Annual Report
2014-2015

LDFA Report – Ann Arbor/Ypsilanti SmartZone

$910K
Direct
Support *

125
Companies
Served *

132
Jobs
Created *

21
Companies
Created *

Funds
Raised
$55.4 M
investments & grants

*These figures are representative of a subset of the work Ann Arbor SPARK does to support the entrepreneurial community; only companies within the LDFA contract service boundaries are included.

Ann Arbor SPARK works to advance the economy of the Ann Arbor region by establishing the area as a desired place for business expansion and location... by identifying and meeting the needs of business at every stage, from those that are established to those working to successfully commercialize innovations.
For more information visit: www.annarborusa.org

SPARK@nn arbor usa

Ann Arbor-Ypsilanti Smart Zone Local Development Finance Authority

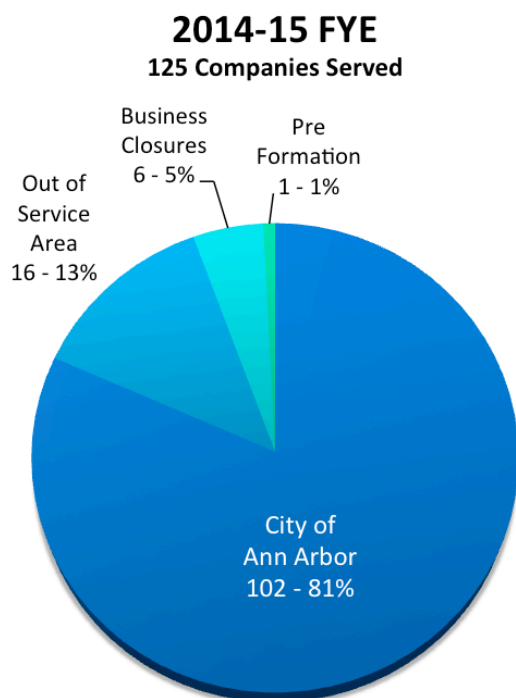*Ann Arbor SPARK Annual Report • July 1, 2014 – June 30, 2015*

Contract Period July 1st, 2014 through June 30th, 2015

3.3 The Contractor shall provide a written Final Program Progress Report to the LDFA no later than sixty (60) days after the end of the Project Service Term. The Final Program Progress Report shall disclose: 1) a census of the annual and cumulative number of jobs created within the Service Area (as defined in Attachment A) as of June 30, 2015 (with jobs defined as the incremental increase in the number of Full Time Equivalent employees (FTEs) beginning with the date a Business Accelerator proposal is signed, or a loan is provided, or when a SPARK Central Incubator agreement is first executed, or when participation in a Boot Camp session occurs); 2) a census of the annual and cumulative number of jobs related to Business Accelerator, SPARK Central Incubator, and Boot Camp attendees that have left the Service Area because of relocation, merger, acquisition, or business failure as of June 30, 2015; 3) a census of the number and identity of current and past clients the Contractor deems no longer eligible for LDFA funded services as of June 30, 2015; and 4) a census of the number and identity of clients for which information regarding jobs creation is no longer being collected as of June 30, 2015. The Contractor shall track companies for a period of five years through an annual survey and make efforts to achieve as high a participation rate as possible. The survey will not only include questions that update standard economic development data but also ask companies who leave the area why.

Annual Metrics

This year SPARK served 125 companies with a deliberate, customized combination of accelerator services, incubation, microloans, or scholarship to the Boot Camp course. These companies reported the net addition of 132.5 full-time equivalent employees from the onset of their engagements to the end of contract year.

This

2014-15 FYE
125 Companies Served

- Business Closures 6 - 5%
- Pre Formation 1 - 1%
- Out of Service Area 16 - 13%
- City of Ann Arbor 102 - 81%

year SPARK supported the creation of 21 companies. Through assistance in business plan development, management coaching, legal advice, and other engagements, SPARK has created strong companies that have the resources and viability to foster our future economy and sustain job growth.

City of Ann Arbor Companies

- 102 companies that worked with SPARK this year are still operating within the City of Ann Arbor.
- These companies reported a net addition of 128.5 FTEs from the onset of their engagements to the end of contract year.
- Ann Arbor Companies SPARK has worked with over the fiscal year have gained, on average, 1.3 full-time equivalent employees.

Out of Service Area

- Out of the 125 companies that have received LDFA-funded services this year, sixteen are now out of the service area representing 37 FTEs. Fifteen of those companies are still registered in southeast Michigan.
- Six of the sixteen are Boot Camp teams from outside of Ann Arbor.
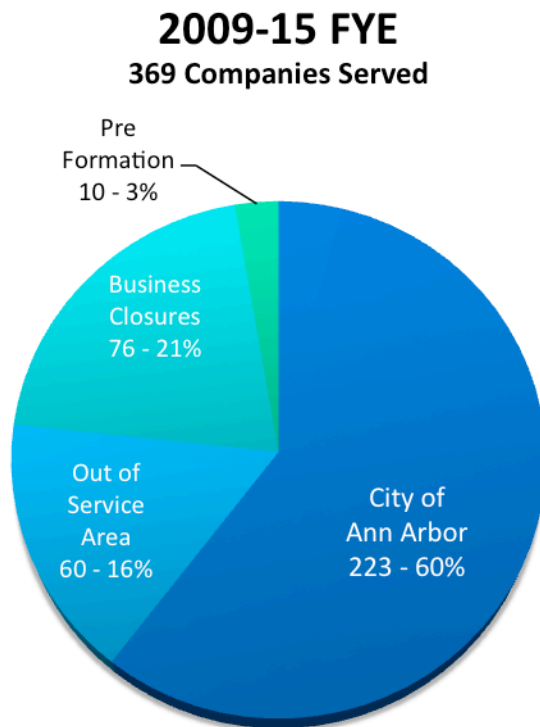
Business Closures

- Out of the 125 companies served this year, six have ceased operations. The termination of these six companies represented a decrease of seven FTEs. The loss of seven FTEs due to business closure has already been deducted from the previously stated annual net addition of 132.5 FTEs.
- Four of these six entities were Boot Camp teams that, through the process, determined their initial idea was not viable; the entrepreneurs are all continuing other entrepreneurial pursuits in the community.

Pre Legal Formation

- One of the companies served this year has not attained legal formation by the time the contract year ended. Teams at this stage are usually still in their idea stage of growth: focusing on validating their business model before progressing. The single company was a Boot Camp team from this year's programs. SPARK continues to offer them support as they grow.

Cumulative Metrics

Cumulatively, in the last five years, SPARK provided services to 369 unique companies. The subset of these companies who either responded to our survey, or remained in contact with SPARK, reported a net increase of 551 full-time equivalent employees from the onset of their engagements to the end of this contract year.

2009-15 FYE
369 Companies Served

Pre Formation 10 - 3%

Business Closures 76 - 21%

Out of Service Area 60 - 16%

City of Ann Arbor 223 - 60%

Companies SPARK has worked with over the course of this period have gained, on average, 1.5 full-time equivalent employees.

This report of jobs created is the net of reported gains and reductions in staffing for companies that received LDFA-funded services within the time period discussed below, and are still operating inside the service area.

For the purposes of this report, cumulative is defined as the time period including this fiscal year, and extending five years prior to its start. The quality of our data diminishes sharply for companies served before this threshold due to the above mentioned trend in survey responses; we lack sufficient data to accurately account for the success of our former clients as measured by employment.

IndustryStar Attracts Clients and Launches Second-Generation Software

IndustryStar Solutions LLC offers growing businesses world-class supply chain management services and software. The company has benefited from a range of services provided by Ann Arbor SPARK, including participating in the 2015 internship program and our collaboration with Eastern Michigan University's Center for Digital Engagement. The Digital Engagement Clinic matched undergraduates and recent graduate interns with Ann Arbor SPARK clients to accelerate the startups' digital marketing efforts. The startups received hands-on digital marketing support, and clinic interns received valuable work experience that built their resumes.

In the past year, IndustryStar attracted 10 new clients, launched its MVP and second-generation Beta software, and filed for a utility patent. IndustryStar expects to achieve over $1 million in sales in the coming year.

"We were able to expand and scale our company quickly in downtown Ann Arbor by leveraging Ann Arbor SPARK's immense entrepreneurial ecosystem." - William Crane, CEO
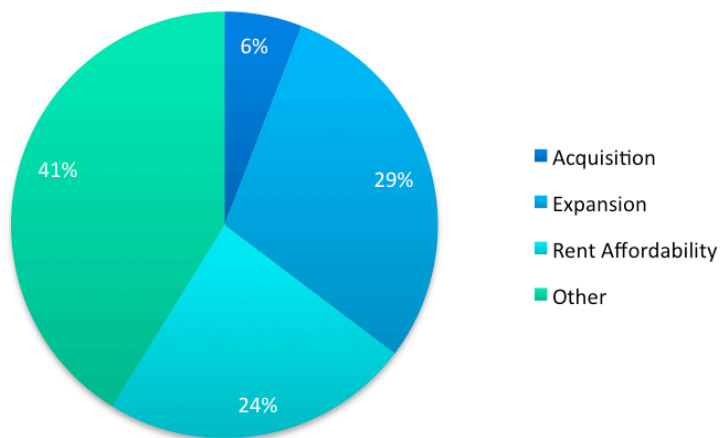
IndustryStar

City of Ann Arbor Companies

- 223 companies that worked with SPARK over the past five years are still operating within the City of Ann Arbor.
- Currently these companies employ 925.5 FTEs.
- These companies reported a net addition of 421 FTEs from the onset of their engagements to the end of contract year.
- 60% of companies served within the last five years continue to operate in Ann Arbor, yet they have created 73% of the new jobs reported in the same time period.

Out of Service Area

- 60 companies representing 284.5 FTEs have left the City of Ann Arbor. 47 companies are still registered in southeast Michigan.

Reasons for Relocation

- 6% Acquisition
- 29% Expansion
- 24% Rent Affordability
- 41% Other

Notes:

1- Table data set is only companies that answered a specific question on this year's survey.
2- Other Reasons for Relocation include: Personal reasons, founder relocated, networking, convenience, and better neighborhoods.
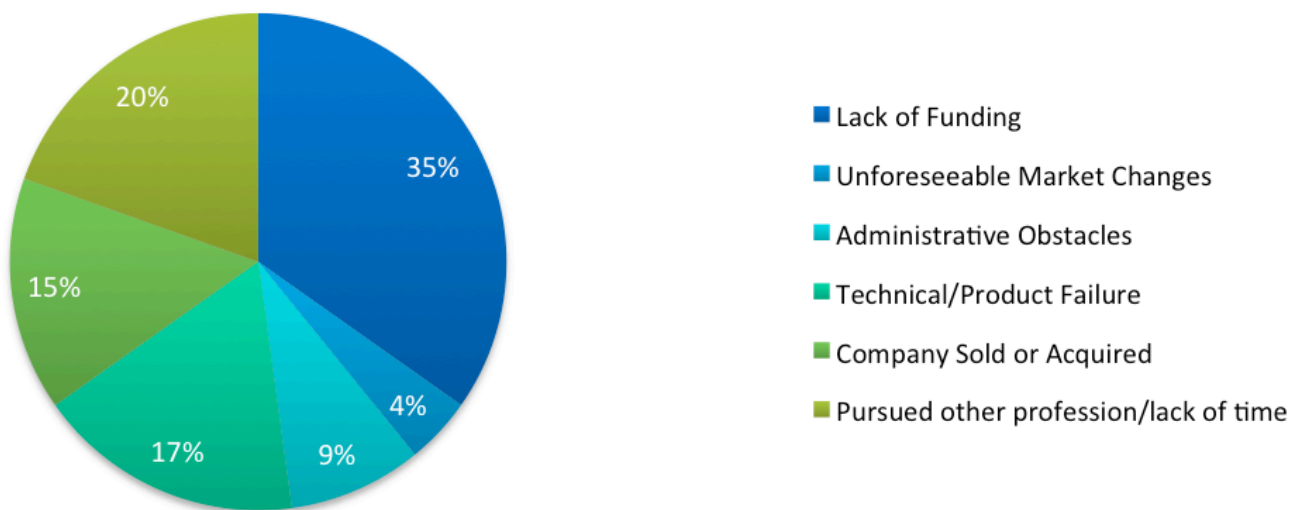
Pre Legal Formation

- Ten of the companies served in the last five years have not attained legal formation by the time the contract year ended. These are likely still in their idea stage of growth: focusing on validating their business model before progressing.

Business Closures

- Among companies that have received LDFA-funded services in the last five years, 76 companies have reported ceasing operations. It is challenging to generate an accurate figure of the jobs lost by these companies, as they do not report their employment figures at the time of their closure. However, at the time of the initiation of their last engagement, they accounted for 125 FTEs in total.
- The disproportionate instances reported this year can most likely be attributed to the increase in survey responses and the ability for companies to self-report their business status.
- There is no distinction made between a Boot Camp team that is not pursuing their idea and a startup that is no longer in operation.

Reasons for Business Closure

Lack of Funding

Unforeseeable Market Changes

Administrative Obstacles

Technical/Product Failure

Company Sold or Acquired
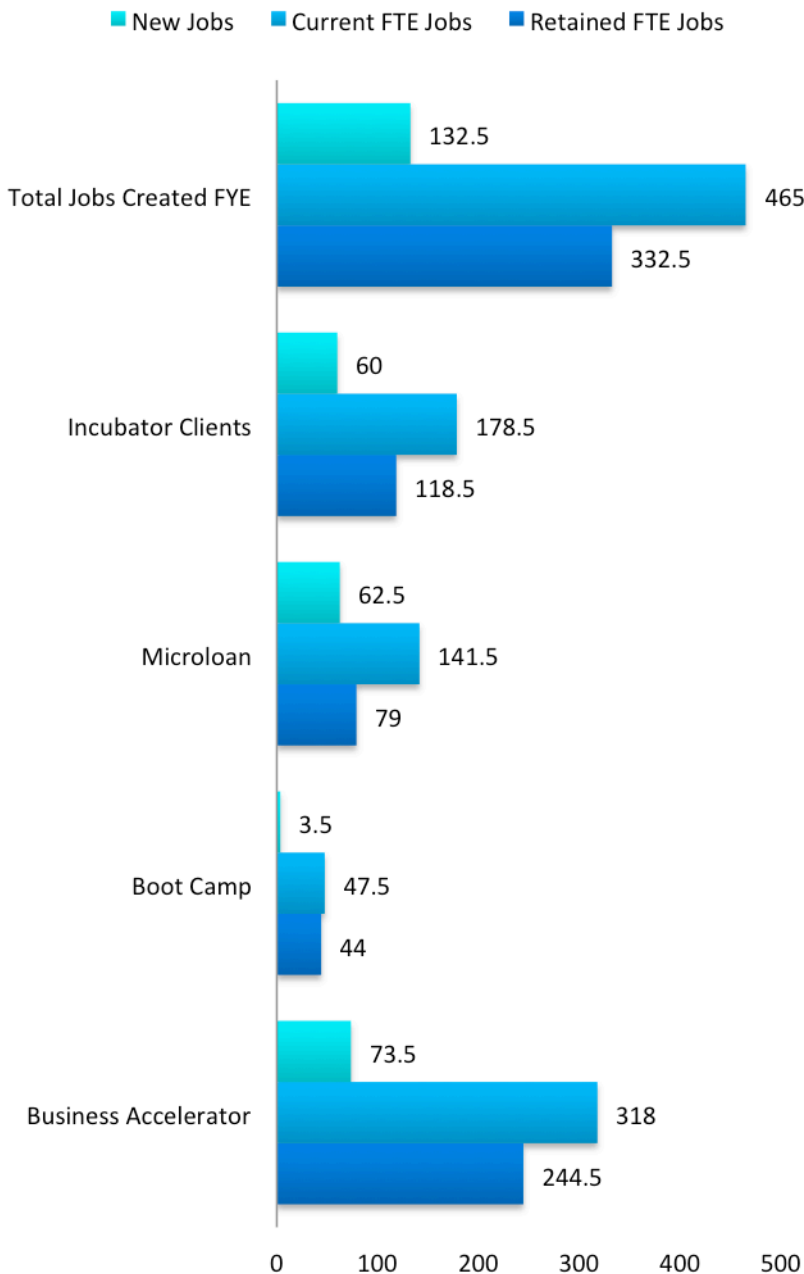
Pursued other profession/lack of time

Note: Table data set is only companies that answered a specific question on this year's survey.

Jobs Created by each LDFA Program

The following tables serve as a breakdown of services provided during the fiscal year, and the associated job creation reported by the participants of each program. It is important to note the substantial overlap of programs serving any given company. Many companies receive a variety of services from SPARK as they grow, and therefore may appear on more than one of the following tables.

Jobs Created by each LDFA Program

■ New Jobs   ■ Current FTE Jobs   ■ Retained FTE Jobs

Program	New Jobs	Current FTE Jobs	Retained FTE Jobs
Total Jobs Created FYE	132.5	465	332.5
Incubator Clients	60	178.5	118.5
Microloan	62.5	141.5	79
Boot Camp	3.5	47.5	44
Business Accelerator	73.5	318	244.5

Retained FTEs are those that the company reported at the time of the initial engagement of service. Current FTEs are updated through recent contact with the company or the annual survey conducted in July. New FTEs are the difference between retained and current. FTE, for reporting purposes, means Full Time Equivalents: All W2 employees and founders, plus full time workers compensated in equity. All part time employees count as 0.5 FTE. Interns and independent contractors (1099) are not included in this definition.

We also asked companies about the number of independent contractors with whom they engage. Although this figure is not required to be reported by SPARK, we believe it reflects a more accurate economic impact by the startup business.

Boot Camp

The following table lists the 25 teams that attended Boot Camp this fiscal year. Fall Boot Camp was held October 8th and 9th. The spring Boot Camp session was held March 25th and 26th. Ten Boot Camp teams received Business Accelerator services by June 30th. Six teams were out of the University of Michigan; three companies were Eastern Michigan University student teams. In all, 18 teams received direct LDFA funding by means of a scholarship to attend Boot Camp. This year's Annual Survey had a 72% response rate among these Boot Camp teams.

Uniq ID	Company Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Independent Contractors
7223	Online service highlighting current Investment opportunities looking for funding.	3	3	0	2
3118	Joint venture to develop foams using non-petroleum sources, particularly in life science industry.	2	2	0	4
7238*	Comprehensive map and donation mobile app platform for museums.	2	2	0	0
7251*	Mental health and wellness mobile phone application.	2	4	2	0
7332*	Advanced skateboard that mimics a snowboard's riding characteristics.	2	0	-2	0
7255	Symport healthcare data management program.	5.5	7	1.5	0
7371*	Football coaching tool. Automated play timer and pass clock.	2.5	2.5	0	0
7375*	Mobile app for tracking and analyzing pain data.	2	2	0	0
7374	Augmented reality app for immersive digital experiences based on children's books.	2	2	0	7
7439	Open source Bluetooth beacons to track customer activity in stores.	1	1	0	0
7441	Educational gaming platform.	1	1	0	5
7444	Online marketplace for pollination services.	1	2	1	0
7275	Online personal family assistant and organization / coordination tool.	2	3	1	2
6946	A business intelligence and life-logging tool that uses natural language processing and semantics to extract meaning from Big Data sets.	1	1	0	0
7208	App that allows users to order food and drinks within a business.	2	2	0	0
7224	Adhesive medical strips to organize and hold surgical equipment.	1	1	0	0
7240	An integrated Supermarket purchasing and ordering app.	1	1	0	0
7252#	Smart helmet designer.	2	2	0	0
6670#	Smartphone and cloud base integrated application products for consumers.	1	1	0	0
7253	Accounting software.	1	1	0	0
7297	Patient data management.	2	2	0	0
7241	Legal e-billing and matter management system.	1	1	0	0
7455#	Socially driven event discovery and networking mobile app.	1	1	0	0
7438*	Mobile platform to democratize policy making by providing a user specific dashboard of bills, and automated communication to elected officials.	2	2	0	0
7105	Rewards Cards integration system.	1	1	0	0
Total		**44**	**47.5**	**3.5**	**20**

Business Accelerator

The following table lists the 74 companies that had Business Accelerator engagements this year based on monthly billing; this list comprises Phases II, III, and IV support including the Executive in Residence and Internship programs.

Out of the companies that had Business Accelerator engagements this year, 77% responded to our Annual Survey.

Uniq ID	Company Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Independent Contractors
428*	Alternate energy from tidal currents.	2	4	2	6
659*	Software for computational biology.	5.5	7	1.5	4
1282*	Developer of technologies that enable integrated and standardized assessments of blood damage, particularly for red blood cells.	3	4.5	1.5	0
2338	Software development and mobile application development company, also in embedded systems.	20	68	48	0
3118	Joint venture to develop foams using non-petroleum sources, particularly in life science industry.	3	2	-1	4
3151*	Wireless sensing, analysis and optimization of residential and commercial electricity use.	2	2.5	0.5	2
3476*	High quality, solid-state lighting combining organic and inorganic materials that mimics sunlight; lower cost than other LEDs.	4	8	4	2
3637	Therapeutic for treatment of retinal diseases.	1	4	3	12
4115	Predictive transportation algorithm company developing SaaS products and integrable web services for transportation and logistics industries.	1	2	1	4

Uniq ID	Company Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Independent Contractors
4132	A medical device for the field of histology that automates a process used in tissue diagnostics.	4	0	-4	9
4228*	Advanced gamma ray detection and imaging devices based on wide band-gap semiconductor materials.	9	9	0	1
4471	Software that optimizes reward program participants' behaviors.	8	8	0	3
4476	Maker of mobile handwriting tutoring app.	1	1	0	0
4519	Platform giving independent app publishers technology for serving customized native ads and a digital marketplace that connects their apps with advertisers.	6	5	-1	3
4522*	Tissue Engineered Ligament replacement for dogs.	1	1	0	0
4586*	Heat technology generates nonelectric, reusable heat on demand.	6	6	0	1
4791	Consolidated event planning and management software platform.	4	5	1	3
4803*	An intuitive integrated display that retrieves medical data.	4	4	0	1
5634*	Multi-sided reviews platform that allows users and restaurants to discover and engage each other.	4	3	-1	80
6230*	Bar-code Surgical instruments and sponges.	2	2	0	1
6285*	Autonomous aerial vehicles for infrastructure inspection.	7	7	0	1
6354	Mobile vending of concessions.	3	5	2	2
6355	Innovative Marketing platform.	10	11	1	7
6356	A new marketing-based, platform-agnostic, real-time media alert solution.	2	1	-1	0
6358*	Developer of a smart phone case that retracts and stores a user's headphones/earbuds within a slim profile case.	3	5	2	2
6360	Drug discovery and development company focusing on recombinant proteins for the targeted systemic delivery of short interfering RNA.	1	1	0	0
6518*	Creator of an eye drop assist device.	1	2	1	0
6522*	Development and implementation of online negotiation systems for courts and constituents.	6	6	0	4
6535	Solar energy customized solutions.	3	2	-1	3
6545	Software platform applies predictive analytics to strategic decisions regarding intellectual property management.	2	2	0	1
6589	FDA-approved light therapy device to treat pain.	2	2	0	60
6600	Medical device for vision enhancement in persons with partial loss of sight.	2	2	0	1
6621	A platform for tool owners to lease their tools to nearby renters in their area.	1.5	2	0.5	1
6775	Student loan marketplace and clearinghouse for best deals.	2	2	0	1
6778	On-line seeker-solver network that allows Start-up Teams (Seekers) to access crowd-sourced Product-Market Fit Solutions.	3	4	1	5
6804	Supply Chain Decision Making platform that can visualize and compare supply chain ideas in real-time.	2	1	-1	3
6834*	Developer and manufacturer of high-resolution sensors used for near real-time diagnostics in Food pathogen testing.	1.5	1.5	0	2

Uniq ID	Company Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Independent Contractors
6859	Proprietary learning platform to sell professional development training courses.	3	4.5	1.5	5
6867	Waste grinder and proprietary high-pressure waste micronizer, reducing the particle size of food waste making it highly digestible to bacteria.	1	2	1	0
6894	Rental marketplace for college students.	5	5.5	0.5	2
6897	Software for transforming a group of manuscript files. Digital publishing.	2	1	-1	9
6919	Internet-based program to manage stress.	1	3	2	0
6977*	Human capital management software that optimizes the complex hiring, performance evaluation and personnel management workflows that exist in universities, academic medical centers, hospitals, medical schools and immigration attorney offices.	4	4	0	2
7032*	Technology to isolate cells from complex mixtures.	2	2	0	4
7038	Passenger vehicle onboard cyber security system.	1	1	0	0
7039*	Patent-pending mass-market insole for heels that increase stability and comfort.	1	1	0	0
7066	Platform to accept and manage concussion-tracking data collected from helmet sensors.	0.5	0.5	0	0
7070	Web and mobile platform that allows individuals to find their impact on public health outcomes from fossil fuel pollution.	1	2	1	1
7074	Risk assessment and communication app for surgeons, and pre-surgical intervention programs.	2.5	5.5	3	0
7098	Provides commerce and web-based solutions. Complex web development and ERP integration.	12	15	3	0
7103	Package that allows for single-handed consumption of packaged foods.	1	0	-1	0
7117	Novel data processing algorithms and curated genetic database. Software as a service.	1	1	0	0
7129*	Natural science education worldwide through customized mobile field guides, digital education materials, and print-on-demand services.	3	0	-3	0
7147	Extreme sport and arena creator.	3	3	0	0
7154	Software to manage the capture and remote analysis of retinal images to diagnose eye diseases.	2	2	0	0
7176*	Stair climbing wheelchair.	2	1.5	-0.5	0
7201	Provides quality analytics and initiative programs designed to monitor and improve the quality and cost of care through improved compliance to accepted standards of clinical care.	2	1.5	-0.5	1
7202	Sports fandom competition, tracking and social media integration smart phone app.	1	1	0	0
7216	Web based electronic service that assists dental offices to send and receive files in a secure & HIPAA compliant manner.	4	4	0	0
7226	Cancer drug discovery and development company focused on first-in-class Disruptive Therapeutics(TM) that selectively target and degrade well-known and	2	2	0	1

Uniq ID	Company Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Independent Contractors
	characterized oncogenes.				
7238*	Comprehensive map and donation mobile app platform for museums.	2	2	0	0
7255	Symport healthcare data management program.	5.5	7	1.5	0
7260	Brings high power cloud computing to consumers and small firms.	2	2	0	0
7275	Online personal family assistant and organization / coordination tool.	2	3	1	2
7290	Cloud strategy, development, training and implementation and fully redundant software development.	13	13	0	0
7332*	Advanced skateboard that mimics a snowboard's riding characteristics.	1	0	-1	0
7336*	Supply chain software.	4.5	4.5	0	6
7349*	Medical Device integrator that is developing solutions to improve surgical safety and productivity.	1	1	0	0
7356*	Predictive cyber security risk measurement and analysis to understand and manage your security posture and your exposure due to partners and vendors.	4	5	1	1
7362	Web content provider from books.	1	2	1	2
7376	Novel integration technology with EHR systems.	5	6	1	0
7378	iPhone app integration with Bluetooth connectivity to on-board controller for oxygen tank.	1	1	0	0
7441	Educational gaming platform.	1	1	0	5
7538*	Clock generator technology for the microprocessor market.	2	5	3	1
Total		244.5	318	73.5	271

CribSpot Receives Grant Funding and Continues to Grow

CribSpot Realty, which won $100,000 in last year's Accelerate Michigan Innovation Competition, is tackling the competitive rental housing market in college towns, and is receiving help from SPARK's business accelerator to achieve success. CribSpot received a grant in 2014 for the design of its web platform, and in the past year, participated in Ann Arbor SPARK's internship program. In the coming year, the company plans to build on its current success as it continues to expand to new towns.

"Early stage investments from local funds are extremely important. The access to state funding, grants, and debt is one big advantage and differentiator from San Francisco." - Jason Okrasinski, CEO

cribspot

Incubator Clients

The following table lists the 53 companies that are or were Incubator clients this year. Virtual clients, and clients seated on the first and third floors are reported together. Of this year's clients, 64% responded to our Annual Survey.

This fiscal year SPARK renovated the first floor of the Central incubator. Our renovations converted this space into a modern and collaborative office to serve our Stage One clients. The new open layout provides 24 seats available for clients, more than doubling the previous capacity. Fourteen seats are filled as of June 30, 2015.

SPARK Central graduates for this fiscal year include Ornicept, Inc. and Vortex Hydro Energy, Inc**.** Both companies are still located in the City of Ann Arbor.

Uniq ID	Company Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Independent Contractors
271	Risk Management- IT security company.	1	3	2	0
338	Information and news aggregator and filter.	1	1	0	0
386	Vision Technology w/ Sports applications.	6	3	-3	4
428*	Alternate energy from tidal currents.	3	4	1	6
1282*	Developer of technologies that enable integrated and standardized assessments of blood damage, particularly for red blood cells.	1	4.5	3.5	0
2679	Development of therapies for treatment of bone-related conditions.	2	2	0	0
2821	A firmware application for collecting/analyzing multiple patient parameters in an ICU in real time.	2	3	1	3
3060*	Minimally Invasive Surgical (MIS) tools that provide the surgeon with greater control and intuition.	3	6	3	3
3221	Provider of advanced software solutions for sewer modeling to municipalities and engineering consultants.	3	4	1	0
3637	Therapeutic for treatment of retinal diseases.	2	4	2	12
4227	Engineering services, including advanced FEA, CAD, and high-end design solutions.	1	2.5	1.5	2
4243	Website for building construction project, repair and supply bids.	1	1	0	0
4431*	Assistive technology to allow people with fine motor disabilities to interact with the mobile and touch screen.	1	2	1	0
4472*	An online platform that empowers college students to showcase their work and skills to startups.	8	17	9	2
4519	Platform giving independent app publishers technology for serving customized native ads and a digital marketplace that connects their apps with advertisers.	5	5	0	3
4547	Advanced nanofabrication methods and a novel three dimensional (3D) approach to sensor assembly.	2	8	6	7
4566	Provides mobile applications for large travel destinations.	1	1	0	2
4791	Consolidated event planning and management software platform.	4	5	1	3
4965	Host for technology companies, which focus on	2	4	2	2

Uniq ID	Company Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Independent Contractors
	improving the quality of life.				
5091	Field survey and data collection software.	4	7	3	1
5557	Digital Marketing Intelligence.	1	4	3	5
6245	Magnetic motor, which is more efficient than current technologies.	2	2	0	2
6285*	Autonomous aerial vehicles for infrastructure inspection.	7	7	0	1
6356	A new marketing-based, platform-agnostic, real-time media alert solution.	1	1	0	0
6357	Gives musicians the opportunity to compete against one another and book gigs, while increasing their fan base.	3	3	0	0
6358*	Developer of a smart phone case that retracts and stores a user's headphones/earbuds within a slim profile case.	3	5	2	2
6545	Software platform applies predictive analytics to strategic decisions regarding intellectual property management.	1	2	1	1
6589	FDA-approved light therapy device to treat pain.	1	2	1	60
6600	Medical device for vision enhancement in persons with partial loss of sight.	1	2	1	1
6635	A VIP lead generation service for the disaster restoration industry.	3	3	0	3
6778	On-line seeker-solver network that allows Start-up Teams (Seekers) to access crowd-sourced Product-Market Fit Solutions.	1	4	3	5
6816	Cloud based SaaS that provides hourly operational instructions to energy system operators.	2	7	5	3
6835	Combustion cycle and injection technology.	6	7	1	1
6867	Waste grinder and proprietary high-pressure waste micronizer, reducing the particle size of food waste making it highly digestible to bacteria.	2	2	0	0
6899	A Content Management (CM) solution that allows editing and publishing content.	1	1	0	0
6941	Super-oxygenation system for wastewater. It accelerates the growth of the bacteria that consumes organic waste.	2.5	2.5	0	2
6946	A business intelligence and life-logging tool that uses natural language processing and semantics to extract meaning from Big Data sets.	1	1	0	0
6953	Software developer for manufacturing data accuracy.	5	5	0	0
7039*	Patent-pending mass-market insole for heels that increase stability and comfort.	1	1	0	0
7046	Electronics based metering and power line communication.	1	1	0	0
7070	Web and mobile platform that allows individuals to find their impact on public health outcomes from fossil fuel pollution.	1	2	1	1
7153	Brain Imaging Service to assist in the development of medications or medical devices for the central nervous	1	1	0	0

Uniq ID	Company Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Independent Contractors
	system.				
7275	Online personal family assistant and organization / coordination tool.	2	3	1	2
7297	Patient data management.	2	2	0	0
7336*	Supply chain software.	1.5	4.5	3	6
7362	Web content provider from books.	2.5	2	-0.5	2
7374	Augmented reality app for immersive digital experiences based on children's books.	2	2	0	7
7441	Educational gaming platform.	1	1	0	5
7466	Mobile app that teaches children ages 2 to 12 simple money concepts.	1	5.5	4.5	0
7480	Social network for parents who have children age 6 or under.	1	1	0	2
7501	Performance monitoring solutions for a complete view of website performance from customer's perspective.	3	3	0	0
7560	Social cloud that combines social networking with SaaS cloud technologies in one platform for entrepreneurs and startup supporters.	1	1	0	0
7594	Publisher of TV entertainment and listings magazines.	1	1	0	2
Total		**118.5**	**178.5**	**60**	**163**

Microloan

The following table lists all companies that received a Microloan from the start of the program through June 30, 2015. During the fiscal year, five new loans were issued in amounts ranging from $25,000 to $50,000 totaling $175,000. The total principal of all loans provided to date is $1,293,460.00. The total repayments during the fiscal year were $19,705. One company went out of business necessitating a write off of their principle.

Out of the 34 companies that have received a microloan, seven are now out of business. Of the 27 remaining companies, 70% responded to the Annual Survey.

ContentOro Continues to Grow at SPARK Central Incubator

ContentOro, Inc., which provides a platform to support a new channel for publishers to sell their book content for use on the web, has benefitted from several different ways that Ann Arbor SPARK supports startups, including space in the SPARK Central incubator and microloan investment. Ann Arbor SPARK's LDFA-funded business accelerator provided ContentOro with website, intellectual property, pricing strategy, and marketing collateral design assistance. The company also received support from Eastern Michigan University's Digital Engagement Clinic.

In 2015, the company expects to add 10 new clients as it refines its technology based on feedback from current customers.

"I've been an entrepreneur my whole life. And this is the best idea I've seen in my career. This is going to be one of the real success stories to come out of Ann Arbor."
- Chuck Newman, CFO

Uniq ID	Company Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Independent Contractors
338	Information and news aggregator and filter.	1	1	0	0
1585	Educational software engines.	4	5	1	0
1885*	Commercializing dental appliance - mouth guard.	1	13	12	2
1982	Web site design and social media.	5	12	7	5
2153	Designer, manufacturer, sales and marketer of specialized video equipment for shooting sports and outdoors industry.	2	0	-2	0
2181	Web-based marketing services for education organizations and related non-profit and government entities.	1	0	-1	0
2578	Manufactures and develops solid-state lighting systems for commercial and industrial applications.	3	1	-2	0
2610	Online management system for automotive incentives.	3	0	-3	0
2679	Development of therapies for treatment of bone-related conditions.	3	2	-1	0
2804	Assessment tool for determining a corporation's capability to be successful in strategic partnering with another organization.	1	1	0	0
2838*	Software for tracking vehicles using mobile phone GIS.	2	10	8	0
2868	Online community that sells access to musicians in the form of virtual shares.	3	0	-3	0
2880	SaaS for independently practicing therapists (SaaS).	3	5	2	4
3010*	Faster and more effective Integrated Circuit (IC) design quality control software.	3	8	5	2
3045	Software and business management services connecting buyers and sellers with shorter, transparent supply chains.	2	9	7	1
3105*	Electrical test and measurement instrumentation.	2	0	-2	0
3176	Web-based system that measures the confidence behind what students learn to increase knowledge retention.	1	1	0	0
3418	Children's financial learning program.	2	1	-1	0
3476*	High quality, solid-state lighting combining organic and inorganic materials that mimics sunlight; lower cost than other LEDs.	2	8	6	2
3600	A web-based, toll-free superhighway for the multidirectional exchange of Intellectual Property, Technology and Products.	2	3	1	4
4141	Creator of online portal to connect care consumers and care providers.	4	0	-4	0
4425	Mobile loyalty system for quick service restaurants which creates a cross promotional platform with customized deals.	1	10.5	9.5	2
4472*	An online platform that empowers college students to showcase their work and skills to startups.	7	17	10	2
4519	Platform giving independent app publishers technology for serving customized native ads and a digital marketplace that connects their apps with advertisers.	2	5	3	3

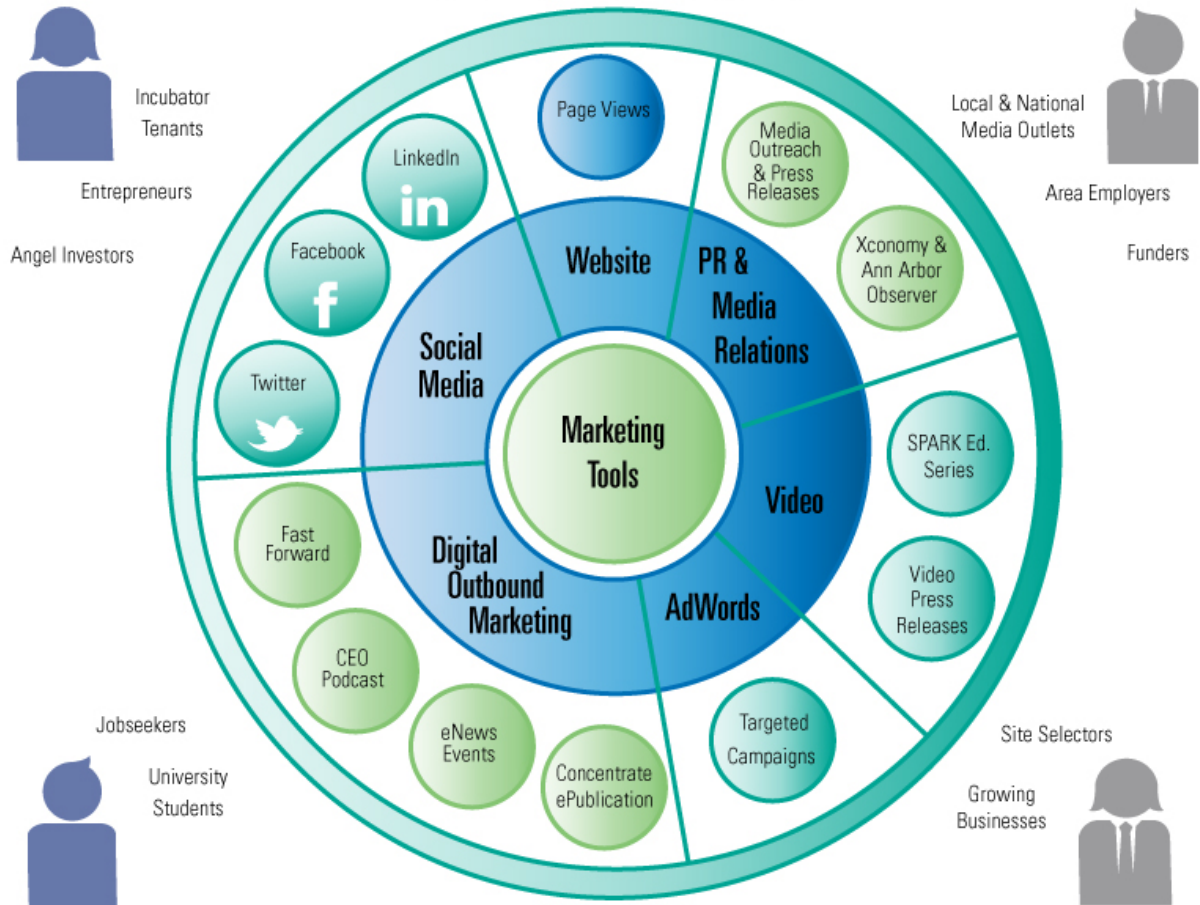| Uniq ID	Company Description	Retained FTE Jobs	Current FTE Jobs	New FTE Jobs	Independent Contractors
4552	Child Care facility backend and customer facing software.	3	3	0	0
4591	Web-based and mobile attendee matchmaking software and mobile conference guide for professional events.	1	1	0	0
4791	Consolidated event planning and management software platform.	2	5	3	3
5091	Field survey and data collection software.	2	7	5	1
6358*	Developer of a smart phone case that retracts and stores a user's headphones/earbuds within a slim profile case.	3	5	2	2
6680	Digital entertainment company, focused on creating dynamic stories with an emphasis on female characters that push far beyond typical stereotypes.	1	1	0	9
6778	On-line seeker-solver network that allows Start-up Teams (Seekers) to access crowd-sourced Product-Market Fit Solutions.	2	4	2	5
6800*	Provides bike-sharing solutions to communities. Smart Bike - Smart Rack	2	1	-1	2
6804	Supply Chain Decision Making platform that can visualize and compare supply chain ideas in real-time.	2	1	-1	3
7349*	Medical Device integrator that is developing solutions to improve surgical safety and productivity.	1	1	0	0
Total		79	141.5	62.5	52

H3D, Inc. Achives $1 Million in Commercial Sales

H3D, Inc.'s advanced gamma ray detection and imaging devices is on the fast track. The company achieved more than $1 million in commercial sales last fiscal year and landed five parallel contracts from the federal government that are now active. Business accelerator grants from Ann Arbor SPARK helped H3D in the last year with licensing and IP work, design engineering, and corporate strategy. In the coming year, the company expects to launch a handheld radiation detector that will be marketed toward homeland security and continue to work on its intellectual property portfolio.

"Bootcamp, and some of the networking events through the Spark office, and the BAF have all been useful to me. We probably should be engaging SPARK more to take advantage of the additional services." - William Kaye, CEO

Marketing

SPARK Integrated Marketing Plan

Metric	Actual	Goal	Percent	Rationale for Annual Goal
Average Newsletter Open Rate*	25%	20%	125%	Beat industry standard (18%) by 2%. *Not cumulative
Entrepreneurial Services Webpage Views	196,171	53,211	369%	Increase Page Views to ES by 3,000 annually above 2013-2014 fiscal year.
Webpage Visits by Ann Arbor Residents	65,212	65,072	102%	Increase visits to the website from Ann Arbor overall by 5,000 annually over 2013-2014 fiscal year.
Social Media Referrals	5,591	3,297	170%	Increase visits from Ann Arbor to website from social media by 500 visits above 2013-2014 fiscal year.
Video Views	4,486	4,506	99.6%	Increase video plays from Michigan by 500 annually above 2013-2014 fiscal year.
PR Placements	40	36	111%	Increased mentions of Ann Arbor startups in local, regional, and national news publications.

Software

2.3 Licensed Software. Contractor may obtain licensed software products or services that allows for improved data collection or metric reporting, and/or offer clients improved productivity tools. Contractor shall submit invoices for actual cost to the LDFA on a monthly basis with the annual expense not to exceed a gross amount of $20,000. Contractor shall report the program or service acquired in the next following quarterly report including the type and purpose. A summary of usage shall be included in the Final Program Progress Report consistent with Article 3.3 of the agreement.

Usage

The software line in our budget was used to support ongoing operations, and improvements to data collection and storage infrastructure as detailed below.

1. **Clicktools**: Online survey creation and distribution apparatus which automatically inputs responses into our CRM. We use this instrument to conduct the annual survey.

2. **In4Grants**: Grant research, application, and coordination platform available to clients.

3. **Torrent Salesforce Consultants**: Project to re-engineer aspects of our CRM database. The build-out will support the collection, management, and reporting of more reliable and time-bound data. Functionality being created is identified as best practices via interviews with peer institutions in response to jobs audit suggestions.

Warmilu Files for Patent and Receives Universal Product Code

Ann Arbor SPARK has worked with Warmilu, a non-electric warming technology company, since 2012. Since that time, the company has received several business accelerator grants, including important intellectual property and accounting grants, as well as support from SPARK's collaboration with Eastern Michigan University's Center for Digital Engagement. In the past year, Warmilu has filed for a utility patent, and applied for and received a Universal Product Code.

Recently, Warmilu received one of its first large orders, with Helping Area Response Teams (HART) Huron Valley. In the coming year, Warmilu expects to complete labeling and packaging its product as well as continuing its commercial market push.

"SPARK is absolutely fantastic! You have been doing great work creating an incubator space and support early stage ventures as well as more established firms." - Grace Hsia, CEO
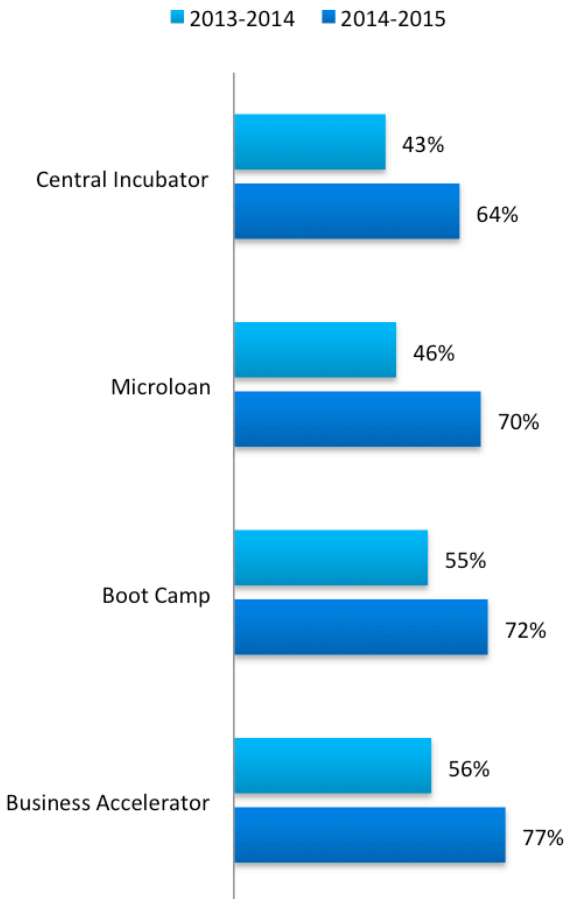
Annual Census

The online survey functions as a way of demonstrating programmatic efficacy. The survey produces evidence of job creation and retention, business activity status, as well as company location by capturing employment data through FTE counts and updates on basic profile information. In addition, the survey retrieves insightful explanations and comments regarding these topics.
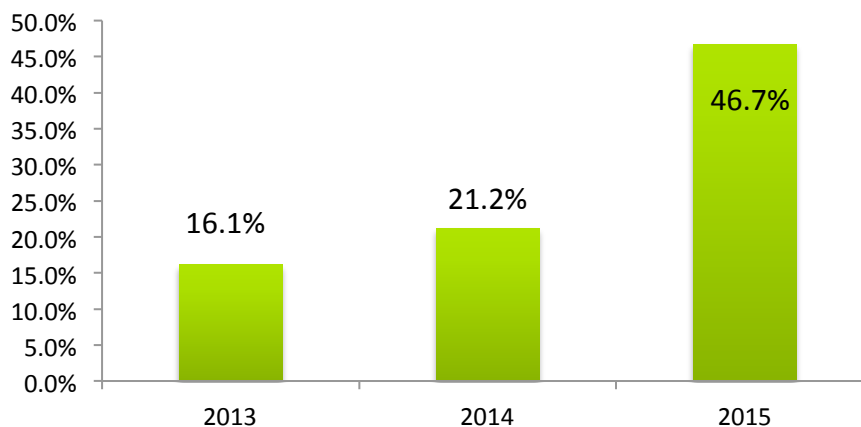
Annual Survey Response Rate by Program

■ 2013-2014 ■ 2014-2015

Program	2013-2014	2014-2015
Central Incubator	43%	64%
Microloan	46%	70%
Boot Camp	55%	72%
Business Accelerator	56%	77%

The 2014-2015 survey was the most successful census in SPARK history in terms of response rate. This year, 284 companies responded to our online survey. This was more than double the amount of companies that responded last year, which was the previous record, with a 133% increase. 608 surveys were sent, with overall response rate of 46.7%. The survey was sent to every company SPARK has served and every Boot Camp team, not only in the past five years, but all time.

A reverse correlation is apparent between the response rate and the length of time since the company's receipt of service. Companies served this year responded at a rate between 64% and 77% by program, significantly higher than the average response rate for all time companies served. A full description of the methodology utilized in conducting the census is included on page 20 of this report.

Historical Response Rate

Year	Response Rate
2013	16.1%
2014	21.2%
2015	46.7%

Census Methodology
Ann Arbor SPARK collects and reports data from its clients over and above what is required by the contract. Salesforce.com is employed as our Customer Relationship Management system to record company data. Information about all companies is gathered through several methods as described below. Ann Arbor SPARK continues to refine procedures to capture, store, and report data more efficiently, accurately and timely.

Initial Data Entry
A procedure was implemented in late 2008 requiring all entrepreneurs requesting assistance of Ann Arbor SPARK for Business Acceleration services, Incubator space or Boot Camp to fill out an online form which could be accessed through the SPARK website. Basic information including name, address, phone, email and brief description of company are required. This information is automatically fed into Salesforce. An effort is made to connect with all inquiries within 48 hours. In an initial communication, additional data gathered by SPARK personnel determines if the entrepreneur meets minimum criteria to warrant further discussion and assistance. At that time, a better description of the applicant's needs are captured and inputted.

Retained FTEs
We capture the number of FTEs that a company had at the start of an engagement of any kind. This number becomes our retained jobs number and is not altered. However, for reporting purposes it is possible the retained jobs number can change for a company if that company takes advantage of multiple services and their FTE count changes between those services. For example, when a team attends Boot Camp there may be only one FTE: the entrepreneur. When that team returns for Business Accelerator services there may be additional FTEs: co-founders or initial hires. When reports are generated on Boot Camp attendees the team's retained FTE number would be one. When reporting on Business Accelerator clients, the retained FTEs would be more than one.

Current FTEs
Throughout the year 'current jobs' is collected from entrepreneurs through three methods. When SPARK staff meet with entrepreneurs FTE updates are gathered and recorded in the CRM system. Starting midway through this contract year, written documentation is being obtained from every company at the start of each engagement. This document is attached to their file to corroborate the FTE count listed as start of engagement.

Annual Survey
All current and former clients are surveyed annually using Clicktools: an online survey tool that synchronizes with Salesforce. Our survey asks for data including current employment and other vital company information. Unfortunately the response to our surveys has been less than 100%. The response rates for each of the four areas are listed in each section. If an entrepreneur sends SPARK data via the survey that does not pass a visual inspection they are contacted and asked to verify the data. If an adjustment is made to the CRM data, written documentation from the entrepreneur is attached to the file.

Jobs Created
New FTEs or "Jobs Created" are calculated by subtracting the retained jobs for the particular service we provided from the current job count, which gives us the added jobs since that particular engagement started.

Glossary

In an effort to reduce redundancy and unnecessary complication, SPARK and the LDFA keep definitions of terms consistent with Michigan Economic Development Corporation. Included for clarity and reference are applicable definitions provided by the Michigan Economic Development Corporation:

Companies Served

The number of TECH companies that contractor provided intensive services to; including accelerator grants, incubator space, mentoring, consulting, training, etc.

Full-Time Equivalent

All W2 employees and founders, plus full time workers compensated in equity. All part time employees count as 0.5 FTE. Interns and independent contractors (1099) are not included in this definition.

Jobs Created

Number of jobs created by the companies that contractor served or are incubator clients; does not include contract positions, only FTEs.

Jobs Retained

Number of jobs retained by the companies that contractor served or are incubator clients; does not include contract positions. Basically includes the number of positions or employees at the companies that have been retained because of the funding from the incubator or because of the services that the incubator provided.

New Companies Created

Number of new companies created as a result of contractor's involvement. Companies can be defined as sole proprietorship, LLC, Corp, etc. Involvement can mean: 1) contractor provided services or funding to the company, 2) the company is located in contractor's incubator, 3) the company is a university spin-out, 4) contractor spoke with the newly formed company and provided them help with the next steps in building his/her company for example other resources, training classes, etc., or 5) contractor spoke with the CEO/CTO prior to the company formation. A company is only counted as 'new' if it is incorporated within the subsequent 12 months of the service provided.

Tech Company

A business in which research and development brings forth an innovative product or process. The innovation typically involves intellectual property that contributes to a strong competitive advantage in the marketplace, and serves as a foundation for a high rate of growth.