



October 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 first Quarterly Report for FY2020 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 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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**Item 126.10.D.2.a**

**Fiscal Year 2020 Quarter 1  
September 30, 2019**

**Financial Performance**

**Center for Innovative Technology  
Fiscal Year 2020 Q2 Forecast**

	Operating Funds		Designated Funds					Total	
	COV	Other	COV						
	Discretionary	Grants & Contracts	BB Fund	Comm Fund	CRCF Fund	UAS and COE Fund	GAP Fund		
(In Thousands)									
<b>Beginning Balance at 7/1/2019</b>	\$ 997	\$ 192	\$ 130	\$ 679	\$ -	\$ 1,191	\$ 6,513	\$ 9,702	
<b>REVENUE</b>									
Appropriation	\$ 3,446		\$ 550	\$ 400	\$ 3,374	\$ 1,000	\$ 3,100	\$ 11,870	
Interest, Sponsorship, Return on Investment	\$ 182					\$	\$ 436	\$ 618	
Building Reserve	\$ 703							\$ 703	
Contracts & Grants		\$ 2,448						\$ 2,448	
<b>Total Revenue</b>	<b>\$ 4,331</b>	<b>\$ 2,448</b>	<b>\$ 550</b>	<b>\$ 400</b>	<b>\$ 3,374</b>	<b>\$ 1,000</b>	<b>\$ 3,536</b>	<b>\$ 15,639</b>	
<b>EXPENSES AND TRANSFERS</b>									
Operating Programs Net of Over-applied Indirects	\$ 1,781							\$ 1,781	
Designated Programs	\$ 2,799		\$ 591	\$ 720	\$ 3,374	\$ 1,582	\$ 5,134	\$ 14,200	
Building Reserve :: Rent and Relocation	\$ 703							\$ 703	
Contracts & Grants		\$ 2,273						\$ 2,273	
<b>Total Expenses</b>	<b>\$ 5,283</b>	<b>\$ 2,273</b>	<b>\$ 591</b>	<b>\$ 720</b>	<b>\$ 3,374</b>	<b>\$ 1,582</b>	<b>\$ 5,134</b>	<b>\$ 18,957</b>	
<b>Net Change</b>	<b>\$ (952)</b>	<b>\$ 175</b>	<b>\$ (41)</b>	<b>\$ (320)</b>	<b>\$ -</b>	<b>\$ (582)</b>	<b>\$ (1,598)</b>	<b>\$ (3,318)</b>	
<b>Ending Balance at 6/30/2020</b>	<b>\$ 45</b>	<b>\$ 367</b>	<b>\$ 89</b>	<b>\$ 359</b>	<b>\$ -</b>	<b>\$ 609</b>	<b>\$ 4,915</b>	<b>\$ 6,384</b>	

**Legend:**

- BB Fund = Broadband Program Fund**
- Comm Fund = Cyber Security Commission Fund**
- CRCF = Commonwealth Research Commercialization Fund**
- UAS and COE Fund = Unmanned Systems and Unmanned Center of Excellence Fund**
- GAP Fund = Growth Acceleration Program Fund**

**Designated Funds are amounts which are to be spent on a specific purpose stated in the Appropriation Act.**

CENTER FOR INNOVATIVE TECHNOLOGY  
**BUDGET ANALYSIS**  
For the Three Months ended September 30, 2019

**Commonwealth Projects Funded by Appropriation & Other Revenue**

(In Thousands)			(In Thousands)			
ACTUAL - Jul - Sep 2019			FORECASTED - Fiscal Year 2020			
Actual	Budget	Variance	Forecast	Budget	Variance	
<b>Revenue</b>						
\$ 3,951	3,756	\$ 195	\$ 11,870	11,619	\$ 251	
486	82	404	1,321	330	991	
4,437	3,838	599	13,191	11,949	1,242	
<b>Program Expenses</b>						
2	9	(7)	19	26	(7)	
2,220	1,991	229	4,152	3,847	305	
1,453	1,209	244	6,414	6,450	(36)	
14	1	13	38	6	32	
175	183	(8)	743	770	(27)	
89	102	(13)	452	519	(67)	
160	73	87	879	488	391	
123	325	(202)	1,035	1,020	15	
122	195	(73)	939	1,172	(233)	
4,358	4,088	270	14,671	14,298	373	
<b>Other Expenses</b>						
98	155	(57)	648	652	(4)	
(155)	41	(196)	1,365	463	902	
(57)	196	(253)	2,013	1,115	898	
4,301	4,284	17	16,684	15,413	1,271	
136	(446)	582	Net	(3,493)	(3,464)	(29)

**Strategic Initiatives Funded by Contracts & Grants**

<b>Entrepreneur</b>						
-	-	-	86	-	86	
-	-	-	86	-	86	
-	-	-	Profit/(Loss)	-	-	
<b>Strategic Initiatives</b>						
229	705	(476)	1,611	1,754	(143)	
212	653	(441)	1,492	1,625	(133)	
17	52	(35)	Profit/(Loss)	(3,103)	129	(10)
-	-	-	751	-	751	
-	-	-	695	-	695	
-	-	-	Profit/(Loss)	56	-	56
229	705	(476)	Program Revenue	2,448	1,754	694
212	653	(441)	Program Expenses	2,273	1,625	648
17	52	(35)	Net	175	129	46

**Consolidated Revenue, Expenses and Changes in Net Position**

4,666	4,543	123	Revenue	15,639	13,703	1,936
4,513	4,937	(424)	Expenses	18,957	17,038	1,919
153	(394)	547	Change in Net Position	(3,318)	(3,335)	17
9,702	9,328	374	Beginning Net Position	9,702	9,328	374
\$ 9,855	\$ 8,934	\$ 921	Ending Net Position	\$ 6,384	\$ 5,993	\$ 391

INNOVATION AND ENTREPRENEURSHIP INVESTMENT AUTHORITY  
 BUDGET ANALYSIS FOR BUILDING OPERATIONS ONLY  
 For the Three Months Ended September 30, 2019

In thousands			BUILDING ANALYSIS	In thousands			
ACTUAL - July to September 2019				FORECASTED - Fiscal Year 2020			
Actual	Budget	Variance		Forecast	Budget	Variance	
\$	159	\$ 164	\$ (5)	REVENUE			
				Rental Income	\$ 612	\$ 612	\$ -
	159	164	(5)	Total Revenue	612	612	-
				BUILDING EXPENSES			
	53	53	-	Payroll	244	244	-
	73	89	(16)	Utilities	354	356	(2)
	33	34	(1)	Administrative	135	135	-
	9	25	(16)	Operating & Maintenance	88	80	8
	80	76	4	Contracts	340	346	(6)
	25	25	-	Insurance	100	100	-
	1	1	-	Leasing Commission and Miscellaneous	15	15	-
	274	303	(29)	Total Expenses	1,276	1,276	-
\$	(115)	\$ (139)	\$ 24	Net Income	\$ (664)	\$ (664)	\$ -

**Item 126.10.D.2.b**

**Fiscal Year 2020 Quarter 1  
September 30, 2019**

**Investments & Grants**

**Center for Innovative Technology**  
**Investments Made and Return on Prior Investments**  
**For the three months ended September 30, 2019**

**Investments made:**

	Actual	Budget	Variance
Brazen Technologies	\$ 21,457.93		
Buddy Technology, Inc.	50,000.00		
Curbside Kitchen, Inc.	50,000.00		
CytoRecovery, Inc.	150,000.00		
Dark3, Inc.	78,352.83		
Edconnective, Inc.	100,000.00		
Fend, Inc	50,000.00		
KinergyCare, LLC	50,000.00		
MarginEdge Co.	112,910.00		
Quirk, Inc.	25,000.00		
	<u>\$ 687,720.76</u>	<u>\$ 500,000.00</u>	<u>\$ 187,720.76</u>

**Return on Prior Investments, including gains and losses:**

Distil Networks, Inc.	\$ 346,055.42		
Eventbrite	12,186.72		
	<u>\$ 358,242.14</u>		

**CRCF Grants Awarded**

N/A

**Item 126.10.D.2.c**

**Fiscal Year 2020 Quarter 1  
September 30, 2019**

**Financial & Programmatic**

**M37 Carried Interest, LLC**



# **M37 Carried Interest, LLC**

## **Financial Report**

*Unaudited*

**As of and for the quarters ended September 30, 2019 and 2018**

M37 Carried Interest, LLC

**STATEMENT OF ASSETS, LIABILITIES and MEMBERS' CAPITAL**

As of September 30, 2019 and 2018

	Unaudited 9/30/2019	Unaudited 9/30/2018	Change
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 10,985	\$ 11,000	\$ (15)
Prepaid Insurance	-	-	-
Total current assets	<u>10,985</u>	<u>11,000</u>	<u>(15)</u>
Total assets	<u>\$ 10,985</u>	<u>\$ 11,000</u>	<u>\$ (15)</u>
<b>LIABILITIES</b>			
Current liabilities:			
Due to CIT	<u>\$ 10,985</u>	<u>\$ 11,000</u>	<u>\$ (15)</u>
Total current liabilities	<u>10,985</u>	<u>11,000</u>	<u>(15)</u>
Total liabilities	<u>10,985</u>	<u>11,000</u>	<u>(15)</u>
<b>MEMBERS' CAPITAL</b>			
CIT	-	-	-
Total members' capital	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and members' capital	<u>\$ 10,985</u>	<u>\$ 11,000</u>	<u>\$ (15)</u>

M37 Carried Interest, LLC

**STATEMENT OF OPERATIONS and CHANGES IN MEMBERS' CAPITAL**

For the three months ended September 30, 2019 and 2018

	Unaudited 9/30/2019	Unaudited 9/30/2018	Change
<b>REVENUES</b>			
Investment income	\$ -	\$ -	\$ -
Total operating revenue	-	-	-
<b>EXPENSES</b>			
Operating expenses	-	-	-
Total expenses	-	-	-
<b>NET LOSS</b>	-	-	-
Members' capital, beginning	-	-	-
Members' capital, ending	\$ -	\$ -	\$ -