



September 30, 2019

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

Dear Mr. Timberlake:

Enclosed please find the fourth Quarterly Report for FY2019 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 126.10.D.2 of the 2019 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: The Honorable Brian Ball, Secretary of Commerce and Trade
Mr. Robby Demeria, Deputy Secretary, Commerce and Trade
The Honorable Emmett W. Hanger, Jr., Co-Chairman, Senate Finance Committee
The Honorable Thomas K. Norment, Jr., Co-Chairman, Senate Finance Committee
The Honorable S. Chris Jones, Chairman, House Appropriations Committee
Mr. Robert P. Vaughn, Staff Director, House Appropriations Committee
Mr. Jason Powell, Staff Co-Director, Senate Finance Committee
Ms. April Kees, Staff Co-Director, Senate Finance Committee
Ms. Toni Walker, Associate Director, Department of Planning and Budget
Ms. Samantha Martin, Budget and Policy Analyst, Department of Planning and Budget
Mr. Rob Quartel, CIT Board of Directors Finance Committee Chairman
Mr. Bernard Mustafa, CIT Board of Directors Vice Chairman
Mr. Michael Steed, CIT Board of Directors Chairman

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CENTER FOR INNOVATIVE TECHNOLOGY
And
INNOVATION AND ENTREPRENEURSHIP INVESTMENT AUTHORITY
Financial Performance Reporting
Quarter and Fiscal Year Ended June 30, 2019
Items 126.10.D.2.a-c



Item 126.10.D.2.a

Fiscal Year 2019 Quarter 4
June 30, 2019

Financial Performance

CENTER FOR INNOVATIVE TECHNOLOGY
 BUDGET ANALYSIS
 For the Fiscal Year Ended June 30, 2019

Commonwealth Projects Funded by Appropriation & Other Revenue

(In Thousands)

ACTUAL - July 2018 - June 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue			
Commonwealth Appropriation - General Fund	\$ 10,938	\$ 10,272	\$ 666
Interest, Sponsorship, Return on Investments & Misc. Income	2,399	70	2,329
Total Revenue	13,337	10,342	2,995
Program Expenses			
R&D - Commonwealth Research and Technology Strategic Roadmap	24	6	18
R&D - Commonwealth Research Commercialization Fund (CRCF)	3,334	2,965	369
Entrepreneur - Federal Proposal Assistance	264	257	7
Entrepreneur - Growth Acceleration Program	5,589	6,100	(511)
Broadband - Office of Telework Promotion	33	6	27
Broadband - Broadband Planning and Assistance	680	643	37
Commonwealth - Regional Growth	183	243	(60)
Commonwealth - Cyber Commission	536	853	(317)
Commonwealth - Unmanned Systems	1,035	745	290
Commonwealth - Unmanned Systems Center of Excellence	453	1,919	(1,466)
Commonwealth - Building Management	18	-	18
Program Expenses	12,149	13,737	(1,588)
Other Expenses			
Marketing, Advocacy, Fundraising and Miscellaneous	420	357	63
Unapplied (over-applied) indirects	(366)	(10)	(356)
Other Expenses	54	347	(293)
Total Expenses	12,203	14,084	(1,881)
Net	1,134	(3,742)	4,876

Strategic Initiatives Funded by Contracts & Grants

Program Revenue - DMME Commonwealth Energy Fund	2	3	(1)
Program Expense	284	400	(116)
Profit/(Loss)*	(282)	(397)	115
*covered by return on investment proceeds received in prior years			
Program Revenue - DHS SCIIP	1,854	1,705	149
Program Expense	1,715	1,579	136
Profit/(Loss)	139	126	13

Commonwealth Projects Funded by Appropriation & Other Revenue

Program Revenue - UVA Wise Verizon Grant	11	-	11
Program Expense	11	-	11
Profit/(Loss)	-	-	-
Program Revenue	1,867	1,708	159
Program Expenses	2,010	1,979	31
Net	(143)	(271)	128

Consolidated Revenue, Expenses and Changes in Net Position

Revenue	15,204	12,050	3,154
Expenses	14,213	16,063	(1,850)
Change in Net Position	991	(4,013)	5,004
Beginning Net Position	8,711	7,768	943
Ending Net Position	\$ 9,702	\$ 3,755	\$ 5,947

INNOVATION AND ENTREPRENEURSHIP INVESTMENT AUTHORITY
BUDGET ANALYSIS FOR BUILDING OPERATIONS ONLY
 For the Fiscal Year Ended June 30, 2019

BUILDING ANALYSIS	In thousands		
	ACTUAL - July 2018 to June 2019		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUE			
Rental Income - lease revenue	\$ 868	\$ 766	\$ 102
Total Revenue	<u>868</u>	<u>766</u>	<u>102</u>
BUILDING EXPENSES			
Payroll	250	244	6
Utilities	351	380	(29)
Administrative	138	132	6
Operating & Maintenance	49	102	(53)
Contracts	336	382	(46)
Insurance	100	100	-
Food Service Subsidy	-	42	(42)
Leasing Commission and Miscellaneous	15	15	-
Total Expenses	<u>1,239</u>	<u>1,397</u>	<u>(158)</u>
Net Income	<u>\$ (371)</u>	<u>\$ (631)</u>	<u>\$ 260</u>

Item 126.10.D.2.b

Fiscal Year 2019 Quarter 4
June 30, 2019

Investments & Grants

Center for Innovative Technology
Investments Made and Return on Prior Investments
For the year ended June 30, 2019

Investments made:

	Actual	Budget	Variance
Ario Technologies, Inc	50,000.00		
Artglass	50,000.00		
Atomic Corp	104,850.00		
Babylon Micro-Farms Inc	50,000.00		
Churnzero Inc	74,518.21		
Couloumb (Lumen)	200,000.00		
Dark3	100,000.00		
Dart Ventures (Drone-Up LLC)	200,000.00		
Divvy Cloud Corporation	250,000.00		
Embody	250,000.00		
Fenris, Inc	125,000.00		
Fourstay, Inc	200,000.00		
FRNGE	50,000.00		
Gathering (Rize)	100,000.00		
Hyperqube (Cyber Acad/Network Systems)	50,000.00		
LiteSheet	100,000.00		
Manor Financial Inc (UpSideDoor)	36,652.50		
Metallum3D Inc	25,000.00		
Micronic Technologies, LLC	50,000.00		
Novi, LLC	50,000.00		
Ostendio, Inc	123,378.90		
Plutus	50,000.00		
Pype	100,000.00		
Quirk Inc	25,000.00		
Runsafe Security, Inc	100,000.00		
Scenethink	50,000.00		
Sensewear	100,000.00		
Skyphos Industries, Inc	25,000.00		
Societas	50,000.00		
Stratus Digital	50,000.00		
Student Opp	100,000.00		
Tympanogen	50,000.00		
	<u>\$ 2,939,399.61</u>	<u>\$ 2,270,000.00</u>	<u>\$ 669,399.61</u>

Return on Prior Investments, including gains and losses:

418 Intelligence	18,684.45
ArchMedx	30,678.08
ArchMedx	13,328.77
Blue Triangle	13,106.85
Ringobon	5,000.00
Normshield	150,000.00
Canvas	1,310,260.27
Ohmygov/Ignite	55,667.88
Steel Mountain	17,383.24
DexComm/TypeZero	183,240.46
Sophos/Invincea	129,051.15
ClearEdge	9,487.12
ClearEdge	70,340.68
Eventbrite	20,602.40
Eventbrite	(356.72)
Eventbrite	(6,289.92)
Eventbrite	(2,162.16)
Nexvortex	1,652.10
Triblio Inc	14,905.26
bank fees M37 EP	(15.00)
Cyberalgorithms	1,586.32
Canvas Sol (Acquiom)	6,284.41
Phossimmune/Agenus	5,186.74
	<u>\$ 2,047,622.38</u>

CRCF Grants Awarded

See attached

Center for Innovative Technology
FY2019 CRCF Award Detail

Organization Name	CRCF Project Title	Project Start Date	Project End Date	Award Amount
AgroSpheres	<i>AgroSpheres Enhanced Delivery of Active Ingredients</i>	06/17/2019	04/17/2020	\$50,000
Alexander BioDiscoveries	<i>Small Molecule Inhibitors of the Influenza Virus Nucleoprotein for Drug Development</i>	06/17/2019	12/16/2019	\$50,000
Amruta Inc	<i>Self-Learning System for e-Discovery, among Large Text Corpus Data Sets to Improve Compliance, Forensics, and Customer Service, Using Machine Learning</i>	06/17/2019	12/16/2019	\$50,000
BEAM Diagnostics, Inc	<i>Using Behavioral Economics to Identify Best-Fit Personality Profiles Among Employment-Seeking Individuals</i>	06/17/2019	12/31/2019	\$29,750
Commonwealth Center for Advanced Manufacturing	<i>Additive Manufacturing of Metal Alloys for 3D Medical Devices</i>	07/01/2019	06/30/2021	\$99,988
Commonwealth Center for Advanced Manufacturing	<i>Advanced Analytics Framework for Deploying Automated Defect Detection in Manufacturing</i>	07/01/2019	06/30/2020	\$98,166
Covenant Therapeutics, LLC	<i>Drug Discovery for Gram-negative Rod Bacterial Infection</i>	07/01/2019	06/30/2020	\$49,995
Eksdyne Inc.	<i>Integrated System for Evolving Developing Devices</i>	06/17/2019	06/16/2020	\$49,936
Embody LLC	<i>Additive Manufacturing of Collagen Microfibers as an Internal Brace for Regenerating Ligaments of the Knee</i>	06/17/2019	06/17/2020	\$50,000
Fend Incorporated	<i>Low-Cost Data Diodes for Physical Protection of Connected Infrastructure</i>	06/17/2019	12/17/2019	\$50,000
G2 Ops Global, Inc.	<i>A Model-Based Framework for Quantifying Information Risk</i>	07/01/2019	03/31/2020	\$42,984
George Mason University	<i>Wearable Ultrasound System for Robust Sensing of Muscle Activation</i>	06/17/2019	01/16/2021	\$98,456
Gradient Consulting	<i>Achieving Eternal Flight with a Tethered Uni-Rotor Network (TURN) System</i>	06/17/2019	09/09/2019	\$50,000
ICBiome	<i>A Cloud-Based WGS Platform for Routine Surveillance of Hospital Pathogens</i>	06/17/2019	12/16/2019	\$50,000
JKM Technologies, LLC	<i>Local Footwear Manufacturing Using a Novel Cost-Effective Pellet-Based 3D Printing Process</i>	07/01/2019	06/30/2020	\$50,000
Micro Harmonics Corporation	<i>Commercialization of Cryogenic Millimeter-Wave Isolators</i>	06/17/2019	12/17/2019	\$50,000
MOVA Technologies, Inc.	<i>Panel-Bed Filter Proof-of-Concept Testing</i>	07/01/2019	03/10/2020	\$50,000
NIRSleep Inc	<i>Home Sleep Monitoring with a Compact and Inexpensive Wearable Neuro-Imaging Device</i>	08/01/2019	07/31/2020	\$50,000
NOVI LLC	<i>Next Generation, Intelligent, and Autonomous Satellites for an Emerging New Space Industry</i>	06/17/2019	12/16/2019	\$48,700
Overa, Inc.	<i>Development of a Non-hormonal Female Contraceptive Using an Egg-specific Antibody-drug Conjugate</i>	06/17/2019	06/16/2020	\$50,000
ReAlta Life Sciences	<i>Peptide Inhibitor of Complement C1 (PIC1) as a Treatment for Autoimmune Hemolytic Anemia in Patients with Systemic Lupus Erythematosus</i>	06/17/2019	06/16/2020	\$50,000
Responsible Robotics Corporation	<i>A Robotics Monitoring and Control Platform</i>	07/01/2019	12/31/2019	\$49,625
Ryzing Technologies	<i>Braided Inflatable Robotic Technology (BIRT) for Dexterous Maritime Manipulation System (D2MS)</i>	06/17/2019	06/30/2020	\$49,953
SeeHear LLC	<i>Commercialization of an NIH- and NSF-Supported Web-Based Speech Perception Training System for Adults with Hearing Loss</i>	07/01/2019	06/30/2020	\$50,000
Sentinel Robotic Solutions, LLC	<i>Mobile Sentinel – Mobile Unmanned Automated Traffic Control Sensor and Gate System</i>	06/17/2019	01/31/2020	\$25,000
Southeastern Universities Research Association	<i>Development of High Resolution Radiotherapy Beam Characterization Technology Using Micropattern Gas Detection</i>	08/01/2019	07/31/2020	\$100,000
Status Identity, Inc.	<i>Continuous Authentication and Identification by Distinctive Characteristics</i>	07/01/2019	02/28/2020	\$25,000

Organization Name	CRCF Project Title	Project Start Date	Project End Date	Award Amount
University of Virginia	<i>VADstent to Prevent Cavity Collapse and Adverse Cardiac Remodeling</i>	06/17/2019	06/30/2020	\$54,578
University of Virginia	<i>Designer Enzymes as Green Alternatives to Protect High-Value Agricultural Products Pre- and Post-Harvest from Microbial Infection</i>	07/01/2019	06/30/2020	\$100,000
Virginia Commonwealth University	<i>Development of a Highly Efficient Air Filter for Inactivation of Airborne Germs</i>	07/01/2019	06/30/2020	\$100,000
Virginia Commonwealth University	<i>Rapid Cell Typing Technology for Forensic DNA Casework</i>	06/24/2019	06/24/2020	\$100,000
Virginia Commonwealth University	<i>Sulfated Glycosaminoglycans as Disease Biomarkers and Molecular Targets for Precision Medicine in Cancer</i>	06/17/2019	06/16/2020	\$100,000
Virginia Commonwealth University	<i>A Nanotechnology Approach for Streamlining Detection of Prognostic Translocations in Multiple Myeloma (MM)</i>	07/01/2019	06/30/2020	\$100,000
Virginia Institute of Marine Science	<i>Leveraging Deep Lens Technology to form a Video Inundation Monitoring System for StormSense</i>	07/01/2019	06/30/2021	\$49,612
Virginia Tech	<i>Development of a Connected Smart Vest for Improved Roadside Work Zone Safety</i>	07/01/2019	06/30/2020	\$91,069
Virginia Tech	<i>Precision Medicine Exosomal Drug Delivery Medtech for Heart Attack</i>	06/17/2019	12/16/2020	\$100,000
Virongy LLC	<i>Commercialization of Infectin</i>	06/17/2019	06/16/2020	\$48,791
VoltMed Inc.	<i>Testing of an MRI-Compatible Electrode for Treating Brain Tumors with Non-Thermal Ablation</i>	06/17/2019	12/16/2019	\$50,000
WynnVision LLC	<i>Antimicrobial and Biocompatible Endotracheal Tubes</i>	07/01/2019	06/30/2020	\$50,000

Item 126.10.D.2.c

Fiscal Year 2019 Quarter 4
June 30, 2019

Financial & Programmatic

M37 Equity Pool, LLC and
M37 Carried Interest, LLC

M37 Equity Pool, LLC

Financial Report

Unaudited

As of and for the years ended June 30, 2019 and 2018

M37 Equity Pool, LLC

STATEMENT OF ASSETS, LIABILITIES and MEMBERS' CAPITAL

As of June 30, 2019 and 2018

	Unaudited 6/30/2019	Audited 6/30/2018	Change
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 5,095	\$ (5,095)
Total current assets	-	5,095	(5,095)
Total assets	-	5,095	(5,095)
LIABILITIES			
Current liabilities:			
Due to CIT	-	5,095	(5,095)
Total current liabilities	-	5,095	(5,095)
Total liabilities	-	5,095	(5,095)
MEMBERS' CAPITAL			
CIT	-	-	-
Minority Members	-	-	-
Total members' capital	-	-	-
Total liabilities and members' capital	\$ -	\$ 5,095	\$ (5,095)

M37 Equity Pool, LLC

STATEMENT OF OPERATIONS and CHANGES IN MEMBERS' CAPITAL

For the year ended June 30, 2019 and 2018

	Unaudited 6/30/2019	Audited 6/30/2018	Change
REVENUES			
Net realized investment gain (loss)	\$ 2,145	\$ 2,145	\$ -
Total operating revenue	2,145	2,145	-
EXPENSES			
Operating expenses	15	90	(75)
Total expenses	15	90	(75)
NET LOSS	2,130	2,055	75
Members' capital, beginning	-	(60)	60
Members' contributions/(distributions)	(2,130)	(1,995)	(135)
Members' capital, ending	\$ -	\$ -	\$ -

M37 Carried Interest, LLC

Financial Report

Unaudited

As of and for the years ended June 30, 2019 and 2018

M37 Carried Interest, LLC

STATEMENT OF ASSETS, LIABILITIES and MEMBERS' CAPITAL

As of June 30, 2019 and 2018

	Unaudited 6/30/2019	Audited 6/30/2018	Change
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 10,985	\$ 11,000	\$ (15)
Total current assets	10,985	11,000	(15)
Total assets	10,985	11,000	(15)
LIABILITIES			
Current liabilities:			
Due to CIT	10,985	11,000	(15)
Total current liabilities	10,985	11,000	(15)
Total liabilities	10,985	11,000	(15)
MEMBERS' CAPITAL			
CIT	-	-	-
Total members' capital	-	-	-
Total liabilities and members' capital	\$ 10,985	\$ 11,000	\$ (15)

M37 Carried Interest, LLC

STATEMENT OF OPERATIONS and CHANGES IN MEMBERS' CAPITAL

For the years ended Jun 30, 2019 and 2018

	Unaudited 6/30/2019	Audited 6/30/2018	Change
REVENUES			
Net realized investment gain (loss)	\$ 17,738	\$ -	\$ 17,738
Total operating revenue	17,738	-	17,738
EXPENSES			
Operating expenses	15	-	15
Total expenses	15	-	15
NET INCOME (LOSS)	17,723	-	17,723
Members' capital, beginning	-	(4,615)	4,615
Members' capital contribution (distribution)	(17,723)	4,615	(22,338)
Members' capital, ending	\$ -	\$ -	\$ -