



September 30, 2020

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 FY2020 Expenditure Report for the Virginia Innovation Partnership Authority and Center for Innovative Technology. The attached report fulfills the requirements of the Appropriations Act Chapter 1289 Item 135 D.1 (2020 Session).

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

Sincerely,

A handwritten signature in black ink that reads 'Susan Aitcheson'. The signature is written in a cursive style and is placed on a light gray rectangular background.

Susan Aitcheson
CFO
Center for Innovative Technology

cc: The Honorable Brian Ball, Secretary of Commerce and Trade
Ms. Cassidy Rasnick, Deputy Secretary of Commerce and Trade
The Honorable Janet D Howell, Chairman, Senate Finance & Appropriations Committee
The Honorable Luke E. Torian, Chairman, House Appropriations Committee
Ms. Anne E Oman, Staff Director, House Appropriations Committee
Ms. April Kees, Staff Director, Senate Finance & Appropriations 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 135.D.1.a

All planned and actual
revenue and
expenditures along with
funding sources

CENTER FOR INNOVATIVE TECHNOLOGY

BUDGET ANALYSIS

For the Fiscal Year Ended June 30, 2020

	(In Thousands)		
	Fiscal Year 2020		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue			
Commonwealth Appropriation - General Fund	\$ 12,890	\$ 11,619	\$ 1,271
Interest, Sponsorship, Return on Investments & Misc. Income	13,097	330	12,767
Total Revenue	25,987	11,949	14,038
Program Expenses			
R&D - Commonwealth Research and Technology Strategic Roadmap	15	26	(11)
R&D - Commonwealth Research Commercialization Fund (CRCF)	3,564	3,847	(283)
Entrepreneur - Growth Acceleration Program	6,384	6,450	(66)
Broadband - Office of Telework Promotion	20	6	14
Broadband - Broadband Planning and Assistance	565	770	(205)
Commonwealth - Regional Growth	307	519	(212)
Commonwealth - Cyber Commission	730	488	242
Commonwealth - Unmanned Systems	585	1,020	(435)
Commonwealth - Unmanned Systems Center of Excellence	819	1,172	(353)
Program Expenses	12,989	14,298	(1,309)
Other Expenses			
Marketing & Communications and Miscellaneous	524	652	(128)
Unapplied (over-applied) indirects	516	463	53
Other Expenses	1,040	1,115	(75)
Total Expenses	14,029	15,413	(1,384)
Net	11,958	(3,464)	15,422

Strategic Initiatives Funded by Contracts & Grants

Entrepreneur

Program Revenue - SBA FAST 2019	75	-	75
Program Expense	75	-	75
Profit/(Loss)	-	-	-

Strategic Initiatives

Program Revenue - DHS Smart City IoT Innovation Program	2,298	1,754	544
Program Expense	2,128	1,625	503
Profit/(Loss)	170	129	41

Program Revenue - DHS Commercial First Innovation™	49	-	49
Program Expense	45	-	45
Profit/(Loss)	4	-	4

Program Revenue - Slovakia Cohorts	87	-	87
Program Expense	87	-	87
Profit/(Loss)	-	-	-

Program Revenue	2,509	1,754	755
Program Expenses	2,335	1,625	710
Net	174	129	45

Consolidated Revenue, Expenses and Changes in Net Position

Revenue	28,496	13,703	14,793
Expenses	16,364	17,038	(674)
Change in Net Position	12,132	(3,335)	15,467
Beginning Net Position	9,702	9,328	374
Ending Net Position	\$ 21,834	\$ 5,993	\$ 15,841

INNOVATION AND ENTREPRENEURSHIP INVESTMENT AUTHORITY
BUDGET ANALYSIS FOR BUILDING OPERATIONS ONLY
For the Fiscal Year Ended June 30, 2020

BUILDING ANALYSIS	In thousands		
	ACTUAL - July 2019 to June 2020		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUE			
Rental Income - lease revenue	\$ 644	\$ 612	\$ 32
Total Revenue	<u>644</u>	<u>612</u>	<u>32</u>
BUILDING EXPENSES			
Payroll	189	244	(55)
Utilities	285	356	(71)
Administrative	125	135	(10)
Operating & Maintenance	61	80	(19)
Contracts	275	346	(71)
Insurance	100	100	-
Food Service Subsidy	-	-	-
Leasing Commission and Miscellaneous	12	15	(3)
Total Expenses	<u>1,047</u>	<u>1,276</u>	<u>(229)</u>
Net Income	<u>\$ (403)</u>	<u>\$ (664)</u>	<u>\$ 261</u>

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**Total grants made and
investments awarded**

**Center for Innovative Technology
Grants Made and Investments Awarded
For the twelve months ended June 30, 2020**

Investments Awarded:

	Actual	Budget	Variance
Aquasys	\$ 50,000.00		
Blue Triangle Technologies, Inc.	22,289.00		
Brazen Careerist, Inc.	21,457.93		
Buddy Technology, Inc	50,000.00		
Card Isle Corporation	50,000.00		
Cervais, Inc.	25,005.61		
Coin Savage, LLC	50,000.00		
Contraline	99,998.25		
Curbside Kitchen Inc.	149,999.50		
CySecure, Inc.	24,995.85		
CytoRecovery, Inc	250,000.00		
Dark3, Inc	88,352.83		
DeepSig	299,999.14		
DHK Storage, LLC	50,000.00		
Edconnective, Inc	100,000.00		
Embody, Inc.	95,000.00		
Fend, Inc	50,000.00		
Fenris, Inc.	100,000.00		
FRNGE, Inc.	100,000.00		
HyperQube Technologies, Inc	100,000.00		
Jeeva Informatics Solutions, Inc	50,000.00		
Kamana Inc	50,000.00		
KinergyCare, LLC	50,000.00		
Kinometrix, Inc	50,000.00		
Liteldeas, LLC	200,000.00		
MarginEdge Co	112,910.00		
Mesh Intelligence AI, LLC	50,000.00		
Metistream Incorporated	200,000.00		
Ostendio, Inc	123,378.90		
Panaceutics Nutrition, Inc.	250,000.00		
Quirk, Inc	25,000.00		
RunSafe Security, Inc	65,999.44		
Scout, Inc. (Eighth Continent Technologies)	50,000.00		
Student Opportunity Center, Inc	50,000.00		
Suvola Corporation	50,000.00		
Syllab Systems, Inc	50,000.00		
Techulon	50,000.00		
	\$ 3,254,386.45	\$ 2,665,000.00	\$ 589,386.45

CRCF Grants Made

see attached

Center for Innovative Technology

FY2020 CRCF Award Detail

Organization Name	CRCF Project Title	Project Start Date	Project End Date	Award Amount
Agrology	<i>Commercializing a Precision Agricultural System for Irrigation, Fertilizer, and Spray Scheduling</i>	06/15/2020	12/15/2020	\$75,000
AgroSpheres, Inc.	<i>AgroSpheres Enabled RNAi Delivery for Agriculture</i>	06/15/2020	02/01/2021	\$75,000
Azimuth1	<i>EnviMetric: Geospatial Statistical Tools for Environmental Screening of Commercial Real Estate Sales</i>	06/15/2020	06/15/2021	\$75,000
Babylon Micro-Farms Inc.	<i>Designing a Disruptive Platform for Hydroponic Vertical Farming: Addressing Challenges in Effective Urban Farming and the Elimination of Food Deserts</i>	06/15/2020	11/30/2020	\$75,000
BEM Controls, LLC	<i>WiseMrkt: A Platform for Transactive Energy and Demand Response Applications</i>	07/01/2020	03/31/2021	\$75,000
Burnshire Hydroelectric LLC	<i>Inverter Controlled Multigenerator</i>	07/20/2020	12/11/2020	\$74,981
Commonwealth Trading Partners, Inc. (CTP)	<i>Cloud Search Tool for Export Commodity Classification</i>	07/01/2020	04/30/2021	\$74,705
Cowden Technologies, LLC	<i>A Smart Docking Station for Drones</i>	06/15/2020	06/14/2021	\$75,000
Eksdyne Inc.	<i>A Magnetohydrodynamic Actuator System for Robotics</i>	06/15/2020	06/15/2021	\$74,915
Federal Foundry LLC	<i>Structured and Unstructured HR Analytics to Support Hiring, Staffing, and Partnership Decision Making</i>	06/15/2020	06/14/2021	\$73,140
GATACA LLC	<i>GAT for NGS: A Bioinformatics Tool for Hepatitis B Virus Quasispecies -- Incorporating Machine Learning</i>	06/15/2020	02/15/2021	\$75,000
ICBiome, Inc.	<i>A WGS-Based Genomics Platform for Early Identification of MRSA Transmission in ICU Settings</i>	06/15/2020	12/15/2020	\$75,000
KeViRx, Inc	<i>Development of Novel Small Molecule Inhibitors of the Oncogenic Protein Tyrosine Phosphatase PTP4A3 for the Treatment of Human Cancers</i>	06/15/2020	06/14/2021	\$75,000
Li Industries, Inc.	<i>Effective Materials Separation for Low-Cost Lithium Ion Battery Direct Recycling</i>	06/15/2020	06/14/2021	\$75,000
Lumin	<i>Promoting Residential Solar PV Development Through Curtailment of Excess Production Off-Grid</i>	07/01/2020	12/31/2020	\$64,917
Meru Biotechnologies, LLC	<i>Development of the Minimum Viable Product for a Free Solution Biomolecular Characterization Device</i>	06/15/2020	05/31/2021	\$75,000

Micro Harmonics Corporation	<i>Cryogenic Isolators for High-Frequency Ship Radar and Drone Inspection Systems</i>	06/15/2020	06/14/2021	\$75,000
Old Dominion University	<i>Blockchain-Empowered Cyber-Resilient IoT Security Solution</i>	06/15/2020	06/14/2022	\$150,000
Onclave Networks, Inc	<i>Secure IoT: A Zero-Trust Platform for Elimination of OT Attack Surface</i>	06/15/2020	06/14/2021	\$75,000
Organizing4Innovation	<i>Using Team-Learning and Teamwork-Quality Indicators as Objective Performance Assessments to Vet Early-Stage Innovation Teams</i>	07/01/2020	07/01/2021	\$50,450
ReAlta Life Sciences	<i>Peptide Inhibitor of Complement C1 (PIC1) as a Treatment for Hypoxic Ischemic Encephalopathy (HIE)</i>	06/15/2020	06/14/2021	\$59,446
SCOUT Inc.	<i>Demonstrating Small Satellite Technology to Enable Satellite Health Inspections in Geostationary Orbit</i>	06/15/2020	12/15/2020	\$74,816
Sentinel Robotic Solutions, LLC	<i>Sentinel Aerium: American-Made Class I UAS with Disruptive Flight Endurance Technology</i>	07/01/2020	03/31/2021	\$75,000
Service Robotics & Technologies	<i>A Software Command Center for Scheduling and Optimizing Robots and Humans in Smart Buildings</i>	07/01/2020	6/30/2021	\$75,000
Techulon Inc	<i>PPNA-Based Antimicrobial Therapeutics Against Multi-Drug-Resistant Pseudomonas and Acinetobacter</i>	07/01/2020	12/31/2020	\$75,000
Tympanogen, Inc.	<i>Preparation of a 510(k) Application for FDA Clearance of a Gel Patch for Nonsurgical Eardrum Repair</i>	06/15/2020	12/31/2020	\$75,000
University of Virginia	<i>Machine Learning Technology for Prediction of Future Glucose Fluctuations to Enable a New Generation of Adaptive Glucose Control in Diabetes</i>	07/01/2020	06/30/2021	\$137,453
University of Virginia	<i>Novel Automated System to Measure Plant Health</i>	7/1/2020	6/30/2022	\$150,000
Virginia Commonwealth University	<i>Development of Novel Heterogeneous Cross-Coupling Catalysts for Pharmaceutical Applications</i>	07/01/2020	06/30/2021	\$150,000
WynnVision LLC	<i>Preventing Ventilator-Associated Infections</i>	07/01/2020	06/30/2021	\$75,000

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**Recoveries of previous
investments and sales of
equity positions**

Center for Innovative Technology
Recoveries of Previous Investments and Sales of Equity Positions
For the twelve months ended June 30, 2020

Recoveries of prior Investments and Sales of Equity Positions, including gains and losses:

Canvas Holdings	\$ 2,221.08
CIT's interest in M37 Carried Interest, LLC	4,475,652.00
Distil Networks, Inc	351,309.73
DivvyCloud	3,379,149.21
Eventbrite, Inc	12,186.72
Huntress Labs Incorporated	1,890,612.75
nexVortex	621,092.96
Ringobon, LLC	7,500.00
South49 Solutions, Inc	400,666.66
Synoptos, Inc./Ignite/Ohmygov	3,825.76
TypeZero Technologies, Inc. (TZ Holdings LLC)	1,733.48
VividCortex, Inc.	1,260,430.37
Vthreat, Inc	122,880.84
	<u><u>\$ 12,529,261.56</u></u>

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**Cash balances
by funding source**

**Center for Innovative Technology
FY2020 Cash Balances by Fund**

	Operating Funds		Designated Funds					Other	Total
	COV	Other	COV					M37 Carried	
	Discretionary	Grants & Contracts	BB Fund	Comm Fund	CRCF Fund	UAS and COE Fund	GAP Fund	Interest	
	(In Thousands)								
Cash Balances at 6/30/2019	\$ 948	\$ 254	\$ 142	\$ 679	\$ (71)	\$ 1,312	\$ 6,752	\$ (11)	\$ 10,005
Cash receipts - FY2020	\$ 3,789	\$ 1,858	\$ 550	\$ 400	\$ 4,368	\$ 1,147	\$ 15,707	\$ -	\$ 27,819
Cash disbursements - FY2020	\$ (3,851)	\$ (1,754)	\$ (458)	\$ (403)	\$ (2,924)	\$ (1,221)	\$ (5,083)	\$ 11	\$ (15,683)
Cash Balances at 6/30/2020	<u>\$ 886</u>	<u>\$ 358</u>	<u>\$ 234</u>	<u>\$ 676</u>	<u>\$ 1,373</u>	<u>\$ 1,238</u>	<u>\$ 17,376</u>	<u>\$ -</u>	<u>\$ 22,141</u>

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

**INNOVATION AND ENTREPRENEURSHIP INVESTMENT AUTHORITY
FY2020 Cash Balances by Fund**

	Operating Fund	Designated to Building (In Thousands)	IEIA Total
Cash Balance at 6/30/2019	\$ 426	\$ 2,629	\$ 3,055
Cash receipts - FY2020	13,356	45	13,401
Cash disbursements - FY2020	(13,485)	(387)	(13,872)
Cash Balances at 6/30/2020	\$ 297	\$ 2,287	\$ 2,584

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Private investment
activity related to the
fund of funds

No activity for FY2020