



**CIT**  
CENTER FOR INNOVATIVE TECHNOLOGY

September 30, 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 FY2016 Expenditure Report for the Innovation and Entrepreneurship Investment Authority and Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1.B.1-5 (includes reporting requirements of Item 428.D.1 of the 2016 Appropriations Act).

Please feel free to call me at 703-689-3035 if you have any questions.

Sincerely

Tammy Ramsey  
Controller  
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



**CIT**  
CENTER FOR INNOVATIVE TECHNOLOGY

September 30, 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 FY2016 Expenditure Report for the Innovation and Entrepreneurship Investment Authority and Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1.B.1-5 (includes reporting requirements of Item 428.D.1 of the 2016 Appropriations Act).

Please feel free to call me at 703-689-3035 if you have any questions.

Sincerely

Tammy Ramsey  
Controller  
Center for Innovative Technology

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



**CIT**  
CENTER FOR INNOVATIVE TECHNOLOGY

September 30, 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 FY2016 Expenditure Report for the Innovation and Entrepreneurship Investment Authority and Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1.B.1-5 (includes reporting requirements of Item 428.D.1 of the 2016 Appropriations Act).

Please feel free to call me at 703-689-3035 if you have any questions.

Sincerely

Tammy Ramsey  
Controller  
Center for Innovative Technology

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



**CIT**  
CENTER FOR INNOVATIVE TECHNOLOGY

September 30, 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 FY2016 Expenditure Report for the Innovation and Entrepreneurship Investment Authority and Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1.B.1-5 (includes reporting requirements of Item 428.D.1 of the 2016 Appropriations Act).

Please feel free to call me at 703-689-3035 if you have any questions.

Sincerely

Tammy Ramsey  
Controller  
Center for Innovative Technology

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



September 30, 2016

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

Dear Secretary Jackson:

Enclosed please find the FY2016 Expenditure Report for the Innovation and Entrepreneurship Investment Authority and Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1.B.1-5 (includes reporting requirements of Item 428.D.1 of the 2016 Appropriations Act).

Please feel free to call me at 703-689-3035 if you have any questions.

Sincerely

Tammy Ramsey  
Controller  
Center for Innovative Technology

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

Item 428.D.1.a

All planned and actual  
revenue and expenditures  
along with funding sources

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

<b>Operations Funded by VA Appropriation &amp; Other Revenue</b>		In thousands		
		<b>Fiscal Year 2016</b>		
<b>Revenue</b>		<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
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
<b>Total Revenue</b>		<b>12,809</b>	<b>9,927</b>	<b>2,882</b>
<b>Program Expenses</b>				
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
<b>Total Program Expenses</b>		<b>8,940</b>	<b>11,550</b>	<b>(2,610)</b>
<b>Other Expenses</b>				
Business Development, Marketing, Advocacy, Fundraising, Miscellaneous		1,062	1,201	(139)
Indirects Unapplied (Over-applied) to Projects and Transfer out		916	(883)	1,799
<b>Total Other Expenses</b>		<b>1,978</b>	<b>318</b>	<b>1,660</b>
<b>Net Operations Funded by VA Appropriation &amp; Other Revenue</b>		<b>1,891</b>	<b>(1,941)</b>	<b>3,832</b>
<b>Operations Funded by Contracts &amp; Grants</b>				
<b>R&amp;D</b>				
Program Revenue - Rutgers - Mid-Atlantic Reg Coastal Observing System		52	15	37
Program Expense		52	15	37
Profit/(Loss)		-	-	-
<b>Entrepreneur</b>				
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
<b>Connect</b>				
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
<b>Broadband</b>				
Program Revenue - VDEM 2013 State & Local Implementation Grant		246	-	246
Program Expense		246	-	246
Profit/(Loss)		-	-	-
<b>Other Activities</b>				
Program Revenue - New Business		-	2,100	(2,100)
Program Expense		-	2,090	(2,090)
Profit/(Loss)		-	10	(10)
<b>Total Program Revenue</b>		<b>4,433</b>	<b>3,890</b>	<b>543</b>
<b>Total Program Expenses</b>		<b>3,844</b>	<b>4,021</b>	<b>(177)</b>
<b>Net Operations Funded by Contracts &amp; Grants</b>		<b>589</b>	<b>(131)</b>	<b>720</b>
<b>CONSOLIDATED REVENUE &amp; EXPENSES</b>				
Revenue		17,242	13,817	3,425
Expenses		14,762	15,889	(1,127)
<b>Change in Net Position</b>		<b>2,480</b>	<b>(2,072)</b>	<b>4,552</b>
<b>CHANGE IN NET POSITION</b>				
Change in Net Position		2,480	(2,072)	4,552
Beginning Net Position at July 1, 2015		4,494	3,553	941
<b>Ending Net Position at June 30, 2016</b>		<b>\$ 6,974</b>	<b>\$ 1,481</b>	<b>\$ 5,493</b>

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

<b>BUILDING ANALYSIS</b>	In thousands		
	<b>Fiscal Year 2016</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>REVENUE</b>			
Rental Income - lease revenue	\$ 1,812	\$ 1,684	\$ 128
<b>Total Revenue</b>	<b>\$ 1,812</b>	<b>\$ 1,684</b>	<b>\$ 128</b>
<b>BUILDING EXPENSES</b>			
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
<b>Total Expenses</b>	<b>\$ 1,560</b>	<b>\$ 1,600</b>	<b>\$ (40)</b>
<b>Net Income</b>	<b>\$ 252</b>	<b>\$ 84</b>	<b>\$ 168</b>



Item 428.D.1.b

Listing of  
Salaries, bonuses,  
and benefits

**Innovation and Entrepreneurship Investment Authority including Center for Innovative Technology**

Item 428 D.1.b

"A listing of the salaries, bonuses, and benefits of all employees of the Innovation and Entrepreneurship Investment Authority and the Center for Innovative Technology"

**Fiscal Year 2016**

CIT benefits include: health, life, and disability insurance, retirement, payroll taxes, and cell phone allowance

<b>Title</b>	<b>Base Salary</b>	<b>Severance</b>	<b>Incentive Salaries</b>	<b>Benefits</b>	<b>Total</b>
Administrator I	\$ 34,457			\$ 2,706	\$ 37,163
Analyst 1	62,238			23,266	85,504
Analyst 2	66,068		5,665	32,687	104,420
Analyst 3	62,020		5,655	29,414	97,089
Assistant 1	63,759		6,220	32,382	102,361
Assistant 2	68,442		6,377	40,407	115,226
Assistant 3	57,962		5,655	37,705	101,322
Associate Director 1	54,177	9,181	15,450	30,225	109,033
Consultant 1	43,983	16,485	6,180	22,962	89,610
Consultant 2	179,478		17,510	62,222	259,210
Consultant 3	47,182	25,776	6,507	28,950	108,415
Developer 1	50,177		3,922	19,732	73,831
Director 1	106,080	40,388	14,564	41,260	202,292
Director 10	96,626		8,469	33,300	138,395
Director 11	6,250			1,758	8,008
Director 2	108,085		11,545	50,425	170,055
Director 3	99,092		9,668	41,097	149,857
Director 4	118,176		11,529	37,997	167,702
Director 5	302,544			72,722	375,266
Director 6	124,578		12,154	52,948	189,680
Director 7	116,194		15,191	42,483	173,868
Director 8	216,429			55,448	271,877
Director 9	280,429			62,386	342,815
Intern 1	2,640			341	2,981
Intern 2	1,536			402	1,938
Intern 3	1,275			27	1,302
Manager 10	9,583			3,382	12,965
Manager 11	100,392		14,458	41,627	156,477
Manager 2	110,000			48,379	158,379
Manager 3	22,347			9,609	31,956
Manager 4	82,911		11,235	26,556	120,702
Manager 5	105,856		10,327	49,505	165,688
Manager 6	57,881			6,066	63,947
Manager 7	73,783		8,198	41,797	123,778
Manager 8	108,770		10,312	36,360	155,442
Manager 9	35,544			14,733	50,277
Officer 1	198,950			58,215	257,165
Officer 2	191,859		59,866	45,278	297,003
Officer 3	162,287		93,005	39,287	294,579
Officer 4	135,841		10,713	56,157	202,711
Specialist 1	54,137		6,282	22,967	83,386
Specialist 2	51,685		4,584	22,239	78,508
Specialist 3	47,509		4,635	35,104	87,248
Specialist 4	80,331		7,137	29,454	116,922
Vice President 1	233,765		44,070	66,775	344,610
Vice President 2	239,849	95,964	84,784	70,535	491,132
Vice President 3	250,999		45,610	56,975	353,584
Vice President 4	157,809		34,641	51,941	244,391
Vice President 5	268,678		76,719	71,832	417,229
Vice President 6	11,086			848	11,934
<b>\$</b>	<b>5,161,729</b>	<b>\$ 187,794</b>	<b>\$ 688,837</b>	<b>\$ 1,760,873</b>	<b>\$ 7,799,233</b>

Item 428.D.1.c

By program,  
Total grants and  
Investments,  
Including CRCF

**Center for Innovative Technology**

**Investments closed FY2016**

	<b>Investments FY2016</b>	<b>Budget FY2016</b>	<b>Variance</b>
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		
LiteIdeas, 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**

	<b>Amount</b>
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	Maudin
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	<b>\$3,400,000</b>			

Item 428.D.1.d

By program,  
Projected economic  
Impact on COV  
and recoveries of  
previous grants or  
investments and  
sales of equity positions



In accordance with Item 428.O of the 2016 Appropriations Act, the Center for Innovative Technology is pleased to submit the following report on behalf of Innovation and Entrepreneurship Investment Authority (IEIA). This item requires that information be reported annually on three of CIT's programs designed to grow the innovation and entrepreneurship sectors of Virginia's economy.

1. Activities associated with providing localities with broadband assistance
2. Activities associated with the Growth Accelerator Program (GAP)
3. Activities associated with the cyber security accelerator
4. Reports should include prior fiscal year outcomes, program since inception, and changes anticipated in subsequent fiscal year

### ***1. Broadband***

During FY2016 CIT's Broadband program was funded through Commonwealth's appropriation of \$500,000 for FY2016 in addition to \$269,508 rollover from funds not used during the short period (March through June) in FY2015 that CIT's Broadband was not under federal funding. The state funded program is designed to accelerate the socio-economic growth of Virginia's rural and underserved areas through the application and use of broadband telecommunications.

CIT's Broadband program is responsible for developing a statewide broadband strategy and working with communities and local governments to expand access and improve adoption and utilization. CIT coordinates with other state entities including; Department of Housing and Community Development (DHCD), Virginia Resources Authority (VRA), Virginia Information Technologies Agency (VITA), Virginia Tech, Virginia Geographic Information Network (VGIN), Virginia Planning District Commissions and others to further assist localities in defining their broadband requirements and forming public-private partnerships to meet those goals. Additionally, CIT works with service providers in the Commonwealth to collect data and map assets and coverage. This information is critical in developing public policy and strategic plans that facilitate broadband deployments to adequately support economic development, education, healthcare, public safety and overall quality of life. CIT is very focused in their work with the Broadband Advisory Council to identify and prepare the council to introduce legislation that will expedite broadband infrastructure investments to expand service and capacity across the Commonwealth.

The FY2016 activity summarized below in response to Section 428.O.1 of the Appropriation Act was state funded activity.

- I. The number of localities assisted by the state and other broadband funding sources:
  - a) CIT assisted 20 localities and 1 state agency (DCR) in broadband assessment and planning in addition to fielding 61+ citizen inquiries to the Governor's office related to broadband. Additionally CIT coordinated 4 regional Broadband Advisory Council meetings during the year and presented broadband information at 8 local, regional and state events.
  - b) CIT Developed the Commonwealth's broadband map to identify and assist localities in underserved areas based on data collected from broadband providers. CIT and partners at VGIN have continued updating the state map using the Federal Communications Commission "477" data that all broadband providers are required to submit biannually.
  - c) CIT continues to maintain the Office of Telework Promotion and Broadband Assistance website ([wired.virginia.gov](http://wired.virginia.gov)), resources and tools used in assessing needs, planning broadband deployments, and raising awareness to increase adoption and utilization.
  - d) CIT and partners at Virginia Tech's Center for Geospatial Information Technology (CGIT) developed and launched the statewide campaign (RUOnlineVa) to crowd-source unmet demand for Internet service directly from the citizens. This data will be analyzed against current providers' coverage areas and available infrastructure to identify ways the state may facilitate expanding broadband access to meet demand with a report due to the Secretary of Technology in the fall of 2016.
  
- II. The estimated number of households and localities with populations lacking wired broadband access:
  - a) Based on June 2015 data Virginia has 42 localities with 30% (or more) households that have no fixed broadband access based on the FCC's new definition of broadband (as of January 2015) of 25Mbps download speed and 3Mbps upload speed. A map of these localities is available at <https://citorg.box.com/s/xj4trrsj894oblvl5caxlwz0n6y7n560>. Over 7% of Virginia citizens have no access to even basic (at least 10Mbps) fixed Internet service.
  - b) The number of households and population with fixed broadband access increased over last year's due to expansions of Internet service by the providers as well as a significant increase in the coverage data available as all providers must now submit their data to the FCC. Prior to 2015, the mapping and statistics were dependent on the providers voluntarily sharing their data with the Virginia mapping team.

## ***2. The Growth Accelerator Program (GAP)***

The GAP Fund was established to meet the early stage capital demands challenging the Commonwealth's most promising science and technology-based start-ups whose funding requirements could not be met by traditional financing means. GAP Fund investments are governed by the goal of developing the next generation of Virginia's science and technology economy and the entrepreneurial ecosystem required to support that economy. To this end, the GAP Fund places equity and convertible debt investments in tech, clean-tech and life science companies at the earliest stages of company formation, in a manner conducive to stimulating significant private investment or "leverage cash" as a result of CIT's deployment of public dollars.

Fundamental to CIT's ability to successfully deliver private capital is that, unlike grant programs, CIT holds an ownership position in the investee company and maintains that ownership for a multi-year holding period of indeterminate length while the company grows in scope of operations and value. CIT recovers GAP Program investments only upon a liquidity event such as a public offering or change of control for the company.

Underwritten by an annual appropriation from the Virginia General Assembly, the GAP Fund Program functions as a double-bottom-line investment fund focused on creating significant economic outcomes for the Commonwealth, entrepreneurs and co-investors, with the goal of recovering investment capital for redeployment. Since inception, the GAP Fund Program has considered investing in over 3,900 companies and has invested \$20.6M in 160<sup>i</sup> seed and early stage technology, life science, and energy companies across the Commonwealth of Virginia.

Over the 12-year life of the program, CIT has found that the following metrics most closely align with program objectives:

- **Venture and Angel Capital Attracted** - Venture and angel capital dollars invested in the GAP Fund Program's portfolio companies as a result of CIT investing dollars appropriated to IEIA and obtained from federal and private sources. CIT calculates its annual leverage factor by dividing the total of venture and angel capital by all GAP Fund Program portfolio companies in a given year by the dollars deployed in new investments in that year.
- **GAP Fund Program Return** - The ratio of capital returned and anticipated to return to CIT, as a result of portfolio companies being acquired, divided by total GAP Fund Program dollars deployed.

**Venture and Angel Capital Attracted.** For the period FY16 and inception-to-date, the GAP Fund Program achieved the following leverage cash totals:

- FY16 – During FY16, CIT GAP Funds invested \$2.6M. In FY16, CIT attracted \$92.4M in angel and venture dollars – inclusive of FY16 new investments, FY16 follow-on investments and pre-existing investments in which CIT did not invest in FY16, for an annual leverage factor of 40.1.
- Inception-to-Date – Since inception, CIT GAP Funds has invested \$20.6M. CIT has attracted \$424.9M in angel and venture dollars, for an inception-to-date leverage factor of 20.6.

Important to note in these ratios is the impact of economic conditions with respect to the ability of GAP portfolio companies to attract leverage capital. Poor economic conditions may result in a lower capital attraction ratio due to investor withdraw from the early stage asset class which is not a direct reflection of changes or performance in the GAP program structure and operations.

GAP Fund Program Return - By the end of FY16, CIT had secured and invested a total of \$20,556,287, program inception-to-date and had a projected capital return of \$26,800,459 on invested funds, resulting in a capital return factor of 1.3. This number indicates that CIT is managing Virginia's GAP Funds Program appropriation consistent with its goal to return funds to preserve the base of funds for future investment in Virginia's early stage companies.

Company Residency Requirements - CIT GAP Funds requires that all companies be headquartered and have substantial business operations in Virginia at the time of investment and for a minimum three-year period thereafter. MACH37 requires that all companies establish a significant presence in the Commonwealth within a 24-month period of graduation from the MACH37 Accelerator. Significant economic penalties – discussed below - apply to companies in breach of these requirements.

CIT Enforcement of GAP Portfolio Company Residency - Over the life of the GAP Program, CIT's policy and practice regarding remedies that invoked as a result of an investee company's departure from the state has evolved, matured and become more specific:

In FY05, with the start of the GAP Fund program, CIT established its initial policy regarding company residency requirements. As at that time all CIT's investments were in the form of a convertible debenture, our loan covenants explicitly addressed this issue. Under that policy, if a portfolio company were to relocate to another state, CIT -- at its option -- could invoke one of two remedies: (1) CIT could demand the immediate payback of all principal and interest; or, (2) upon note conversion to equity, CIT could invoke a deeper discount percentage (50% v the 20% of the initial note).

In FY13, CIT revisited this policy and added redemption language to address all equity agreements. In FY14, CIT further refined this language. The current policy and practice, memorialized in CIT GAP Funds transaction covenants, is as follows:

- Equity Investments: If a company relocates its primary business from the Commonwealth within 36-months of CIT investment, CIT retains its equity position in the company and is repaid a penalty fee equal to two times CIT's investment. Also within 36-months of CIT's investment, if the Company accepts any direct or indirect funding from a publicly funded economic development or company attraction entity requiring temporary or permanent relocation of the Company's headquarters or any member of the Company's senior management outside of the Commonwealth of Virginia, Company shall be required to pay CIT a penalty equal to two times (2x) CIT's principal investment.
- Convertible Debt Investments: If a company relocates its primary business from the Commonwealth within 36-months of CIT investment, CIT can convert into common shares at a 50% discount or elect to be paid back principle plus interest. If the note has previously been converted, than CIT will be paid a penalty fee equal to CIT's principle investment. Also within 36-months of CIT's investment, if the Company accepts any direct or indirect funding from a publicly funded economic development or company attraction entity requiring temporary or permanent relocation of the Company's headquarters or any member of the Company's senior management outside of the Commonwealth of Virginia, Company shall be required to pay CIT a penalty equal to two times (2x) CIT's principal investment, regardless of whether CIT holds debt or equity in the Company.

All MACH37 Accelerator investments are transacted as \$50K common stock equity investments designed to attract or retain cyber startups in Virginia. All companies receiving investments from MACH37 are located at CIT's offices in Herndon, VA for the three months duration of their acceleration period and then have 24 months to establish a significant presence in Virginia. Covenants call for a full redemption of CIT's investment in the event that companies fail to establish a significant presence in Virginia. Also within 36-months of CIT's investment, if the company accepts any direct or indirect funding from a publicly funded economic development or company attraction entity requiring temporary or permanent relocation of the company's headquarters or any member of the company's senior management outside of the Commonwealth of Virginia, the company shall be required to pay CIT a penalty equal to two times (2x) CIT's principal investment.

The FY2016 activity below is provided in response to Section 428.O.2 of the Appropriation Act. Since GAP investments are, by design, seed stage and intended to leverage private investment and stimulate the next generation of new technology companies, job creation and tax revenue impact are longer term objectives. Thirteen of these companies were formed during FY16 to participate in MACH37 Cyber Security Accelerator.

- I. The number of companies receiving investment from the fund:
  - a. FY16: 30 companies
  - b. Inception-to-date: 160<sup>ii</sup> companies
  
- II. The state investment and amount of privately leveraged investments per company:
  - a. FY16: CIT invested \$2.6M and leveraged \$19.3M in angel and venture dollars on FY16 investments. During FY16, CIT's inception-to-date investments leveraged \$92.4M.
  - b. Inception-to-date: CIT has invested \$20.6M and has leveraged \$425.8M in angel and venture dollars, \$92.4M of which was leveraged during FY16.
  
- III. The estimated number of jobs created or preserved in Virginia during FY16:
  - a. FY16: 109 jobs in companies invested in by CIT in FY16
  - b. Inception-to-date: In FY16, companies reported that 1,313 jobs were created or preserved in FY16 by companies invested in by CIT in FY16 or before<sup>iii</sup>
  
- IV. The estimated tax revenue generated during FY16:
  - a. FY16 investments:
    - i. Estimated 2016 corporate income tax: \$188,545.73<sup>iv</sup>
    - ii. Estimated 2016 personal income tax on jobs: \$840,937.50<sup>v</sup>
  - b. Inception-to-date:
    - i. Estimated 2016 corporate income tax: \$3,074,467.81<sup>vi</sup>
    - ii. Estimated 2016 personal income tax on jobs: \$9,437,187.50<sup>vii</sup>
  
- V. The number of companies who have received investments from the GAP fund still operating in Virginia
  - a. FY16 investments: 24 out of 30
    - i. 1 has been acquired
    - ii. 5 are part of Mach37 and have returned to their place of origin and are working to establish a Virginia presence within their required two year time horizon
  - b. Inception-to-date: 108 out of 160
    - i. 12 have moved from the Commonwealth

1. 1 moved from Virginia to Connecticut. This company had received a \$100K convertible note from CIT - \$50K from Commonwealth-appropriated funds and \$50K resulting from a grant to CIT by Johnson & Johnson. In June of 2009, CIT elected to be paid back the \$50,000 Commonwealth-appropriated funds plus interest and to convert Johnson & Johnson grant-sourced \$50,000 principal and interest at a 50% discount.
2. 11 are part of Mach37
  - a. 7 are part of Mach37 and have returned to their place of origin and are working to establish a Virginia presence within their required two year time horizon. CIT maintains a high level of visibility into those companies, including frequent interaction with the CEO and team, Board of Director observation rights and receipt of a required quarterly status report.
  - b. 4 are part of Mach37 and have moved from Virginia and have not established a Virginia presence within their required two year time horizon and CIT has initiated administrative action to rectify contracted obligations to establish a presence in Virginia.
- ii. 15 have failed
- iii. 25 have been acquired or paid back CIT

VI. Return on investment

- a. FY16 investments: \$61,488
- b. Inception-to-date: \$3,121,035

VII. The number of state investment that failed:

- a. FY16 investments: 0
- b. Inception-to-date: 15 failures, \$2,026,100 invested

VIII. Number of companies created or expanded and the number of patents filed during FY16:

- a. FY16:
  - i. Companies created or expanded: 30 companies
  - ii. Number of Patents filed: 18
- b. Inception-to-date:
  - i. Companies created or expanded: 160
  - ii. Number of Patents filed during FY16 by 160 companies: 64<sup>viii</sup>

### *Program Changes Anticipated in FY17*

The combination of the GAP Funds, MACH37 Seed Fund, and Commonwealth Energy Fund will produce a projected 20 to 30 new investment transactions for Fiscal Year 2017. CIT will continue its work in examining how best to establish one or more private sector regionally-based or sector specific funds to augment financing obtained from the Commonwealth of Virginia for the purpose of investing in early stage companies.

MACH37 will enter its fourth year of accelerator operations in Fiscal Year 2017. The program will continue to conduct two annual cohort sessions, one in the spring and one in the fall. Each cohort session will contain between 5 and 8 companies. In FY17, MACH37 operations and seed funding capacity will become self-sustaining through private sector participation.

### *Portfolio Companies*

Attached is a listing of GAP portfolio companies for the prior year and program since inception. CIT's loan and equity covenants contain confidentiality provisions that strictly govern the disposition of company-sensitive information obtained thereunder. CIT obtains information on third-party, private investment from its portfolio companies under the constraints of this confidentiality language. Release of that private information by CIT, and subsequent availability to a third party under the Freedom of Information Act, could be construed as a breach of the confidentiality provisions, exposing CIT and the Commonwealth of Virginia to legal action by an investee company, its shareholders or other investors. This exclusion is also discussed in § 2.2-3705.6 (3) of Virginia's Freedom of Information Act.

### **3. MACH37**

MACH37 is the premier accelerator for cybersecurity entrepreneurs and startups nationally. This unique program goes beyond the traditional model of typical business accelerators by providing innovators with focused mentoring and support from an extensive network of visionaries, practitioners, and successful entrepreneurs in cybersecurity. The Spring and Fall sessions of MACH37's 90-day program are designed to propel graduating companies into the marketplace with validated cyber security concepts and pipelines for accelerated growth.

The program emphasizes the validation of cohort company product concepts and the development of relationships to attract an initial customer base and investment capital. MACH37 employs a tailored approach to address the priority needs of each company, based on their individual strengths and weaknesses.

MACH37 was championed by the Commonwealth's technology community and launched on September 12, 2013 and started its first cohort that same month. Companies selected for the program typically constitute a team of 2 to 4 entrepreneurs and a technical co-founder working to build alpha or prototype cyber security solutions that address the drivers of a demand for innovations in cybersecurity, including:



- New mainstream demand for advanced capabilities;
- Porous network perimeters that are making traditional solutions less relevant;
- Opportunities created from software defined networking; and
- Challenges of a hyper-connected world with an Internet-of-everything.

At the close of the Spring 2016 cohort class, the list of successful graduates included 35 new cyber companies that have been attracted from around the country to grow these critical businesses in Virginia. Mach37 has also attracted applications from companies desiring to launch from the Herndon-based accelerator from 24 countries beyond the United States and Canada.

The FY2016 activity below is provided in response to Section 428.O.3 of the Appropriation Act. As in the case of the GAP Fund, MACH37 companies are very early stage and the program is designed to leverage private investment and stimulate the growth of the cyber industry in Virginia. Therefore, there is not sufficient operating history to develop meaningful job creation data or to anticipate equity returns.

- III. The number of companies assisted with the cyber accelerator program in:
  - a. FY16: 13 companies
  - b. Inception-to-date: 35
  
- IV. The number of companies operating in Virginia as a result of the program in:
  - a. FY16: 8 of the 13
  - b. Inception-to-date: 24 of the 35
  
- V. The estimated number of jobs created or preserved in Virginia during FY16:
  - a. FY16: 19 jobs in companies invested in by MACH37 in FY16
  - b. Inception-to-date: 73
  
- VI. The value of proceeds from the sale of equity in companies that received capital support from the program:
  - a. No MACH37 graduate company has been acquired or become publicly traded since inception of this program.
  
- VII. The number of state investments that failed and the state investment associated with failed investments:
  - a. No MACH37 graduate companies have failed since inception of this program
  
- VIII. Number of companies created or expanded and the number of patents filed:
  - a. FY16:
    - i. Companies created or expanded: 13
    - ii. Number of Patents filed: 4
  - b. Inception-to-date:
    - i. Companies created or expanded: 35
    - ii. Number of Patents filed by inception-to-date by FY16 portfolio: 25

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<sup>i</sup> CIT has invested in 161 companies, two of which merged together, making the total number of companies invested in 160

<sup>ii</sup> CIT has invested in a total of 161 companies, two of which merged. This results in a total current number of companies of 160.

<sup>iii</sup> Data collection began FY16.

<sup>iv</sup> Based on company actual revenue in CY2016 Q1 and Q2 and estimated revenue in Q3 and Q4, assumes a 25% profit

<sup>v</sup> Assumes an average salary of \$125K per Virginia employee.

<sup>vi</sup> Based on company actual revenue in CY2016 Q1 and Q2 and estimated revenue in Q3 and Q4, assumes a 25% profit. Data collection began FY16.

<sup>vii</sup> Assumes an average salary of \$125K per Virginia employee. Data collection began FY16.

<sup>viii</sup> Data collection began FY16.

<b>CIT GAP Fund Investments - FY2016</b>	
<b>Company</b>	<b>CIT Investment</b>
Cyber 20/20	\$ 50,000.00
Gyomo	\$ 50,000.00
Huntress Labs	\$ 50,000.00
Locurity	\$ 50,000.00
PCPursuit	\$ 50,000.00
Encore	\$ 50,000.00
Axon Ghost	\$ 100,000.00
LiteSheet	\$ 200,000.00
NormShield	\$ 50,000.00
Tenant Turner	\$ 100,000.00
Type Zero	\$ 125,000.00
Ostendio	\$ 100,000.00
Tear Soution	\$ 250,000.00
Zoobean	\$ 50,000.00
Hill Top Security	\$ 50,000.00
Tensor Wrench	\$ 50,000.00
ChurnZero	\$ 100,000.00
Moment Snap	\$ 100,000.00
PocketShip	\$ 100,000.00
GovTribe	\$ 75,000.00
iTi Health	\$ 75,000.00
MobilePhire	\$ 100,000.00
ProvenCyber	\$ 50,000.00
Cyber Algorithms	\$ 50,000.00
Cyph	\$ 100,000.00
418 Intelligence	\$ 50,000.00
Unblinkr	\$ 50,000.00
Atriceps	\$ 50,000.00
ThreatQuotient	\$ 210,000.00
Zoomph	\$ 100,000.00
	\$ 2,585,000.00

CIT GAP Fund Investments - Inception-to-Date	
Company	CIT Investment
BentSystems	\$ 100,000.00
C3RS	\$ 200,000.00
EyeQ	\$ 100,000.00
Hunt	\$ 150,000.00
MiserWare	\$ 316,100.00
Naaya	\$ 100,000.00
OnDialog	\$ 200,000.00
RecargaX	\$ 100,000.00
ROI2	\$ 150,000.00
Router Solutions	\$ 100,000.00
SwipePay	\$ 100,000.00
Verication	\$ 100,000.00
Visure	\$ 100,000.00
VoicePass	\$ 10,000.00
FastOrientation	\$ 50,000.00
Oppleo Security	\$ 50,000.00
Cyber 20/20	\$ 50,000.00
CardKill	\$ 50,000.00
BiJoTi	\$ 112,500.00
Conatix	\$ 25,000.00
Gyomo	\$ 50,000.00
Huntress Labs	\$ 50,000.00
JeKuDo	\$ 50,000.00
Locurity	\$ 50,000.00
PCPursuit	\$ 50,000.00
4FrontSecurity	\$ 50,000.00
4Wave	\$ 100,000.00
ADI Engineering	\$ 200,000.00
Altruista Health	\$ 100,000.00
AppTap	\$ 100,000.00
Efficient Photon	\$ 75,000.00
Encore	\$ 100,000.08
Extinction	\$ 15,000.00
Heyo, Inc.	\$ 100,000.00
Kaprica	\$ 100,000.00
KZO Innovations	\$ 50,000.00
Latista	\$ 175,000.00
LT Technologies	\$ 100,000.00
Mobile System 7	\$ 100,000.00
OTraces	\$ 100,000.00
Paxfire	\$ 100,000.00
PhosImmune	\$ 125,000.00
Phtsisis	\$ 50,000.00
RealPage/Senior Living	\$ 100,000.00
RollStream	\$ 200,000.00
Soft Tissue Regeneration	\$ 100,000.00
Speak	\$ 200,000.00

SpydrSafe	\$	150,000.00
Veenome	\$	200,000.00
Verical	\$	239,633.04
VidRunner	\$	100,000.00
ZoomData	\$	200,000.00
BrightContext	\$	133,758.34
Canvas	\$	200,000.00
NexVortex	\$	100,000.00
Public Relay	\$	200,000.00
Brazen Careerist	\$	207,550.00
DataRPM	\$	199,999.59
ID.Me	\$	419,025.64
OhMyGov	\$	150,000.00
LiveSafe	\$	117,618.35
Power Supply	\$	200,000.00
WealthForge	\$	50,000.00
Natural Insight	\$	100,000.00
VividCortex	\$	199,999.00
Virgil	\$	50,000.00
ClearEdge 3D	\$	127,500.00
Urgently	\$	100,000.74
Blue Triangle	\$	200,000.00
Power FingerPrinting	\$	149,995.16
Triblio	\$	50,000.00
Axon Ghost	\$	150,000.00
LiteSheet	\$	200,000.00
CargoSense	\$	200,000.00
DivvyCloud	\$	200,000.00
Harbinger	\$	100,000.00
LendPro	\$	100,000.00
Ringio	\$	200,000.00
Rivanna	\$	50,000.00
Senseware	\$	100,000.00
Sitscape	\$	50,000.00
PerformYard	\$	200,001.13
VanGogh Imaging	\$	200,000.00
NormShield	\$	50,000.00
Syncurity	\$	50,000.00
Tenant Turner	\$	100,000.00
Type Zero	\$	250,000.00
ArcheMedX	\$	200,000.00
Atomic Corp	\$	50,000.00
Biotherapeutic	\$	125,000.00
GCPay	\$	100,000.00
Ostendio	\$	200,000.00
WireTough	\$	300,000.00
Cirrus Works	\$	200,000.00
Eunomic	\$	50,000.00
Lewis & Clark	\$	200,000.00

Sunnovations	\$ 400,000.00
Tear Soution	\$ 250,000.00
Zoobean	\$ 149,999.98
Hill Top Security	\$ 50,000.00
nVite	\$ 100,000.00
SL8Z	\$ 150,000.00
Tensor Wrenc	\$ 50,000.00
Uknow.com	\$ 175,000.00
WorkProducts	\$ 100,000.00
ChurnZero	\$ 100,000.00
e-care	\$ 50,000.00
Loop88	\$ 125,000.00
Moment Snap	\$ 100,000.00
Piedmont BioProducts	\$ 100,000.00
PocketShip	\$ 100,000.00
Bloompop	\$ 200,000.00
Disrupt6	\$ 50,000.00
FITNET	\$ 224,911.67
GovTribe	\$ 75,000.00
iTi Health	\$ 200,000.00
MobilePhire	\$ 100,000.00
ProvenCyber	\$ 50,000.00
Riff Digital	\$ 5,000.00
Shevirah	\$ 50,000.00
YaSabe	\$ 200,000.00
Airside	\$ 100,000.00
Cyber Algorithms	\$ 50,000.00
Cyph	\$ 150,000.00
MSB Associates	\$ 50,000.00
vThreat	\$ 150,000.00
418 Intelligence	\$ 50,000.00
ADR Software	\$ 100,000.00
Antatrobe	\$ 50,000.00
iAspire	\$ 50,000.00
Identia	\$ 50,000.00
Key Cybersecurity	\$ 150,000.00
NBE	\$ 50,000.00
Pierce Global	\$ 150,000.00
Riogin	\$ 125,000.00
Unblinkr	\$ 50,000.00
Airak	\$ 100,000.00
Cavitronix	\$ 200,000.00
Engineered Products of VA	\$ 200,000.00
Global Cell Solutions	\$ 50,000.00
Innovative Biologics	\$ 200,000.00
Marz Industries	\$ 75,000.00
SquareLoop	\$ 150,000.00
Atriceps	\$ 50,000.00
Cavion	\$ 550,000.00

Cont3nt	\$ 50,000.00
Distil	\$ 200,000.00
EVS	\$ 50,000.00
Gryphn/Uppidy	\$ 50,000.00
IntroHive	\$ 50,000.00
Invincea	\$ 312,694.56
Neoantigenics	\$ 249,999.33
Ovastasis	\$ 25,000.00
Parabon NanoLabs	\$ 80,000.00
Private Practice	\$ 200,000.00
SecureDB	\$ 150,000.00
Servhawk	\$ 200,000.00
Sphynx	\$ 150,000.00
ThreatQuotient	\$ 410,000.68
Zoomph	\$ 100,000.00
	\$ 20,556,287.29

Item 428.D.1.e

Cash Balances  
By funding source  
And  
Available, Committed,  
& Projected Funds



**CIT , MACH37, LLC and M37 EQUITY POOL, LLC - FY2016 ACTUAL**

	OPERATING FUNDS		DESIGNATED FUNDS											Total		
	VA Appropriations	Contracts, Grants & Misc Revenue	CIT		COV							Federal				
			MACH37 Operations	M37 Equity Pool	BB Fund	Cyber Fund	Comin Fund	Mod/Sim Fund	Unmanned Fund	IEMS Fund	GAP Fund	SSBC Fund	DMME Fund			
(In Thousands)																
<b>Beginning Balance at 7/1/2015</b>	\$ -	\$ 231	\$ -	\$ -	\$ 269	\$ 256	\$ -	\$ 383	\$ -	\$ -	\$ 3,355	\$ -	\$ -	\$ 4,494		
<b>REVENUE</b>																
Appropriation	\$ 2,987	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 50	\$ 3,100	\$ -	\$ 7,637		
Interest, Donation, Return on Investment	\$ 85	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 440	\$ -	\$ -	\$ 525		
MACH37 Sponsorship Revenue	\$ -	\$ -	\$ 220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220		
Gain on MACH37 related transfers-equipment & trademark	\$ 99	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99		
Gain on M37 realted transfers-equity in 6 cohorts	\$ 539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,548	\$ -	\$ -	\$ 2,087		
Unrealized Gain on GAP Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149	\$ -	\$ -	\$ 149		
MACH37 Cyber Acclerator & CRCF Adm	\$ 2,222	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,222		
Contracts & Grants	\$ -	\$ 3,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 790	\$ 642	\$ 4,434		
Shortfall appropriation	\$ 90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90		
<b>Total Revenue</b>	\$ 6,022	\$ 3,002	\$ 220	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ 500	\$ 50	\$ 5,237	\$ 790	\$ 642	\$ 17,463
<b>EXPENSES</b>																
Operating Programs Net of Unapplied Indirects of \$916K	\$ 5,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,278
Designated Programs	\$ 1,189	\$ -	\$ -	\$ -	\$ 629	\$ 201	\$ 407	\$ 88	\$ 117	\$ 36	\$ 2,973	\$ -	\$ -	\$ 5,640		
Contracts & Grants	\$ -	\$ 2,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 793	\$ 264	\$ 3,845		
MACH37 LLC expense	\$ -	\$ -	\$ 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14		
<b>Total Expenses</b>	\$ 6,467	\$ 2,788	\$ 14	\$ -	\$ 629	\$ 201	\$ 407	\$ 88	\$ 117	\$ 36	\$ 2,973	\$ 793	\$ 264	\$ 14,777		
<b>Change in Net Position</b>	\$ (445)	\$ 214	\$ 206	\$ -	\$ (129)	\$ (201)	\$ 93	\$ (88)	\$ 383	\$ 14	\$ 2,264	\$ (3)	\$ 378	\$ 2,686		
<b>OTHER FACTORS</b>																
Transfer from GAP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3)	\$ 3	\$ -	\$ -	\$ -		
Transfer to Cyber Commission Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ (295)	\$ (205)	\$ -	\$ -	\$ -	\$ -	\$ -		
M37 EP LLC non-controlling interest	\$ -	\$ -	\$ -	\$ 190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190		
<b>Net Position Balance at 6/30/2016</b>	\$ (445)	\$ 445	\$ 206	\$ 190	\$ 140	\$ 55	\$ 593	\$ -	\$ 178	\$ 14	\$ 5,616	\$ -	\$ 378	\$ 7,370		
<b>CHANGES FOR CASH BASIS, as of JUNE 30, 2016:</b>																
Accounts receivable	\$ -	\$ (161)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (161)		
CRCF - COV Receivable	\$ (48)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (48)		
Prepaid expenses and deposits	\$ (105)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (105)		
Due from IEIA - contracts	\$ -	\$ (119)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (119)		
Investment in equity securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (149)	\$ -	\$ -	\$ (149)		
Non-cash gain on MACH37 related transfers-equipment & trademark	\$ (349)	\$ -	\$ -	\$ (190)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,548)	\$ -	\$ -	\$ (2,087)		
Non-cash gain on M37 realted transfers-equity in 6 cohorts	\$ (99)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (99)		
Compensated absences	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200		
Accounts payable	\$ 59	\$ 69	\$ -	\$ -	\$ 28	\$ -	\$ -	\$ -	\$ 4	\$ 10	\$ -	\$ -	\$ -	\$ 170		
Accrued expenses	\$ 633	\$ 19	\$ -	\$ -	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 660		
Accrued employee expenses	\$ 10	\$ 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ 33		
Due to IEIA - rental income	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2		
Unearned revenue	\$ 49	\$ -	\$ 280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329		
Due to COV - shortfall refund	\$ 235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 235		
Depreciation	\$ -	\$ -	\$ 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14		
<b>Cash Balance at 6/30/2016</b>	\$ 142	\$ 269	\$ 500	\$ -	\$ 176	\$ 55	\$ 593	\$ -	\$ 182	\$ 14	\$ 3,936	\$ -	\$ 378	\$ 6,245		

**INNOVATION AND ENTREPRENEURSHIP INVESTMENT AUTHORITY  
FY16 ACTUAL**

	IEIA				IEIA Total
	Operating Fund	Designated to Building	Investment in Capital Assets	(In Thousands)	
<b>Beginning Balance - Accrual Basis at 7/1/2015</b>	\$ 55	\$ 2,662	\$ 15,855	\$ 18,572	
<b>REVENUE</b>					
Lease revenue	\$ 1,812	\$ -	\$ -	\$ 1,812	
Interest income	\$ 8	\$ -	\$ -	\$ 8	
<b>Total Revenue</b>	<b>\$ 1,820</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,820</b>	
<b>EXPENSES</b>					
Operating costs	\$ 1,555	\$ -	\$ -	\$ 1,555	
Innovation Center	\$ 89	\$ -	\$ -	\$ 89	
Land transfer to VDOT	\$ -	\$ -	\$ 244	\$ 244	
Depreciation	\$ -	\$ -	\$ 800	\$ 800	
Loss on disposal of capital assets	\$ -	\$ -	\$ 6	\$ 6	
<b>Total Expenses</b>	<b>\$ 1,644</b>	<b>\$ -</b>	<b>\$ 1,050</b>	<b>\$ 2,694</b>	
<b>Operating Change in Net Position</b>	<b>\$ 176</b>	<b>\$ -</b>	<b>\$ (1,050)</b>	<b>\$ (874)</b>	
<b>Other Items</b>					
Capital asset additions	\$ -	\$ (24)	\$ 24	\$ -	
Transfer revenue from building operations	\$ (1,812)	\$ 1,812	\$ -	\$ -	
Transfer expenses from building operations	\$ 1,560	\$ (1,560)	\$ -	\$ -	
Transfer to operating fund	\$ 150	\$ (150)	\$ -	\$ -	
Interest income related to building fund	\$ (4)	\$ 4	\$ -	\$ -	
<b>Other Change in Net Position</b>	<b>\$ (106)</b>	<b>\$ 82</b>	<b>\$ 24</b>	<b>\$ -</b>	
<b>Net Position Balance - Accrual Basis at 6/30/2016</b>	<b>\$ 125</b>	<b>\$ 2,744</b>	<b>\$ 14,829</b>	<b>\$ 17,698</b>	
<b>CHANGES FOR CASH BASIS, as of JUNE 30, 2016:</b>					
Accounts Receivable	\$ (156)	\$ -	\$ -	\$ (156)	
Due from CIT	\$ (70)	\$ -	\$ -	\$ (70)	
Unamortized leasing commissions	\$ (47)	\$ -	\$ -	\$ (47)	
Depreciation	\$ -	\$ -	\$ -	\$ -	
Accounts Payable	\$ 8	\$ -	\$ -	\$ 8	
Accrued Expenses	\$ 22	\$ -	\$ -	\$ 22	
Unearned Revenue	\$ 1	\$ -	\$ -	\$ 1	
Due to Commonwealth of Virginia	\$ 124	\$ -	\$ -	\$ 124	
Security Deposits	\$ 116	\$ -	\$ -	\$ 116	
Capital Assets	\$ -	\$ -	\$ (14,829)	\$ (14,829)	
<b>Cash Balance at 6/30/2016</b>	<b>\$ 123</b>	<b>\$ 2,744</b>	<b>\$ -</b>	<b>\$ 2,867</b>	