

***Virginia Biosciences  
Health Research  
Corporation***

*also known as the Virginia Catalyst*

*Achieving Competitive Critical Mass Through Collaboration*

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**Annual Report for Fiscal Year 2020  
to the General Assembly of Virginia**

**Submitted November 1, 2020**

## By The Numbers

Results through October, 2020

**11** Grant Rounds Conducted

**46** Funded Projects that Improve Human Health

### AWARDED VS. ECONOMIC IMPACT

Through Round 11

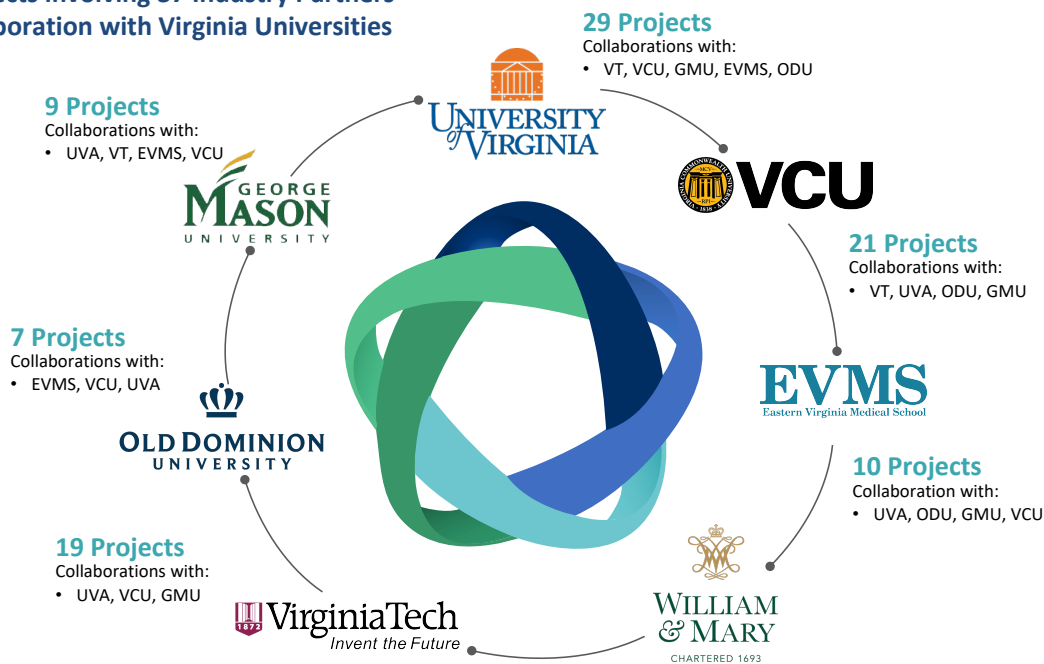
● Awarded      ● Matching Funds      ● Follow-on Funding



**205** High Paying Jobs Created

### COLLABORATIVE STRENGTH

46 Projects involving 37 Industry Partners in collaboration with Virginia Universities



VBHRC Virginia Catalyst is a not-for-profit 501(c)(3) corporation created by the Virginia General Assembly and funded by the Commonwealth's General Fund and seven Virginia public research universities: EVMS, GMU, ODU, UVA, VCU, VT and W&M. Our mission is to stimulate and cultivate collaborations and partnerships among Virginia's research universities, major health systems, and industry to produce positive economic impact within the Commonwealth. Michael Grisham, CEO

## Forward

The 2020 Virginia Acts of Assembly, Chapter 854, Item 103:G includes funding for the Virginia Biosciences Health Research Corporation (VBHRC), a 501(c)(3) non-stock corporation, to serve as a research consortium and catalyst to accelerate and focus life science research momentum at Virginia's universities.

This item also includes the requirement that you are provided, by November 1 of each year, a written report from the Virginia Economic Development Partnership Authority (VEDP) summarizing the activities of the VBHRC consortium. The report is to include a summary of how any funds disbursed to the consortium during the previous fiscal year were spent, and the consortium's progress during the fiscal year in expanding upon existing research opportunities and stimulating new research opportunities in the Commonwealth.

We are pleased to submit to you the following report to detail progress made on core objectives, with a focus on the results achieved during Fiscal Year 2020. Please note, as with our prior annual reports, we are continuing our practice of including details of ongoing efforts into the current fiscal year.

## Statement from Mike Grisham, CEO

*"On behalf of VBHRC Virginia Catalyst and its Board of Directors, we thank you for your continued support of these important and innovative efforts to advance commercialization of Virginia's life science innovations and create high-paying jobs in Virginia. This is achieved through collaborations with our research universities, health systems, and industry.*

*As always, if you have any questions or requests, or if we can be of any assistance, please do not hesitate to contact us!"*

Mike Grisham  
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804-543-5200

Suzanne Zeta, PhD, MBA  
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**Virginia Biosciences Health Research Corporation  
Annual Report for Fiscal Year 2020 to the General Assembly of Virginia**

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## Overview of Virginia Biosciences Health Research Corporation

Established in 2013 as Virginia's research consortium the Virginia Biosciences Health Research Corporation (VBHRC) was founded through the vision and joint efforts of the Commonwealth of Virginia and the five (5) founding members consisting of Virginia's premiere research institutions: Virginia Commonwealth University, Eastern Virginia Medical School, George Mason University, Virginia Tech, and the University of Virginia. In 2014, Old Dominion University became the sixth member institution; and in October 2016, William & Mary joined as the seventh member institution of this consortium.

As stated in the 2019 Virginia Acts of Assembly, Chapter 854, Item 103.G, the overarching purpose and focus of VBHRC is to stimulate and cultivate collaborations and partnerships among Virginia's research universities, major health systems, and industry to produce a positive economic impact within the Commonwealth. This is measured by tracking job creation and follow-on funding for commercializing Virginia's innovations. VBHRC's strategic initiatives increase corporate-sponsored, federal, industry, and philanthropic research funds brought into Virginia; resulting in commercialization of new technologies, formation of new companies, creation of jobs, and expansion of bioscience companies in Virginia.

VBHRC is governed by a Board of Directors (BOD)<sup>1</sup> with primary duties that include:

- Reviewing and approving the annual budget
- Reviewing annual and periodic financial statements and information
- Reviewing Chief Executive Officer's performance annually, establishing salary
- Reviewing and approving all program grant projects
- Reviewing and approving all supplier contracts over \$25,000
- Reviewing and approving all non-budgeted expenditures over \$10,000
- Reviewing and advising staff on internal controls and accounting policies and procedures
- Annually contracting for an audit of the VBHRC and meeting at least annually with the external auditor to review the results of the audit.

The BOD is comprised of a maximum of fifteen directors, nine of whom are ex-officio directors as follows:

- Secretary of Commerce and Trade of Virginia
- President and Chief Executive Officer, Virginia Economic Development Partnership Authority

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<sup>1</sup> Appendix A lists members of VBHRC Board of Directors, Project Management and Oversight Panel, and Management

- President of each of the (seven) member institutions

Each of the nine ex-officio directors may designate an employee of his or her agency or institution to act in his or her stead. The remaining six directors represent the United States Department of Veterans Affairs, health care system providers in Virginia, life sciences companies, venture capital firms, and the biosciences industry in Virginia.

The 2019 Virginia Acts of Assembly, Chapter 854, Item 103:G includes funding of VBHRC for Fiscal Years 2019 and 2020 in order to achieve established core objectives. In addition, the President of each member university agreed to commit a cash contribution of \$50,000 each year.<sup>2</sup> As stated in the aforementioned Acts of Assembly, along with supporting the administrative, promotional and legal costs of establishing and administering the consortium, funding may be used to develop or maintain investments in research infrastructure tools to facilitate bioscience research (Item 103:G.2), and to capture and perform research in the biosciences (Item 103:G.3).

In Fiscal Year 2019, VBHRC was funded \$3,750,000 by the Commonwealth of Virginia and \$350,000 through the member institutions (\$50,000 per each year of the seven (7) member institutions), bringing the total funding for Fiscal Year 2019 to \$4,100,000.

In Fiscal Year 2020, VBHRC was funded \$3,750,000 by the Commonwealth of Virginia and \$350,000 through the member institutions (\$50,000 per each year of the seven (7) member institutions), bringing the total funding for Fiscal Year 2020 to \$4,100,000.

See Appendix C for Fiscal Year 2020 Financial Statements, Independent Auditor's Report, and Fiscal Year 2021 Budget.

### **Core Objectives**

Also stated in the aforementioned Acts of Assembly are core objectives stating that VBHRC, a research consortium, will contract with private entities, foundations and other governmental sources to:

- capture and perform research in the biosciences,
- promote the development of bioscience infrastructure tools which can be used to facilitate additional research activities, and
- develop or maintain investments in research infrastructure tools to facilitate bioscience research.

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<sup>2</sup> Appendix B provides details regarding the funding history of VBHRC

The overarching purpose of these core objectives and efforts is to have a positive economic impact to the Commonwealth by increasing corporate-sponsored research resulting in commercialization of new technologies, formation of new companies, creation of jobs, and expansion of bioscience companies in Virginia.

In accordance with the core objectives, VBHRC has several strategically designed initiatives that focus on:

- stimulating collaborations and partnerships with and among our research universities, industry, and the five major medical centers: Sentara, Inova, UVA Health System, VCU Health, and Carilion,
- creating infrastructures that remove barriers and promote collaborations,
- actively pursuing opportunities to bring outside sources of research funding into Virginia's research institutions, and
- leveraging collaborations to develop a competitive critical mass of expertise and resources to commercialize Virginia's innovations.

## Progress on Core Objective

### Grant Funding Rounds

#### Overview and Objectives

The Virginia Catalyst conducts formalized, competitive Grant Funding Rounds to:

- Encourage collaborative partnerships between two or more Virginia research universities and an industry partner,
- Fund the development and commercialization of life science projects that address major unmet needs for improving human health,
- Accelerate commercialization of Virginia research university inventions and discoveries,
- Increase Virginia's national and global competitiveness in the life sciences by creating critical mass through collaborations between and among Virginia's research universities, health systems, and industry partners,
- Create jobs and economic growth in Virginia.

The eligibility requirements for obtaining funding through the Virginia Catalyst Grant Rounds are:

- Substantive collaboration between investigators from at least two (2) Virginia research universities<sup>3</sup> and an industry partner,
- matching funds of at least 1:1 for the project. The match must be a cash dollar-for-dollar match, not in-kind services or a waiver of indirect overhead charges. Matching funds are verified by the Virginia Catalyst.

Awards range from \$200,000 to \$800,000 per project and are non-dilutive. All Virginia Catalyst funding is disbursed over the project period based upon verified completion of objective and measurable milestones. The Virginia Catalyst disburses the funds directly to the Prime University, not the industry partner. The Prime University then disburses funds to the Partner University and the Industry Partner.

### **Project Management and Oversight Panel**

The Project Management and Oversight Panel<sup>4</sup>, the CEO, and the Board of Directors developed and approved criteria and standardized processes which govern the Virginia Catalyst Grant Rounds including:

- Project solicitation from institutions and companies
- Determination that eligibility requirements have been satisfied
- Project review for scientific rigor and impact on unmet needs for improving health
- Project review for abilities of commercialization, obtaining follow-on funding, and job creation
- Progress reporting by the project team including progress towards milestones and continuation of the project
- Related project management issues and decisions.

### **Fiscal Year 2020 Awarded Projects<sup>5</sup>**

Virginia Catalyst conducted one full Grant Round in Fiscal Year 2020. See Appendix D.1 for a summary of all awarded projects to date.

#### **Grant Round 10**

In January 2020, VBHRC funded six (6) projects for a total amount \$3.3 million.

These projects brought a total of \$4.3 million in matching funds and involved:

- Five (5) Virginia research universities, and
- Six (6) industry partners

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<sup>3</sup> Virginia research universities and member institutions of the Virginia Catalyst: University of Virginia, Virginia Commonwealth University, Eastern Virginia Medical School, George Mason University, Old Dominion University, Virginia Tech, William & Mary

<sup>4</sup> Appendix A lists members of VBHRC Board of Directors, Project Management and Oversight Panel, and Management

<sup>5</sup> Appendix D.1 provides a summary of all awarded projects to date



As of June 30, 2020 all of these projects were open and progressing towards milestones as per their respective award agreements. Four of these projects have already secured \$2.25 million in follow-on funding and created 11 new jobs in Virginia.

## **Economic Returns<sup>6</sup>**

The Virginia Catalyst awarded its first Grant Rounds in December 2013, and as of June 30, 2020, has conducted ten cycles of Grant Rounds. See Appendix D.2 for details on economic returns to date.

### **Cumulatively through June 30, 2020**

***The Virginia Catalyst funded a total of \$19.1 million to 43 collaborative projects.***

***Together these projects brought a total of \$34.4 million in matching funds and involved:***

- ***Six (6) Virginia research universities, and***
- ***Thirty-four (34) industry partners***

***And resulted in a total of:***

- ***\$194 million in follow-on funding***
  - ***205 new high-paying jobs created in Virginia***
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<sup>6</sup> Appendix D.2 provides details on economic returns to date

## **Appendix A: Governance Overview**

Non-government related positions on the Board of Directors, as well as the Project Management and Oversight Panel, are filled on a pro bono basis by qualified individuals who hold important bioscience-related expertise, value the public service nature of this position, and possess a sincere interest in helping to advance Virginia's bioscience community. VBHRC Virginia Catalyst and VEDP are deeply grateful for their voluntary contributions to the Commonwealth.

### **A.1 Members of Board of Directors**

As per the Articles of Incorporation of VBHRC, as amended July 16, 2019, VBHRC shall be managed by a board of directors consisting of a maximum of sixteen directors, nine of whom shall be ex-officio directors designated by entities controlled by the Commonwealth of Virginia. This is intended to satisfy Article IV, §16 of the Constitution of Virginia.

The nine ex-officio directors shall be: the Secretary of Commerce and Trade of Virginia; the President and Chief Executive Officer of the Virginia Economic Development Partnership Authority; the president of the University of Virginia; the president of the Virginia Polytechnic Institute and State University; the president of George Mason University; the president of Virginia Commonwealth University; the president of Eastern Virginia Medical School; the president of Old Dominion University; and the president of the College of William & Mary. Each of the nine ex-officio directors may, in a writing signed by the ex-officio director, designate an employee of his or her agency or institution to act in his or her stead or terminate or replace an earlier designation. The Chair and Vice-Chair of the Board of Directors need not be ex-officio directors, but any ex-officio director may, by written notice to the Chair, require a meeting of the Board of Directors, and may require any matter or motion to be placed upon the agenda and voted upon.

With respect to the remaining six directors, one (1) shall be a representative of the United States Department of Veterans Affairs, two (2) shall be representatives of statewide health care system providers in Virginia, and the board of directors shall designate an additional three directors representing life sciences company, venture capital firm that regularly invests in life science companies, and statewide representative of the biosciences industry in Virginia.

The current members of the VBHRC Virginia Catalyst Board of Directors are as follows:

Designated Board Seat	Current Board Member
1. Secretary of Commerce and Trade of Virginia or his/her designee	<b>Cassidy Rasnick</b> Deputy Secretary of Commerce and Trade Commonwealth of Virginia
2. President and Chief Executive Officer of the Virginia Economic Development Partnership Authority or designee	<b>Vince Barnett</b> Vice President, Business Investment
3. President of the University of Virginia or his/her designee	<b>Melur K. Ramasubramanian, Ph.D.</b> Interim Vice President for Research
4. President of the Virginia Polytechnic Institute and State University or his/her designee	<b>Michael Friedlander, Ph.D.</b> Founding Exe.Dir, Virginia Tech Carilion Research Institute, Associate Provost
5. President of George Mason University or his/her designee	<b>Aurali Dade, Ph.D.</b> Vice President for Research
6. President of Virginia Commonwealth University or his/her designee	<b>Srirama Rao, Ph.D.</b> Vice President for Research and Innovation
7. President of Eastern Virginia Medical School or his/her designee	<b>William J. Wasilenko, Ph.D.</b> Vice Dean for Research
8. President of Old Dominion University or his/her designee	<b>Morris Foster, Ph.D.</b> Vice President for Research
9. President of College of William and Mary or his/her designee	<b>Dennis Manos, Ph.D.</b> Vice Provost for Research and Graduate/Professional Studies
10. Representative of the United States Department of Veteran Affairs	<b>David X. Cifu, M.D.</b> National Director for PM&R Services
11. Representative of statewide health care system provider in Virginia	<b>Howard P. Kern</b> President and CEO, Sentara Healthcare
12. Representative of statewide health care system provider in Virginia	<b>Mickey Kim, MD, MBA</b> Former Senior Vice President, Research and Commercialization, Inova Health
13. Representative of a life sciences company	<b>Jeff Conroy</b> Founder and CEO, Embody LLC
14. Representative of a venture capital firm that regularly invests in life sciences companies	<b>Thomas D. Roberts, III</b> General Partner Harbert Management Corporation
15. Representative of a venture capital firm that regularly invests in life sciences companies	<b>Kyp Sirinakis</b> Co-Founder and Managing Director Epidarex Capital
16. Statewide representative of the biosciences industry in Virginia	<b>Jeffrey M. Gallagher</b> Former CEO, Virginia Bio

## A.2 Members of Project Management and Oversight Panel

As per the Articles of Incorporation of VBHRC, as amended March 7, 2017, the Board of Directors shall establish a Project Management and Oversight Panel with maximum of eleven members, which include up to six (6) scientists, one of which will be a medical doctor or clinical practitioner; three (3) shall be representative of life science companies; and two (2) shall be representative of venture capital firms that actively invest in life science companies. The current members of the VBHRC Virginia Catalyst Project Management and Oversight Committee are as follows:

<b>Designated Panel Seat</b>	<b>Current Panel Member</b>
1. Science and Clinical	<b>Ali Andalibi, Ph.D.</b> Associate Dean of Research George Mason University
2. Science and Clinical	<b>O. John Semmes, Ph.D.</b> Director, Leroy Canoles Jr. Cancer Research Center Eastern Virginia Medical School
3. Science and Clinical	<b>George S. Bloom, Ph.D.</b> Professor of Biology, Cell Biology and Neuroscience Director, Neuroscience Undergraduate Program, University of Virginia
4. Science and Clinical	<b>Charles Anamelechi, Ph.D.</b> Healthcare Strategy Manager, Monitor Deloitte
5. Science and Clinical	(Recruiting for Open Seat)
6. Life Science Company	<b>Jeff Pompeo</b> President and CEO, CareTaker Medical, LLC
7. Life Science Company	<b>Rony Thomas</b> President and CEO, LifeNet Health, Inc.
8. Life Science Company	<b>Gerard Eldering</b> President, Innovate Tech Ventures
9. Life Science Company	<b>James C. Powers</b> Chairman and CEO, Hemoshear, LLC
10. Venture Capital Firm	<b>Bob Creeden</b> Managing Director UVA Seed Fund and New Ventures
11. Venture Capital Firm	<b>Scott Meza</b> Shareholder and Attorney at Law, Greenberg Traurig
12. Venture Capital Firm	<b>Monique Adams</b> Executive Director, 757 Angels Group

### **A.3 Members of Management**

As per the Articles of Incorporation of VBHRC, as amended March 7, 2017, the officers of VBHRC shall consist of a President, and such other officers and assistant officers and agents as may be deemed necessary by the Board of Directors. The President shall be the chief executive officer, shall have active executive management of the operations of VBHRC subject to the control of the Board of Directors.

#### **Mike Grisham, MBA President and CEO**

Mike Grisham has served as President and CEO of VBHRC Virginia Catalyst since 2014. Prior to this he was the Founder, Managing Member, and CEO of GPB Scientific LLC since 2002. He has over 21 years of experience in biosciences, building diagnostic and healthcare companies. Mr. Grisham founded and served as CEO of Celective DX (acquired by On-Q-ity); Verinata Health Inc. (acquired by Illumina); and Paradigm Health Corporation (acquired by Alere). Grisham holds a BA from University of California, Berkeley and an MBA from Stanford Graduate School of Business.

#### **Suzanne Zeta, PhD, MBA Vice President of Operations**

In July 2018, Dr. Zeta joined VBHRC Virginia Catalyst as Vice President of Operations. Prior to this, Dr. Zeta worked for VBHRC to develop a marketing portfolio and provide support for the Virginia Neuroscience Initiative. Previously a member of Virginia Commonwealth University's Department of Physical Medicine and Rehabilitation, her clinical practice, instruction, research, and nationwide presentations led to recognition as a leader and expert in oncology rehabilitation. Taylor also has extensive healthcare management experience including serving as a Regional Director of Operations for American Retirement Corporation and Brookdale Senior Living. Along with being a licensed occupational therapist and having a Master of Business Administration in Healthcare Management degree, Zeta obtained a Doctor of Philosophy degree in Health Related Sciences from Virginia Commonwealth University.

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## Appendix B: Funding History of VBHRC

The founding members of VBHRC were Virginia's premiere research institutions: Virginia Commonwealth University, Eastern Virginia Medical School, George Mason University, Virginia Polytechnic Institute and State University and the University of Virginia. Old Dominion University became the sixth member of the consortium effective in 2014, and effective in Fiscal Year 2017, the College of William & Mary became the seventh member of the consortium.

The Commonwealth of Virginia committed funding for Fiscal Years 2013 and 2014 to establish the core objectives of the consortium. In addition to this funding, the President of each member university agreed to commit a cash contribution to participate. The Commonwealth's commitment during those two fiscal years totaled \$5 million, supplemented by a \$100,000 contribution from each member university, distributed as \$50,000 each year.

Funds from Fiscal Years 2013 and 2014 carried over to Fiscal Year 2015. Therefore there was not additional funding from the Commonwealth in Fiscal Year 2015.

For Fiscal Year 2016, VBHRC received \$2,500,000 in funding from the Commonwealth and a total of \$300,000 (\$50,000 each) from its member universities.

In Fiscal Year 2017, VBHRC was funded \$2,500,000 by the Commonwealth of Virginia and \$350,000 through the member institutions (\$50,000 per each year of the seven (7) member institutions), bringing the total funding for Fiscal Year 2017 to \$2,850,000.

In Fiscal Year 2018, VBHRC was funded \$3,750,000 by the Commonwealth of Virginia and \$350,000 through the member institutions (\$50,000 per each year of the seven (7) member institutions), bringing the total funding for Fiscal Year 2018 to \$4,100,000.

In Fiscal Year 2019, VBHRC was funded \$3,750,000 by the Commonwealth of Virginia and \$350,000 through the member institutions (\$50,000 per each year of the seven (7) member institutions), bringing the total funding for Fiscal Year 2019 to \$4,100,000.

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## **Appendix C: Financial Statements and Independent Auditor's Report**

### **C.1 Fiscal Year 2020: Financial Statements**

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Virginia Biosciences Health Research Corporation

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**Financial Statements  
For the Twelve Months Ended  
June 30, 2020  
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**BASIS OF ACCOUNTING.** These statements are prepared in accordance with generally accepted accounting principles (GAAP); however, all disclosures required by GAAP have been omitted.

**NO ASSURANCE.** These financial statements have not been audited or reviewed and no CPA provides any assurance on them



**Virginia Biosciences Health Research Corporation**  
**Statement of Financial Position**  
As of June 30, 2020

07/16/20

	<b>Jun 30, 20</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1000 · BB&T Checking 3407	2,650,912.85
1050 · BB&T MM 5225	1,319,666.93
<b>Total Checking/Savings</b>	3,970,579.78
<b>Accounts Receivable</b>	
1200 · Commonwealth of VA FY 2020 Rec	3,750,000.00
1205 · University Pledges Receivable	350,000.00
<b>Total Accounts Receivable</b>	4,100,000.00
<b>Total Current Assets</b>	8,070,579.78
<b>TOTAL ASSETS</b>	<b>8,070,579.78</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 · Accounts Payable	57,405.48
<b>Total Accounts Payable</b>	57,405.48
<b>Total Current Liabilities</b>	57,405.48
<b>Total Liabilities</b>	57,405.48
<b>Equity</b>	
<b>3100 · Net Assets w/o Donor Restrict</b>	
3110 · Uncommitted and Relinquished	464,723.60
3120 · Committed to Projects	3,158,278.00
<b>Total 3100 · Net Assets w/o Donor Restrict</b>	3,623,001.60
<b>3200 · Net Assets with Donor Restrict</b>	
3210 · Time Restricted	3,750,000.00
<b>Total 3200 · Net Assets with Donor Restrict</b>	3,750,000.00
<b>Net Income</b>	640,172.70
<b>Total Equity</b>	8,013,174.30
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>8,070,579.78</b>

07/16/20

**Virginia Biosciences Health Research Corporation**  
**Statement of Activities - Current Month, Prior Month & YTD**  
**June 2020**

	Jun 20	May 20	Jul '19 - Ju...
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>4000 · Virginia General Assembly</b>			
4005 · Program support	3,250,000.00	0.00	3,250,000.00
4010 · General & admin. support	500,000.00	0.00	500,000.00
<b>Total 4000 · Virginia General Assembly</b>	3,750,000.00	0.00	3,750,000.00
<b>4100 · Member University Contributions</b>			
4132 · William & Mary	0.00	0.00	50,000.00
4110 · Eastern Va Medical School	0.00	0.00	50,000.00
4125 · George Mason University	0.00	0.00	50,000.00
4131 · Old Dominion University	0.00	0.00	50,000.00
4130 · University of Virginia	0.00	0.00	50,000.00
4120 · Virginia Commonwealth	0.00	0.00	50,000.00
4105 · Virginia Tech	0.00	0.00	50,000.00
<b>Total 4100 · Member University Contributions</b>	0.00	0.00	350,000.00
<b>4400 · Other Income</b>	10.82	67.06	3,246.89
<b>Total Income</b>	3,750,010.82	67.06	4,103,246.89
<b>Gross Profit</b>	3,750,010.82	67.06	4,103,246.89
<b>Expense</b>			
<b>5100 · Program Expenses</b>			
<b>5120 · Collaborative Grant Program</b>			
<b>5120.6 · Round 6</b>			
5602 · Propagenix - Beta Cells	0.00	0.00	95,000.00
5603 · Pulse Bio -Electrical Fields	0.00	0.00	75,000.00
5606 · VoltMed INSPIRE	0.00	0.00	120,000.00
<b>Total 5120.6 · Round 6</b>	0.00	0.00	290,000.00
<b>5120.7 · Round 7</b>			
5702 · 702 Indivior Opioid Overdose	0.00	0.00	55,556.00
5703 · ReAlta Life Sciences	0.00	0.00	-6,770.00
<b>Total 5120.7 · Round 7</b>	0.00	0.00	48,786.00
<b>5120.8 · Round 8</b>			
5802 · Continuum Biosciences	0.00	0.00	40,000.00
5803 · Embody	0.00	0.00	245,000.00
5804 · LifeNet	0.00	78,332.00	161,666.00
5805 · 805 Serpin Pharma	55,000.00	0.00	55,000.00
5806 · Wynn Vision	0.00	0.00	110,000.00
<b>Total 5120.8 · Round 8</b>	55,000.00	78,332.00	611,666.00
<b>5120.9 · Round 9</b>			
5901 · 901 AgroSpheres VT	0.00	0.00	355,000.00
5902 · 902 BrightSpec VCU	0.00	0.00	120,000.00
5903 · 903 Ceres UVA	190,000.00	0.00	375,000.00
5904 · 904 Perthera - UVA / EVMS	0.00	0.00	150,000.00
<b>Total 5120.9 · Round 9</b>	190,000.00	0.00	1,000,000.00
<b>5120.10 · Round 10</b>			
51001 · 1001 CytoRecovery	0.00	0.00	200,000.00
51002 · 1002 InterLeukin	0.00	0.00	190,000.00
51003 · 1003 Lytos	0.00	0.00	137,000.00
51004 · 1004 Monet	0.00	0.00	75,000.00
51005 · 1005 Rivanna	0.00	0.00	150,000.00
51006 · 1006 Tympanogen	0.00	0.00	200,000.00
<b>Total 5120.10 · Round 10</b>	0.00	0.00	952,000.00
<b>Total 5120 · Collaborative Grant Program</b>	245,000.00	78,332.00	2,902,452.00

No CPA provides any assurance on these financial statements

07/16/20

**Virginia Biosciences Health Research Corporation**  
**Statement of Activities - Current Month, Prior Month & YTD**  
**June 2020**

	Jun 20	May 20	Jul '19 - Ju...
<b>5200 · Virginia Neuroscience Initiativ</b>			
<b>5290 · VNI Project Management</b>			
5220 · VNI Project Manager	0.00	0.00	104,080.30
5240 · Administrative Support Salary	0.00	0.00	53,223.33
5230 · Marketing	0.00	0.00	646.68
5250 · Travel	0.00	0.00	122.82
5139 · VNI project expenses	0.00	0.00	1,139.26
<b>Total 5290 · VNI Project Management</b>	0.00	0.00	159,212.39
<b>Total 5200 · Virginia Neuroscience Initiativ</b>	0.00	0.00	159,212.39
<b>5400 · Infrastructure-Neuro Addiction</b>			
<b>5410 · Consulting Services</b>			
5410.1 · Consulting services-Deloitte	0.00	0.00	2,237.66
<b>Total 5410 · Consulting Services</b>	0.00	0.00	2,237.66
<b>Total 5400 · Infrastructure-Neuro Addiction</b>	0.00	0.00	2,237.66
<b>6000 · Support and development</b>			
<b>6200 · Salaries and Benefits</b>			
6210 · Salaries and Wages	26,166.68	26,166.68	298,444.20
6215 · Payroll Taxes	2,001.75	2,001.74	18,772.37
<b>Total 6200 · Salaries and Benefits</b>	28,168.43	28,168.42	317,216.57
<b>6400 · Program development</b>			
6405 · Advertising - Press Releases	0.00	0.00	1,700.00
6415 · Conferences	535.02	0.00	535.02
6420 · Meals and Entertainment	0.00	0.00	387.77
6430 · Memberships and sponsorships	0.00	6,250.00	25,000.00
6425 · Travel and lodging	0.00	0.00	1,437.09
6499 · Other program development exp.	0.00	0.00	337.57
<b>Total 6400 · Program development</b>	535.02	6,250.00	29,397.45
<b>Total 6000 · Support and development</b>	28,703.45	34,418.42	346,614.02
<b>Total 5100 · Program Expenses</b>	273,703.45	112,750.42	3,410,516.07
<b>6005 · General and administrative</b>			
6010 · Accounting services	1,965.00	1,965.00	22,705.30
6020 · Audit and tax returns	0.00	0.00	11,475.00
6445 · Web Site	0.00	0.00	43.33
6045 · Insurance	485.00	0.00	485.00
6050 · Legal Expenses	245.00	0.00	11,574.50
6055 · Office and Computer Supplies	0.00	0.00	415.28
6060 · Office Rent	250.00	250.00	3,000.00
6065 · Parking	80.00	80.00	1,960.50
6070 · Postage	0.00	0.00	63.75
6080 · Telephone	810.46	0.00	810.46
6099 · Miscellaneous operating expense	0.00	0.00	25.00
<b>Total 6005 · General and administrative</b>	3,835.46	2,295.00	52,558.12
<b>Total Expense</b>	277,538.91	115,045.42	3,463,074.19
<b>Net Ordinary Income</b>	3,472,471.91	-114,978.36	640,172.70
<b>Net Income</b>	<u>3,472,471.91</u>	<u>-114,978.36</u>	<u>640,172.70</u>

No CPA provides any assurance on these financial statements

07/16/20

**Virginia Biosciences Health Research Corporation**  
**Statement of Activities Budget vs. Actual**  
 July 2019 through June 2020

	<u>Jul '19 - Jun 20</u>	<u>Budget</u>	<u>% of Bu...</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
4000 · Virginia General Assembly			
4005 · Program support	3,250,000.00	3,250,000.00	100.0%
4010 · General & admin. support	500,000.00	500,000.00	100.0%
<b>Total 4000 · Virginia General Assembly</b>	<b>3,750,000.00</b>	<b>3,750,000.00</b>	<b>100.0%</b>
4100 · Member University Contributions			
4132 · William & Mary	50,000.00	50,000.00	100.0%
4110 · Eastern Va Medical School	50,000.00	50,000.00	100.0%
4125 · George Mason University	50,000.00	50,000.00	100.0%
4131 · Old Dominion University	50,000.00	50,000.00	100.0%
4130 · University of Virginia	50,000.00	50,000.00	100.0%
4120 · Virginia Commonwealth	50,000.00	50,000.00	100.0%
4105 · Virginia Tech	50,000.00	50,000.00	100.0%
<b>Total 4100 · Member University Contributions</b>	<b>350,000.00</b>	<b>350,000.00</b>	<b>100.0%</b>
4400 · Other Income	3,246.89		
<b>Total Income</b>	<b>4,103,246.89</b>	<b>4,100,000.00</b>	<b>100.1%</b>
<b>Gross Profit</b>	<b>4,103,246.89</b>	<b>4,100,000.00</b>	<b>100.1%</b>
<b>Expense</b>			
5100 · Program Expenses			
5120 · Collaborative Grant Program			
5120.6 · Round 6			
5602 · Propagenix - Beta Cells	95,000.00	200,000.00	47.5%
5603 · Pulse Bio -Electrical Fields	75,000.00	75,000.00	100.0%
5605 · Serpin Pharma - Anti Inflamm	0.00	240,000.00	0.0%
5606 · VoltMed INSPIRE	120,000.00	170,000.00	70.6%
<b>Total 5120.6 · Round 6</b>	<b>290,000.00</b>	<b>685,000.00</b>	<b>42.3%</b>
5120.7 · Round 7			
5701 · ImmunArray	0.00	410,000.00	0.0%
5702 · 702 Indivior Opioid Overdose	55,556.00	333,334.00	16.7%
5703 · ReAlta Life Sciences	-6,770.00	-6,770.00	100.0%
<b>Total 5120.7 · Round 7</b>	<b>48,786.00</b>	<b>736,564.00</b>	<b>6.6%</b>
5120.8 · Round 8			
5802 · Continuum Biosciences	40,000.00	40,000.00	100.0%
5803 · Embody	245,000.00	250,000.00	98.0%
5804 · LifeNet	161,666.00	166,666.00	97.0%
5805 · 805 Serpin Pharma	55,000.00	162,500.00	33.8%
5806 · Wynn Vision	110,000.00	115,000.00	95.7%
<b>Total 5120.8 · Round 8</b>	<b>611,666.00</b>	<b>734,166.00</b>	<b>83.3%</b>

No CPA provides any assurance on these financial statements

07/16/20

**Virginia Biosciences Health Research Corporation**  
**Statement of Activities Budget vs. Actual**  
 July 2019 through June 2020

	<u>Jul '19 - Jun 20</u>	<u>Budget</u>	<u>% of Bu...</u>
<b>5120.9 · Round 9</b>			
5901 · 901 AgroSpheres VT	355,000.00	230,000.00	154.3%
5902 · 902 BrightSpec VCU	120,000.00	120,000.00	100.0%
5903 · 903 Ceres UVA	375,000.00	375,000.00	100.0%
5904 · 904 Perthera - UVA / EVMS	150,000.00	465,000.00	32.3%
<b>Total 5120.9 · Round 9</b>	<u>1,000,000.00</u>	<u>1,190,000.00</u>	<u>84.0%</u>
<b>5120.10 · Round 10</b>			
51001 · 1001 CytoRecovery	200,000.00		
51002 · 1002 InterLeukin	190,000.00		
51003 · 1003 Lytos	137,000.00		
51004 · 1004 Monet	75,000.00		
51005 · 1005 Rivanna	150,000.00		
51006 · 1006 Tympanogen	200,000.00		
5120.10 · Round 10 - Other	0.00	1,200,000.00	0.0%
<b>Total 5120.10 · Round 10</b>	<u>952,000.00</u>	<u>1,200,000.00</u>	<u>79.3%</u>
<b>Total 5120 · Collaborative Grant Program</b>	2,902,452.00	4,545,730.00	63.9%
<b>5200 · Virginia Neuroscience Initiativ</b>			
5290 · VNI Project Management			
5220 · VNI Project Manager	104,080.30	102,000.00	102.0%
5240 · Administrative Support Salary	53,223.33	48,000.00	110.9%
5230 · Marketing	646.68	6,000.00	10.8%
5250 · Travel	122.82	6,000.00	2.0%
5139 · VNI project expenses	1,139.26		
<b>Total 5290 · VNI Project Management</b>	<u>159,212.39</u>	<u>162,000.00</u>	<u>98.3%</u>
<b>Total 5200 · Virginia Neuroscience Initiativ</b>	159,212.39	162,000.00	98.3%
<b>5400 · Infrastructure-Neuro Addiction</b>			
5410 · Consulting Services			
5410.1 · Consulting services-Deloitte	2,237.66		
<b>Total 5410 · Consulting Services</b>	<u>2,237.66</u>		
<b>Total 5400 · Infrastructure-Neuro Addiction</b>	2,237.66		
<b>6000 · Support and development</b>			
6200 · Salaries and Benefits			
6210 · Salaries and Wages	298,444.20	315,000.00	94.7%
6215 · Payroll Taxes	18,772.37	20,000.00	93.9%
<b>Total 6200 · Salaries and Benefits</b>	<u>317,216.57</u>	<u>335,000.00</u>	<u>94.7%</u>

No CPA provides any assurance on these financial statements

07/16/20

**Virginia Biosciences Health Research Corporation**  
**Statement of Activities Budget vs. Actual**  
 July 2019 through June 2020

	<u>Jul '19 - Jun 20</u>	<u>Budget</u>	<u>% of Bu...</u>
<b>6400 · Program development</b>			
6405 · Advertising - Press Releases	1,700.00	5,000.00	34.0%
6415 · Conferences	535.02	7,500.00	7.1%
6420 · Meals and Entertainment	387.77	1,000.00	38.8%
6430 · Memberships and sponsorships	25,000.00	25,000.00	100.0%
6425 · Travel and lodging	1,437.09	5,000.00	28.7%
6499 · Other program development exp.	337.57	800.00	42.2%
<b>Total 6400 · Program development</b>	<u>29,397.45</u>	<u>44,300.00</u>	<u>66.4%</u>
<b>Total 6000 · Support and development</b>	<u>346,614.02</u>	<u>379,300.00</u>	<u>91.4%</u>
<b>Total 5100 · Program Expenses</b>	<u>3,410,516.07</u>	<u>5,087,030.00</u>	<u>67.0%</u>
<b>6005 · General and administrative</b>			
6010 · Accounting services	22,705.30	24,000.00	94.6%
6020 · Audit and tax returns	11,475.00	10,000.00	114.8%
6030 · Board of Directors Expense	0.00	1,000.00	0.0%
6445 · Web Site	43.33	400.00	10.8%
6045 · Insurance	485.00		
6050 · Legal Expenses	11,574.50	25,000.00	46.3%
6055 · Office and Computer Supplies	415.28	1,000.00	41.5%
6060 · Office Rent	3,000.00	4,000.00	75.0%
6065 · Parking	1,960.50	2,000.00	98.0%
6070 · Postage	63.75	200.00	31.9%
6080 · Telephone	810.46	1,250.00	64.8%
6099 · Miscellaneous operating expense	25.00		
<b>Total 6005 · General and administrative</b>	<u>52,558.12</u>	<u>68,850.00</u>	<u>76.3%</u>
<b>Total Expense</b>	<u>3,463,074.19</u>	<u>5,155,880.00</u>	<u>67.2%</u>
<b>Net Ordinary Income</b>	<u>640,172.70</u>	<u>-1,055,880.00</u>	<u>-60.6%</u>
<b>Net Income</b>	<u><u>640,172.70</u></u>	<u><u>-1,055,880.00</u></u>	<u><u>-60.6%</u></u>

No CPA provides any assurance on these financial statements

**VIRGINIA BIOSCIENCES HEALTH RESEARCH CORPORATION**

**Project Awards, Allocations to Date, Funds Relinquished, and Remaining Awards**

**As of June 30, 2020**

Round	Company	Payee/ School	Amount Awarded	Allocation Awarded	Funds Relinquished	Remaining Award
Round 01	BioTherapeutics	VA Tech	400,000	400,000	-	-
	Cavion LLC	UVA	200,000	200,000	-	-
	FirstString	VA Tech	200,000	200,000	-	-
	HemoShear	UVA	450,000	450,000	-	-
<b>Round 01 Total</b>			<b>1,250,000</b>	<b>1,250,000</b>	-	-
Round 02	Gencia	VCU	400,000	400,000	-	-
	LifeNet Health	EVMS	255,000	255,000	-	-
	Neoantigenics	UVA	348,729	348,729	-	-
	SphynKx	VA Tech	400,000	400,000	-	-
<b>Round 02 Total</b>			<b>1,403,729</b>	<b>1,403,729</b>	-	-
Round 03	OncoSec Medical	ODU	585,000	585,000	-	-
	PhenoCHIP	VA Tech	270,000	270,000	-	-
	US Probe	VCU	536,000	406,000	130,000	-
<b>Round 03 Total</b>			<b>1,391,000</b>	<b>1,261,000</b>	<b>130,000</b>	-
Round 04	BioTherapeutics	VA Tech	400,000	400,000	-	-
	BrightSpec	UVA	400,000	400,000	-	-
	Ceres Nanotrap	GMU	500,000	500,000	-	-
	Embody	ODU	634,500	634,500	-	-
	FirstString	VA Tech	290,000	290,000	-	-
<b>Round 04 Total</b>			<b>2,224,500</b>	<b>2,224,500</b>	-	-
Round 05	Cavion LLC	UVA	306,985	306,985	-	-
	VoltMed	VA Tech	380,000	380,000	-	-
<b>Round 05 Total</b>			<b>686,985</b>	<b>686,985</b>	-	-
Round 06	BioTherapeutics	VA Tech	800,000	800,000	-	-
	Propagenix	VCU	425,000	320,000	105,000	-
	Pulse Biosciences	ODU	300,000	300,000	-	-
	Sanyal Biotechnology	EVMS	100,000	100,000	-	-
	SerpinPharma	GMU	400,000	400,000	-	-
	VoltMed	VA Tech	800,000	750,000	-	50,000
<b>Round 06 Total</b>			<b>2,825,000</b>	<b>2,670,000</b>	<b>105,000</b>	<b>50,000</b>
Round 07	ImmunArray	VA Tech	500,000	180,000	320,000	-
	Indivior	VCU	500,000	222,222	-	277,778
	ReAlta Live Sciences	EVMS	400,000	339,122	60,878	-
<b>Round 07 Total</b>			<b>1,400,000</b>	<b>741,344</b>	<b>380,878</b>	<b>277,778</b>

No CPA provides any assurance on these financial statements

**VIRGINIA BIOSCIENCES HEALTH RESEARCH CORPORATION**

**Project Awards, Allocations to Date, Funds Relinquished, and Remaining Awards**

**As of June 30, 2020**

<b>Round</b>	<b>Company</b>	<b>Payee/ School</b>	<b>Amount Awarded</b>	<b>Allocation Awarded</b>	<b>Funds Relinquished</b>	<b>Remaining Award</b>
<b>Round 08</b>	<b>BrightSpec</b>	<b>VCU</b>	400,000	400,000	-	-
	<b>Continuum Biosciences</b>	<b>VA Tech</b>	400,000	400,000	-	-
	<b>Embody</b>	<b>ODU</b>	800,000	795,000	-	5,000
	<b>LifeNet Health</b>	<b>ODU</b>	250,000	245,000	-	5,000
	<b>SerpinPharma</b>	<b>GMU</b>	350,000	300,000	-	50,000
	<b>WynnVision</b>	<b>VCU</b>	510,000	505,000	-	5,000
<b>Round 08 Total</b>			<b>2,710,000</b>	<b>2,645,000</b>	<b>-</b>	<b>65,000</b>
<b>Round 09</b>	<b>AgroSpheres</b>	<b>VA Tech</b>	600,000	580,000	-	20,000
	<b>BrightSpec</b>	<b>VCU</b>	400,000	240,000	-	160,000
	<b>Ceres Nanotrap</b>	<b>UVA</b>	600,000	505,000	-	95,000
	<b>Perthera</b>	<b>UVA</b>	500,000	357,500	-	142,500
<b>Round 09 Total</b>			<b>2,100,000</b>	<b>1,682,500</b>	<b>-</b>	<b>417,500</b>
<b>Round 10</b>	<b>CytoRecovery</b>	<b>VA Tech</b>	400,000	200,000	-	200,000
	<b>InterLeukin</b>	<b>VCU</b>	700,000	190,000	-	510,000
	<b>Lytos</b>	<b>UVA</b>	500,000	137,000	-	363,000
	<b>Monet</b>	<b>GMU</b>	400,000	75,000	-	325,000
	<b>Rivanna</b>	<b>UVA</b>	800,000	150,000	-	650,000
	<b>Tympanogen</b>	<b>EVMS</b>	500,000	200,000	-	300,000
<b>Round 10 Total</b>			<b>3,300,000</b>	<b>952,000</b>	<b>-</b>	<b>2,348,000</b>
<b>Grand Total</b>			<b>\$ 19,291,214</b>	<b>\$ 15,517,058</b>	<b>\$ 615,878</b>	<b>\$ 3,158,278</b>



VIRGINIA BIOSCIENCES HEALTH RESEARCH CORPORATION

Awards by University by Round

As of June 30, 2020

<b>Awards by University by Round</b>						
	<b>EVMS</b>	<b>GMU</b>	<b>ODU</b>	<b>UVA</b>	<b>VA Tech</b>	<b>VCU</b>
Round 01	\$ -	\$ -	\$ -	\$ 650,000	\$ 600,000	\$ -
Round 02	255,000	-	-	348,729	400,000	400,000
Round 03	-	-	585,000	-	270,000	536,000
Round 04	-	500,000	634,500	400,000	690,000	-
Round 05	-	-	-	306,985	380,000	-
Round 06	100,000	400,000	300,000	-	1,600,000	425,000
Round 07	400,000	-	-	-	500,000	500,000
Round 08	-	350,000	1,050,000	-	400,000	910,000
Round 09	-	-	-	1,100,000	600,000	400,000
Round 10	500,000	400,000	-	1,300,000	400,000	700,000
<b>Total</b>	<b>\$ 1,255,000</b>	<b>\$ 1,650,000</b>	<b>\$ 2,569,500</b>	<b>\$ 4,105,714</b>	<b>\$ 5,840,000</b>	<b>\$ 3,871,000</b>

**C.2 Fiscal Year 2020: Independent Auditor's Report**

(attached)

**C.3 Fiscal Year 2021 Pro Forma Budget**

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**Virginia Biosciences Health Research Corporation  
Fiscal Year 2021 Budget**

	Fiscal Year 2020		Fiscal Year 2021
	Actual	Budget	Proposed Budget
<b>Income</b>			
4005 - Program support	3,250,000	3,250,000	3,250,000
4010 - General and admin support	500,000	500,000	500,000
4000 - Virginia General Assembly	3,750,000	3,750,000	3,750,000
4100 - Member University Contributions			
4110 - Eastern Va Medical School	50,000	50,000	50,000
4125 - George Mason University	50,000	50,000	50,000
4131 - Old Dominion University	50,000	50,000	50,000
4130 - University of Virginia	50,000	50,000	50,000
4120 - Virginia Commonwealth	50,000	50,000	50,000
4105 - Virginia Tech	50,000	50,000	50,000
4135 - William and Mary	50,000	50,000	50,000
Total 4100 - Member University Contributions	350,000	350,000	350,000
4200 - Other Sources (Interest income)	3,247	-	-
<b>Total Income</b>	<b>4,103,247</b>	<b>4,100,000</b>	<b>4,100,000</b>
<b>Expenses</b>			
Program Expenses:			
5120 - Collaborative Grant Program-Industry/Research Universities			
5120.6 Round 6	290,000	685,000	155,000
5120.7 Round 7	48,786	736,564	597,778
5120.8 Round 8	611,666	734,166	65,000
5120.9 Round 9	1,000,000	1,190,000	417,500
5120.10 Round 10	952,000	1,200,000	2,348,000
5120.11 Round 11	-	-	1,000,000
5120.12 Round 12	-	-	600,000
Total 5120 Collaborative Grant Program	2,902,452	4,545,730	5,183,278
5290 - VNI Project Management			
5139 - VNRN			
5220 - VNI Project Manager	104,080	102,000	-
5240 - Administrative support	53,223	48,000	-
5230 - Marketing	1,786	6,000	-
5250 - Travel	123	6,000	-
Total Virginia Neuroscience Initiative	159,212	162,000	-
5400 - Infrastructure for Neuroscience Addiction			
5410 - Consulting services - Deloitte	2,238	-	-
5410 - Consulting services - G to G	-	-	-
	2,238	-	-
<b>Total direct program expenses</b>	<b>3,063,902</b>	<b>4,707,730</b>	<b>5,183,278</b>

**Virginia Biosciences Health Research Corporation  
Fiscal Year 2021 Budget**

	Fiscal Year 2020		Fiscal Year 2021
	Actual	Budget	Proposed Budget
6000 · Support and development			
6200 · Salaries and Benefits			
6210 · Salaries and Wages	298,444	315,000	300,000
Benefits			24,000
6215 · Payroll Taxes	18,772	20,000	22,950
Total 6200 · Salaries and Benefits	317,217	335,000	322,950
6400 · Program development			
6405 · Advertising/press releases	1,700	5,000	2,500
6415 - Conferences	535	7,500	4,000
6420 · Meals and Entertainment	388	1,000	1,000
6430 · Memberships and sponsorships	25,000	25,000	25,000
6425 · Travel and lodging	1,437	5,000	4,000
6499 · Other program development exp.	338	800	800
Total 6400 · Program development	29,397	44,300	37,300
Total Support and development	346,614	379,300	360,250
Total Program Expenses	3,410,516	5,087,030	5,543,528
6005 · General and administrative			
6010 · Accounting services	22,705	24,000	24,000
6020 · Audit and tax returns	11,475	10,000	10,000
6030 · Board of Directors Expense	-	1,000	1,000
6430 · Memberships and sponsorships	-	-	-
6064 - Mileage	-	-	-
5255 · Conferences	-	-	-
6440 - Database	-	-	-
6445 - Web Site	43	400	400
6045 - Insurance	-	-	500
6050 · Legal Expenses	11,575	25,000	18,000
6099 · Miscellaneous operating expense	25	-	-
6055 · Office and Computer Supplies	415	1,000	1,000
6060 - Office Rent	3,000	4,000	4,000
6065 · Parking	1,961	2,000	1,000
6070 · Postage	64	200	200
6080 · Telephone	600	1,250	1,250
Total 6005 · General and administrative	51,863	68,850	61,350
Total Expenses	3,462,379	5,155,880	5,604,878
Income over (under) expenses	<b>640,868</b>	<b>(1,055,880)</b>	<b>(1,504,878)</b>
Current year income over (under) expenses			<b>(1,504,878)</b>
Other Sources and Uses of Funds:			
Other sources			
Committed project funds carryforward			<b>3,158,278</b>
Other uses of funds			
Funds committed for future years			1,400,000
Operating reserve (6 months of Operating Expenses)			180,000
Total uses of funds			<b>1,580,000</b>
Ending balance			<b>73,400</b>

No CPA provided any assurance on this statement

## Appendix D: Grant Funding Rounds

### D.1 Summary of Awarded Projects to Date

#### Grant Round 1 – December 2013

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**Virginia Polytechnic Institute and State University**  
**Virginia Commonwealth University**

**BioTherapeutics, Inc.**  
Blacksburg, VA  
<https://www.biotherapeuticsinc.com/>

**Company status: active**

*Development of novel anti-inflammatory drugs*

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**University of Virginia**  
**George Mason University**

**HemoShear Therapeutics, LLC**  
Charlottesville, VA  
<https://www.hemoshear.com/>

**Company status: active**

*Commercialization of a human tumor microenvironment system for pharmaceutical cancer drug discovery and development*

---

**Virginia Polytechnic Institute and State University**  
**University of Virginia**

**FirstString Research, Inc.**  
Roanoke, VA and Mt. Pleasant, SC  
<https://firststringresearch.com/>

**Company status: active**

*Novel regenerative drug*

---

**University of Virginia**  
**Virginia Commonwealth University**

**Cavion** (formerly Tau Therapeutics)  
Charlottesville, VA and Cambridge, MA  
<https://cavionpharma.com/>

**Company status: active**

*Determining the optimal dosing schedule for the commercialization of mibefradil in front-line glioblastoma*

**Grant Round 2 – March 2014**

---

**University of Virginia  
Virginia Commonwealth University**

**Neoantigenics, Inc.**  
Charlottesville, VA

**Company status: inactive**

<https://www.linkedin.com/company/neoantigenics-inc./>

*UVA-VCU partnership to develop radioimmunotherapeutic and imaging agents to a unique cell-surface target relevant for multiple human cancers*

---

**Virginia Commonwealth University  
University of Virginia**

**Gencia, LLC**  
Charlottesville, VA

**Company status: active**

<http://genciabiotech.com/>

*Reversing bioenergetic deficits and improving cognitive function in Alzheimer's Disease*

---

**Virginia Polytechnic Institute and State University  
University of Virginia**

**SphynKx Therapeutics, LLC**  
Charlottesville, VA

**Company status: inactive**

<https://www.linkedin.com/company/sphynkx-therapeutics/>

*Lead optimization of a SphK2 inhibitor for the treatment of CKD*

---

**Eastern Virginia Medical School  
University of Virginia**

**LifeNet Health**  
Global Headquarters: Virginia Beach, VA

**Company status: active**

<https://www.lifenethealth.org/>

*Enhancement of healing in diabetic wounds using a decellularized dermal matrix*

---

**Grant Round 3 – August 2014**

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**Virginia Commonwealth University  
Old Dominion University**

**Ultrasonic Probe, LLC**  
Glen Allen, VA

**Company status: inactive**

*Ultrasonographic probe*

---

**Virginia Polytechnic Institute and State University  
University of Virginia**

**PhenoCHIP Technologies, LLC**  
(formerly Proteo Biosciences)  
Blacksburg, VA  
<https://govtribe.com/vendor/phenochip-technologies-llc-blacksburg-va>

**Company status: inactive**

*PhenoCHIP-phenotype-based cell hierarchy and isolation platform*

---

**Old Dominion University  
Eastern Virginia Medical School**

**OncoSec Medical, Inc**  
San Diego, CA and Pennington, NJ  
<https://oncosec.com/>

**Company status: active**

*Biomarker-driven optimization of IL-12 gene electrotransfer for the treatment of melanoma*

---

**Grant Round 4 – August 2015**

---

**Virginia Polytechnic Institute and State University  
University of Virginia**

**FirstString Research, Inc.**  
Roanoke, VA and Mt. Pleasant, SC  
<https://firststringresearch.com/>

**Company status: active**

*Clinical trial of new drug in dogs to treat brain cancer in humans*

---

**Old Dominion University  
Eastern Virginia Medical School  
Embody, LLC**

Vienna, VA  
<https://govtribe.com/vendor/embody-llc-vienna-va>

**Company status: active**

*Nanofabrication of tissue scaffolds*

---

**Virginia Polytechnic Institute and State University  
Virginia Commonwealth University**

**BioTherapeutics, Inc.**  
Blacksburg, VA  
<https://www.biotherapeuticsinc.com/>

**Company status: active**

*Optimizing oral delivery of BT-11 as a clinical candidate for treating inflammatory bowel disease*

---

**Virginia Commonwealth University  
University of Virginia**

**BrightSpec**  
Charlottesville, VA  
<http://brightspec.com/>

**Company status: active**

*Three wave mixing technique for chiral analysis in continuous process manufacturing*

---

**George Mason University  
Virginia Polytechnic Institute and State University**

**Ceres Nanosciences, Inc.**  
Manassas, VA  
<http://www.ceresnano.com/>

**Company status: active**

*Nanotrap® tick-panel test development*

### **Grant Round 5 – December 2015**

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**University of Virginia  
George Mason University  
Yale University**

**Cavion**  
Charlottesville, VA and Cambridge, MA  
<https://cavionpharma.com/>

**Company status: active**

*Development of a biomarker assay and protocol for the commercialization of mibefradil dihydrochloride as a first-line treatment for glioblastoma*

---

**Virginia Polytechnic Institute and State University  
University of Virginia**

**VoltMed, Inc.**  
Blacksburg, VA  
<https://www.linkedin.com/company/voltmed-inc./>

**Company status: active**

*INSPIRE to fight brain cancer*



**Grant Round 6 – October 2016**

---

**Virginia Polytechnic Institute and State University  
University of Virginia  
VoltMed, Inc.**

**Company status: active**

Blacksburg, VA

[https://www.linkedin.com/company/voltmed-inc./](https://www.linkedin.com/company/voltmed-inc/)

*Commercialization of INSPIRE brain cancer treatment*

---

**Virginia Polytechnic Institute and State University  
Virginia Commonwealth University**

**BioTherapeutics, Inc.**

**Company status: active**

Blacksburg, VA

<https://www.biotherapeuticsinc.com/>

*Development of BT-11: First-in-class oral therapeutic for Inflammatory Bowel Disease*

---

**George Mason University  
Virginia Commonwealth University**

**Serpin Parma, LLC**

**Company status: active**

Manassas, VA

<http://www.serpinpharma.com/>

*Novel and potent anti-inflammatory drug with cardio-protective effects to treat myocardial injury and prevent heart failure*

---

**Eastern Virginia Medical School  
George Mason University**

**Sanyal Biotechnology, LLC**

**Company status: active**

Virginia Beach, VA

<https://www.sanyalbio.com/>

*Accelerating the commercialization of the Diamond™ mouse model of Nonalcoholic Steatohepatitis*

---

**Old Dominion University  
Eastern Virginia Medical School**

**Pulse Biosciences, Inc.**

**Company status: active**

Hayward, CA

<http://pulsebiosciences.com/>

*Translational research with nanosecond pulsed electric fields for immuno-oncology applications*

---

**Virginia Commonwealth University  
University of Virginia**

**Propagenix, Inc.**

Rockville, MD

<http://www.propagenix.com/>

**Company status: active**

*Bioengineering for the therapeutic delivery of massively expanded islet-derived human beta-cells*

### **Grant Round 7 – July 2017**

---

**Virginia Commonwealth University,  
Virginia Polytechnic Institute and State University  
Inova**

**George Mason University**

**Indivior, PLC**

Richmond, VA

<http://indivior.com/>

**Company status: active**

*Novel Preventive Treatment Paradigm to Change the Standard of Care for Those Who Recover from Opioid Overdose*

---

**Virginia Polytechnic Institute and State University  
University of Virginia  
Carilion**

**BRAINBox Solutions**

(Parent company: ImmunArray)

Richmond, VA

<http://www.immunarray.com/brain-box/>

**Company status: active**

*Virginia Brain Injury Diagnosis and Monitoring Initiative*

---

**Eastern Virginia Medical School  
Virginia Commonwealth University**

**ReAlta Life Sciences, LLC**

Norfolk, VA

<https://www.sbir.gov/sbirsearch/detail/1430737>

**Company status: active**

*Development of peptide inhibitor of complement C1 as treatment for neonatal hypoxic-ischemic encephalopathy*

**Grant Round 8 – May 2018**

---

**Old Dominion University  
University of Virginia**

**Embody, LLC**

**Company status: active**

Vienna, VA

<https://govtribe.com/vendor/embody-llc-vienna-va>

*Biofabrication of Regenerative Musculoskeletal Therapeutics*

---

**Virginia Polytechnic Institute and State University  
University of Virginia**

**Continuum Biosciences, Inc.**

**Company status: active**

Blacksburg, VA

<https://www.sbir.gov/sbirsearch/detail/1454561>

*Development and commercialization of mitochondrial uncouplers*

---

**Virginia Commonwealth University  
University of Virginia  
Virginia Polytechnic Institute and State University**

**BrightSpec, Inc.**

**Company status: active**

Charlottesville, VA

<http://brightspec.com/>

*A major new chiral analysis technique for new drug discovery, development, and process control*

---

**Virginia Commonwealth University  
George Mason University**

**Serpin Pharma, LLC**

**Company status: active**

Manassas, VA

<http://www.serpinpharma.com/>

*Novel anti-inflammatory drug: strong neuroprotective properties for treat of traumatic brain injury*

---

**Old Dominion University  
Eastern Virginia Medical School**

**LifeNet Health**

**Company status: active**

Global Headquarters: Virginia Beach, VA

<https://www.lifenethealth.org/>

*Tissue preparations for therapeutic use in cardiovascular applications*

---

**Virginia Commonwealth University  
University of Virginia**

**WynnVision, LLC**  
Midlothian, VA

<https://www.sbir.gov/node/1220367>

**Company status: active**

*Preventing Catheter Associated Infections*

---

### **Grant Round 9 – May 2019**

---

**Virginia Polytechnic Institute and State University  
University of Virginia**

**AgroSpheres, Inc.**

**Company status: active**

Charlottesville, VA

<https://www.agrospheres.com/>

*AgroSpheres-Enabled Biological Fungicide*

---

**Virginia Commonwealth University  
University of Virginia  
Virginia Polytechnic Institute and State University**

**BrightSpec, Inc.**

**Company status: active**

Charlottesville, VA

<http://brightspec.com/>

*Rapid Drug Development Using Molecular Rotational Resonance (MRR) for Structure Analysis*

---

**University of Virginia  
George Mason University**

**Ceres Nanosciences, Inc.**

**Company status: active**

Manassas, VA

<https://www.ceresnano.com/>

*Nanotrap<sup>®</sup> Liquid Biopsy Collection Device (LBC) for Cancer Diagnostics*

---

**University of Virginia  
Eastern Virginia Medical School**

**Perthera, Inc**

**Company status: active**

McLean, VA

<https://perthera.com/>

*Implementation and Clinical Impact of a Next Generation Precision Oncology Platform*

---

**Grant Round 10 – January 2020**

---

**Virginia Polytechnic Institute and State University  
University of Virginia**

**CytoRecovery, Inc.**

**Company status: active**

Blacksburg, VA

<https://www.cytorecovery.com/>

*Microsystem for Label-Free Separation and Recovery of Tumor-Associated Cells from Biopsies for Precision Medicine*

---

**Virginia Commonwealth University  
University of Virginia**

**InterLeukin Combinatorial Therapies, Inc.**

**Company status: active**

Richmond, VA

<https://aim-hiaccelerator.org/ilct/>

*Commercializing a Novel Treatment for Metastatic Cancers*

---

**University of Virginia  
Virginia Polytechnic Institute and State University**

**Lytos Technologies, LLC**

**Company status: active**

Charlottesville, VA

<https://www.lytotech.com/>

*Design and Implementation of Green, Enzymatic Biofungicides for Pre- and Post-Harvest Crop Protection*

---

**George Mason University  
Virginia Polytechnic Institute and State University**

**Monet Pharmaceuticals**

**Company status: active**

Nokesville, VA

*Protein Painting of PD-1/PD-L1 for the Discovery of New Immune Checkpoint Inhibitors for the Treatment of Lung Cancer and Brain Metastasis*

---

**University of Virginia  
Virginia Commonwealth University**

**RIVANNA Medical, LLC**  
Charlottesville, VA  
<https://rivannamedical.com/>

**Company status: active**

*Automated 3D spinal navigation system for bedside lumbar puncture procedures*

---

**Eastern Virginia Medical School  
Virginia Commonwealth University**

**Tympanogen, Inc.**  
Richmond, VA  
<http://www.tympanogen.com/>

**Company status: active**

*Development of an applicator and training simulator for a gel patch for nonsurgical eardrum repair*

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**D.2 Summary of Economic Returns to Date**

**Grant Rounds Results  
June, 30th 2020**

Collaborators	Grant Award Amount	Matching Funds	Follow on Funding	Job Creation (FTE)
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**Grand Round 1 - December, 2013**

VT, VCU	BioTherapeutics Inc. Blacksburg, VA	\$400,000	\$400,000	\$10,000,000	15
UVA, GMU	Tau Therapeutics (Cavion LLC) Charlottesville, VA	\$200,000	\$238,000	\$26,100,000	2.5
VT, UVA	First String Research Roanoke, VA	\$200,000	\$1,000,000	\$3,000,000	10
UVA, VCU	HemoShear LLC Charlottesville, VA	\$450,000	\$800,000	\$14,000,000	12
<b>Subtotal Round 1</b>		<b>\$1,250,000</b>	<b>\$2,438,000</b>	<b>\$53,100,000</b>	<b>39.5</b>

**Grand Round 2 - March, 2014**

VCU, UVA	Gencia, LLC Charlottesville, VA	\$400,000	\$400,000	\$8,800,000	2
UVA, VCU	Neoantigenics LLC Charlottesville, VA	\$348,729	\$2,000,000	\$3,000,000	1
VT, UVA	SphynKx Therapeutics Charlottesville, VA	\$400,000	\$400,000	\$150,000	4
EVMS, UVA	LifeNet Health Virginia Beach, VA	\$255,000	\$255,000	\$5,000	3
<b>Subtotal Round 2</b>		<b>\$1,403,729</b>	<b>\$3,055,000</b>	<b>\$11,955,000</b>	<b>10</b>

**Grand Round 3 - August, 2014**

VT, UVA	PhenoCHIP Blacksburg, VA	\$270,000	\$386,000	\$450,000	5
ODU, EVMS	OncoSec Medical San Diego, CA	\$585,000	\$2,750,000	\$8,700,000	3.5
VCU, ODU	US Probe Glen Allen, VA	\$406,000	\$536,000	\$450,000	5.5
<b>Subtotal Round 3</b>		<b>\$1,261,000</b>	<b>\$3,672,000</b>	<b>\$9,600,000</b>	<b>14</b>

**Grand Round 4 - August, 2015**

GMU, VT	Ceres Nanosciences Manassas, VA	\$500,000	\$500,000	\$5,000,000	13
VT, UVA	First String Research Roanoke, VA	\$290,000	\$500,000	\$3,500,000	2
ODU, EVMS	Embody LLC Norfolk, VA	\$634,500	\$725,000	\$3,600,000	5
VT, VCU	BioTherapeutics Inc. Blacksburg, VA	\$400,000	\$400,000	\$2,500,000	14
GMU, VT	BrightSpec, Inc Charlottesville, VA	\$400,000	\$400,000	\$2,150,000	6
<b>Subtotal Round 4</b>		<b>\$2,224,500</b>	<b>\$2,525,000</b>	<b>\$16,750,000</b>	<b>40</b>

**Grand Round 5 - December, 2015**

UVA, GMU	Cavion Charlottesville, VA	\$307,000	\$353,000	\$26,100,000	2.5
VT, UVA	VoltMed, Inc. Blacksburg, VA	\$380,000	\$1,200,000	\$2,000,000	12
<b>Subtotal Round 5</b>		<b>\$687,000</b>	<b>\$1,553,000</b>	<b>\$28,100,000</b>	<b>14.5</b>

Grant Rounds Results June, 30th 2020					
Collaborators	Grant Award Amount	Matching Funds	Follow on Funding	Job Creation (FTE)	

**Grand Round 6 - October, 2016**

VT, UVA	VoltMed, Inc. Blacksburg, VA	\$800,000	\$800,000	\$6,394,000	10
VT, VCU	BioTherapeutics Inc. Blacksburg, VA	\$800,000	\$800,000	\$10,600,000	12
GMU, VCU	Serpin Pharma Manassas, VA	\$400,000	\$3,400,000	\$2,700,000	4.5
EVMS, GMU	Sanyal Biotechnology Virginia Beach, VA	\$100,000	\$100,000	\$580,000	3
ODU, EVMS	Pulse Biosciences Burlingame, CA	\$300,000	\$300,000	\$5,361,863	2
VCU, UVA	Propagenix Rockville, MD	\$425,000	\$1,200,000	\$220,000	1
<b>Subtotal Round 6</b>		<b>\$2,825,000</b>	<b>\$6,600,000</b>	<b>\$25,855,863</b>	<b>32.5</b>

**Grand Round 7 - July, 2017**

Open	VCU, VT, Inova	Indivior, Inc. Richmond, VA	\$500,000	\$500,000	\$0	2
	UVA, VT, Carilion	BRAINBox, LLC Richmond, VA	\$500,000	\$500,000	\$8,720,000	3.5
	EVMS, VCU	ReAlta Life Sciences, LLC Norfolk, VA	\$400,000	\$400,000	\$12,000,000	4
<b>Subtotal Round 7</b>		<b>\$1,400,000</b>	<b>\$1,400,000</b>	<b>\$20,720,000</b>	<b>9.5</b>	

**Grand Round 8 - June, 2018**

	VCU, UVA, VT	BrightSpec, Inc. Charlottesville, VA	\$400,000	\$400,000	\$1,850,000	2
Open	VT, UVA	Continuum Biosciences, Inc. Blacksburg, VA	\$400,000	\$800,000	\$3,714,000	8
Open	ODU, UVA	Embody, LLC Norfolk, VA	\$800,000	\$2,400,000	\$5,077,000	2
Open	ODU, EVMS	LifeNet Health Virginia Beach, VA	\$250,000	\$250,000	\$0	2
	GMU, VCU	Serpin Pharma Manassas, VA	\$350,000	\$350,000	\$2,600,000	2
	VCU, UVA	WynnVision, LLC Richmond, VA	\$510,000	\$1,491,266	\$2,616,000	5
<b>Subtotal Round 8</b>		<b>\$2,710,000</b>	<b>\$5,691,266</b>	<b>\$15,857,000</b>	<b>21</b>	

**Grand Round 9 - April, 2019**

	VT, UVA	AgroSpheres, Inc. Charlottesville, VA	\$600,000	\$600,000	\$4,050,000	6
Open	VCU, UVA, VT	BrightSpec, Inc. Charlottesville, VA	\$400,000	\$400,000	\$5,800,000	1
Open	UVA, GMU	Ceres Nanoscience, Inc. Manassas, VA	\$600,000	\$1,200,000	\$0	4
Open	UVA, EVMS	Perthera, Inc. McLean, VA	\$500,000	\$1,000,000	\$0	2
<b>Subtotal Round 9</b>		<b>\$2,100,000</b>	<b>\$3,200,000</b>	<b>\$9,850,000</b>	<b>13</b>	



Grant Rounds Results June, 30th 2020				
Collaborators	Grant Award Amount	Matching Funds	Follow on Funding	Job Creation (FTE)

**Grand Round 10 - January, 2020**

Open	VT, UVA	CytoRecovery, Inc. Blacksburg, VA	\$400,000	\$400,000	\$350,000	2.5
Open	VCU, UVA	InterLeukin (ILCT), Inc. Richmond, VA	\$700,000	\$700,000	\$0	3
Open	UVA, VT	Lytos Technologies, LLC Charlottesville, VA	\$500,000	\$500,000	\$78,000	3.5
Open	GMU, VT	Monet Pharmaceuticals Nokesville, VA	\$400,000	\$400,000	\$0	0
Open	UVA, VCU	RIVANNA Charlottesville, VA	\$800,000	\$800,000	\$1,500,000	1
Open	EVMS, VCU	Tympanogen Richmond, VA	\$500,000	\$1,500,000	\$325,000	1
<b>Subtotal Round 10</b>			<b>\$3,300,000</b>	<b>\$4,300,000</b>	<b>\$2,253,000</b>	<b>11</b>
<b>Totals as of June 30, 2020:</b>			<b>\$19,161,229</b>	<b>\$34,434,266</b>	<b>\$194,040,863</b>	<b>205</b>

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## Appendix E: Grant Funding Rounds

### E.1 Grant Round 10: Awarded Projects

<https://www.governor.virginia.gov/newsroom/all-releases/2019/november/headline-849422-en.html>



#### FOR IMMEDIATE RELEASE

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#### **Virginia Catalyst Awards \$3.3 Million in Grants to Virginia Companies and Universities to Foster Innovation in the Life Sciences**

*Six collaborative projects to address major unmet healthcare needs, drive economic growth in Virginia*

RICHMOND, VA – November 18, 2019 – The Virginia Catalyst, formerly known as the Virginia Biosciences Health Research Corporation (VBHRC), today announced that it has awarded \$3.3 million in grants to six life and bioscience projects in the Commonwealth of Virginia. These grants, which will be met with significant matching funds from partner companies, were awarded as Round 10 of Virginia Catalyst’s ongoing mission to stimulate economic development by promoting collaborative projects that address large, unmet needs for improving human health, and that can create high-paying jobs in the Commonwealth.

“Virginia Catalyst is setting the bar in terms of driving competitive critical mass through collaborative efforts in the life sciences, enabling Virginia to compete on a national scale,” said Mike Grisham, CEO, Virginia Catalyst. “Our grants program is unique because we require the awardees to work with industry partners to put up matching funds for each project, ensuring everyone has ‘skin in the game.’ The high-level projects we fund drive economic growth and have resulted in significant outside capital being invested in Virginia to finance the commercialization of Virginia’s innovations, while creating high-paying jobs across the Commonwealth.”

Through this tenth round of funding, Virginia Catalyst has awarded 43 grants totaling \$20 million, resulting in over \$34 million in matching funds and an additional \$163 million in follow-on funding to date.

The awards, which range from \$200,000 to \$800,000, help fund collaborative efforts between industry and Virginia research universities with the goal of:

- Funding innovative, collaborative, translational research projects that elevate the level of sponsored research at Virginia's universities and have the potential to significantly improve human health and create high value jobs in the Commonwealth
- Accelerating commercialization of Virginia research university inventions and discoveries and to achieve competitive critical mass through robust collaborations of Virginia research universities and industry

*Round 10 of grant funding project winners:*

Project: Microsystem for label-free separation and recovery of tumor-associated cells from biopsies for precision medicine

- Company: CytoRecovery, Inc. (Blacksburg, VA)
- University collaborators: Virginia Tech and University of Virginia
- Funding amount: \$400,000

Project: Commercializing a novel treatment for metastatic cancers

- Company: InterLeukin Combinatorial Therapies, Inc. (Richmond, VA)
- University collaborators: Virginia Commonwealth University and University of Virginia
- Funding amount: \$700,000

Project: Design and Implementation of green, enzymatic biofungicides for pre-and post-harvest crop protection

- Company: Lytos Technologies, LLC (Charlottesville, VA)
- University collaborators: University of Virginia and Virginia Tech
- Funding amount: \$500,000

Project: Protein painting of PD-1/PD-L1 for the discovery of new immune checkpoint inhibitors for the treatment of lung cancer and brain metastasis

- Company: Monet Pharmaceuticals (Nokesville, VA)
- University collaborators: George Mason University and Virginia Tech
- Funding amount: \$400,000

Project: Automated 3D spinal navigation system for bedside lumbar puncture procedures

- Company: RIVANNA (Charlottesville, VA)
- University collaborators: University of Virginia and Virginia Commonwealth University
- Funding amount: \$800,000

Project: Development of an applicator and training simulator for a gel patch for nonsurgical eardrum repair

- Company: Tympanogen (Richmond, VA)
- University collaborators: Eastern Virginia Medical School and Virginia Commonwealth University
- Funding amount: \$500,000

*Supporting Quotes*

“The focus of cancer research has shifted from a cancer cell-perspective to a tumor microenvironment approach, requiring a new technology platform that improves the ability to discriminate between different cell types and recover viable cells for subsequent analyses. Virginia Catalyst’s grant and the matching funding will be used for the commercialization of a fully integrated, bench top cell separation and recovery technology platform that will have a major impact on the global immuno-oncology market.” – *Stephen Turner, CEO, CytoRecovery, Inc.*

“Despite significant advances in treating localized cancers, no therapeutic approach has proven effective in significantly decreasing morbidity or curing invasive and metastatic disease. Our proposed solution has the potential to significantly expand the use of therapeutic viruses for treating a broad spectrum of cancers. The Virginia Catalyst grant is critical to the success of this program and will help drive additional funding moving forward.” – *Paul B. Fisher, Ph.D., CEO and President, InterLeukin Combinatorial Therapies, Inc.*

“Annual harvest losses may reach up to 40% in crops such as wine grapes, which are a staple of Virginia’s economy. Increasing resistance to fungicides is a major driver and has led to a vicious cycle of increasing frequency and number of chemical fungicides applied. Our project will result in an effective, organic alternative to ineffective chemical fungicides, which will have a direct, positive impact on Virginia’s agricultural economy.” – *Evan Eckersley, Co-Founder & Chief Operating Officer, Lytos Technologies, LLC*

“Lung cancer is the most common cancer worldwide. It accounts for 2.1 million new cases annually and resulted in 1.8 million deaths in 2018. It is the leading cause of cancer deaths and the second most diagnosed cancer in both men and women across the U.S. The Virginia Catalyst grant will advance critical development of small molecule and peptide-based inhibitors of the PD-1/PD-L1 interaction interface by supporting collaboration between researchers at George Mason University, Virginia Tech [Dr. Anne Brown], and the founders of Monet Pharmaceutical's proprietary Protein Painting ‘hot spot’ Discovery Platform [Drs. Lance Liotta, Alessandra Luchini, Mikell Paige, and Amanda Haymond] to develop next-generation immunotherapy for the treatment of patients with advanced non-small cell lung cancer.” – *Walter Olesiak, Executive Chairperson, Monet Pharmaceuticals*

“With more than 25% of lumbar puncture (LP) for cerebrospinal fluid sampling ending in failure, low patient satisfaction, and pain—neurologists need a breakthrough solution to the current

state of X-ray-based needle guidance. RIVANNA proposes a portable, easy-to-use system providing unique fluoroscopy-like bone imaging, non-ionizing radiation, automated anatomy detection, and real-time needle guidance. We appreciate Virginia Catalyst's contribution in helping us to address a \$625M a year loss to our healthcare system and elevate the standard of care—a need readily acknowledged by neurologists.” – *Will Mauldin, Ph.D., Co-Founder, Chairman & CEO, RIVANNA*

“Chronic perforations of the tympanic membrane (TM) affect over 170,000 patients in the U.S. annually, often stemming from ventilation tubes inserted in the TM to drain fluid from middle ear infections. We have developed an innovative and highly regenerative gel patch for nonsurgical TM repair that will replace traditional TM repair with an office-based procedure. Essentially this grant from Virginia Catalyst will help ear, nose and throat doctors replace a two-hour surgery with a 10-minute office procedure.” – *Elaine Horn-Ranney, Ph.D., Co-Founder and CEO, Tympanogen*

### **About Virginia Catalyst**

Virginia Biosciences Health Research Corporation (VBHRC), known as Virginia Catalyst, has a vision of advancing life sciences throughout Virginia as a means of addressing large unmet medical needs to improve human health and to create high-paying jobs throughout the Commonwealth. Funded by the Virginia General Assembly’s General fund, the University of Virginia, Virginia Commonwealth University, Virginia Tech, Eastern Virginia Medical School, George Mason University, Old Dominion University, and William and Mary, Virginia Catalyst has funding opportunities to support collaborative projects in the Commonwealth and is home to the Virginia Neuroscience Initiative. For more information, visit [www.virginiacatalyst.org](http://www.virginiacatalyst.org).

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## E.2 Grant Round 11 – Call for Proposals



### FOR IMMEDIATE RELEASE

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**Virginia Catalyst Announces Round 11 of Grant Funding**

*Emphasis will be placed on Innovative Projects*

*Focused on Solutions for COVID-19 and other Infectious Diseases*

**RICHMOND, VA** – April 1, 2020 – The Virginia Catalyst, formerly known as the Virginia Biosciences Health Research Corporation (VBHRC), today announced that it is accepting letters of intent (LOI) for Grant Round 11 to fund the development and commercialization of life science projects that address major unmet needs for improving human health and advancing Virginia’s economy.

While all life science projects will be accepted for Grant Round 11, given the impact of COVID-19, emphasis will be placed on projects within the areas of infectious disease, immunology, vaccine and drug discovery, and innovative service delivery models including telehealth and telemedicine.

Virginia Catalyst awards, which range from \$200,000 to \$800,000, help fund collaborative efforts between industry and Virginia research universities with goals of:

- Funding innovative, collaborative, translational research projects that elevate the level of sponsored research at Virginia’s universities and have the potential to create high value jobs in the Commonwealth
- Accelerating commercialization of Virginia research university inventions and discoveries and to achieve competitive critical mass through robust collaborations across Virginia

LOIs must be received by June 30, 2020 at 5:00 PM EDT. Projects that meet criteria will be invited to submit a full application by August 18, 2020. Applications will be reviewed and scored by an independent review team of scientists, venture capitalists and CEOs of Virginia-based life science companies. The top eight applicant teams will be invited to present their proposal in person on Thursday, September 10, 2020. Awards will be announced in October 2020. The LOI submission form, along with funding criteria and frequently asked questions, are available on the Virginia Catalyst website ([www.virginiacatalyst.org/apply.html](http://www.virginiacatalyst.org/apply.html)).

**Special Announcement for Webinar: Funding for Virginia Public-Private Biotech Partnerships**

In conjunction with the opening of Grant Round 11, there will be a free webinar co-hosted by Virginia Catalyst and Virginia Bio. This event will feature an expert panel, facilitated by Mike Grisham, CEO of Virginia Catalyst, to share what it takes to score highly, get funding and position your company and research university for significant follow-on funding from large corporations, venture capitalists, DARPA, NIH and philanthropic foundations.

Details: Wednesday, April 22<sup>nd</sup> from noon – 1:00 pm  
Join us on Zoom at: <https://zoom.us/j/644376195>

“We are proud of being a stimulus for industry to work more closely with our research universities to drive economic growth,” said Mike Grisham, CEO, Virginia Catalyst. “Virginia Catalyst continues to support teams of investigators from research institutions and industry to move their discoveries in the life sciences from laboratories to commercialization. The creation of sustainable companies and high-paying jobs help boost Virginia’s overall economy, support the life sciences sector, and tangibly improve citizens’ lives. Cumulatively through the first ten funding rounds, Virginia Catalyst has dedicated a total of \$19.1 million for 43 collaborative projects. Together, these projects have created over 170 new jobs and have attracted an additional \$228 million of investment capital from venture capital, private equity, corporations and government agencies including DARPA, NIH and NSF. We are proud to continue supporting research investigators and entrepreneurs in achieving milestones that will result in follow-on funding and building sustainable businesses.”

### **About Virginia Catalyst**

Virginia Biosciences Health Research Corporation (VBHRC), known as Virginia Catalyst, has a vision of advancing life sciences throughout Virginia as a means of addressing large unmet medical needs to improve human health and to create high-paying jobs throughout the Commonwealth. Funded by the Virginia General Assembly’s General fund, the University of Virginia, Virginia Commonwealth University, Virginia Tech, Eastern Virginia Medical School, George Mason University, Old Dominion University, and William and Mary, the Virginia Catalyst has funding opportunities to support collaborative life science projects in the Commonwealth. For more information, visit [www.virginiacatalyst.org](http://www.virginiacatalyst.org).

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### E.3 Virginia Catalyst Special Webinar Event



#### FOR IMMEDIATE RELEASE

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**Virginia Catalyst Announces Upcoming Panel Discussion at  
Virginia Bioscience Webinar – Wednesday, April 22 Noon – 1:00 pm**

*Funding for Virginia Public-Private Biotech Partnerships...Come Learn How to Score and Win!*

**Join us on Zoom at: <https://zoom.us/j/644376195>**

**RICHMOND, VA** – April 9, 2020 – The Virginia Catalyst today announced that it is hosting a webinar in conjunction with Virginia Bio. This complimentary event will feature an expert panel sharing what it takes to score highly, get funding and to position your company and research university for significant follow-on funding from large corporations, venture capitalists, DARPA, NIH and philanthropic foundations.

There are many sources of funding for early-stage innovation in Virginia. The Virginia Catalyst is one such source, providing grant funding for collaborations of universities and industry on commercialization projects. Cumulatively through the first ten funding rounds, the Catalyst has provided \$19.1 million in milestone-based grants to 43 projects involving 6 universities and 34 companies. This has resulted in a 10:1 ROI for the Commonwealth including: \$34 million in matching funds, \$228 million in follow on funding, and 173 new jobs in life sciences. The Catalyst is now looking to fund collaborative projects through Grant Round 11, with emphasis placed on innovative projects focused on solutions for COVID-19 and other infectious diseases.

Come hear from **Mike Grisham** about the timeline for Virginia Catalyst Grant Round 11 and how to apply for Catalyst funding. As President and CEO of Virginia Catalyst, Mr. Grisham facilitates the mission of Virginia Catalyst by advancing life sciences through strategic initiatives, which includes providing capital to Virginia's research university investigators and industry partners to commercialize Virginia's research innovations. Mr. Grisham has extensive experience of successfully growing high potential bioscience and healthcare companies. He is also the founder and CEO of GPB Scientific, Inc., a leader in cell and gene therapy processing.

Along with Mr. Grisham, panel members include:

**Mickey Kim**, former Senior Vice President, Research and Commercialization, Inova Translational Medicine Institute, Inova Health System. Dr. Kim has over 20 years of experience fostering innovation and partnerships across medical products, healthcare IT and healthcare services as a pharmaceutical executive, strategy consultant, venture capital investor and entrepreneur. Prior to Inova, Dr. Kim was a member of the Partnering & Strategy Leadership Team at MedImmune, the



biologics R&D arm of AstraZeneca. As Head of Out-licensing and Spin outs, he led the successful spin out, partnering and sale of multiple MedImmune assets to external parties. He also led successful institutional collaborations between MedImmune and academic, charity and government institutions, including the University of Maryland System, Cancer Research UK and NIH's NHLBI's NCAI program.

**James Powers**, Chairman and CEO, HemoShear Therapeutics, LLC. Prior to joining HemoShear in August 2008, Mr. Powers was a member of the executive team that took PRA International (now PRA Health Sciences) public in 2004. He transitioned PRA from a clinical data management company to a global clinical trials management organization, recruited its first operations leaders and led PRA's business development activities.

**Thomas D. Roberts III**, General Partner, Harbert Growth Partners, Harbert Management Corporation. A founding member of venture capital fund Harbert Growth Partners, Mr. Roberts has spent the last 25+ years as a principal in creating and investing in new businesses and as an advisor to entrepreneurs and corporate executives on operating growth, financing and exit strategies. His industry focus is primarily on enterprise technology software and services, security, mobile devices, cloud computing as well as e-commerce and e-commerce enabling technologies.

**Event details: Wednesday, April 22<sup>nd</sup>**  
**Noon - 1:00 pm**

Join us on Zoom at: <https://zoom.us/j/644376195>

### **About Virginia Catalyst**

Virginia Biosciences Health Research Corporation (VBHRC), known as Virginia Catalyst, has a vision of advancing life sciences throughout Virginia as a means of addressing large unmet medical needs to improve human health and to create high-paying jobs throughout the Commonwealth. Funded by the Virginia General Assembly's General fund, the University of Virginia, Virginia Commonwealth University, Virginia Tech, Eastern Virginia Medical School, George Mason University, Old Dominion University, and William and Mary, Virginia Catalyst has funding opportunities to support collaborative projects in the Commonwealth and is home to the Virginia Neuroscience Initiative. For more information, visit [www.VirginiaCatalyst.org](http://www.VirginiaCatalyst.org)

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*End of VBHRC Virginia Catalyst: General Assembly Report FY20*



Mitchell Wiggins

CERTIFIED PUBLIC ACCOUNTANTS

# Virginia Biosciences Health Research Corporation

## Financial Statements

June 30, 2020 and 2019

# **Virginia Biosciences Health Research Corporation**

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***Independent Auditor's Report***

Board of Directors  
Virginia Biosciences Health Research Corporation  
Richmond, Virginia

***Report on the Financial Statements***

We have audited the accompanying financial statements of Virginia Biosciences Health Research Corporation, which comprise the statements of financial position as of June 30, 2020 and 2019, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Virginia Biosciences Health Research Corporation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Mitchell Wiggins*

Richmond, Virginia  
October 27, 2020

**Virginia Biosciences Health Research Corporation**

**Statements of Financial Position  
June 30, 2020 and 2019**

<b>Assets</b>	<b>2020</b>	<b>2019</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,970,580	\$ 3,883,102
Pledges receivable, net, current portion		
Member universities	350,000	350,000
Commonwealth of Virginia	3,750,000	3,750,000
<b>Total current assets</b>	<b>8,070,580</b>	<b>7,983,102</b>
<b>Long-Term Assets</b>		
Pledges receivable, net, less current portion		
Commonwealth of Virginia	3,750,000	-
<b>Total assets</b>	<b>\$ 11,820,580</b>	<b>\$ 7,983,102</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 235,755	\$ 610,101
<b>Net Assets</b>		
Net assets without donor restrictions	4,084,825	3,623,001
Net assets with donor restrictions	7,500,000	3,750,000
<b>Total net assets</b>	<b>11,584,825</b>	<b>7,373,001</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,820,580</b>	<b>\$ 7,983,102</b>

*See Notes to Financial Statements*

Virginia Biosciences Health Research Corporation

Statements of Activities

Years Ended June 30, 2020 and 2019

	2020			2019		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Revenue</b>						
Contributions, Virginia General Assembly						
Program support	\$ -	\$ 6,500,000	\$ 6,500,000	\$ -	\$ -	\$ -
General and administrative support	-	1,000,000	1,000,000	-	-	-
Contributions, Member Universities						
College of William & Mary	50,000	-	50,000	50,000	-	50,000
Eastern Virginia Medical School	50,000	-	50,000	50,000	-	50,000
George Mason University	50,000	-	50,000	50,000	-	50,000
Old Dominion University	50,000	-	50,000	50,000	-	50,000
University of Virginia	50,000	-	50,000	50,000	-	50,000
Virginia Commonwealth University	50,000	-	50,000	50,000	-	50,000
Virginia Polytechnic Institute and State University	50,000	-	50,000	50,000	-	50,000
Interest income	3,248	-	3,248	4,109	-	4,109
	<u>353,248</u>	<u>7,500,000</u>	<u>7,853,248</u>	<u>354,109</u>	<u>-</u>	<u>354,109</u>
Net Assets Released from Restrictions						
Satisfaction of time restrictions	3,750,000	(3,750,000)	-	3,750,000	(3,750,000)	-
<b>Total support and revenues</b>	<u>4,103,248</u>	<u>3,750,000</u>	<u>7,853,248</u>	<u>4,104,109</u>	<u>(3,750,000)</u>	<u>354,109</u>
<b>Expenses</b>						
Program services	3,562,446	-	3,562,446	4,519,988	-	4,519,988
Management and general	78,978	-	78,978	109,668	-	109,668
<b>Total expenses</b>	<u>3,641,424</u>	<u>-</u>	<u>3,641,424</u>	<u>4,629,656</u>	<u>-</u>	<u>4,629,656</u>
<b>Change in net assets</b>	<u>461,824</u>	<u>3,750,000</u>	<u>4,211,824</u>	<u>(525,547)</u>	<u>(3,750,000)</u>	<u>(4,275,547)</u>
Net assets, beginning	<u>3,623,001</u>	<u>3,750,000</u>	<u>7,373,001</u>	<u>4,148,548</u>	<u>7,500,000</u>	<u>11,648,548</u>
Net assets, ending	<u>\$ 4,084,825</u>	<u>\$ 7,500,000</u>	<u>\$ 11,584,825</u>	<u>\$ 3,623,001</u>	<u>\$ 3,750,000</u>	<u>\$ 7,373,001</u>

See Notes to Financial Statements

**Virginia Biosciences Health Research Corporation**

**Statements of Functional Expenses**  
**Years Ended June 30, 2020 and 2019**

	2020			2019		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Accounting services	\$ -	\$ 34,180	\$ 34,180	\$ -	\$ 31,775	\$ 31,775
Conferences	535	-	535	6,610	1,598	8,208
Consulting services	2,238	-	2,238	521,386	-	521,386
Grant expenses	3,239,164	-	3,239,164	3,654,508	-	3,654,508
Legal expenses	-	11,575	11,575	-	27,239	27,239
Marketing and promotion	2,550	-	2,550	4,379	-	4,379
Meals and entertainment	388	-	388	1,047	-	1,047
Memberships and sponsorships	25,000	-	25,000	21,250	5,998	27,248
Miscellaneous	338	510	848	-	4,139	4,139
Office expenses	-	522	522	-	5,245	5,245
Parking	-	1,961	1,961	-	2,353	2,353
Payroll taxes	17,274	1,498	18,772	18,205	1,529	19,734
Occupancy	-	3,000	3,000	-	3,375	3,375
Salaries and wages	273,522	24,922	298,444	288,300	25,700	314,000
Telephone	-	810	810	-	717	717
Travel and lodging	1,437	-	1,437	4,303	-	4,303
	<b>\$ 3,562,446</b>	<b>\$ 78,978</b>	<b>\$ 3,641,424</b>	<b>\$ 4,519,988</b>	<b>\$ 109,668</b>	<b>\$ 4,629,656</b>

See Notes to Financial Statements



**Virginia Biosciences Health Research Corporation**

**Statements of Cash Flows**

**Years ended June 30, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	<b>\$ 4,211,824</b>	<b>\$ (4,275,547)</b>
<i>Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used in) operating activities</i>		
<i>Changes in operating assets</i>		
Pledges receivables	<b>(3,750,000)</b>	<b>3,600,000</b>
<i>Changes in operating liabilities</i>		
Accounts payable	<b>(374,346)</b>	<b>221,642</b>
<b>Net cash and cash equivalents provided by (used in) operating activities</b>	<b>87,478</b>	<b>(453,905)</b>
Cash and cash equivalents, beginning	<b>3,883,102</b>	<b>4,337,007</b>
Cash and cash equivalents, ending	<b>\$ 3,970,580</b>	<b>\$ 3,883,102</b>

*See Notes to Financial Statements*

## **Virginia Biosciences Health Research Corporation**

### **Notes to Financial Statements**

**June 30, 2020 and 2019**

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#### **Note 1. Nature of Organization and Summary of Significant Accounting Policies**

##### **Nature of organization**

Virginia Biosciences Health Research Corporation (the Corporation) was organized as a not-for-profit corporation in 2013 and is operated for educational and research purposes. The mission of the Corporation is to foster life sciences research at universities located within the Commonwealth of Virginia by providing resources for partnering between public and private institutions and non-profit universities. The five founding institutions are Eastern Virginia Medical School, George Mason University, University of Virginia, Virginia Commonwealth University, and Virginia Polytechnic Institute and State University. Old Dominion University was admitted in December 2013 and College of William & Mary was admitted in October 2016. Research is to be centered in three focus areas: bioinformatics and medical informatics, point of care diagnostics, and drug discovery and delivery.

A summary of the Corporation's significant accounting policies follows:

##### **Financial statement presentation**

Under current accounting standards, the Corporation is required to report information regarding its financial position and activities according to two classes of assets: net assets without donor restrictions and net assets with donor restrictions. The net asset classes are summarized as follows:

Net assets without donor restrictions include board designated and other funds without donor restrictions. The funds without donor restrictions include revenue and expenses used currently for the general operations of the Corporation. Contributions that are with donor restrictions are reported as increases in net assets without donor restrictions if the donor restrictions expire in the fiscal year in which the contributions are recognized.

Net assets with donor restrictions include contributions restricted by donor designation or time restrictions and are reported as increases in net assets with donor restrictions. When a restriction expires either with the passage of time or by actions of the Corporation, contributions with donor restrictions are released and reclassified to net assets without donor restrictions. Net assets with donor restrictions consist of pledged contributions due in future years.

##### **Cash and cash equivalents**

The Corporation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

##### **Pledges receivable**

Pledges are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

## **Virginia Biosciences Health Research Corporation**

### **Notes to Financial Statements**

**June 30, 2020 and 2019**

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#### **Note 1. Nature of Organization and Summary of Significant Accounting Policies (continued)**

##### **Contributions**

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due and, therefore, are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend on are substantially met.

##### **Expense recognition and allocation**

The cost of providing the Corporation's programs and other activities is summarized on a functional basis in the statements of activities and statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries, wages, and payroll taxes are allocated based on activity reports prepared by key personnel.

Every three years, or more often when new programs are added, the bases on which costs are allocated are evaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Corporation.

##### **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

##### **Income taxes**

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a Private Foundation.

The Financial Accounting Standards Board issued guidance on accounting for uncertainty in income taxes. Management evaluated the Corporation's tax positions and concluded that the Corporation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

## **Virginia Biosciences Health Research Corporation**

### **Notes to Financial Statements**

**June 30, 2020 and 2019**

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#### **Note 1. Nature of Organization and Summary of Significant Accounting Policies (continued)**

The Corporation includes penalties and interest assessed by income taxing authorities in management and general expenses. The Corporation did not have penalties and interest relating to income taxes for the years ended June 30, 2020 and 2019.

#### **Classification of transactions**

All revenues and net gains are reported as increases in net assets without donor restrictions in the statements of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

#### **Recently issued accounting standards**

The Corporation adopted FASB ASU No. 2016-14 in the year ended June 30, 2019. The new standards change the following aspects of the financial statements:

- The unrestricted net asset class has been renamed net assets without donor restrictions;
- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions;
- The financial statements include expenses by nature and function;
- Investment expenses are reported net of investment returns; and
- The financial statements include a disclosure about liquidity and availability of resources (Note 5).

#### **Note 2. Concentration of Credit Risk**

The Corporation maintains its cash balances in one financial institution and the accounts, at times, may exceed federally insured limits. As of June 30, 2020 and 2019, the cash in the bank exceeded the federally insured limit by \$3,720,580 and \$4,236,013, respectively. The Corporation maintains its funds at a national bank and feels that the risk of loss is minimal.

#### **Note 3. Concentration of Revenue**

For the year ended June 30, 2020 and 2019, the Corporation received the majority of its funding from appropriations approved by the General Assembly of the Commonwealth of Virginia. Funding is typically granted for a two-year period as stipulated in the budget of the Commonwealth. These funds were net assets with donor restrictions and are released based on time. The funding is used to support the mission of the Corporation to capture and perform research in biosciences, as well as promote the development of bioscience infrastructure tools which can be used to facilitate additional research activities.

## **Virginia Biosciences Health Research Corporation**

### **Notes to Financial Statements**

**June 30, 2020 and 2019**

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#### **Note 4. Pledged Contributions Receivable**

The Corporation's policy is to record only written pledged contributions receivable. Management estimates that no allowance for doubtful accounts is required.

The pledged contributions receivable as of June 30, 2020 and 2019, are as follows:

	2020	2019
Commonwealth of Virginia	\$ 7,500,000	\$ 3,750,000
College of William & Mary	50,000	50,000
Easter Virginia Medical School	50,000	50,000
George Mason University	50,000	50,000
Old Dominion University	50,000	50,000
University of Virginia	50,000	50,000
Virginia Commonwealth University	50,000	50,000
Virginia Polytechnic Institute and State University	50,000	50,000
	<u>\$ 7,850,000</u>	<u>\$ 4,100,000</u>

	2020	2019
Amounts expected to be received in:		
Less than one year	\$ 4,100,000	\$ 4,100,000
One to five years	3,750,000	-
	<u>\$ 7,850,000</u>	<u>\$ 4,100,000</u>

#### **Note 5. Liquidity and Availability**

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of June 30, 2020 and 2019 are:

Financial assets at year-end:	2020	2019
Cash and cash equivalents	\$ 3,970,580	\$ 3,883,102
Pledges receivable	7,850,000	4,100,000
Total financial assets	<u>11,820,580</u>	<u>7,983,102</u>
Less board designations:		
Operating reserves	(180,000)	(180,000)
Pledges due in one to five years	<u>(3,750,000)</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 7,890,580</u>	<u>\$ 7,803,102</u>

The board designation for operation reserves is in place to ensure the Corporation's ongoing and future viability to withstand the impact of economic downturns and invest in strategic opportunities. The Corporation only holds liquid assets consisting of cash and cash equivalents. The Corporation uses a budgeting process to manage its cash flow and liquidity needs.

**Virginia Biosciences Health Research Corporation**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

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**Note 6. Covid-19**

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it be a pandemic. COVID-19 and actions to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Corporation operates. The extent to which the COVID-19 pandemic may impact operating results, financial condition, and cash flows will depend on future developments, which are highly uncertain and cannot be predicted as of the date of this report. The Corporation is adequately capitalized and continues to evaluate operational impacts and implement mitigation tactics where possible and necessary.

**Note 7. Subsequent Events**

Management has evaluated subsequent events through October 27, 2020, the date which the financial statements were available for issue.