



September 19, 2016

Mr. Daniel Timberlake
Director
Department of Planning and Budget
1111 East Broad Street, Room 5040
Richmond, Virginia 23219-3418

Dear Mr. Timberlake:

Enclosed please find the fourth Quarterly Report for FY2016 for the Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1.C.1-3 (includes reporting requirements of Item 428.D.2 of the 2016 Appropriations Act).

Please feel free to call me at 703-689-3021 if you have any questions.

Sincerely

Susan Aitcheson
CFO
Center for Innovative Technology

cc: Mr. Brian Logwood, Associate Director, Department of Planning and Budget
Mr. John Crooks, Budget and Policy Analyst, Department of Planning and Budget



September 19, 2016

The Honorable S. Chris Jones
Chairman, House Appropriations Committee
General Assembly Building
P.O. Box 406, Room 948
Richmond, Virginia 23218

Dear Chairman Jones:

Enclosed please find the fourth Quarterly Report for FY2016 for the Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1.C.1-3 (includes reporting requirements of Item 428.D.2 of the 2016 Appropriations Act).

Please feel free to call me at 703-689-3021 if you have any questions.

Sincerely

A handwritten signature in black ink that reads "Susan Aitcheson".

Susan Aitcheson
CFO
Center for Innovative Technology

cc: Mr. Robert P. Vaughn, Staff Director, House Appropriations Committee



September 19, 2016

The Honorable Thomas K. Norment, Jr.
Co-Chairman, Senate Finance Committee
Senate of Virginia
P.O. Box 396, Room 626
Richmond, Virginia 23218

Dear Chairman Norment:

Enclosed please find the fourth Quarterly Report for FY2016 for the Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1.C.1-3 (includes reporting requirements of Item 428.D.2 of the 2016 Appropriations Act).

Please feel free to call me at 703-689-3021 if you have any questions.

Sincerely

A handwritten signature in black ink that reads "Susan Aitcheson".

Susan Aitcheson
CFO
Center for Innovative Technology

cc: Ms. Betsey Daley, Staff Director, Senate Finance Committee



September 19, 2016

The Honorable Emmett W. Hanger, Jr.
Co-Chairman, Senate Finance Committee
Senate of Virginia
P.O. Box 396, Room 326
Richmond, Virginia 23218

Dear Chairman Hanger:

Enclosed please find the fourth Quarterly Report for FY2016 for the Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1.C.1-3 (includes reporting requirements of Item 428.D.2 of the 2016 Appropriations Act).

Please feel free to call me at 703-689-3021 if you have any questions.

Sincerely

Susan Aitcheson
CFO
Center for Innovative Technology

cc: Ms. Betsey Daley, Staff Director, Senate Finance Committee



September 19, 2016

The Honorable Karen R. Jackson
Secretary of Technology
Patrick Henry Building
1111 East Broad Street, 4th Floor
Richmond, Virginia 23219

Dear Secretary Jackson:

Enclosed please find the fourth Quarterly Report for FY2016 for the Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1.C.1-3 (includes reporting requirements of Item 428.D.2 of the 2016 Appropriations Act).

Please feel free to call me at 703-689-3021 if you have any questions.

Sincerely

Susan Aitcheson
CFO
Center for Innovative Technology

cc: Mr. Michael Steed, CIT Chairman of the Board
Mr. Bernard Mustafa, CIT BOB Finance Committee Chair

Item 428.D.2.a

Fiscal Year 2016 Quarter 4
June 30, 2016

Financial Performance

CENTER FOR INNOVATIVE TECHNOLOGY
BUDGET ANALYSIS
For Twelve Months Ending June 30, 2016

Operations Funded by VA Appropriation & Other Revenue		In thousands		
		Fiscal Year 2016		
Revenue	Actual	Budget	Variance	
Transfer from IEIA - Virginia Appropriation	\$ 7,727	\$ 7,656	\$	71
Appropriation from CRCF Fund - CRCF administrative reimbursement	337	266		71
Appropriation from CRCF Fund - MACH37 operating expenses	1,885	2,000		(115)
Interest & Miscellaneous Revenue	2,860	5		2,855
Total Revenue	12,809	9,927		2,882
Program Expenses				
R&D - Commonwealth R&T Strategic Roadmap	53	58		(5)
R&D - CRCF	337	266		71
R&D - Innovative Metrics	48	61		(13)
Entrepreneur - Federal Proposal Assistance	211	275		(64)
Entrepreneur - GAP	3,781	7,299		(3,518)
Broadband - Office of Telework Promotion & BB Deployment	4	16		(12)
Broadband Planning and Assistance	792	777		15
Commonwealth Support - Cyber Security	275	298		(23)
Commonwealth Support - Regional Growth	182	124		58
Commonwealth Support - Modeling and Simulation	106	-		106
Commonwealth Support - Cyber Security Commission	493	287		206
Commonwealth Support - Unmanned Systems	141	89		52
Commonwealth Support - MACH37	2,517	2,000		517
Total Program Expenses	8,940	11,550		(2,610)
Other Expenses				
Business Development, Marketing, Advocacy, Fundraising, Miscellaneous	1,062	1,201		(139)
Indirects Unapplied (Over-applied) to Projects and Transfer out	916	(883)		1,799
Total Other Expenses	1,978	318		1,660
Net Operations Funded by VA Appropriation & Other Revenue	1,891	(1,941)		3,832

Operations Funded by Contracts & Grants				
R&D				
Program Revenue - Rutgers - Mid-Atlantic Reg Coastal Observing System	52	15		37
Program Expense	52	15		37
Profit/(Loss)	-	-		-
Entrepreneur				
Program Revenue - State Small Business Credit Initiative Fund	812	648		164
Program Expense	976	811		165
Profit/(Loss)	(164)	(163)		(1)
Program Revenue - SBA FAST V	12	7		5
Program Expense	50	39		11
Profit/(Loss)	(38)	(32)		(6)
Program Revenue - DMME Commonwealth Energy Fund	642	294		348
Program Expense	264	294		(30)
Profit/(Loss)	378	-		378
Connect				
Program Revenue - Virginia Department of Emergency Management	335	-		335
Program Expense	335	-		335
Profit/(Loss)	-	-		-
Program Revenue - Virginia Department of Education	103	103		-
Program Expense	38	149		(111)
Profit/(Loss)	65	(46)		111
Program Revenue - CAI, Inc.-VLDS FY16 O&M	400	-		400
Program Expense	393	-		393
Profit/(Loss)	7	-		7
Program Revenue - Virginia Community College System	299	76		223
Program Expense	285	76		209
Profit/(Loss)	14	-		14
Program Revenue - Alaska Answers Public Website	32	-		32
Program Expense	32	-		32
Profit/(Loss)	-	-		-
Program Revenue - VHQC - Electronic Medical Health Records	11	7		4
Program Expense	11	7		4
Profit/(Loss)	-	-		-
Program Revenue - Airforce Analytical Discovery + PNNL Emerge	524	403		121
Program Expense	428	403		25
Profit/(Loss)	96	-		96
Program Revenue - Nevada SLDS Implementation	298	237		61
Program Expense	196	137		59
Profit/(Loss)	102	100		2
Program Revenue - Nevada Operations & Maintenance	667	-		667
Program Expense	538	-		538
Profit/(Loss)	129	-		129
Broadband				
Program Revenue - VDEM 2013 State & Local Implementation Grant	246	-		246
Program Expense	246	-		246
Profit/(Loss)	-	-		-
Other Activities				
Program Revenue - New Business	-	2,100		(2,100)
Program Expense	-	2,090		(2,090)
Profit/(Loss)	-	10		(10)
Total Program Revenue	4,433	3,890		543
Total Program Expenses	3,844	4,021		(177)
Net Operations Funded by Contracts & Grants	589	(131)		720

CONSOLIDATED REVENUE & EXPENSES			
Revenue	17,242	13,817	3,425
Expenses	14,762	15,889	(1,127)
Change in Net Position	2,480	(2,072)	4,552

CHANGE IN NET POSITION			
Change in Net Position	2,480	(2,072)	4,552
Beginning Net Position at July 1, 2015	4,494	3,553	941
Ending Net Position at June 30, 2016	\$ 6,974	\$ 1,481	\$ 5,493

INNOVATION AND ENTREPRENEURSHIP INVESTMENT AUTHORITY
BUDGET ANALYSIS FOR BUILDING OPERATIONS ONLY
 For Twelve Months Ending June 30, 2016

<i>BUILDING ANALYSIS</i>	In thousands		
	<i>Fiscal Year 2016</i>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>REVENUE</u>			
Rental Income - lease revenue	\$ 1,812	\$ 1,684	\$ 128
Total Revenue	\$ 1,812	\$ 1,684	\$ 128
<u>BUILDING EXPENSES</u>			
Payroll	279	282	(3)
Utilities	384	432	(48)
Administrative	141	142	(1)
Operating & Maintenance	130	152	(22)
Contracts	414	414	-
Insurance	100	100	-
Food Service Subsidy	54	44	10
Leasing Commission and Miscellaneous	58	34	24
Total Expenses	\$ 1,560	\$ 1,600	\$ (40)
Net Income	\$ 252	\$ 84	\$ 168

Item 428.D.2.b

Fiscal Year 2016 Quarter 4
June 30, 2016

Investments & Grants

Center for Innovative Technology

Investments closed FY2016

	Investments FY2016	Budget FY2016	Variance
Axon A1, Inc.	\$ 100,000		
GovTribe, Inc.	75,000		
ITI Health, Inc.	75,000		
Ostendio, Inc.	100,000		
PocketShip, Inc.	100,000		
TearSolutions, LLC	125,000		
Cyph, Inc.	100,000		
TearSolutions, LLC	125,000		
Atriceps, Inc.	50,000		
Huntress Labs Incorporated	50,000		
Cyber 20/20, Inc.	50,000		
Locurity, Inc.	50,000		
Tensorwrench, Inc.	50,000		
418 Intelligence Corp.	50,000		
Cyber Algorithms, Inc.	50,000		
Encore HQ, Inc.	50,000		
Threatquotient, Inc.	210,000		
MomentSnap, Inc.	100,000		
Zoobean, Inc.	50,000		
Mobilephire Corp	100,000		
Tenant Turner, Inc.	100,000		
Typezero Technologies, Inc.	125,000		
Liteldeas, Inc.	200,000		
Hill Top Security, Inc.	50,000		
Gyomo, Inc.	50,000		
Normshield, Inc.	50,000		
Provenance Cyber Security	50,000		
PCPursuit, Inc.	50,000		
Unblinkr, Inc.	50,000		
Churnzero, Inc.	100,000		
Zoomph, Inc.	100,000		
	<u>\$ 2,585,000</u>	<u>\$ 4,947,470</u>	<u>\$ 2,362,470</u>

Return on Prior Investments FY2016

	Amount
Ostendio, Inc. - interest rolled into additional investment	\$ 5,940
Power Supply Collective, Inc. - interest rolled into additional investment	11,162
WealthEngine, Inc. - repayment of promissory notes plus interest	37,983
Phosimmune, Inc. - repayment on promissory note	34,041
Altruista, Inc. - repayment on promissory note plus gain	271,485
ADI, Inc. - merger distribution on investment made through DMME CEF contract	378,172
Phthisis, Inc. - shareholder distribution	5,882
Riogin, Inc. interest rolled into additional investment	18,164
Encore HQ, Inc. - repayment on promissory note plus gain and interest	61,488
Cargosense, Inc. - interest rolled into additional investment	15,863
	<u>\$ 840,180</u>

Other Gains FY2016

Unrealized gain on Agenus, Inc stock	\$ 149,319
Gain on transfer of equity from CIT to M37 Equity Pool, Inc. (M37) M37, a subsidiary of CIT, holds the MACH37 Cyber Accelerator portfolio company equity	\$ 2,086,850

CRCF Grants closed FY2016

See Attached

FY2016 CRCF Award Details

Organization Name	Project Title	Award Amount	Project Start Date	Project End Date	PI Last Name
UpHex, LLC	Multi-Channel Advertising Analysis	\$50,000	07/01/2016	12/31/2016	Kipp
Netarus, LLC	Automated Data Capture and Analysis of Unmanned Vehicle Data	\$45,000	07/01/2016	03/01/2017	Machut
SoundPipe LLC	Co-Injection Drug Delivery with Contrast-Enhanced Intravascular Ultrasound	\$50,000	06/16/2016	12/16/2016	Kilroy
algorithmRx LLC	Commercial Operation of aRx Statin Advisor in an Established Electronic Medical Record (EMR) System	\$45,000	08/01/2016	02/28/2017	Tripodi
Cambrian Design and Development LLC	Real Time, Continuous Acoustic Monitor for Characteristic Crying of Babies with NAS	\$50,000	07/01/2016	12/31/2016	Abbott
eTrans2020, Inc.	Connected Vehicle Cyber Security	\$50,000	06/20/2016	12/23/2016	Estrada
Blue Ridge Envisioneering	Distributed Denial of Service (DDoS) Attack Alert Extensions (AE) to Border Gateway Protocol (BGP)	\$49,937	06/16/2016	06/16/2017	Green
Covenant Therapeutics, L.L.C.	Development of a New Clinical Diagnostic Test to Assess Inflammation Relevant in COPD	\$50,000	07/01/2016	06/30/2017	Shim
PhotonVision, LLC	Noninvasive Blood Glucose Monitor Based on Fiber-Optic Distributed Sensing	\$50,000	07/01/2016	06/30/2017	Wang
SoundPipe LLC	Dose Control with GUIDE-Tx for Patient Tailored PAD Therapy	\$50,000	11/16/2016	05/16/2017	Kilroy
Green kW Energy, Inc.	On-Site Waste Biomass-To-Energy Modules	\$50,000	08/01/2016	7/31/2017	Novak
Pierce Global Threat Intelligence, Inc.	Extended Identification and Tracking of Malicious Actors	\$49,980	06/16/2016	09/30/2016	Stephan
Contraline, LLC	Contraline: An Echogenic, Vas-Occlusive Male Contraceptive	\$50,000	07/01/2016	06/01/2017	Herr
Epodose	Weekly EPO Peptide Analog with No Immunological Side Effects	\$37,800	07/01/2016	06/30/2017	Gineste
Counter-Drone Research Corporation	Rogue UAS Detection – Prototype Development	\$49,963	06/16/2016	12/16/2016	O'Shea
eTrans2020, Inc.	Connected Vehicle Data Analytics	\$50,000	06/20/2016	12/23/2016	Baily
SphynKx Therapeutics, LLC	Development of a High-Throughput Screening Assay for Sphingosine Kinase Inhibitor Therapeutics	\$50,000	07/01/2016	12/30/2016	Thorpe
Shevirah Inc.	Commercialization of Mobile Device and Internet of Things Operating System Security Testing Software	\$50,000	06/27/2016	12/31/2016	Weidman
Shevirah Inc.	Commercialization of Mobile Phishing Awareness Training Software	\$50,000	06/27/2016	12/31/2016	Weidman

FY2016 CRCF Award Details

Locurity Incorporation	Identity and Access Management for Enterprise by Recognizing Common Patterns in User's Gait (Biometric) and in User's Home-Office Commute to	\$50,000	08/15/2016	02/15/2017	Palaskar
Virgil Security, Inc.	Moving to a Distributed Trust Model to Accelerate Commercialization of Virgil Security's Application Security Infrastructure	\$50,000	06/20/2016	12/31/2016	Dain
Ryzing Technologies	Braided Inflatable Robotic Technology	\$45,000	06/20/2016	05/01/2017	Gundling
Virginia Commonwealth University	Eminent Scholar in Pharmaceutical Engineering	\$250,000	07/01/2016	06/30/2018	Boyan
University of Virginia	Safe and Secure Cyber-Physical Systems	\$195,000	07/01/2016	06/30/2018	Whitehouse
Eastern Virginia Medical School	Peptide Inhibitor of Complement C1 (PIC1): Pre-Clinical Toxicology	\$100,000	07/01/2016	06/30/2017	Cunnion
Virginia Tech	Railroad Energy Harvesting System	\$100,000	07/01/2016	12/31/2017	Zuo
Virginia Tech	Ocean Wave Energy Harvesting	\$100,000	07/01/2016	12/31/2017	Zuo
Virginia Commonwealth University	Skintronics: Wireless, Skin-Wearable Electronics for Monitoring of Electrocardiogram	\$98,585	06/16/2016	06/15/2017	Yeo
Virginia Commonwealth University	Chelation-Directed C-H Activation Reactions Catalyzed by Palladium(II) Supported on Multi-Walled Carbon Nanotubes [Pd(II)/MWCNT]	\$100,000	07/01/2016	06/30/2017	Ellis
Southeastern Universities Research Association	Development of Light Weight, Low Power Neutron Sensor Compatible with Unmanned Systems	\$75,000	06/16/2016	06/15/2017	Weisenberger
Eastern Virginia Medical School	Pre-Clinical Development of a Novel Approach to Preserve Beta Cell Function in Diabetes	\$100,000	06/16/2016	06/15/2017	Taylor-Fishwick
The George Washington University	Next Generation Power Generators with Selective Laser Melting of Thermoelectric Materials	\$99,342	07/01/2016	06/30/2017	LeBlanc
National Institute of Aerospace	Ultra-High Energy Efficiency Footwear Power Generators	\$100,000	07/01/2016	06/30/2017	Xu
Eastern Virginia Medical School	New Strategy to Regain Beta Cells in Diabetes	\$100,000	07/01/2016	06/30/2017	Imai
Southeastern Universities Research Association	Development of a Disposable Surgical Probe for Nuclear Medicine-Assisted Surgery	\$99,986	06/16/2016	06/15/2017	Weisenberger
University of Virginia	Accelerating Machine Learning with FPGAs	\$100,000	07/01/2016	06/30/2017	Skadron
Virginia Institute of Marine Science, College of William & Mary	NIRS Based Quantification of Chronic Oyster Disease for Advanced Breeding Objectives	\$68,796	07/01/2016	06/30/2017	Allen Jr
College of William & Mary	SUMO Biomarker Detection Reagents for Prostate Cancer Diagnosis	\$91,962	06/16/2016	06/15/2017	Kerscher
Hunter Holmes McGuire VA Medical Center	Injection of Nanoparticle for Ablation of Ganglionated Autonomic Plexi to Prevent Atrial Fibrillation	\$99,970	07/01/2016	06/30/2017	Tan
iHealthScreen Inc.	A Novel Image Based Screening System for Early Detection of Age-Related Macular Degeneration	\$48,750	09/01/2016	02/28/2017	Bhuiyan

FY2016 CRCF Award Details

Rivanna Medical, LLC	Bone Fracture Detection by 3D Bone-Enhanced Ultrasound in the Emergency Department	\$50,000	06/16/2016	12/31/2016	Mauldin
Pancopia, Inc.	Rapid Activation of Biological Wastewater Treatment Systems	\$49,939	06/16/2016	01/31/2017	Cumbie
Polymer Exploration Group, LLC	Ice-Release Coatings	\$50,000	07/01/2016	06/30/2017	Zhang
Synthonics Inc.	Levodopa Pharmacokinetics Optimization by Metal Coordination	\$50,000	06/16/2016	12/16/2016	Piccariello
Ceres Nanosciences, Inc.	Development of Nanotrap-Enabled Dried Matrix Spot Collection Cards	\$49,990	07/01/2016	01/30/2017	Lepene
dbS Productions LLC	Integration of UAV Optimal Search Allocation Algorithm with Search and Rescue FIND Software	\$50,000	07/01/2016	07/01/2017	Koester
Cell Free Bioinnovations Inc.	Low-Cost Biosynthesis of Sugar Phosphates by Enzyme Cocktails without ATP	\$50,000	07/01/2016	12/31/2016	Wichelecki
Covenant Therapeutics, L.L.C.	Optimization of New Anti-inflammatory Agent to Treat Lung Disease	\$50,000	06/16/2016	06/15/2017	Paige
	Total	\$3,400,000			

Item 428.D.2.c

Fiscal Year 2016 Quarter 4
June 30, 2016

Financial & Programmatic
MACH37 LLC
&
M37 Equity Pool, LLC

MACH37, LLC

FINANCIAL REPORT
Unaudited

As of June 30, 2016

MACH37 LLC

STATEMENT OF NET POSITION

As of June 30, 2016 and June 30, 2015

	Unaudited 6/30/2016	Unaudited 6/30/2015	Change
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 500,000	\$ -	\$ 500,000
Total current assets	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Capital assets:			
Furniture, fixtures, equipment, and trademark	98,704	-	98,704
Less accumulated depreciation and amortization	(13,750)	-	(13,750)
Total capital assets	<u>84,954</u>	<u>-</u>	<u>84,954</u>
Total assets	<u>584,954</u>	<u>-</u>	<u>584,954</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	-	-
Unearned revenue	280,595	-	280,595
Total current liabilities	<u>280,595</u>	<u>-</u>	<u>280,595</u>
Total liabilities	<u>280,595</u>	<u>-</u>	<u>280,595</u>
NET POSITION			
Unrestricted	304,359	-	304,359
Total net position	<u>\$ 304,359</u>	<u>\$ -</u>	<u>\$ 304,359</u>

MACH37 LLC

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the period of August 18, 2015 - June 30, 2016

	Unaudited 6/30/2016	Unaudited 6/30/2015	Change
OPERATING REVENUES			
Sponsorship Revenue	\$ 219,405	\$ -	\$ 219,405
Total operating revenue	<u>219,405</u>	<u>-</u>	<u>219,405</u>
EXPENSES			
Operating expenses	-	-	-
Depreciation and amortization	13,750	-	13,750
Total expenses	<u>13,750</u>	<u>-</u>	<u>13,750</u>
Income (Loss)	<u>205,655</u>	<u>-</u>	<u>205,655</u>
CHANGE IN NET POSITION			
Net position at August 18, 2015	205,655	-	205,655
	<u>-</u>	<u>-</u>	<u>-</u>
Net position at June 30, 2016	<u>\$ 205,655</u>	<u>\$ -</u>	<u>\$ 205,655</u>

M37 Equity Pool, LLC

FINANCIAL REPORT
Unaudited

As of June 30, 2016

M37 Equity Pool, LLC

STATEMENT OF ASSETS, LIABILITIES and MEMBERS' CAPITAL

As of June 30, 2016 and June 30, 2015

	Unaudited 6/30/2016	Unaudited 6/30/2015	Change
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments in securities in portfolio companies	<u>2,086,850</u>	<u>-</u>	<u>2,086,850</u>
Total assets	<u>2,086,850</u>	<u>-</u>	<u>2,086,850</u>
LIABILITIES			
Accounts payable and accrued expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
MEMBERS' CAPITAL			
CIT	1,896,925	-	1,896,925
Other members	<u>189,925</u>	<u>-</u>	<u>189,925</u>
Total members' capital	<u>\$ 2,086,850</u>	<u>\$ -</u>	<u>\$ 2,086,850</u>

M37 Equity Pool, LLC

STATEMENT OF OPERATIONS and CHANGE IN MEMBERS' CAPITAL

For the years ended June 30, 2016 and 2015

	Unaudited 6/30/2016	Unaudited 6/30/2015	Change
REVENUES			
Investment income	\$ -	\$ -	\$ -
Total operating revenue	-	-	-
EXPENSES			
Operating expenses	-	-	-
Total expenses	-	-	-
Net income	-	-	-
Members' capital, June 30, 2015	-	-	-
Members' capital contribution	2,086,850	-	2,086,850
Members' capital, June 30, 2016	\$ 2,086,850	\$ -	\$ 2,086,850