



2016 End-of-Year Funding Report

The following is the end-of-year report for the Bioscience and Technology Business Center in response to the 2016 City of Lawrence funding agreement.

1. Phase II Growth at the Main Lawrence Facility

One of the top priorities of the BTBC in 2016 was to continue to fill the additional space. Through July 1, the BTBC has added three new tenant companies to the BTBC Main facility and graduated one.

As of June 30, 2016, the BTBC's blended occupancy of the building is about 87% or more than eighteen months ahead of projections. BTBC is projecting to end the year at over 90% occupancy which would constitute full occupancy, over 2.5 years ahead of projections.

The following companies have been added to the BTBC system during the first half of 2016:

Kansas Department of Transportation (KSOT) moved 18 employees from their Bureau of Road Design into the building on January 1st with intent to hire University of Kansas (KU) interns to help develop innovative solutions to common transportation problems. They have since hired four interns and have expressed an interest in possible expansion in the future.

HD Sciences converted from a "virtual tenant" to an official wet lab tenant. The company is a medicinal chemistry contract research organization and consultancy dedicated to helping early-stage biotechnology companies and academic institutions efficiently conduct drug discovery research.

Mighty Green Solutions innovates products that help everyday people solve everyday problems. Its first product to market is the Mighty Handle, an ergonomic device that helps consumers to safely and efficiently carry and transport groceries. The company graduated in 2016.

Stason /IMT is a partnership between Stason Pharmaceuticals and IMT Labs and became a tenant in the BTBC Main Facility in April, 2016, for the purpose of drug research and development.

Metric	6/30/2016
BTBC Tenant Companies and Graduates	40
BTBC Tenant Company Jobs	217
BTBC Tenant Company Annual Payroll	Over \$11,500,000

As of the end of calendar year 2016, the BTBC's occupancy reached 98%, achieving its goal of full occupancy, by adding or expanding space for the following companies:

Aerotenna doubled its footprint to approximately 1,360 square feet. The company develops navigational platforms and sensing equipment for unmanned aerial vehicles and has grown from two employees in 2015 to 12 employees currently.

Eminent Physicians enables medical patients to seek second diagnoses from licensed doctors located across the globe through web-enabled technology portal named 2nd Opinion. The company was formed by local Cardiologist Dr. Amit Kumar and entered the BTBC in September.

BioFluidica develops a diagnostic platform allowing for disease management and diagnosis through prognosis, all from a simple blood test. The company was founded by Dr. Steve Soper, a Foundation Distinguished Professor recruited to KU from the University of North Carolina in 2016.

Oak Therapeutics develops a drug delivery technology enabling large doses of medication to be delivered via oral strips. Founded by Ed Maliski, the company moved into the BTBC in October and is already collaborating with multiple BTBC tenants.

The BTBC finished the year with the following economic development metrics:

Metric	12/31/2016
BTBC Tenant Companies and Graduates	42
BTBC Tenant Company Jobs	219
BTBC Tenant Company Annual Payroll	Over \$12,200,000

2. Expand KU's Economic Development Impact

BTBC continues to make expanding KU's economic development impact its central focus and 2016 is no different. The focus so far has been to coordinate company startup and recruitment efforts with Kansas University Innovation and Collaboration (KUIC), leverage KU private industry relationships to drive new commercialization opportunities to Lawrence, test the concept for development of an "Innovation Corridor" stretching from KU-Lawrence to KUMC, and work with KUMC and RI to develop a partnership consortium similar to that of the main facility. The following are steps the BTBC has taken in the first part of this year to accomplish these goals:

- Assisted KU with recruitment of renowned researcher Dr. Steven Soper to Lawrence. The BTBC worked with Soper to design a private laboratory where his company BioFluidica can relocate its research operations.
- Worked with KUIC to advise KU researchers and staff to review startup business plans and provide counsel to aspiring KU entrepreneurs.

- Collaborated with KUIC on an application to become a member of the National Science Foundation Innovation Corps (I-Corps), a public-private partnership program that teaches grantees to identify valuable product opportunities that can emerge from academic research, and offers entrepreneurship training to student participants.
- Tech Tuesday – Quarterly presentations by KUIC at BTBC to interested parties throughout the community about the intellectual property of KU and licensing opportunities.
- Cosponsored Startup Weekend, a competition whereby aspiring entrepreneurs work together to develop business plans based on novel technologies.

In the second half of 2016, the BTBC has supported this effort by:

- Continuing to work with KUIC to advise KU researchers and staff to review startup business plans and provide counsel to aspiring entrepreneurs.
- Planning with KUIC a UAV conference at KU. The event would bring several UAV companies from the private sector to Lawrence to identify emerging technologies and collaboration/commercialization opportunities in the region.
- Identifying and supporting university SBIR/STTR grant applicants with grant submissions and providing business resources post-award.
- Attending monthly Comprehensive Industry Engagement meetings held by KU.
- Partnering with the university to construct a University Affiliated Research Center which will partner with the United States government to advance and commercialize remote sensing technology.

3. Refine BTBC business model

BTBC continues to refine its business model in order to optimize tenant mix for the purpose of maximizing the Main Facility's revenue. It is currently working with its top prospect to develop a floor plan, budget, and financing plan to accommodate moving specialized operations to Lawrence. Part of this plan involves completing space for current BTBC prospects, as well as relocating building functions to provide room for additional tenants.

BTBC continues to refine its staff capabilities for business creation and recruitment, especially with regard to delivery of business services. For this reason, BTBC has revised and bolstered its Business Analyst program. BTBC recently hired two top students into this role, who are intimately involved in projects of high strategic importance to the BTBC.

BTBC also continues to identify and pursue grant funding opportunities. It recently applied for the 2016 SBA Growth Accelerator Fund Competition. This year's \$50,000 prize will help achieve the goal of providing assistance to entrepreneurs in submitting grant proposals (NIH, NSF, DoED). The BTBC is also considering applying for a Local Technical Assistance grant through the Economic Development Administration. An award would support BTBC planning for the creation of a tech park on KU's West Campus.

During the second half of 2016, the BTBC received the \$50,000 prize for which it applied through the SBA Growth Fund Accelerator Fund Competition.

It also began working closely with the university to develop a floor plan, budget, and financing plan to finish 7,000 square feet of unfinished space which will be used by the university to complete research contracts awarded by the federal government. When completed, the space will have workstations for 31 KU interns and graduates whose work will ultimately lead to commercialization opportunities of remote sensing technology.

The BTBC has expanded its intern program. Previously, the BTBC hired exclusively from KU's School of Business. The latter half of 2016 saw the hiring of three new interns from not only the business school, but from the law and engineering schools as well.

The BTBC has also worked with two of its coalition members, the City of Lawrence and Douglas County, to pool economic incentive funds. The BTBC helps to identify and qualify eligible businesses that will benefit from these incentives here in Lawrence.

Bioscience and Technology Business Center, Inc.

FY 2016 Consolidated Financial Narrative

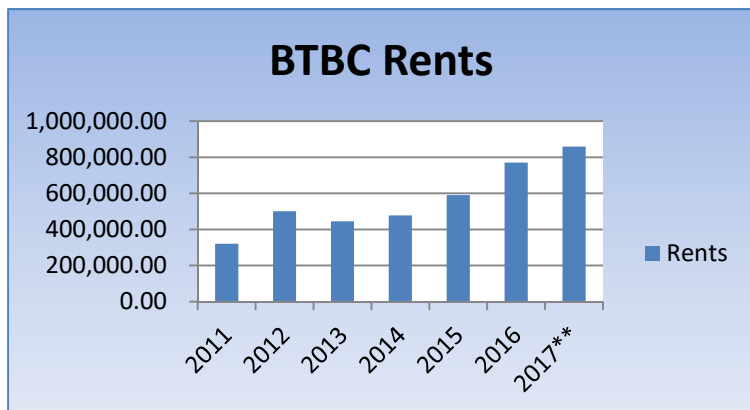
For the Twelve Months Ended December 31, 2016

Overall 2016 Summary

Overview

BTBC had another successful financial year in 2016, with the enterprise outperforming its budget by over \$183.5K. As of year-end 2016, net revenues over expenses from operations on a consolidated basis were roughly \$43.5K, exceeding the projected net operating loss of -\$140K. Overall, revenue had a \$44.5K, or 1.83%, negative variance largely related to the Partner in-kind contributions and grant funding. Partner In-kind contributions are reimbursements from KU for utilities expense at the Main Lawrence facility and are off-set, in part, by the positive utility expense variance. Rent income had about \$1K positive variance despite the \$25K budgeted and scheduled to

be received from the KU School of Business for the Catalyst program that was not paid in 2016. As represented in the adjacent chart, overall rent revenue grew about \$180K, or 30%, from 2015 to 2016. The growth indicates additional and stability of BTBC companies. Increased rent revenue also contributes to the growth of BTBC's private revenue.



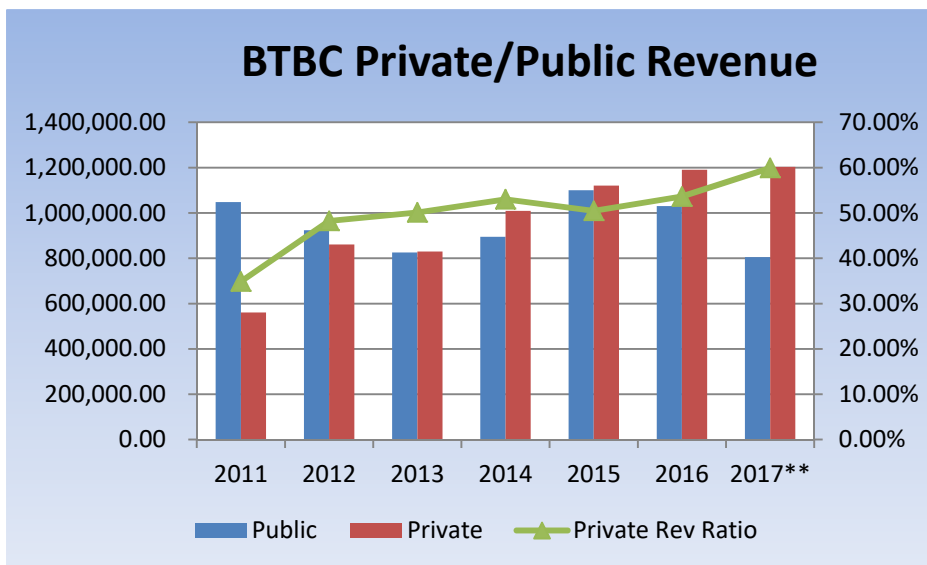
**2017 Numbers are Budget Projections

variance. The largest contributors to the positive expense variance were building expenditures (\$10.5K), business relations and economic development expense (\$71.25K), economic development software expense (\$7.5K), utilities (\$21.5K), insurance expense (\$17K), taxes (\$20K), and payroll related expenses (\$70K).

Expenses had a \$228K, or 8.8% positive

Public/Private Revenue

BTBC's long-term economic stability is dependent upon increasing private revenue. The FY16 growth in rent revenues is a key indicator of the achievement of this objective. The private/public revenue ratio (see chart) in 2016 was about 54 percent private and 46 percent public



**2017 Numbers are Budget Projections

revenue, up from the 50%/50% split in 2015. The reason for the increased private funding ratio was both an increase in private funding and a reduction in public monies received from the Kansas Department of Commerce compared to previous years. BTBC managed to grow its private revenue in 2016 by \$70K or about 6.3% over 2015.

Year-end consolidated total assets were about \$16.0MM.

Consolidated net cash flow at year-end was about \$110K, bringing the December 31, 2016 ending cash balance to about \$983K.

2016 Budget Plan Performance

Income Statement

On a consolidated basis, BTBC shows year-to-date net income of \$43.5K on total revenue of about \$2.4MM.

Revenue: Revenues through December 2016 had a \$44.6K negative variance. Revenue items of note:

- i. Rent revenue had a positive variance of about \$850 in 2016. BTBC finished with a positive rent variance despite losing \$25K in budgeted support from the KU School of Business for the Catalyst student incubator housed at the BTBC. BTBC was informed by KU that it would not be paying its partner payment in 2016. If not for that large unpaid budgeted rent revenue, BTBC would be exceeding rent expectations to date by about \$26K.

Notwithstanding the shortfall in Catalyst funding, the BTBC has had a successful year in growing private rent revenue. BTBC's revenue growth has been through current tenant company recruitment and expansion, as well as adding an additional tenant company at the BTBC West facility who is occupying both lab and office space.

- ii. The revenue with the largest negative variance (\$34.3K) was Partner In-kind services, which are reimbursements by KU for utilities at the Main facility. The negative variance is directly related to better than budget utilities expense and a good indicator that BTBC has had less utility expense than projected through month-end September 2016.

Expense: As mentioned previously, expenses had a positive variance of about \$228, or 8.84%, through December 2016. Expense items of note:

- i. Building expenditures had a positive variance of almost \$10.5K or 7 %. The savings have come from both the Main facility and the West facility. Building expenditures at both facilities are going to increase as occupancy at both facilities increase.
- ii. Economic development software expense had a positive variance of \$7500. Expected

- software expense was about \$20K, but BTBC was able to realize a significant savings through negotiations and only spent \$12.5K.
- iii. Business relations and economic development expense had a positive variance of \$71K. As the result of a previous agreement, BTBC typically pays KUCR quarterly payments of \$23,750, or \$95K annually to help fund KU's commercialization efforts. In an effort to assist KUCR with the recruitment of researcher Dr. Steve Soper, BTBC converted an office space to a wet lab to accommodate Dr. Soper's company BioFluidica. KUCR agreed to forego these payments for 12 months. The payment holiday began Q2 2016 and will result in a total of \$95K, which will cover all but about \$20K of construction expense that will be paid by BTBC.
 - iv. Payroll expense had a positive variance of about \$70.3K, or 9.3%, due to the departure of Frank Kruse. Mr. Kruse continues as a month-to-month consultant and BTBC incurred unbudgeted expense in professional fees in 2016.
 - v. Utilities expenses thus far in 2016 have been less than budgeted by \$21.5K or 5.9%. The variance is largely associated with the utilities at the main facility and directly correlates to the negative variance of the Partner In-kind revenue discussed previously.
 - vi. Insurance expense had a positive variance of about \$17.2K, or 18.44%, in 2016. The variance is related, in part, to a health insurance rebate received by BTBC from last year's policy indicating BTBC employees utilized insurance less than policy expectations.
 - vii. Professional Fees has a negative variance of about \$11.6K. The negative variance is the result of the consulting fees incurred by the BTBC for the continued consulting work of Frank Kruse since he left the BTBC in February of 2016.

Cash Flow

Through December 30, BTBC had total positive cash flow of about \$110K from all sources. The beginning cash balance for FY2016 was about \$873K, while the consolidated cash balance at 12/31/16 was about \$983K. The cumulative total cash flow through December 31, 2016 consists of the following:

Cash from Operations	\$ 446,000
CritiTech Option Purchase	\$ (10,000)
Foster Care Tech Contribution	\$ (95,500)
Capital Expenditures	\$ (93,250)
Principal Payment to KUEA	\$ (94,250)
Principal Payment to KUCR	\$ (50,000)
Tenant Security Deposits	\$ 6,500
Total Q1 Cash Flows	\$ 110,000
Beginning Cash Balance 1/1/16	\$ 873,000
Consolidated Cash Balance 12/31/16	\$ 983,000

Balance Sheet

Consolidated BTBC total assets were \$16,060,576 as of 12/31/16.

Overall 2017 Preview

In 2017, the approved budget projects BTBC will continue to grow its private/public revenue ratio to about 60% private and 40% public funding. BTBC is projecting to increase its 2017 rent revenue \$90K or 11.5%. This will include reaching full occupancy at the Main facility on West Campus. BTBC hopes to embark on a basement expansion project that will allow BTBC to increase its rent capacity in the years beyond 2017. In addition, BTBC will pursue continued development of the Innovation and Technology Park including Phase III development. BTBC will also lose some of its private funding in 2017 when its KUMC management contract will be reduced almost \$200K to \$125K. In addition, BTBC will not receive the annual KUCR \$200K Phase II construction contribution due to it expiring in 2016 when it satisfied its \$1MM funding commitment.

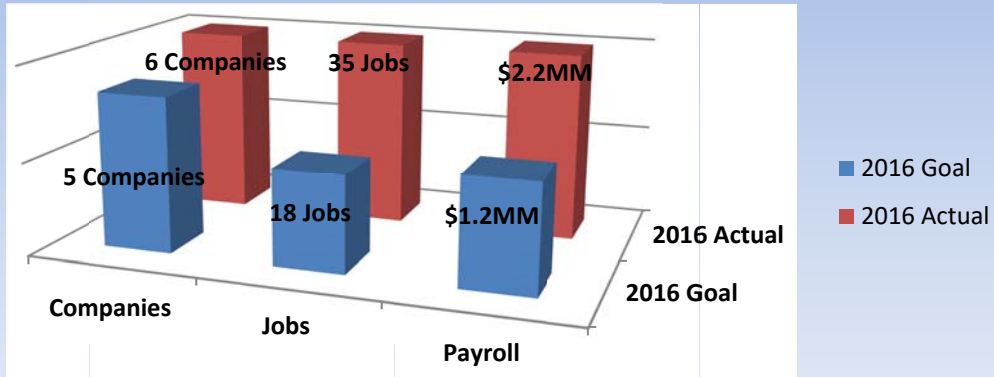
2016 Year-end Economic Development Metrics

Metric	BTBC Companies	BTBC Graduates	BTBC System Total
Companies	35	7	42
Jobs - Direct	161	58	219
Jobs – Indirect/Induced	106	38	144
Jobs - Total	267	96	363
Annual Payroll	\$16,742,748	\$5,761,152	\$21,784,356

Indirect Jobs – Jobs created by other businesses due to the economic growth of the company (Supplier, material, contractors, attorneys, marketing, accounting services, etc). **Induced Jobs** – Jobs created as a result of expenditures by employees of the companies (Retail, restaurants, doctors, nurses, etc.)

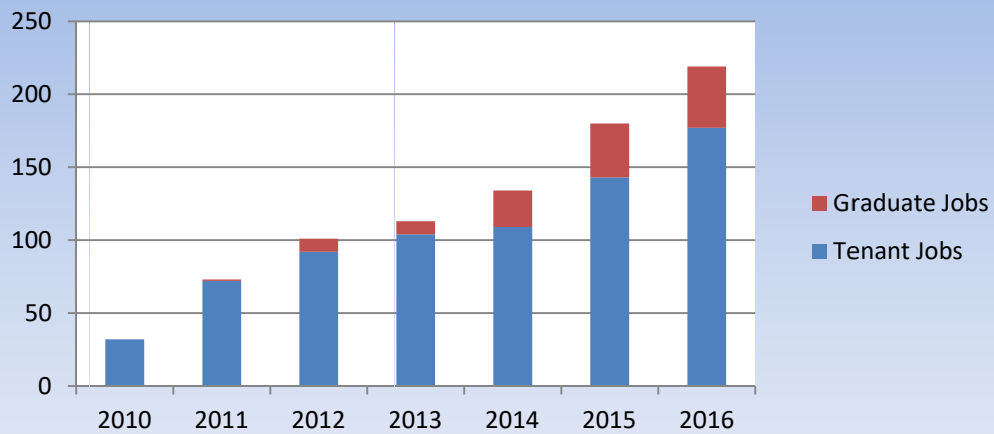
2016 Economic Metrics Goal Performance

2016 Economic Development Metrics Goals

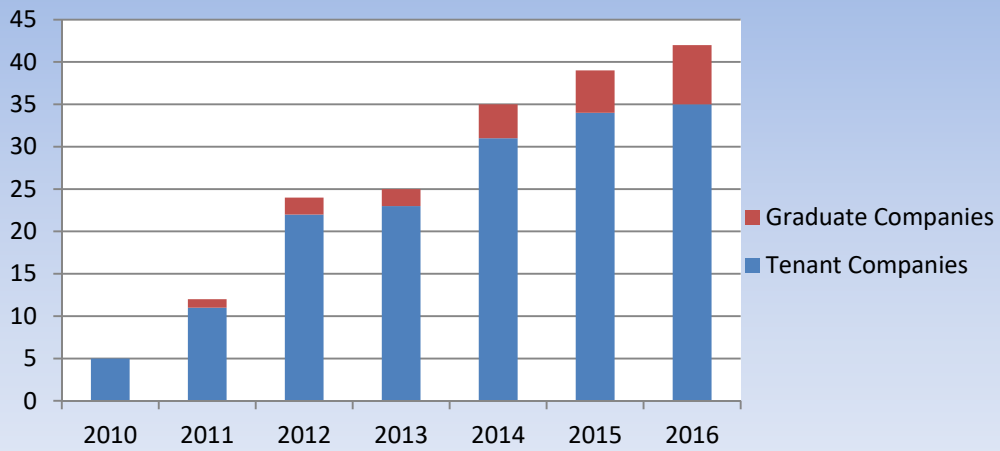


Historic BTBC Company, Direct Jobs, and Direct Annual Payroll Graphs:

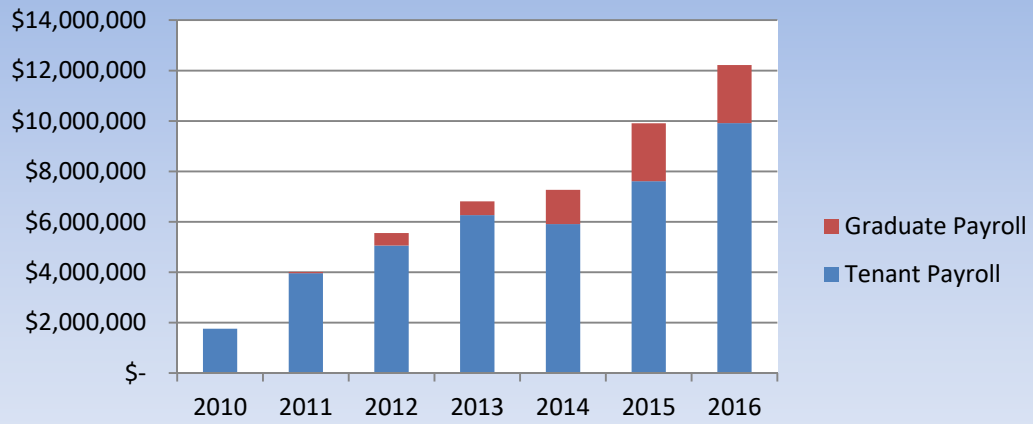
BTBC System Jobs



BTBC System Companies



BTBC System Annual Payroll



Bioscience and Technology Business Center, Inc.

Accrual Basis

Consolidated Statement of Activities Compared to Budget

For the Month Ended 12/31/2016

	Consolidated All Entities Year-to-Date Actual	% of Total Revenues	Consolidated All Entities Year-to-Date Budget	\$ Variance	% Variance	Consolidated All Entities Annual Budget	% of Budget
Operating Revenues/Expenses							
Revenues -							
Advisory Services	19,000.00	0.79%	18,000.00	1,000.00	5.56%	18,000.00	105.56%
Contractual Services - BrightEHR	26,400.00	1.10%	26,400.00	0.00	0.00%	26,400.00	100.00%
Interest Income	18,732.73	0.78%	18,135.00	597.73	3.30%	18,135.00	103.30%
Investment Income	1,649.68	0.07%	1,704.12	(54.44)	-3.19%	1,704.12	96.81%
Utility Services - Internet and Telephone	26,261.20	1.10%	25,008.00	1,253.20	5.01%	25,008.00	105.01%
Grant Funds	85,000.00	3.55%	100,000.00	(15,000.00)	-15.00%	100,000.00	85.00%
Construction Contributions	450,000.00	18.77%	450,000.00	0.00	0.00%	450,000.00	100.00%
Management Fees - KU Medical Center	326,483.52	13.62%	326,483.52	0.00	0.00%	326,483.52	100.00%
Management Fees - Construction Management	0.00	0.00%	0.00	0.00			0.00%
Partner Contributions	495,000.00	20.65%	495,000.00	0.00	0.00%	495,000.00	100.00%
Partner Contributions - In-Kind	176,384.23	7.36%	210,731.43	(34,347.20)	-16.30%	210,731.43	83.70%
Reimbursed Expenses	1,055.20	0.04%	0.00	1,055.20		0.00	0.00%
Rental Income	770,961.50	32.16%	770,107.49	854.01	0.11%	770,107.49	100.11%
Total Revenues	2,396,928.06	100.00%	2,441,569.56	(44,641.50)	-1.83%	2,441,569.56	98.17%
Expenses -							
Administrative and Miscellaneous	23,699.22	0.99%	26,425.00	2,725.78	10.32%	26,425.00	89.69%
Building Expenditures	140,485.39	5.86%	151,000.00	10,514.61	6.96%	151,000.00	93.04%
Business Relations and Economic Development	23,750.00	0.99%	95,000.00	71,250.00	75.00%	95,000.00	25.00%
Contractual Services	1,402.14	0.06%	6,720.00	5,317.86	79.13%	6,720.00	20.87%
Debt Service	274,973.64	11.47%	267,634.06	(7,339.58)	-2.74%	267,634.04	102.74%
Depreciation	465,054.00	19.40%	468,570.00	3,516.00	0.75%	468,570.00	99.25%
Economic Development Software	12,500.00	0.52%	20,000.00	7,500.00	37.50%	20,000.00	62.50%
Insurance	76,223.40	3.18%	93,461.84	17,238.44	18.44%	93,461.91	81.56%
Intern Program	25,394.50	1.06%	20,000.00	(5,394.50)	-26.97%	20,000.00	126.97%
Management Fees	0.00	0.00%	0.00	0.00		0.00	0.00%
Marketing and Public Relations	28,710.13	1.20%	31,600.00	2,889.87	9.15%	31,600.00	90.86%
Miscellaneous Expenses	1,119.05	0.05%	2,360.00	1,240.95	52.58%	2,360.00	47.42%
Payroll	684,483.36	28.56%	754,785.24	70,301.88	9.31%	754,785.25	90.69%
Professional Development	4,455.42	0.19%	6,800.00	2,344.58	34.48%	6,800.00	65.52%
Professional Fees	50,382.35	2.10%	38,750.00	(11,632.35)	-30.02%	38,750.00	130.02%
Rent	26,000.00	1.08%	26,000.00	0.00	0.00%	26,000.00	100.00%
Reimbursed Expenses	0.00	0.00%	0.00	0.00		0.00	0.00%
Research Park Development Expenses	1,937.61	0.08%	5,000.00	3,062.39	61.25%	5,000.00	38.75%
Retirement Contributions	41,055.00	1.71%	45,939.43	4,884.43	10.63%	45,939.45	89.37%
Taxes	116,820.09	4.87%	137,075.24	20,255.15	14.78%	137,090.20	85.21%
Technology	0.00	0.00%	2,500.00	2,500.00	100.00%	2,500.00	0.00%
Travel and Meals	12,360.11	0.52%	17,925.00	5,564.89	31.05%	17,925.00	68.96%
Utilities	342,603.13	14.29%	364,190.00	21,586.87	5.93%	364,190.00	94.07%
Total Expenses	2,353,408.54	98.18%	2,581,735.81	228,327.27	8.84%	2,581,750.85	91.16%
Net Revenue Over (Under) Expenses From Operations	43,519.52	1.82%	(140,166.25)	183,685.77	-131.05%	(140,181.29)	-31.05%
Non-Operating Revenues/(Expenses)							
Interest Income	10.86	0.00%	0.00	10.86		0.00	0.00%
Other Income	0.00	0.00%	0.00	0.00		0.00	0.00%
LDCBA Subsidy	0.00	0.00%	0.00	0.00		0.00	0.00%
Capital Outlay - Owner Contributions	0.00	0.00%	0.00	0.00		0.00	0.00%
Capital Outlay - Facility Costs and Improvements	0.00	0.00%	0.00	0.00		0.00	0.00%
Total Non-Operating Revenues/Expenses	10.86	0.00%	0.00	10.86		0.00	0.00%
Net Revenues Over (Under) Expenses	43,530.38	1.82%	(140,166.25)	183,696.63	-131.06%	(140,181.29)	-31.05%
Beginning Net Assets	9,352,191.76		9,357,882.68				
Ending Net Assets	9,395,722.14		9,217,716.43				

Bioscience and Technology Business Center, Inc.

Accrual Basis

Consolidated Statement of Activities

For the Month Ended 12/31/2016

	BTBC Inc. - Operating Account	BTBC Inc. - KUMC Facility	BTBC - Main Facility Operations	BTBC - Main Facility Construction	BTBC - Expansion Facility	Adjustment & Eliminations	BTBC, Inc. Consolidated Balance	Kaw Inc.	LRTC - General Operations	Adjustment & Eliminations	Consolidated All Entities
Operating Revenues/Expenses											
Revenues -											
Advisory Services	31,000.00	0.00	0.00	0.00	0.00	(12,000.00)	19,000.00	0.00	0.00		19,000.00
Contractual Services - BrightEHR	26,400.00	0.00	0.00	0.00	0.00		26,400.00				26,400.00
Interest Income	12,233.23	0.00	325.27	0.00	10.86	(12,040.12)	529.24	17,207.64	995.85		18,732.73
Grant Funding	85,000.00	0.00	0.00	0.00	0.00		85,000.00	0.00	0.00		85,000.00
Internet and Phone Service Income	0.00	0.00	25,761.20	0.00	500.00		26,261.20	0.00	0.00	0.00	26,261.20
Investment Income	0.00	0.00	0.00	0.00	0.00		0.00	1,649.68	0.00		1,649.68
Construction Contributions	0.00	0.00	450,000.00	0.00	0.00		450,000.00	0.00	0.00		450,000.00
Construction Management Fee - Phase II	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
Management Fees Income	0.00	326,483.52	0.00	0.00	0.00		326,483.52	0.00	0.00		326,483.52
Partner Contributions	470,000.00	0.00	0.00	0.00	25,000.00		495,000.00	0.00	0.00		495,000.00
Partner Contributions - In-Kind	0.00	0.00	176,384.23	0.00	0.00		176,384.23	0.00	0.00		176,384.23
Reimbursed Expenses	0.00	0.00	1,055.20	0.00	0.00		1,055.20	0.00	0.00		1,055.20
Rental Income	0.00	0.00	584,970.32	0.00	185,991.18		770,961.50	0.00	0.00		770,961.50
Total Revenues	624,633.23	326,483.52	1,238,496.22	0.00	211,502.04	(24,040.12)	2,377,074.89	18,857.32	995.85	0.00	2,396,928.06
Expenses -											
Administrative and Miscellaneous	11,117.20	2,422.91	9,954.11	0.00	90.00		23,584.22	115.00	0.00		23,699.22
Building Expenditures	182.55	0.00	69,996.45	0.00	70,306.39		140,485.39	0.00	0.00		140,485.39
Business Relations and Economic Development	23,750.00	0.00	0.00	0.00	0.00		23,750.00	0.00	0.00		23,750.00
Contractual Services	1,622.74	0.00	279.40	0.00	0.00		1,902.14	6,000.00	5,500.00	(12,000.00)	1,402.14
Debt Service	0.00	0.00	287,013.76	0.00	0.00	(12,040.12)	274,973.64	0.00	0.00		274,973.64
Depreciation	1,602.00	0.00	462,837.00	0.00	255.00		464,694.00	360.00	0.00		465,054.00
Economic Development Software	6,250.00	6,250.00	0.00	0.00	0.00		12,500.00	0.00	0.00		12,500.00
Insurance	30,164.04	13,649.32	16,965.00	0.00	9,947.94		70,726.30	2,901.37	2,595.73		76,223.40
Intern Program	25,394.50	0.00	0.00	0.00	0.00		25,394.50	0.00	0.00		25,394.50
Management Fees	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
Marketing and Public Relations	21,371.62	93.36	7,245.15	0.00	0.00		28,710.13	0.00	0.00		28,710.13
Miscellaneous Expenses	1,119.05	0.00	0.00	0.00	0.00		1,119.05	0.00	0.00		1,119.05
Payroll	432,835.20	191,973.16	0.00	0.00	59,675.00		684,483.36	0.00	0.00		684,483.36
Professional Development	4,455.42	0.00	0.00	0.00	0.00		4,455.42	0.00	0.00		4,455.42
Professional Fees	26,177.35	21,000.00	855.00	0.00	0.00		48,032.35	1,200.00	1,150.00		50,382.35
Rent	0.00	0.00	1,000.00	0.00	25,000.00		26,000.00	0.00	0.00		26,000.00
Reimbursed Expenses	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
Research Park Development Expenses	1,090.13	847.48	0.00	0.00	0.00		1,937.61	0.00	0.00		1,937.61
Retirement Contributions	27,344.30	10,109.30	0.00	0.00	3,601.40		41,055.00	0.00	0.00		41,055.00
Taxes	30,769.17	13,150.55	0.00	0.00	72,800.31		116,720.03	0.00	100.06		116,820.09
Technology Expense	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
Travel and Meals	10,957.76	1,402.35	0.00	0.00	0.00		12,360.11	0.00	0.00		12,360.11
Utilities	17,382.80	0.00	187,255.23	0.00	137,965.10		342,603.13	0.00	0.00		342,603.13
Total Expenses	673,585.83	260,898.43	1,043,401.10	0.00	379,641.14	(12,040.12)	2,345,486.38	10,576.37	9,345.79	(12,000.00)	2,353,408.54
Net Revenue Over (Under) Expenses From Operations	(48,952.60)	65,585.09	195,095.12	0.00	(168,139.10)	(12,000.00)	31,588.51	8,280.95	(8,349.94)	12,000.00	43,519.52
Non-Operating Revenues/(Expenses)											
Interest Income	0.00	0.00	0.00	0.00	10.86		10.86	0.00	0.00		10.86
Other Income	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
LDCBA Subsidy	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
Capital Outlay - Owner Contributions	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
Capital Outlay - Facility Costs and Improvements	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00
Total Non-Operating Revenues/Expenses	0.00	0.00	0.00	0.00	10.86	0.00	10.86	0.00	0.00	0.00	10.86
Net Revenues Over (Under) Expenses	(48,952.60)	65,585.09	195,095.12	0.00	(168,128.24)	(12,000.00)	31,599.37	8,280.95	(8,349.94)	12,000.00	43,530.38
Beginning Net Assets	1,374,478.26	101,454.00	7,893,627.35		(822,305.65)	0.00	8,547,253.96	347,152.49	463,476.23		9,357,882.68
Ending Net Assets	1,325,525.66	167,039.09	8,088,722.47	0.00	(990,433.89)	(12,000.00)	8,578,853.33	355,433.44	455,126.29	12,000.00	9,401,413.06

Bioscience and Technology Business Center, Inc.

Accrual Basis

Consolidated Statement of Financial Position

For the Month Ended 12/31/2016

	BTBC, Inc - Operations	BTBC - Main Facility	BTBC - Expansion Facility	Adjustments & Eliminations	BTBC, Inc. Consolidated Balance	Kaw Inc.	LRTC Inc.	Adjustments & Eliminations	Consolidated All Entities
Assets									
Current Assets -									
Cash Accounts -									
Checking Accounts -									
Intrust Bank	45,577.71				45,577.71				45,577.71
US Bank		24,583.55	5,925.43		30,508.98		2,323.34		32,832.32
Douglas County Bank		0.00			0.00	0.00	0.00		0.00
Money Market Accounts -					0.00				0.00
Intrust Bank	94,732.87				94,732.87				94,732.87
US Bank		482,601.61			482,601.61	18,110.72			500,712.33
Douglas County Bank	15,564.34	0.00			15,564.34		293,572.11		309,136.45
Certificates of Deposit -					0.00				0.00
Intrust Bank					0.00		0.00		0.00
Douglas County Bank	0.00				0.00				0.00
Total Cash Accounts	155,874.92	507,185.16	5,925.43	0.00	668,985.51	18,110.72	295,895.45	0.00	982,991.68
Other Current Assets -									
Due From BTBC, Inc. - Main Facility	97,595.60	4.34		(97,599.94)	0.00				0.00
Due From BTBC, Inc. - Expansion Facility	810,623.24	222,456.60		(1,033,079.84)	0.00				0.00
Due From BTBC, Inc. - LRTC	3,656.40	0.00			3,656.40				3,656.40
Due From Tenant	0.00	0.00			0.00				0.00
Prepaid Insurance	5,445.40	1,425.00	2,350.04		9,220.44	235.79	1,229.74		10,685.97
Interest Receivable	3,598.64				3,598.64				3,598.64
Prepaid Expense		0.00	2,969.58		2,969.58		923.00		3,892.58
Utilities Reimbursement Receivable		10,749.44			10,749.44				10,749.44
Accounts Receivable - Others	67,323.43	39,066.05	85,008.51		191,397.99	308,485.93	56.00		499,939.92
Total Other Current Assets	988,242.71	273,701.43	90,328.13	(1,130,679.78)	221,592.49	308,721.72	2,208.74	0.00	532,522.95
Total Current Assets	1,144,117.63	780,886.59	96,253.56	(1,130,679.78)	890,578.00	326,832.44	298,104.19	0.00	1,515,514.63
Fixed Assets -									
Construction in Progress					0.00				0.00
Property Plant & Equipment	5,006.71	15,326,572.10	2,550.32		15,334,129.13	10,295.65	4,630.00		15,349,054.78
Accumulated Depreciation	(2,603.00)	(1,900,651.00)	(1,700.00)		(1,904,954.00)	(8,464.00)	(4,630.00)		(1,918,048.00)
Furniture		671,434.78			671,434.78				671,434.78
Total Fixed Assets	2,403.71	14,097,355.88	850.32	0.00	14,100,609.91	1,831.65	0.00	0.00	14,102,441.56
Other Assets -									
Note Receivable - BTBC, Inc. - Main Facility	273,560.56			(273,560.56)	0.00				0.00
Note Receivable - Gyrasol	25,000.00				25,000.00				25,000.00
Due from Kaw, Inc. - Labor Services	73,078.57				73,078.57		160,200.00	(133,768.57)	99,510.00
Equity Investments					0.00	323,671.93	276,945.02	(282,506.94)	318,110.01
Total Other Assets	371,639.13	0.00	0.00	(273,560.56)	98,078.57	323,671.93	437,145.02	(416,275.51)	442,620.01
Total Assets	1,518,160.47	14,878,242.47	97,103.88	(1,404,240.34)	15,089,266.48	652,336.02	735,249.21	(416,275.51)	16,060,576.20
Liabilities and Net Assets									
Current Liabilities -									
Accounts Payable	3,916.38	1,910.75	33,989.52		39,816.65	10,700.00	500.00		51,016.65
Credit Cards	817.63				817.63				817.63
Accrued Payroll Taxes	910.31				910.31				910.31
Accrued Interest		141,056.59			141,056.59	11,624.00			152,680.59
Construction Retainage		0.00	0.00		0.00				0.00
Due to BTBC-MF.	4.34		222,456.60	(222,460.94)	0.00				0.00
Due to BTBC, Inc. - Operations		97,595.59	810,623.24	(908,218.83)	0.00	2,910.00	2,806.90		5,716.90
Due to Kaw, Inc.					0.00				0.00
Due to LRTC, Inc.					0.00	160,200.00		(64,800.00)	95,400.00
Unearned Partner Revenue	20,000.00	0.00			20,000.00				20,000.00
Total Current Liabilities	25,648.66	240,562.93	1,067,069.36	(1,130,679.77)	202,601.18	185,434.00	3,306.90	(64,800.00)	326,542.08
Long-Term Liabilities -									
Tenants Lease Security Deposits		34,973.32	20,479.27		55,452.59		0.00		55,452.59
Due to BTBC, Inc. - Labor Services					0.00	70,468.57		(68,968.57)	1,500.00
Deferred Tax Liability					0.00	41,000.00			41,000.00
Note Payable - KUEA		5,405,750.00			5,405,750.00		0.00		5,405,750.00
Note Payable - BTBC, Inc.		273,560.56		(273,560.56)	0.00				0.00
Note Payable - KUCR		828,741.02			828,741.02				828,741.02
Total Long-Term Liabilities	0.00	6,543,024.90	20,479.27	(273,560.56)	6,289,943.61	111,468.57	0.00	(68,968.57)	6,332,443.61
Net Assets -									
Unrestricted Net Assets, Beginning of Year	1,475,932.26	7,893,627.35	(822,305.65)		8,547,253.96	347,152.49	740,292.25	(282,506.94)	9,352,191.76
Current Year's Change in Net Assets	16,579.55	201,027.29	(168,139.10)		49,467.74	8,280.96	(8,349.94)		49,398.76
Total Net Assets	1,492,511.81	8,094,654.64	(990,444.75)	0.00	8,596,721.70	355,433.45	731,942.31	(282,506.94)	9,401,590.52
Total Liabilities and Net Assets	1,518,160.47	14,878,242.47	97,103.88	(1,404,240.33)	15,089,266.49	652,336.02	735,249.21	(416,275.51)	16,060,576.21

Bioscience and Technology Business Center, Inc.

Consolidated Statement of Cash Flow

For the Month Ended 12/31/2016

	BTBC, Inc - Operations	BTBC - Main Facility	BTBC - Expansion Facility	Adjustment & Eliminations	BTBC, Inc. Consolidated Balance	Kaw, Inc.	LRTC, Inc.	Adjustment & Eliminations	Consolidated All Entities
Operating Activities									
Net Revenues Over (Under) Expenses	16,579.55	201,027.29	(168,139.10)	0.00	49,467.74	8,280.96	(8,349.94)	0.00	49,398.76
Adjustments to Reconcile Net Income to Net Cash Provided by Operations									
Accounts Receivable	(500.00)	(2,237.18)	(17,724.89)		(20,462.07)	(11,205.39)			(31,667.46)
Utilities Reimbursement Receivable		(10,749.44)			(10,749.44)				(10,749.44)
Grants Receivable					0.00				0.00
Due From BTBC, Inc. - Main Facility	31,260.43				31,260.43				31,260.43
Due From BTBC, Inc. - Expansion Facility	(73,799.75)	(97,000.23)			(170,799.98)				(170,799.98)
Due From BTBC, Inc. - LRTC	0.00				0.00				0.00
Due From Kaw	(4,391.42)	0.00			(4,391.42)				(4,391.42)
Prepaid Insurance	(3,827.18)	(135.00)	(75.67)		(4,037.85)	(8.63)	(314.27)		(4,360.75)
Interest Receivable	185.48				185.48	0.00			185.48
Depreciation	1,602.00	462,837.00	255.00		464,694.00	360.00			465,054.00
Accounts Payable	(20,826.13)	(16,479.11)	(617.44)		(37,922.68)	7,200.00	(500.00)		(31,222.68)
Accrued Payroll Taxes	(19,203.84)				(19,203.84)				(19,203.84)
Accrued Interest		2,906.86			2,906.86				2,906.86
Prepaid Expense	22,000.00	2,456.00	2,256.25		26,712.25				26,712.25
Accrued Salaries					0.00				0.00
Construction Retainage		0.00	0.00		0.00				0.00
Due to BTBC, Inc.	0.00	(31,264.78)	73,799.75		42,534.97	2,910.00	0.00		45,444.97
Due To BTBC - Main	4.34		97,000.23		97,004.57		(95,400.00)		1,604.57
Due to LRTC, Inc.					0.00	95,400.00			95,400.00
Visa 9454	591.36				591.36				591.36
Unearned Lease Revenue		0.00			0.00				0.00
Net Cash Provided (Used) by Operating Activities	(50,325.16)	511,361.41	(13,245.87)	0.00	447,790.38	102,936.94	(104,564.21)	0.00	446,163.11
Investing Activities									
Property Plant & Equipment		(93,352.14)			(93,352.14)				(93,352.14)
Deffered Management Revenue					0.00				0.00
Note Receivable - BTBC-MF	14,101.35				14,101.35				14,101.35
Due to/From Main Facility Tranfer					0.00				0.00
Equity Investments					0.00	(105,600.00)			(105,600.00)
					0.00				0.00
Net Cash Provided (Used) by Investing Activities	14,101.35	(93,352.14)	0.00	0.00	(79,250.79)	(105,600.00)	0.00	0.00	(184,850.79)
Financing Activities									
Partner Contributions		0.00			0.00				0.00
Construction Accounts Payable		0.00			0.00				0.00
Note Payable - KUEA		(94,250.00)			(94,250.00)				(94,250.00)
Note Payable - KUCR		(49,368.70)			(49,368.70)				(49,368.70)
Construction retainage		0.00			0.00				0.00
Note Payable BTBC Inc.		(14,101.35)			(14,101.35)				(14,101.35)
Tenant Lease Security Deposits		850.00	5,677.08		6,527.08				6,527.08
Construction in Progress		0.00	0.00		0.00				0.00
Net Cash Provided (Used) by Financing Activities	0.00	(156,870.05)	5,677.08	0.00	(151,192.97)	0.00	0.00	0.00	(151,192.97)
Net Cash Increase (Decrease) for Period	(36,223.81)	261,139.22	(7,568.79)	0.00	217,346.62	(2,663.06)	(104,564.21)	0.00	110,119.35
Cash, Beginning of Period	192,098.73	246,045.94	13,494.22	0.00	451,638.89	20,773.78	400,459.66	0.00	872,872.33
Cash, End of Period	155,874.92	507,185.16	5,925.43	0.00	668,985.51	18,110.72	295,895.45	0.00	982,991.68



FY17 Operating Plan & Budget

Profile: The Bioscience & Technology Business Center at the University of Kansas

The Bioscience & Technology Business Center (BTBC) at the University of Kansas (KU) is an innovative and independent economic development business enterprise. BTBC's greater purpose is to **generate commerce through the creation, recruitment, growth, and retention of technology and bioscience companies that generate high-quality jobs** for Lawrence, Douglas County, and State of Kansas.

BTBC's business creation and entrepreneurship model spans three locations from Lawrence to Kansas City. It is the largest university-affiliated commercialization system in the Midwest. It has matured into an enterprise that, at the close of 2016, included 42 tenant and graduate companies employing approximately 219 persons with a combined annual payroll of approximately \$12.2m.

The economic impact of this commercialization in the region is as follows:

Metric	BTBC Companies	BTBC Graduates	BTBC System Total
Companies	35	7	42
Jobs – Direct	161	58	219
Jobs – Indirect/Induced*	101	37	138
Jobs – Total	262	95	364
Annual Payroll	\$15,723,144	\$5,701,140	\$21,424,284

*Calculated using EMSI Market Analytics for Economic Development

The BTBC's diverse company mix consists of spin-out companies from KU and the KU Medical Center (KUMC), entrepreneurial startups, and established private sector technology and bioscience companies. These companies originate from across Kansas, the United States, and the world. The BTBC supports these companies by providing the following:

- Highly specialized space
- Business services and support
- Advanced amenities such as gigabit fiber internet
- Access to a vast network of industry contacts, service providers, and companies
- Partnership with KU
- Access to start-up incentives and capital

BTBC's affiliation with KU's Innovation and Collaboration Center (KUIC) is essential to its commercialization success. Through KUIC, the KU Center for Entrepreneurship, and the KU Schools of Business, Pharmacy, Engineering, etc., BTBC companies are able to access important research, specialized labs and equipment, a talented workforce, and ideas that help grow and expand their business operations.

As an enterprise, the BTBC is a unique coalition of government, business, and university, closely aligned to achieve a common economic development purpose. BTBC's corporate structure includes four stakeholder members: the City of Lawrence, Douglas County, KU, and the Lawrence Chamber of Commerce. The governing body constitutes representatives of each of these stakeholder entities and four additional business community, bioscience, and technology industry persons. The Kansas Department of Commerce (KDoC) and the Kansas University Endowment Association (KUEA) are additional financial partners.



BTBC Guiding Principles

BTBC is governed and managed by three guiding principles:

1. KU is a vital BTBC partner; BTBC's operations are part of a cohesive, integrated commercialization system with KU.
2. BTBC's long-term success is based upon a consolidated economic development model dependent upon growing sustainable private revenue sources supported, to a lesser degree, by public funding (through BTBC's stakeholder partners).
3. BTBC's operations must have measurable economic impact on Lawrence, Douglas, County, the State of Kansas, and KU, that is quantified by realistic metrics.

2017 BTBC Operational Priorities

In 2017 BTBC will focus on two strategies to achieve growth and expansion, i.e., (i) generating and assisting start-up companies and (ii) recruiting private industry to Lawrence, Douglas County and KU. These strategies are linked and based upon the premise that early stage companies generate technologies and innovations that attract larger enterprises. These companies want to be proximate to each other and where R&D is occurring, generating serendipitous interactions. Proximity contributes to the speed of technological innovation and development. The core product supporting these strategies is the University of Kansas and its vast resources in technology and life sciences.

These strategies will, necessarily, reshape BTBC's revenue model. Revenue generation from more private sources will be explored consistent with BTBC's guiding principle of obtaining longer term financial sustainability, not critically dependent upon public support. This revenue growth initiative is particularly important in an environment where public dollars are becoming more limited.

KU remains an integral part of BTBC's growth through start-up companies as well as private industry engagement and recruitment. KU remains one of northeast Kansas's most important assets in creating economic development. New and innovative ways of collaborating with KU will be primary in 2017. This will include planning and development of a Phase III project in 2017, the next step in the development of an Innovation and Technology Park on KU's west research campus.

BTBC's 2017 Operational Priorities:

1. Generate and Assist Start-up companies

- Engage KU more deliberately at both KU-Lawrence and KUMC to increase spinout activity; support KUIC's start-up programming
- Provide interactive engagement and management of start-up ventures
- Strengthen/improve analysis of new venture business viability
- Work with KU and KUIC in supporting a new, sustainable entrepreneurship platform for faculty, staff and students.
- Reconstruct and implement the BTBC business services platform consistent with start-up activities
- Create an interactive entrepreneurship website for use by early stage companies and entrepreneurs
- Using BTBC internal budgeted incentive funds to leverage and utilize investment and entrepreneurship funding provided by the City Of Lawrence and Douglas County, the Lawrence Chamber of Commerce, and State of Kansas Department of Commerce Jumpstart program.

2. Recruit Private Industry companies to Lawrence, Douglas County, and KU

- Leverage KU resources (research, technology development, talent, etc.) to attract companies with corresponding interests
- Explore grant funding opportunities as incentives to attract private industry to Kansas
- Engage BTBC stakeholders and regional business recruitment partners (KCADC, Kansas Department of Commerce, etc.) to identify and pursue private industry companies
- Utilize BTBC start-up companies and mid-sized firms to identify and attract potential private industry targets, thereby assisting BTBC companies as well as BTBC
- Explore opportunities to attract private industry prospects with venture capital arms.

3. Perform BTBC's FY17 Revenue Budget; develop longer term enterprise revenue model

- Determine optimal BTBC company mix and corresponding business services per market needs and demand (including BTBC staff configuration)
- Assess grant funding as viable ongoing source of revenues for BTBC
- Explore private industry sponsorships of BTBC start-up programming
- Assess value of real estate development as a core component of BTBC's business model
- Identify alternative sources of revenue through BTBC's business services platform.

2017 Economic Development Results

Successful performance of the FY17 Budget and Operating Plan will produce the following economic development outcomes:

- 1. Companies.** BTBC will add four newly created and/or recruited companies to the BTBC system in 2017. The projected total number of companies in the BTBC system in 2017 is 45 (allowing for some attrition).
- 2. Jobs.** The number of new direct jobs resulting from BTBC system company growth will be 18 constituting 8% growth to 237 total employees.
- 3. Payroll.** The combined payrolls of all BTBC companies will grow from \$12.2mm in 2016 to \$13m in 2017, a 6.5% increase.

2017 BTBC Consolidated Budget Assumptions

The 2017 net revenues over (under) expenses from operations are projected to be \$(244K). The budget is projected to produce operating cash flow of nearly \$8,300 on revenues of about \$2.2MM.

Year-over-year revenue is projected to decrease \$221K or 9.1% due, in part, to a projected decrease of almost \$153K or 45% in the management fee received from the KU Medical Center contract. In addition, the other significant revenue change for 2017 will be the expiration of the \$200K annual Phase II contribution that KU had paid over the last five years. The private/public revenue percentages for 2017 are projected to be 61% and 39% respectively, which is up from the 53%/47% mix from last year due to the increase in rent revenues and the roll off of the KU Phase II payment. Rent revenue is projected to increase \$90K in 2017, due to the continued addition of new companies for BTBC's Main Facility and a small increase in occupancy at the BTBC West Facility. Grant funding, including funding from the Kansas Department of Commerce, is projected to decrease to \$50K in 2017.

Expenses are projected to decrease in 2017 by \$131K which is a five percent reduction in 2016 budgeted expenses. Significant areas of decreased expenses in 2017 include the following: staffing costs including payroll (\$75K), employee insurance (\$10K), retirement contributions (\$6K), and payroll taxes (\$16K); business relations and economic development expense paid to KU Innovation and Collaboration (\$72.5K), and economic development software expense (\$15K). The largest expense increases in 2017 are projected to be depreciation expense (\$23K), intern expense (\$16K), and professional fees (\$13.3K).

Income Statement

Revenue Assumptions:

1. Douglas County & City of Lawrence contributions at \$200K each with an additional \$75K each for on-going Phase I construction contributions and an additional \$100K Phase II Construction contribution from Douglas County
2. KUIC contribution of \$50K for operations, same as FY2016.
3. KU contributions – In-kind – approximately amount of utilities reimbursed and services provided in 2016.
4. KUMC management fee, based on proposed annual management fee of \$125K starting in April 2017.
5. Rental Income
 - BTBC Main Facility: Assumes current tenant contracts plus additional 3 new companies in 2017; this will be 98.5% occupancy for the year.
 - BTBC West Facility: Current tenant contracts for 12 months with an additional tenant addition or company expansion in July of 2017.
6. Business Management Fees are budgeted to be \$48K in 2017. This amount includes contracted business management services BTBC provides to companies. This constitutes an increase of \$26K from 2016.
7. Project management fees budgeted in 2017 (\$50K) are for the management of the basement build-out project for KU's planned University Affiliated Research Center. BTBC anticipates the project will start Q1 2017 and finish in Q4 2017.

Expense Assumptions:

1. Business Relations/Economic Development – Contributions to KUCR for KUIC staff support will be reduced from \$95K to \$23.5K in 2017.
2. Staffing costs are projected based on the staffing level at year-end 2016, with a projected increase in the intern expense in 2017.
3. Insurance – includes business policy, Director's E&O policy, property insurance, employee insurance (medical/dental/life), and an additional \$2MM umbrella policy.
4. Interest – assumes amortization schedules on loans from KUCR, KUEA (\$5.5MM), and intercompany transactions. The rate on BTBC's debt is prime rate + 1% and adjusts in July of each year. BTBC has assumed that rates will remain constant at 4.5% in 2017.
5. Property taxes – assumption is based on 2016 Douglas County valuation notices for the BTBC West Facility.
6. Professional Fees – Adjusted to reflect project increase in business development consultant fees, which will be utilized for the continued development of a Phase III project and the Innovation Park of KU's West Campus.
7. Utilities Expense – Increased \$9K in 2017 to reflect the additional usage related to the tenants added in 2017.

Cash Flow:

1. Projected cash flow from operations on a consolidated basis for FY2017 at \$8,325.
2. Scheduled additional capital expenditures for tenant improvements of \$40K in 2017.
3. Projected incentive/investment in additional BTBC clients of \$40K. BTBC will leverage this funding with the incentive funding provided by the City of Lawrence and Douglas County, the Lawrence Chamber of Commerce, and the Kansas Department of Commerce Jumpstart Kansas program.
4. BTBC is projected to make principal payments of \$153K on its outstanding debt to the KU Endowment Association (\$89K) and KU Center for Research (\$64K).
5. Projected consolidated cash balance year-end 2016 of \$938K, up from projected year-end 2016 cash balance of \$930K.

Accrual Basis

Bioscience and Technology Business Center, Inc.

Consolidated Statement of Activities
2017 Initial Base Projections

Last Updated:
11/10/16

	BTBC. Inc. Operations	BTBC KUMC Facility	BTBC Main Facility	BTBC - MF Basement Construction	BTBC West Facility	2017 BTBC Consolidated YE Projection	Kaw Inc	LRTC Inc.	Adjustment & Eliminations	2017 Consolidated All Entities	2016 Budget All Entities	Variance From Budget	Percentage Variance
Revenues -													
Douglas County Contribution	200,000.00		175,000.00			375,000.00				375,000.00	375,000.00	0.00	0.00%
City of Lawrence Contribution	200,000.00		75,000.00			275,000.00				275,000.00	275,000.00	0.00	0.00%
KU Contribution	50,000.00		-		25,000.00	75,000.00				275,000.00	275,000.00	(200,000.00)	-72.73%
KU Contributions - In-Kind			206,600.00			206,600.00				210,731.43	210,731.43	(4,131.43)	-1.96%
KUMC		172,500.00				172,500.00				326,483.52	326,483.52	(153,983.52)	-47.16%
Grant Funding/KDOC	50,000.00					50,000.00				100,000.00	100,000.00	(50,000.00)	-50.00%
Catalyst Partner Contributions						30,000.00				30,000.00	30,000.00	0.00	0.00%
Lawrence Chamber of Commerce	30,000.00		-			30,000.00				30,000.00	18,000.00	12,000.00	66.67%
Advisory Services	42,000.00				(12,000.00)	50,000.00				50,000.00	0.00	50,000.00	50.00%
Project Management Fees	50,000.00					859,227.70				859,227.70	770,107.54	89,120.16	11.57%
Rental Income			635,310.34		223,917.36	0.00				0.00	0.00	0.00	0.00%
Reimbursed Expenses	-					48,400.00				48,400.00	22,400.00	26,000.00	12.76%
Business Management Services	48,400.00					28,200.00				28,200.00	25,008.00	3,192.00	0.00%
Internet and Phone Service Revenue			28,200.00			304.12				304.12	304.12	0.00	0.00%
Investment Income			304.12			300.00	13,000.00	1,425.00		14,725.00	18,135.00	(3,410.00)	-18.80%
Interest Income	11,732.90				(11,432.90)	300.00				14,725.00	18,135.00	(3,410.00)	-18.80%
Total Revenues	682,132.90	172,500.00	1,120,414.46	-	248,917.36	2,200,531.82	13,000.00	1,425.00	0.00	2,214,956.82	2,440,169.61	(221,212.79)	-9.07%
Expenses -													
Administrative and Miscellaneous	13,200.00	3,230.00	12,000.00		150.00	28,580.00	310.00	235.00		29,125.00	26,425.00	(2,700.00)	-10.22%
Building Expenditures	1,000.00	-	66,000.00		85,000.00	152,000.00				152,000.00	151,000.00	(1,000.00)	-0.66%
Contractual Services	1,200.00	1,020.00	4,500.00			6,720.00	6,000.00	6,000.00	(12,000.00)	6,720.00	6,720.00	0.00	0.00%
Depreciation			490,750.00		315.00	491,065.00	360.00			491,425.00	468,570.00	(22,855.00)	-4.88%
Economic Development Software	5,000.00					5,000.00				5,000.00	20,000.00	15,000.00	75.00%
Insurance													
Employee's Withholding	(3,000.00)	(420.00)				(3,420.00)				(3,420.00)	(18,900.00)	(15,480.00)	81.90%
Health	32,307.60	7,800.00				40,107.60				40,107.60	23,929.12	16,178.48	37.37%
Disability	6,960.00	900.00				7,860.00				7,860.00	9,607.88	1,747.88	18.19%
General Liability/Property	6,600.00		17,850.00		8,880.00	33,330.00	850.00	850.00		35,030.00	32,099.17	(2,930.83)	-9.13%
Worker's Comp	1,562.34	288.25				1,850.59				2,100.00	2,100.00	29.41	1.88%
D&O	2,400.00					2,400.00	1,200.00	1,200.00		4,800.00	4,518.13	(281.87)	-6.24%
Interest	-		289,849.75		(11,432.90)	278,416.85				278,416.85	268,206.62	(10,210.23)	-3.81%
Intern Program	33,500.00	-				33,500.00				33,500.00	17,500.00	(16,000.00)	-91.43%
KU Innovation and Collaboration Liaison	23,750.00					23,750.00				23,750.00	95,000.00	71,250.00	75.00%
Marketing and Public Relations	16,750.00	1,500.00	6,200.00			24,450.00				24,450.00	31,600.00	7,150.00	22.63%
Miscellaneous Expense	2,000.00	120.00	240.00			2,360.00				2,360.00	2,360.00	0.00	0.00%
Payroll	520,779.07	96,084.26			63,104.26	679,967.58				679,967.58	754,785.25	74,817.67	9.91%
Professional Development	3,600.00	-				3,600.00				3,600.00	6,800.00	3,200.00	47.06%
Professional Fees	44,000.00	2,000.00	600.00			46,600.00	1,850.00	3,600.00		52,050.00	38,750.00	(13,300.00)	-34.32%
Rent													
BTBC Expansion Facility - City of Lawrence					25,000.00	25,000.00				25,000.00	25,000.00	0.00	0.00%
BTBC Main Facility - KUEA			1,000.00			1,000.00				1,000.00	1,000.00	0.00	0.00%
Research Park Development Expenses	2,500.00					2,500.00				2,500.00	5,000.00	2,500.00	50.00%
Retirement Contributions	30,770.04	5,765.06			3,786.26	40,321.35				40,321.35	45,939.45	5,618.10	12.23%
Taxes													
Income						0.00				0.00	0.00	0.00	0.00%
Payroll	39,917.49	8,167.16				48,084.65				48,084.65	63,885.20	15,800.55	24.73%
Property						0.00				0.00	0.00	0.00	0.00%
Real Estate					76,418.17	76,418.17	65.00	140.00		76,623.17	73,205.00	(3,418.17)	-4.67%
Ks Secretary of State Annual Report Fee						0.00				0.00	0.00	0.00	0.00%
Travel and Meals	12,000.00	600.00	1,300.00			13,900.00	50.00			13,950.00	17,925.00	3,975.00	22.18%
Technology	-					-				0.00	2,500.00	2,500.00	100.00%
Utilities	3,600.00	600.00	216,000.0		152,500.00	372,700.00				372,700.00	364,190.00	(8,510.00)	-2.34%
Total Expenses	800,396.53	127,654.72	1,106,289.75	-	415,153.68	2,438,061.79	10,685.00	12,025.00	(12,000.00)	2,448,771.79	2,579,823.43	131,051.64	5.08%
Net Revenue Over (Under) Expenses From Operations	(118,263.63)	44,845.28	14,124.71	-	(166,236.32)	(237,529.97)	2,315.00	(10,600.00)	12,000.00	(233,814.97)	(139,653.82)	(94,161.15)	3.65%
Depreciation Add-Back			490,750.00		315.00	491,065.00	360.00			491,425.00	468,570.00	(22,855.00)	-4.88%
Intercompany Advisory Services						-	(16,140.00)			(16,140.00)	(16,140.00)	0.00	0.00%
Interest Accrued						-				0.00	0.00	0.00	0.00%
Principal Payments			(153,144.57)			(153,144.57)				(153,144.57)	(153,144.57)	0.00	0.00%
Net Cash Provided (Used) From Operations	(118,263.63)	44,845.28	351,730.14	0.00	(165,921.32)	100,390.46	(13,465.00)	(10,600.00)	12,000.00	88,325.46	159,631.61	(59,241.15)	-37.11%
Building Improvements Funding Rec'd						0.00				0.00	0.00	0.00	0.00%
Fixed Asset Purchases/Building Improvements			(40,000.00)			(40,000.00)				(40,000.00)	(50,000.00)	10,000.00	-20.00%
Investment and Incentives			(40,000.00)			(40,000.00)	0.00			(40,000.00)	0.00	(40,000.00)	0.00%
Rents Accrued but no Cash Receipt Anticipated						-				0.00	0.00	0.00	0.00%
Net Cash Provided (Used) During Period	(118,263.63)	44,845.28	271,730.14	0.00	(165,921.32)	20,390.46	(13,465.00)	(10,600.00)	12,000.00	8,325.46	109,631.61	(101,306.15)	-92.41%
Cash, Beginning of Year - Est.	175,000.00	56,000.00	315,000.00	0.00	20,420.91	566,420.91	9,871.60	363,158.00		939,450.51	873,000.00	0.00	0.00%
Cash, End of Year Projected	56,736.37	100,845.28	586,730.14	-	(145,500.41)	598,811.37	(3,593.40)	352,558.00		947,775.97	982,631.61	(34,855.64)	-3.55%

Detailed budgets for each individual entity available upon request.