, llc	Durand	Business planning	Interactive multi-linked system allowing the general public to access the 911 system and become an extension of your EMS
CampusKorner	Ypsilanti	Web site development	On-line blog for secondary education w/secure retail element
Clinical Consultants, llc	Columbia	Willing to move to AA if find firm to finish prototype	Medical device for anesthesiologists to help protect against dental damage.
Deagun Corporation	Ypsilanti	Launch planning; potential investment	Web-based point of sale and inventory management system, SaaS model
eChamberConnect, LLC.	Ann Arbor	Relocate to Ann Arbor, review business plan, funding sources	Web based applications for Chambers of Commerce
Emerald Air	Wixom	Business fundability review and connections	Start up - Air recycling for energy efficiency via reduced heat needs
Energy-Guru.com	Vienna	Growth strategy	web marketplace for energy related goods and services
E Z C Enterprises, LLC	Troy	Finance, and overall management of the "details	Optical disk cases with improved readability
Handy Hands Cleaning Services	Belleville	Business planning, product development	Consumer test strip for STD detection
House of Serenity	Detroit	Startup planning and networking	Center for career guidance and development targeting young women in Detroit
In Vivo Solutions	Ann Arbor	Business and financial planning, including feasibility and marketing	Pharmaceutical CRO offering pre-clinical feasibility or product development services
ITS LLC	Ann Arbor	Business contacts and planning	Computer services to small businesses
Komgen	Ann Arbor	Partnering and funding assistance	HIV treatment using off patent small molecule; requires development to improve its therapeutic properties
Laskowski Newco	Canton	Business planning	HR related, but not disclosed
Meeks Newco	Ann Arbor	General set up of business	Provides debt relief assistance to consumers
MM Enterprises	Plymouth	Product development and business launch	RFID solution for reminding people when they leave things behind
Mobile2MobileUSA	West Bloomfield	Funding assistance	Secure mobile payment processing

Myel	Steelton	Assistance with invention planning for idea using capacitors	Alternative energy using capacitors; possible U-M connection
Next Generation Therapeutics	Plymouth	Pay for license for MassSpec, and help w/PSF preparation	CRO for Bio industry
Nymirum	Ann Arbor	IP and FTO legal work, and corporate identity services	Drug discovery platform that reveals the structure of RNA (ribonucleic acid) and identifies the small molecules that will bind to these structures.
Party Central Entertainment	Ishpeming	Business assistance	Website to assist with party needs
Pleiades Inc.	Milan	Business planning and networking	International mutual fund for early stage investments
PM Engineering, LLC	Novi	Technology validation and patenting	Novel diesel engine system to reduce emissions and improve efficiency
Precise Loan Origination	Farmington Hills	Business planning	Pocket size checks with barcodes
Prescription Writer LLC	Rochester	Business planning and marketing assistance	Hand held prescription creation device and software for medical profession.
Ray.Taylor and Associates	Ann Arbor	Management reporting systems design and implementation guidance	Advisory services and technical consulting to public school
Rohrer Renovations	Grass Lake	Funding sources	Small windmill for farm or home use
RZM	Superior Twp	Business planning and fundraising	Novel technique for teaching math, from kindergarten through adult; intends to develop textbooks
Seama Medical	Ann Arbor	Catheter System - Starting Business	New catheter &/or catheter securement device (CSD)- reduce complications of peripheral IVs
Securely Yours LLC	Bloomfield Hills	Business planning assistance	Identity and Access Management services using SaaS model
Sedona Management Inc.	Ann Arbor	Business model guidance; interest in locating in SPARK Central	Movera Method mind and body training approach; d/b/a Movera Method
Smart Dining, Inc.	Ypsilanti	Marketing/Banner Plan	Promotes independent dining establishments with biannual print and local web search

SpiderClimbing	Ann Arbor	Business Planning	Climbing wall and system for fitness and entertainment
Technology Leveraging Cooperative	Rochester Hills	Assistance with business planning	Assisting small business with cooperative purchasing power and technology expertise
Tennyson Newco	Ypsilanti	Referred to SBDC in Ypsi	Wants to open a roller rink
The Gourmet Valet	Chelsea	Help with patent	Cabinet mounted recipe holder
Velcura Spinout	Ann Arbor	Pre-clinical planning and funding	Development of therapies for treatment of bone-related conditions
We Are Disc Golfers	Ann Arbor	Business formation and model	Website for disc golf community.
Wedlink	Canton	Review options for locating in Ann Arbor	HD quality video content and pictures between videographers and wedding couples

The following companies were in Phase II Due Diligence this quarter but have not reached Phase III

Account Name	Opportunity Description	Account Description	Current FTE Jobs	Retained FTE Jobs
Ariscore	Evaluate technology hurdles	Recharging system for electric vehicle	1	1
Audiallo	Business planning and market strategy	New hearing aid technology	2	2
Incentives By Demand	Business planning and development	Online management system for automotive incentives	1	1
Ingenex Digital Marketing	Road mapping and go-to-market strategy	Digital marketing, Website development, search engine optimization, PR, advertising	2	2
Magical Pork	Business model and planning	Website that coordinates travel planning for groups of individuals from many origins to a single destination	1	1
Photonic Crystal Biosystems	Market validation and preliminary business planning	Biosensors for drug discovery research	1	1
POWERleap LLC	Moving to AA. Need technology support contacts.	Pressure sensitive surface that generates power	2	2

Saagara Designs	Business and technology planning	Business and technology planning	2	2
Akervall Technologies	Marketing and social media strategy	Commercializing dental appliance - mouthguard	1	1
Blaze Medical Devices	Subsidize test at UM Medical blood bank	Spectral analysis for red blood cells	2	1
Phios Analytical Laboratories	Review plans for moving forward	Use of Fourier Transform Mass Spectrometry (FTMS) in support of biomarker discovery.	3	3
TMJ Pain Solutions	Go to market for medical device	An oral device for treating craniofacial pain	2	2

The following companies received Phase III level support

Account Name	Opportunity Description	BA Amt Asked	BA Contracted	BA Expenditures	Current FTE Jobs	Retained FTE Jobs	Account Description
Accio Energy, Inc.	Analyze Accio Energy's existing multi-spray test bed platform.	6,000	6,000	6,000	3	3	Alternative energy wind generation for small applications
Daixo	EMR software for dermatologist clinics	2,500	2,500	1,856	1	1	Develop financial assumptions and reports
EiPon Learning	SaaS digital recording technology for language learning	5,200	5,200	5,200	1	1	Market and pricing strategy for schools
ePack, Inc.	MEMS packaging		10,000		1	1	Vacuum and hermetic packaging of MEMS using solder.
Hygieia, Inc.	Marketing plan and strategy	5,000	4,000	4,000	1	1	Glucose monitor that recommends dosage adjustments for improved glycemic control

Kiyo Networks	Business Idea Form	4,000	4,000	2,100	1	1	Network management of wireless data and DSL services for retail and corporate branch offices
MarketMonitor HQ	Financial and technical planning		7,000		2	2	Tool for automating SEO monitoring activities
MedArray	Evaluate market for improved gassing systems used w/ traditional culture systems and companion products	10,000	10,000	2,600	3	2	Silicone hollow fiber membrane to enable highly efficient blood oxygenators
Mobatech, Inc.	Market and financial plan		12,000	6,650	1	1	Mobile Phone Software
Nudge Them	Go-to-market plan, coaching		5,600	4,300	3	2	Appointment reminder service
Nymirum	IP and FTO legal work	16,000	7,500	200	1	1	Drug discovery platform reveals RNA structure
Ocusciences	Combination of remaining amounts from earlier Proposals		5,105	4,425	3	2	Ophthalmic device; OcuMet – Early diabetic detection
Sentry Medical	Product development and market research	12,000	10,000	10,000	1	1	Medical technologies to address undesired behaviors
Speedraft	Funding strategy, introductions		4,000	3,450	7	7	Online CAD system for matching tool makers with clients, SaaS model.
Transducing Energy Devices	Patent filing and electronics consulting for production planning	10,000	10,000	10,000	1	1	Fuel-less production of electricity by manipulation of flux from magnets

Founding location, current location

System now in place to capture company originating location for auditing purposes.

Work to be Accomplished

- Contract with University of Michigan to create a report on Cantillon usage.
- Begin discussions on contract for next fiscal year.

Problems

None

Significant Deviation from Scope of Work

Phase 2 and Phase 3 hours and expenses are significantly behind budget. We anticipate significant increase next quarter in Phase 2 and 3 dollar commitments since we have broadened the services we offer clients. In the next quarter we estimate the number of companies receiving these services will increase by 50% to 21, based on our pipeline increase for due diligence. Due diligence hours will increase as the ask for Phase 3 support increases. We also expect the average amount of services for Phase 3 will increase 66% as we increase the number of service offerings. This will bring our fourth quarter actual numbers close to the original projections for the quarter. Total year, however, will be significantly under budget.

Business incubator expense is over budget because tenancy is under projection. This was due to the number of tenants over estimated plus several tenants were unable to pay. Therefore the amount budgeted to be deducted from total incubator costs was significantly less. However, the amount billed for the incubator is significantly below the maximum annual fee under the terms of the agreement.

Not budgeted but approved as a shared equipment item is \$10,000 for improved audio/video equipment for the event space at the incubator.

Business Services

The 15th Entrepreneur Boot Camp will take place April 23 and 24.

Hosted Events

More than 900 entrepreneurs attended one or more of the 25 events hosted in Ann Arbor by Ann Arbor SPARK this quarter. SPARK hosted several other events at SPARK East.

Event Name	Date	Place of Event	Approx # of attendees		Purpose of Event
			Entrepreneurs	Service Providers	
Shifting Gears Informational Program	Jan. 7, 12, 20, Feb. 2, 2009	SPARK Central	85	0	Recruit individuals who want to leverage their career experiences and education to help small businesses grow. The program explains the difference between traditional work environments and a start-up company. Participants will be mentored by experienced start-up executives and be given internships with local start-up companies.
Power Lunch	Jan. 12, 2009	SPARK Central	8	1	CEO Educational Luncheon - Searching/Hiring the right talent
Open Coffee	Jan. 13, Feb. 10 and Mar. 10, 2009	SPARK Central	107	7	Networking event for entrepreneurs, investors and those who work with technology & innovation business, particularly in IT, cleantech and life sciences.
Marketing Roundtable	Jan. 13, 2009	SPARK Central	44	2	A wide range of marketing and marketing communication leaders provide strategy, branding, online, search, PR, advertising, and other disciplines.
BioArbor: Experienced Scientific Founders Share Their Stories	Jan. 14, 2009	SPARK Central	77	6	An expert panel of three scientists who have successfully started companies speak to issues critical in starting companies, building teams, developing technology into products and funding ventures.
Boot Camp Reunion	Jan. 15, 2009	SPARK Central	41	0	1st Annual Boot Camp Reunion. A networking event inviting all past campers, mentors and drill instructors.
BA Consultant Meeting	Jan 16 and Mar 20, 2009	SPARK Central	3	40	Monthly Business Accelerator meeting to update consultants on SPARK and review projects.
Entrepreneur 1.0: The Entrepreneur	Jan. 29, 2009	SPARK Central	17	2	Informative and interactive session with J.T. Pedersen (an IT business leader). He looks into, in his own words, "Becoming involuntarily unemployed, at any point in your life, can evoke any number of conflicting emotions."

Mingle and Match	Feb. 3, 2009	SPARK Central	66	10	For entrepreneurs launching a startup, and need people to help them. Companies have 1 minute to tell about the business and what kind of help they are seeking, followed by a networking session. Others interested in joining a Startup, and are looking for excitement now and pay later, or want to just help a startup, attend this event to learn about early stage businesses opportunities.
Power Lunch	Feb. 10, 2009	SPARK Central	8	3	CEO Power Lunch - Discussing Business Development
Marketing Roundtable	Feb. 10, 2009	SPARK Central	63	4	This program looks at marketing from the 30,000 foot view, but will also provide enough detail so marketing staff can make actionable decisions and either develop a professional and compelling plan or enhance the current version.
BioArbor Presents: Fundraising in Good Times and Bad	Feb. 11, 2009	SPARK Central	88	10	Robert Zerbe, MD President & CEO, QuatRx Pharmaceuticals; Roger Newton, PhD, FAHA President & CEO, Esperion Therapeutics, two leading life science entrepreneurs in Michigan discuss how they've positioned their companies and strategies they've used for fundraising in shifting economic conditions.
Entrepreneur 1.0 Launch: Executive Summary	Feb. 12, 2009	SPARK Central	27	5	Problem, product, market, team, competitors, financials: By describing each element of your business, you will clarify your current position as well as your needs.
Hot Shots - Career Connections	Feb. 17, 2009	Mélange	47	0	Bring your resume, and come and mingle with growing, innovative companies in a fun and relaxed environment! This event is only for talent seeking opportunities for themselves.
Entrepreneur 1.0 Launch: Product Innovations	Feb. 26, 2009	SPARK Central	29	5	Program focus on defining your customers, their needs and their personas in order to create insights into product strategies for various market segments.
February Financial Executive Breakfast	Feb. 26, 2009	SPARK Central	17	0	Mike Chatas, President of United Structured Finance Company (USFC), discussed the current bank lending environment and the opportunities that USFC is finding in completing transactions to help business grow and thrive in today's environment.

Marketing Roundtable: The Power of Positioning and Branding	Mar. 10, 2009	SPARK Central	79	5	Jim Hume and panelists take you through the methods and exercises necessary to find your unique and compelling position in the marketplace, and how to build a strong brand that best reflects the position.
BioArbor: Cleared for Launch: Planning to Ensure Your Medical Product is Approved	Mar. 11, 2009	SPARK Central	94	4	Presentation and Q&A with Heather Rosecrans of the U.S. Food & Drug Administration and Stephen Goldner of the Regulatory Affairs Associates. Program covered topics essential when planning for FDA approval of medical products, including drugs and devices.
Entrepreneur 1.0 Launch: Market Strategy	Mar. 18, 2009	SPARK Central	20	2	Your company is defined by its positioning and the marketing battles it chooses to fight. Identifying your corporate strengths, weaknesses, opportunities and threats will help you zero in on the battles you can win.
TOTAL # Entrepreneurs			920	106	

Sponsorships/Partnered Events

We again sponsored only one event for the quarter.

Event Name	Date	Place of Event	Approx # of attendees	
Ann Arbor TECH Cocktail	Mar. 27, 2009	Live at PJ's - Ann Arbor	280	Gold Sponsorship for TECH Cocktail - Evening of fun mingling with other technology enthusiasts, investors, bloggers and entrepreneurs. It will offer a handful of startups an opportunity to show-off in an expo-style to the rest of the community. Looks to help the Ann Arbor area amplify the technology signal while having fun doing it.
TOTAL # Entrepreneurs			280	

SPARK Central Incubator

Total number of Full Tenants (those in a cubicle with secure space and full privileges) totaled four companies with four paid seats.

Full Tenants 1/1/09	# of Seats	Full Tenants 2/28/09	# of Seats	Full Tenants 3/31/09	# of Seats
Hygieia	1	Hygieia	1	Hygieia	1
Openworld	1	Openworld	1	Openworld	1
Vision Interface Solutions	1	Vision Interface Solutions	1	GTI Risk Management	1
				RKC Marketing	1
TOTAL	3		3		4

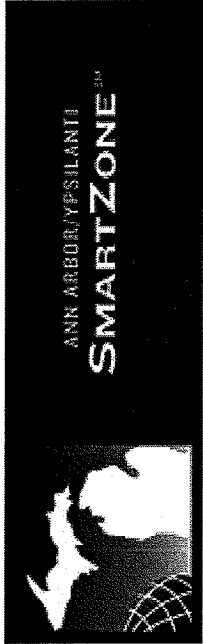
Total number of Virtual Tenants (those without secure space and secondary access to conference rooms) increased by one. One company sold to another Michigan company and two became full tenants.

Virtual Tenants 1/31/09	Virtual Tenants 2/28/09	Virtual Tenants 3/31/09
Boom Dash	Boomdash	<i>(sold to NextPhase Technologies)</i>
Daixo	Daixo	Daixo
Eipon Learning	Eipon Learning	Eipon Learning
GTI Risk Management	GTI Risk Management	<i>(became full tenant)</i>
Hygieia	<i>(became full tenant)</i>	
Jenco Industries	Jenco Industries	Jenco Industries
Locomatix	Locomatix	Locomatix
Mobatech	Mobatech	Mobatech
Monarch Antenna	Monarch Antenna	Monarch Antenna
Vision Solution International	Vision Solution International	Vision Solution International
	Speedraft	Speedraft
		Akervall Technologies
		Incentives By Demand
		Jelic Patent Services
		UrTurn

The following report shows the activity of incubator interest the past quarter.

Company	Description	Incubator Type	Start Date	Status
Arzac, Inc.	Web based content management system for non-technical users	Virtual		Waiting for lease to be signed
Chrysalis Ventures	leading source of equity capital for young growth companies in the "under-ventured" Midwest and South	Tenant		Looking for office for Ann Arbor presence

Eipon Learning	SaaS company using proprietary digital recording technology to aid in language learning	Tenant		Virtual looking to move to Tenant
eChamberConnect, LLC.	Information Technology			Submitted inquiry
eVjump Solar	a unique low cost CIGS polymer solar cel			Took Tour – no word back
Fifty Sense	Website gateway to active lifestyle information for baby boomers	Virtual		Waiting to see if company will move forward
Grease Monkeys	Biodiesel production from restaurant waste	Tenant		Not ready for office space
InfoSoft	Business Services; Information Technology	Tenant		Took Tour – no word back
Project Freestyle	Web 2.0 community for soccer players	Tenant		Waiting for Funding
SimuQuest	Hand coded software for embedded systems	Tenant (3/4)		Took tour of facility early 2009 – No word yet
Sungrace Software	Engineering, 3-D design, software consulting	Tenant		Waiting for Funding



FINANCIAL SUMMARY

as of March 31, 2009

Smart Zone LDFA
DELIVERABLES
as of March 31, 2009

ACTUAL ACTUAL ACTUAL FORECAST
Q1 Q2 Q3 Q4 Full Year

Phase II (Due Diligence)		\$100/hr	
<u>Number of Clients</u>			
Actual/Forecast	23	17	12
Budget/Proposed	11	11	11
Actual Over/(Under) Target	12	6	1
<u>Hours per Client (Avg)</u>			
Actual/Forecast	2.9	2.5	6.3
Budget/Proposed	10.0	10.0	10.0
Actual Over/(Under) Target	(7.1)	(7.5)	(3.8)
Memo: Total Phase II Hours	67	42	75
			80
			264

Phase III (Intensive Service)		\$100/hr	
<u>Number of New Clients</u>			
Actual/Forecast	13	13	14
Budget/Proposed	21	21	21
Actual Over/(Under) Target	(8)	(8)	(7)
<u>Hours per Client (Avg)</u>			
Actual/Forecast	30.2	47.6	29.3
Budget/Proposed	40.0	40.0	40.0
Actual Over/(Under) Target	(9.8)	7.6	(10.8)
Memo: Total Phase III Hours	392	618	410
			1,050
			2,470

Smart Zone LDFA
FY 2008 FINANCIAL SUMMARY
as of March 31, 2009

VARIANCE
Explanation

	ACTUALS			FORECAST		BUDGET	
	Q1	Q2	Q3	Q4	Full Year	Amount	Forecast (Over)/Under Budget
INCOME STATEMENT							
Revenues:							
Tax Revenue	\$ 580,396	\$ 247,817	\$ 273,195	\$ -	\$ 1,101,408	\$ 950,492	\$ 150,916
Miscellaneous	5,000	23,763	2,150	-	30,913	-	30,913
Investment Income	4,655	5,000	(6,883)	-	2,772	-	2,772
Total Revenues	\$ 590,051	\$ 276,579	\$ 268,462	\$ -	\$ 1,135,093	\$ 950,492	\$ 184,601
Expenditures:							
Contracted Services							
SPARK BA Direct Staffing	(39,252)	(39,252)	(39,252)	(39,244)	(157,000)	(157,000)	-
Phase II (Due Diligence)	(2,800)	(1,350)	(5,513)	(8,000)	(17,663)	(44,000)	26,337
Phase III (Intensive Service)	(39,040)	(61,825)	(34,837)	(105,000)	(240,702)	(321,500)	80,798
Bus. Network Events-Hosted	(2,312)	(3,679)	(4,597)	(4,800)	(15,388)	(19,200)	3,812
Bus. Network Events-Sponsorships	(831)	(1,250)	(2,500)	(3,000)	(7,581)	(24,000)	16,419
Entrepreneur Educ.-Bootcamp & Grants	(10,000)	-	(10,000)	(20,000)	(40,000)	(40,700)	700
Tuition Matching	-	(9,453)	(497)	(10,000)	(19,950)	(20,000)	51
Cantillon Web Based Education	(4,600)	(4,600)	(11,650)	(13,600)	(34,450)	(54,400)	19,950
A2 Angels	-	-	(6,250)	(6,250)	(12,500)	(12,500)	-
Total Contracted Services	\$ (98,834)	\$ (121,409)	\$ (115,096)	\$ (209,894)	\$ (545,234)	\$ (693,300)	\$ 148,067
Other Projected Services							
Marketing - P/R, Print, Websites	(7,069)	(14,324)	(15,420)	(13,587)	(50,400)	(50,400)	-
Business Incubator	(26,487)	(43,443)	(48,398)	(38,452)	(156,780)	(120,420)	(36,360)
SPARK Accounting	(10,750)	(10,750)	(10,749)	(10,751)	(43,000)	(43,000)	-
Legal & Admin. Support	(17,293)	-	(4,177)	(6,030)	(27,500)	(27,500)	-
Other Contingency	-	-	(20,000)	-	(20,000)	-	(20,000)
Total Other Projected Services	\$ (61,599)	\$ (68,517)	\$ (98,745)	\$ (68,820)	\$ (297,680)	\$ (241,320)	\$ (56,360)
Total Expenditures	\$ (160,432)	\$ (189,926)	\$ (213,840)	\$ (278,714)	\$ (842,914)	\$ (934,620)	\$ 91,707
Net Increase/Decrease	\$ 429,619	\$ 86,654	\$ 54,622	\$ (278,714)	\$ 292,178	\$ 15,872	\$ 276,307
Memo:							
Fund Balance (6/30/2008)	\$ 178,240						
Fund Balance - Operations (Qtr End)	\$ 607,859	\$ 694,512	\$ 749,134	\$ 470,419			

Making decisions for Phase III much quicker than estimated
Restrictions on use of funds limited billable hours until Q4
Most event sponsorship opportunities are outside city
Full amount of maintenance plan not approved

Shared equipment for \$10k approved last meeting. Rent col
Interim Audit

Category	Detail	Fiscal Year		Incurred		Billed		Unit Descrip.	Number	\$ Amount
		Qtr	Year	Qtr	Year	Qtr	Year			
Legal & Admin. Support	July 08	1	2009	1	2009	1	2009	Audit	1.00	\$ (12,360.00)
SPARK BA Direct Staffing	July 08	1	2009	1	2009	1	2009	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	July 08	1	2009	1	2009	1	2009	Hours	20.00	\$ (2,000.00)
Phase III (Intensive Service)	July 09	1	2009	1	2009	1	2009	Hours	140.55	\$ (14,055.00)
Business Incubator	July 08	1	2009	1	2009	1	2009	Facility Exp	1.00	\$ (8,679.52)
SPARK Accounting	July 08	1	2009	1	2009	1	2009	Accting Svc	1.00	\$ (3,583.33)
SPARK BA Direct Staffing	Aug. 08	1	2009	1	2009	1	2009	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	Aug. 08	1	2009	1	2009	1	2009	Hours	4.00	\$ (400.00)
Phase III (Intensive Service)	Aug. 08	1	2009	1	2009	1	2009	Hours	174.15	\$ (17,415.00)
Business Incubator	Aug. 08	1	2009	1	2009	1	2009	Facility Exp	1.00	\$ (10,466.98)
SPARK Accounting	Aug. 08	1	2009	1	2009	1	2009	Accting Svc	1.00	\$ (3,583.33)
Bus. Network Events-Sponsorship:	Aug. 08	1	2009	1	2009	1	2009	Events	1.00	\$ (268.00)
Bus. Network Events-Hosted	Aug. 08	1	2009	1	2009	1	2009	Events	1.00	\$ (1,009.77)
Cantillon Web Based Education	Aug. 08	4	2008	1	2008	1	2008	Dev Unit 10	1.00	\$ (12,000.00)
Cantillon Web Based Education	Aug. 08	4	2008	1	2008	1	2008	Accr. 6/08	1.00	\$ 12,000.00
Legal & Admin. Support	Sept. 08	1	2009	1	2009	1	2009	Audit	1.00	\$ (4,932.50)
SPARK BA Direct Staffing	Sept. 08	1	2009	1	2009	1	2009	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	Sept. 08	1	2009	1	2009	1	2009	Hours	4.00	\$ (400.00)
Phase III (Intensive Service)	Sept. 08	1	2009	1	2009	1	2009	Hours	75.70	\$ (7,570.00)
Business Incubator	Sept. 08	1	2009	1	2009	1	2009	Facility Exp	1.00	\$ (7,340.25)
SPARK Accounting	Sept. 08	1	2009	1	2009	1	2009	Accting Svc	1.00	\$ (3,583.33)
Bus. Network Events-Sponsorship:	Sept. 08	1	2009	1	2009	1	2009	Events	1.00	\$ (562.86)
Bus. Network Events-Hosted	Sept. 08	1	2009	1	2009	1	2009	Events	1.00	\$ (1,301.81)
Marketing - P/R, Print, Websites	Sept. 08	1	2009	1	2009	1	2009	Marketing	1.00	\$ (7,068.76)
Cantillon Web Based Education	Sept. 08	1	2009	1	2009	1	2009	Cantillon	1.00	\$ (4,600.00)
Entrepreneur Educ.-Bootcamp & C	Sept. 08	1	2009	1	2009	1	2009	Bootcamp	1.00	\$ (10,000.00)
SPARK BA Direct Staffing	Oct. 08	2	2009	2	2009	2	2009	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	Oct. 08	2	2009	2	2009	2	2009	Hours	2.00	\$ (200.00)
Phase III (Intensive Service)	Oct. 08	2	2009	2	2009	2	2009	Hours	136.00	\$ (13,600.00)
Business Incubator	Oct. 08	2	2009	2	2009	2	2009	Facility Exp	1.00	\$ (15,091.95)
SPARK Accounting	Oct. 08	2	2009	2	2009	2	2009	Accting Svc	1.00	\$ (3,583.33)
Bus. Network Events-Hosted	Oct. 08	2	2009	2	2009	2	2009	Events	1.00	\$ (1,733.95)
Marketing - P/R, Print, Websites	Oct. 08	2	2009	2	2009	2	2009	Marketing	1.00	\$ (4,212.57)
Tuition Matching	Oct. 08	2	2009	2	2009	2	2009	Bootcamp Match	1.00	\$ (9,452.50)
Cantillon Web Based Education	Oct. 08	4	2008,09	2	2008,09	2	2008,09	Dev Unit 6	1.00	\$ (12,000.00)
Cantillon Web Based Education	Oct. 08	4	2008	4	2008	2	2008	Accr. 6/08	1.00	\$ 4,800.00
Cantillon Web Based Education	Oct. 08	2	2009	2	2009	2	2009	Mentor List & Train	1.00	\$ (1,200.00)
SPARK BA Direct Staffing	Nov. 08	2	2009	2	2009	2	2009	Direct Staff	1.00	\$ (13,084.00)
Phase II (Due Diligence)	Nov. 08	2	2009	2	2009	2	2009	Hours	11.50	\$ (1,150.00)
Phase III (Intensive Service)	Nov. 08	2	2009	2	2009	2	2009	Hours	201.50	\$ (20,150.00)
Business Incubator	Nov. 08	2	2009	2	2009	2	2009	Facility Exp	1.00	\$ (12,512.14)
SPARK Accounting	Nov. 08	2	2009	2	2009	2	2009	Accting Svc	1.00	\$ (3,583.33)

Category	Detail	Fiscal Year		Measureable		\$ Amount
		Incurred		Billed		
		Qtr	Year	Qtr	Year	
Bus. Network Events-Hosted	Nov. 08	2	2009	2	2009	1.00 \$ (845.75)
Marketing - P/R, Print, Websites	Nov. 08	2	2009	2	2009	1.00 \$ (6,002.81)
Cantillon Web Based Education	Nov. 08	2	2009	2	2009	1.00 \$ (1,200.00)
SPARK BA Direct Staffing	Dec. 08	2	2009	2	2009	1.00 \$ (13,084.00)
Phase III (Intensive Service)	Dec. 08	2	2009	2	2009	280.75 \$ (28,075.00)
Business Incubator	Dec. 08	2	2009	2	2009	1.00 \$ (15,838.83)
SPARK Accounting	Dec. 08	2	2009	2	2009	1.00 \$ (3,583.00)
Bus. Network Events-Sponsorship:	Dec. 08	2	2009	2	2009	1.00 \$ (1,250.00)
Bus. Network Events-Hosted	Dec. 08	2	2009	2	2009	1.00 \$ (1,099.55)
Marketing - P/R, Print, Websites	Dec. 08	2	2009	2	2009	1.00 \$ (4,109.00)
Cantillon Web Based Education	Dec. 08	2	2009	2	2009	1.00 \$ (1,000.00)
Cantillon Web Based Education	Dec. 08	2	2009	2	2009	1.00 \$ (1,200.00)

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Category	Fiscal Year				Measureable				
	Incurred		Billed		Unit Descrip		Number		\$ Amount
	Qtr	Year	Qtr	Year					
Legal & Admin. Support	3	2009	3	2009	Meeting Exp.	1.00	\$	(12.33)	
Legal & Admin. Support	3	2009	3	2009	Admin. Support	1.00	\$	(4,000.00)	
SPARK BA Direct Staffing	3	2009	3	2009	Direct Staff	1.00	\$	(13,084.00)	
Phase II (Due Diligence)	3	2009	3	2009	Hours	9.00	\$	(900.00)	
Phase III (Intensive Service)	3	2009	3	2009	Hours	112.81	\$	(11,281.00)	
Business Incubator	3	2009	3	2009	Facility Exp	1.00	\$	(10,405.00)	
SPARK Accounting	3	2009	3	2009	Accting Svc	1.00	\$	(3,583.00)	
Bus. Network Events-Sponsorship:	3	2009	3	2009	Events	1.00	\$	(6,000.00)	
Bus. Network Events-Hosted	3	2009	3	2009	Events	1.00	\$	(2,169.00)	
Marketing - P/R, Print, Websites	3	2009	3	2009	Marketing	1.00	\$	(3,915.00)	
Cantillon Web Based Education	3	2009	3	2009	Consult & Mentors	1.00	\$	(1,200.00)	
Tuition Matching	3	2009	3	2009	Bootcamp Match	1.00	\$	(497.00)	
A2 Angels	3	2009	3	2009	A2 Angels	1.00	\$	(6,250.00)	
Bus. Network Events-Sponsorship:	3	2009	3	2009	Events-Refunded Jan 09	1.00	\$	5,000.00	
Legal & Admin. Support	3	2009	3	2009	Legal	1.00	\$	(165.00)	
Phase III (Intensive Service)	3	2009	3	2009	Hours - Refunded Nov 08	60.25	\$	6,025.00	
SPARK BA Direct Staffing	3	2009	3	2009	Direct Staff	1.00	\$	(13,084.00)	
Phase II (Due Diligence)	3	2009	3	2009	Hours	9.50	\$	(950.00)	
Phase III (Intensive Service)	3	2009	3	2009	Hours	96.81	\$	(9,681.00)	
Business Incubator	3	2009	3	2009	Facility Exp	1.00	\$	(15,034.48)	
SPARK Accounting	3	2009	3	2009	Accting Svc	1.00	\$	(3,583.00)	
Bus. Network Events-Sponsorship:	3	2009	3	2009	Events	1.00	\$	(1,500.00)	
Bus. Network Events-Hosted	3	2009	3	2009	Events	1.00	\$	(1,785.00)	
Marketing - P/R, Print, Websites	3	2009	3	2009	Marketing	1.00	\$	(4,558.00)	
Cantillon Web Based Education	3	2009	3	2009	Consult & Mentors	1.00	\$	(1,200.00)	
SPARK BA Direct Staffing	3	2009	3	2009	Direct Staff	1.00	\$	(13,084.00)	
Phase II (Due Diligence)	3	2009	3	2009	Hours	36.63	\$	(3,663.00)	
Phase III (Intensive Service)	3	2009	3	2009	Hours	199.00	\$	(19,900.00)	
Business Incubator	3	2009	3	2009	Facility Exp	1.00	\$	(22,958.87)	
SPARK Accounting	3	2009	3	2009	Accting Svc	1.00	\$	(3,583.33)	
Bus. Network Events-Hosted	3	2009	3	2009	Events	1.00	\$	(642.80)	
Marketing - P/R, Print, Websites	3	2009	3	2009	Marketing	1.00	\$	(6,946.58)	
Cantillon Web Based Education	3	2009	3	2009	Maintenance	1.00	\$	(7,050.00)	
Cantillon Web Based Education	3	2009	3	2009	Promo - Q Pymt	1.00	\$	(1,000.00)	
Cantillon Web Based Education	3	2009	3	2009	Consult & Mentors	1.00	\$	(1,200.00)	
Entrepreneur Educ.-Bootcamp & C	3	2009	3	2009	Bootcamp	1.00	\$	(10,000.00)	

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