



April 28, 2017

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 third Quarterly Report for FY2017 for the Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1 (C) (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



April 28, 2017

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 third Quarterly Report for FY2017 for the Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1 (C) (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 blue ink that reads "Susan Aitcheson".

Susan Aitcheson
CFO
Center for Innovative Technology

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



April 28, 2017

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 third Quarterly Report for FY2017 for the Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1 (C) (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. Robert P. Vaughn, Staff Director, House Appropriations Committee



April 28, 2017

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 third Quarterly Report for FY2017 for the Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1 (C) (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



April 28, 2017

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 third Quarterly Report for FY2017 for the Center for Innovative Technology. The attached report fulfills the requirements of the Code of Virginia, §2.2-2221.1 (C) (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 2017 Quarter 3
March 31, 2017

Financial Performance

Center for Innovative Technology
FY2017 Forecast as of 3/31/2017

	Operating Funds			Designated Funds													Total	
	COV		Other	COV									Federal		Other			
	Discretionary	Grants & Contracts	Other M37 Sponsor	BB Fund	IEMS Fund	Cyber Sec Fund	Comm Fund	MACH37 Fund	CRCF Fund	ISAO Fund	UAS and COE Fund	GAP Fund	SSBCI Fund	DMME Fund	MACH37 LLC	M37 Equity Pool		M37 Carried Interest
Beginning Balance at 7/1/2016	\$ -	\$ -	\$ -	\$ 140	\$ 13	\$ 55	\$ 593	\$ -	\$ -	\$ -	\$ 179	\$ 4,068	\$ -	\$ 378	\$ -	\$ 1,548	\$ -	\$ 6,974
REVENUE																		
Appropriation	\$ 2,973			\$ 500	\$ 50	\$ -	\$ 500	\$ 500	\$ 3,111	\$ 250	\$ 850	\$ 2,876	\$ -	\$ -				\$ 11,610
Interest, Donation, Return on Investment	\$ 32		\$ 873									\$ 67	\$ 9	\$ 6				\$ 987
Gain on M37 related transfer																\$ (96)	\$ 495	\$ 399
Contracts & Grants		\$ 1,555											\$ 232	\$ 44				\$ 1,831
Total Revenue	\$ 3,005	\$ 1,555	\$ 873	\$ 500	\$ 50	\$ -	\$ 500	\$ 500	\$ 3,111	\$ 250	\$ 850	\$ 2,943	\$ 241	\$ 50	\$ -	\$ (96)	\$ 495	\$ 14,827
EXPENSES AND TRANSFERS																		
Operating Programs Net of Overapplied Indirects	\$ 675		\$ 873															\$ 1,548
Designated Programs	\$ 2,277			\$ 528	\$ 40	\$ 55	\$ 774	\$ 500	\$ 3,111	\$ 250	\$ 641	\$ 3,435	\$ (1)	\$ -	\$ (255)	\$ 175		\$ 11,530
Contracts & Grants		\$ 1,523											\$ 242	\$ 251				\$ 2,016
Total Expenses and Transfers	\$ 2,952	\$ 1,523	\$ 873	\$ 528	\$ 40	\$ 55	\$ 774	\$ 500	\$ 3,111	\$ 250	\$ 641	\$ 3,435	\$ 241	\$ 251	\$ (255)	\$ 175	\$ -	\$ 15,094
Forecasted Ending Balance at 6/30/2017	\$ 53	\$ 32	\$ -	\$ 112	\$ 23	\$ -	\$ 319	\$ -	\$ -	\$ -	\$ 388	\$ 3,576	\$ -	\$ 177	\$ 255	\$ 1,277	\$ 495	\$ 6,707
	0.79%	0.48%	0.00%	1.67%	0.34%	0.00%	4.76%	0.00%	0.00%	0.00%	5.79%	53.32%	0.00%	2.64%	3.80%	19.04%	7.38%	100.00%

Legend:

- BB Fund = Broadband Program Fund
- IEMS Fund = Innovation and Entrepreneurship Measurement System Fund
- Cyber Sec Fund = Cyber Security Fund
- Comm Fund = Cyber Security Commission Fund
- MACH37 Fund = MACH37 Cyber Accelerator Fund
- CRCF = Commonwealth Research Commercialization Fund
- ISAO Fund = Information Sharing and Analysis Organization
- UAS and COE Fund = Unmanned Systems and Unmanned Center of Excellence Fund
- GAP Fund = Growth Accelerator Program Fund
- SSBCI Fund = State Small Business Credit Initiative Fund
- DMME Fund = Department of Mines Minerals & Energy Program Fund

Designated Funds are amounts which are to be spent on a specific purpose stated in the Appropriation Act, or, in the case of the DMME Fund, advances and investment return proceeds received on a federal grant.

CENTER FOR INNOVATIVE TECHNOLOGY
BUDGET ANALYSIS
 For Nine Months Ending March 31, 2017

In thousands			<i>Operations Funded by VA Appropriation & Other Revenue</i>		In thousands		
ACTUAL - July 2016 to March 2017					FORECASTED - Fiscal Year 2017		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Revenue</u>		<u>Forecast</u>	<u>Budget</u>	<u>Variance</u>
\$ 8,947	\$ 8,654	\$ 293	Transfer from IEIA - Virginia Appropriation		\$ 11,610	\$ 11,538	\$ 72
\$ 2,394	\$ 379	\$ 2,015	Interest & Miscellaneous Revenue		\$ 1,386	\$ 505	\$ 881
\$ 11,341	\$ 9,033	\$ 2,308		Total Revenue	\$ 12,996	\$ 12,043	\$ 953
Program Expenses							
\$ 28	\$ 35	\$ (7)	R&D - Commonwealth R&T Strategic Roadmap		\$ 42	\$ 54	\$ (12)
\$ 3,204	\$ 270	\$ 2,934	R&D - CRCF		\$ 3,781	\$ 3,371	\$ 410
\$ 23	\$ 19	\$ 4	R&D - Innovative Metrics		\$ 53	\$ 50	\$ 3
\$ 106	\$ 222	\$ (116)	Entrepreneur - Federal Proposal Assistance		\$ 186	\$ 304	\$ (118)
\$ 3,264	\$ 3,765	\$ (501)	Entrepreneur - GAP		\$ 4,242	\$ 4,846	\$ (604)
\$ 9	\$ 14	\$ (5)	Broadband - Office of Telework Promotion & BB Deployment		\$ 14	\$ 18	\$ (4)
\$ 508	\$ 357	\$ 151	Broadband Planning and Assistance		\$ 680	\$ 591	\$ 89
\$ 37	\$ -	\$ 37	Connect - Commonwealth Consulting & Education		\$ 37	\$ -	\$ 37
\$ 66	\$ -	\$ 66	Cyber Security Assessment		\$ 66	\$ -	\$ 66
\$ 142	\$ 124	\$ 18	Regional Growth		\$ 208	\$ 187	\$ 21
\$ 353	\$ 45	\$ 308	Cyber Security Commission		\$ 937	\$ 67	\$ 870
\$ 136	\$ 45	\$ 91	Unmanned Systems		\$ 559	\$ 45	\$ 514
\$ 100	\$ -	\$ 100	Unmanned Center of Excellence and Accelerator		\$ 217	\$ -	\$ 217
\$ 1,189	\$ 1,200	\$ (11)	MACH37		\$ 1,503	\$ 1,200	\$ 303
\$ 212	\$ 312	\$ (100)	Information Sharing and Analysis Organization		\$ 303	\$ 312	\$ (9)
\$ 34	\$ -	\$ 34	Building Management		\$ 36	\$ -	\$ 36
\$ 9,411	\$ 6,408	\$ 3,003		Total Program Expenses	\$ 12,864	\$ 11,045	\$ 1,819
Other Expenses							
\$ 247	\$ 399	\$ (152)	Commonwealth Support, Marketing, Advocacy, Fundraising, Miscellaneous		\$ 318	\$ 532	\$ (214)
\$ (271)	\$ 97	\$ (368)	Indirects Unapplied (Over-applied) to Projects and Transfer out		\$ (104)	\$ (412)	\$ 308
\$ (24)	\$ 496	\$ (520)		Total Other Expenses	\$ 214	\$ 120	\$ 94
\$ 1,954	\$ 2,129	\$ (175)	Net Operations Funded by VA Appropriation & Other Revenue		\$ (82)	\$ 878	\$ (960)

Operations Funded by Contracts & Grants							
R&D							
\$ 71	\$ 51	\$ 20	Program Revenue - Rutgers - Mid-Atlantic Reg Coastal Observing System		\$ 82	\$ 66	\$ 16
\$ 71	\$ 51	\$ 20	Program Expense		\$ 82	\$ 66	\$ 16
\$ -	\$ -	\$ -		Profit/(Loss)	\$ -	\$ -	\$ -
Entrepreneur							
\$ 275	\$ -	\$ 275	Program Revenue - State Small Business Credit Initiative Fund		\$ 241	\$ -	\$ 241
\$ 325	\$ -	\$ 325	Program Expense		\$ 241	\$ -	\$ 241
\$ (50)	\$ -	\$ (50)		Profit/(Loss)	\$ -	\$ -	\$ -
\$ 77	\$ -	\$ 77	Program Revenue - SBA FAST VI		\$ 78	\$ -	\$ 78
\$ 97	\$ -	\$ 97	Program Expense		\$ 78	\$ -	\$ 78
\$ (20)	\$ -	\$ (20)		Profit/(Loss)	\$ -	\$ -	\$ -
\$ 44	\$ 286	\$ (242)	Program Revenue - DMME Commonwealth Energy Fund		\$ 44	\$ 287	\$ (243)
\$ 121	\$ 286	\$ (165)	Program Expense		\$ 251	\$ 287	\$ (36)
\$ (77)	\$ -	\$ (77)	Profit/(Loss) - covered by return on investment proceeds received in FY2016		\$ (207)	\$ -	\$ (207)
Connect							
\$ 500	\$ 541	\$ (41)	Program Revenue - DHS PNNL Accelerator Emerge 2016		\$ 500	\$ 810	\$ (310)
\$ 487	\$ 541	\$ (54)	Program Expense		\$ 499	\$ 799	\$ (300)
\$ 13	\$ -	\$ 13	Profit/(Loss) - Offset by profit recognized in FY2016		\$ 1	\$ 11	\$ (10)
\$ 529	\$ 484	\$ 45	Program Revenue - Nevada Operations & Maintenance		\$ 697	\$ 719	\$ (22)
\$ 498	\$ 484	\$ 14	Program Expense		\$ 692	\$ 646	\$ 46
\$ 31	\$ -	\$ 31		Profit/(Loss)	\$ 5	\$ 73	\$ (68)
\$ 83	\$ -	\$ 83	Program Revenue - Smart City Actuator		\$ 188	\$ -	\$ 188
\$ 48	\$ -	\$ 48	Program Expense		\$ 172	\$ -	\$ 172
\$ 35	\$ -	\$ 35		Profit/(Loss)	\$ 16	\$ -	\$ 16
Broadband							
\$ 1	\$ 270	\$ (269)	Program Revenue - VDEM 2013 State & Local Implementation Grant Program		\$ 1	\$ 359	\$ (358)
\$ 1	\$ 270	\$ (269)	Program Expense		\$ 1	\$ 359	\$ (358)
\$ -	\$ -	\$ -		Profit/(Loss)	\$ -	\$ -	\$ -
Other Activities							
\$ -	\$ 552	\$ (552)	Program Revenue - New Business		\$ -	\$ 805	\$ (805)
\$ -	\$ 552	\$ (552)	Program Expense		\$ -	\$ 750	\$ (750)
\$ -	\$ -	\$ -		Profit/(Loss)	\$ -	\$ 55	\$ (55)
\$ 1,580	\$ 2,184	\$ (687)	Program Revenue		\$ 1,831	\$ 3,046	\$ (1,403)
\$ 1,648	\$ 2,184	\$ (584)	Program Expenses		\$ 2,016	\$ 2,907	\$ (1,063)
\$ (68)	\$ -	\$ (103)	Net Operations Funded by Contracts & Grants		\$ (185)	\$ 139	\$ (340)

CONSOLIDATED REVENUE & EXPENSES							
\$ 12,921	\$ 11,217	\$ 1,621	Revenue		\$ 14,827	\$ 15,089	\$ (450)
\$ 11,035	\$ 9,088	\$ 1,899	Expenses		\$ 15,094	\$ 14,072	\$ 850
\$ 1,886	\$ 2,129	\$ (278)	Change in Net Position		\$ (267)	\$ 1,017	\$ (1,300)

CHANGE IN NET ASSETS							
\$ 1,886	\$ 2,129	\$ (243)	Change in Net Position		\$ (267)	\$ 1,017	\$ (1,284)
\$ 6,974	\$ 6,261	\$ 713	Beginning Net Position at July 1, 2016		\$ 6,974	\$ 6,261	\$ 713
\$ 8,860	\$ 8,390	\$ 470	Ending Net Position at March 31, 2017		\$ 6,707	\$ 7,278	\$ (571)

INNOVATION AND ENTREPRENEURSHIP INVESTMENT AUTHORITY
BUDGET ANALYSIS FOR BUILDING OPERATIONS ONLY
For Nine Months Ending March 31, 2017

In thousands			In thousands		
<u>ACTUAL - July to March 2017</u>			<u>FORECASTED - Fiscal Year 2017</u>		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>BUILDING ANALYSIS</u>		
			<u>Forecast</u>	<u>Budget</u>	<u>Variance</u>
<u>REVENUE</u>					
\$ 1,365	\$ 1,317	\$ 48	\$ 1,793	\$ 1,740	\$ 53
\$ (181)	\$ (87)	\$ (94)	\$ (173)	\$ (120)	\$ (53)
\$ 1,184	\$ 1,230	\$ (46)	Total Revenue \$ 1,620	\$ 1,620	\$ -
<u>BUILDING EXPENSES</u>					
\$ 201	\$ 210	\$ (9)	\$ 274	\$ 287	\$ (13)
\$ 292	\$ 337	\$ (45)	\$ 402	\$ 432	\$ (30)
\$ 102	\$ 108	\$ (6)	\$ 138	\$ 144	\$ (6)
\$ 55	\$ 115	\$ (60)	\$ 140	\$ 152	\$ (12)
\$ 295	\$ 308	\$ (13)	\$ 415	\$ 426	\$ (11)
\$ 75	\$ 75	\$ -	\$ 100	\$ 100	\$ -
\$ 49	\$ 35	\$ 14	\$ 65	\$ 44	\$ 21
\$ 35	\$ 25	\$ 10	\$ 44	\$ 33	\$ 11
\$ 1,104	\$ 1,213	\$ (109)	Total Expenses \$ 1,578	\$ 1,618	\$ (40)
\$ 80	\$ 17	\$ 63	Net Income \$ 42	\$ 2	\$ 40

Item 428.D.2.b

Fiscal Year 2017 Quarter 3
March 31, 2017

Investments & Grants

Center for Innovative Technology

Investments closed FY2017 - as of March 31, 2017

	Investments FY2017	Budget FY2017	Variance
418 Intelligence Corp.	\$ 100,000		
Adlumin, Inc.	24,500		
Economics, Inc.	100,000		
Qrvery, Inc.	100,000		
Senseware, Inc.	100,000		
Steel Mountain Systems Corporation	24,500		
Threatquotient, Inc.	90,000		
Zoomph, Inc.	100,000		
Aida Health, Inc.	50,000		
Bthere, Inc.	50,000		
Coulomb, Inc.	50,000		
Shevirah, Inc.	100,000		
Atomic Corporate Industries, Inc.	100,000		
Riogin, LLC	75,002		
South49 Solutions	50,000		
Threatswitch, Inc.	49,000		
Intelligence Framework, Inc.	49,000		
NS8, Inc.	49,000		
Adlumin, Inc.	24,500		
Steel Mountain Systems Corporation	24,500		
INF Robotics	20,000		
SCRIB	100,000		
Upside Door Inc.	50,000		
MarginEdge	100,000		
Hilltop Security, Inc.	80,000		
Triblio, Inc.	100,000		
Contraline, Inc.	125,000		
Dark ³	100,000		
	<u>\$ 1,985,002</u>	<u>\$ 1,650,000</u>	<u>\$ 335,002</u>

Amount

Return on Prior Investments FY2017

Senseware, Inc. - interest rolled into investment	\$ 9,118
MomentSnap, Inc. - interest rolled into investment	\$ 5,293
ID.ME, Inc. - interest rolled into investment	\$ 27,836
EVS Glaucoma - note repayment	\$ 50,000
DataRPM - Acquisition Distribution	\$ 279,086
Invincea - Acquisition Distribution	\$ 452,825

Other Gains (Losses) FY2017

Realized gain on Agenus, Inc. stock sale	\$ 16,955
Gain on transfer of equity from CIT to M37 Carried Interest, LLC (M37 CI) M37 CI, a subsidiary of CIT, holds the MACH37 Cyber Accelerator portfolio company equity for cohorts through June 30, 2016	\$ 245,000
Realized loss on investment in M37 Equity Pool, LLC (M37 EP) M37 EP, a subsidiary of CIT, holds the MACH37 Cyber Accelerator portfolio company equity for cohorts through June 30, 2016	\$ (96,065)
Unrealized gain on investment in M37 Equity Pool, LLC (M37 EP) M37 EP, a subsidiary of CIT, holds the MACH37 Cyber Accelerator portfolio company equity for cohorts through June 30, 2016	\$ 456,865

CRCF Grants closed FY2017

N/A through 2/28/17

Item 428.D.2.c

Fiscal Year 2017 Quarter 3
March 31, 2017

Financial & Programmatic
MACH37 LLC

&

M37 Equity Pool, LLC

&

M37 Carried Interest, LLC

MACH37 LLC

FINANCIAL REPORT
Unaudited

As of March 31, 2017

MACH37 LLC
STATEMENT OF NET POSITION
As of March 31, 2017 and 2016

	Unaudited 3/31/2017	Unaudited 3/31/2016	Change
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,013,578	\$ 250,000	\$ 763,578
Sponsorships receivable	-	-	-
Total current assets	<u>1,013,578</u>	<u>250,000</u>	<u>763,578</u>
Capital assets:			
Furniture, fixtures, equipment, and trademark	83,704	83,704	-
Less accumulated depreciation and amortization	<u>(27,500)</u>	<u>-</u>	<u>(27,500)</u>
Total capital assets	56,204	83,704	(27,500)
Other assets:			
Interest in M37 Equity Pool, LLC	131,771	-	131,771
Trademark	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total other assets	<u>146,771</u>	<u>15,000</u>	<u>131,771</u>
 Total assets	 <u><u>1,216,553</u></u>	 <u><u>348,704</u></u>	 <u><u>867,849</u></u>
LIABILITIES			
Current liabilities:			
Due to CIT	879,322	-	879,322
Unearned revenue	<u>231,277</u>	<u>-</u>	<u>231,277</u>
Total current liabilities	<u>1,110,599</u>	<u>-</u>	<u>1,110,599</u>
 Total liabilities	 <u>1,110,599</u>	 <u>-</u>	 <u>1,110,599</u>
NET POSITION			
Unrestricted	105,954	348,704	(242,750)
Total net position	<u>\$ 105,954</u>	<u>\$ 348,704</u>	<u>\$ (242,750)</u>

MACH37 LLC

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the nine months ended March 31, 2017 and 2016

	Unaudited 3/31/2017	Unaudited 3/31/2016	Change
OPERATING REVENUES			
Sponsorship Revenue	\$ 524,318	\$ 250,000	\$ 274,318
Total operating revenue	<u>524,318</u>	<u>250,000</u>	<u>274,318</u>
EXPENSES			
Operating expenses	849,993	-	849,993
Depreciation and amortization	<u>13,750</u>	<u>-</u>	<u>13,750</u>
Total expenses	<u>863,743</u>	<u>-</u>	<u>863,743</u>
OTHER INCOME (EXPENSE)			
Gain (loss) on investment	<u>(14,709)</u>	<u>-</u>	<u>(14,709)</u>
CHANGE IN NET POSITION	(354,134)	250,000	(604,134)
Net position, June 30, 2016 and 2015	<u>304,359</u>	<u>-</u>	<u>304,359</u>
Capital contributions	155,729	98,704	57,025
Net position, March 31, 2017 and 2016	<u>\$ 105,954</u>	<u>\$ 348,704</u>	<u>\$ (242,750)</u>

M37 Equity Pool, LLC

FINANCIAL REPORT
Unaudited

As of March 31, 2017

M37 Equity Pool, LLC

STATEMENT OF ASSETS, LIABILITIES and MEMBERS' CAPITAL

As of March 31, 2017 and 2016

	Unaudited 3/31/2017	Unaudited 3/31/2016	Change
ASSETS			
Cash and cash equivalents	\$ 85	\$ -	\$ 85
Due from CIT	11,547	-	11,547
Investments in securities in portfolio companies	<u>2,504,583</u>	<u>1,436,850</u>	<u>1,067,733</u>
Total assets	<u>2,516,215</u>	<u>1,436,850</u>	<u>1,079,365</u>
MEMBERS' CAPITAL			
CIT and MACH37	1,867,449	1,246,925	620,524
Other members	<u>648,766</u>	<u>189,925</u>	<u>458,841</u>
Total members' capital	<u>\$ 2,516,215</u>	<u>\$ 1,436,850</u>	<u>\$ 1,079,365</u>

M37 Equity Pool, LLC

STATEMENT OF OPERATIONS and CHANGE IN MEMBERS' CAPITAL

For the nine months ended March 31, 2017 and 2016

	Unaudited 3/31/2017	Unaudited 3/31/2016	Change
REVENUES			
Investment income (loss)	\$ (149,745)	\$ -	\$ (149,745)
Total operating revenue	<u>(149,745)</u>	<u>-</u>	<u>(149,745)</u>
EXPENSES			
Operating expenses	<u>15</u>	<u>-</u>	<u>15</u>
Total expenses	<u>15</u>	<u>-</u>	<u>15</u>
Net income	<u>(149,760)</u>	<u>-</u>	<u>(149,760)</u>
Members' capital, June 30, 2016 and 2015	2,086,850	-	2,086,850
Other comprehensive income (unrealized gains/losses)	617,733	-	617,733
Members' capital contribution	-	1,436,850	(1,436,850)
Members' distribution	<u>(38,608)</u>	<u>-</u>	<u>(38,608)</u>
Members' capital, March 31, 2017 and 2016	<u>\$ 2,516,215</u>	<u>\$ 1,436,850</u>	<u>\$ 1,079,365</u>

M37 Carried Interest, LLC

FINANCIAL REPORT
Unaudited

As of March 31, 2017

M37 Carried Interest, LLC

STATEMENT OF ASSETS, LIABILITIES and MEMBERS' CAPITAL

As of March 31, 2017 and 2016

	Unaudited 3/31/2017	Unaudited 3/31/2016	Change
ASSETS			
Cash and cash equivalents	\$ 5,000	\$ -	\$ 5,000
Investments in securities in portfolio companies	<u>336,000</u>	<u>-</u>	<u>336,000</u>
Total assets	<u>341,000</u>	<u>-</u>	<u>341,000</u>
LIABILITIES			
Accounts payable and accrued expenses	-	-	-
Due to CIT	<u>13,685</u>	<u>-</u>	<u>13,685</u>
Total liabilities	<u>13,685</u>	<u>-</u>	<u>13,685</u>
MEMBERS' CAPITAL			
CIT	320,770	-	320,770
Minority Interest	<u>6,545</u>	<u>-</u>	<u>6,545</u>
Total members' capital	<u>\$ 327,315</u>	<u>\$ -</u>	<u>\$ 327,315</u>

M37 Carried Interest, LLC

STATEMENT OF OPERATIONS and CHANGE IN MEMBERS' CAPITAL

For the nine months ended March 31, 2017 and 2016

	Unaudited 3/31/2017	Unaudited 3/31/2016	Change
REVENUES			
Investment income	\$ -	\$ -	\$ -
Total operating revenue	-	-	-
EXPENSES			
Operating expenses	8,685	-	8,685
Total expenses	8,685	-	8,685
Net income	(8,685)	-	(8,685)
Other comprehensive income - unrealized gain on investments	86,000	-	86,000
Members' capital, June 30, 2016 and 2015	-	-	-
Members' capital contribution	250,000	-	250,000
Members' capital, March 31, 2017 and 2016	\$ 327,315	\$ -	\$ 327,315