



September 30, 2021

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

Dear Mr. Timberlake:

Enclosed please find the fourth Quarterly Report for FY2021 for the Virginia Innovation Partnership Authority and Center for Innovative Technology. The attached report fulfills the requirements of the Appropriations Act Item 135 D.2 (Special Session I, 2021).

If you have any questions, please call me at 703-689-3021.

Sincerely,

Susan Aitcheson
CFO
Center for Innovative Technology

cc: The Honorable Brian Ball, Secretary of Commerce and Trade
Ms. Cassidy Rasnick, Deputy Secretary of Commerce and Trade
The Honorable Janet D Howell, Chairman, Senate Finance & Appropriations Committee
The Honorable Luke E. Torian, Chairman, House Appropriations Committee
Ms. Anne E Oman, Staff Director, House Appropriations Committee
Ms. April Kees, Staff Director, Senate Finance & Appropriations Committee
Ms. Toni Walker, Associate Director, Department of Planning and Budget
Ms. Samantha Martin, Budget and Policy Analyst, Department of Planning and Budget
Dr. Barbara Boyan, CIT Board of Directors Chairman
Mr. Rob Quartel, CIT Board of Directors Finance Committee Chairman

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Item 135.D.2.a

**Fiscal Year 2021 Quarter 4
June 30, 2021**

Financial Performance

Virginia Innovation Partnership Authority

BUDGET ANALYSIS

For the Fiscal Year Ended June 30, 2021

	(In Thousands)		
	Fiscal Year 2021		
	Actual	Budget	Variance
Revenue			
Commonwealth Appropriation - General Fund	\$ 26,027	\$ 25,700	\$ 327
Commonwealth Appropriation - Non-General Fund and VRIF and CRCF balances	73,090	20,000	53,090
Interest & Misc. Income	153	-	153
Total Revenue	<u>99,270</u>	<u>45,700</u>	<u>53,570</u>
Expenses and Transfers			
VIPA Administrative Expense	3	20	(17)
Transfer to CIT - FY2021 Appropriation	68,367	20,350	48,017
Transfer to CIT - FY2021 Rent from IEIA Building Reserve	80	731	(651)
Transfer to COEs - FY2021 Appropriation	30,681	25,350	5,331
Total Expenses & Transfers	<u>99,131</u>	<u>46,451</u>	<u>52,680</u>
Consolidated Revenue, Expenses and Changes in Net Position			
Revenue	99,270	45,700	53,570
Expenses and Transfers	99,131	46,451	52,680
Change in Net Position	139	(751)	890
Beginning Net Position	2,455	2,000	455
Ending Net Position	<u>\$ 2,594</u>	<u>\$ 1,249</u>	<u>\$ 1,345</u>

Commonwealth Projects Funded by Appropriation & Other Revenue

	(In Thousands)		
	Fiscal Year 2021		
	Actual	Budget	Variance
Revenue			
Commonwealth Appropriation - General Fund	\$ 10,276	\$ 10,350	\$ (74)
Commonwealth Appropriation - Non-General Fund and VRIF and CRCF balances	58,091	10,000	48,091
Interest, Sponsorship, Return on Investments & Misc. Income	4,642	950	3,692
Total Revenue	<u>73,009</u>	<u>21,300</u>	<u>51,709</u>
Expenses			
Commercialization Division	7,863	8,125	(262)
Investment Division	6,344	9,828	(3,484)
Entrepreneur Ecosystems Division	872	2,450	(1,578)
Strategic Initiatives	1,574	1,601	(27)
Unmanned Systems	1,081	2,258	(1,177)
Policy, Communications and Commonwealth Engagement	682	1,199	(517)
Unapplied (over-applied) indirects	(644)	(1,102)	458
Total Expenses	<u>17,772</u>	<u>24,359</u>	<u>(6,587)</u>
Net	<u>55,237</u>	<u>(3,059)</u>	<u>58,296</u>

Strategic Initiatives and Other Funding Provided by Contracts & Grants

Strategic Initiatives

Program Revenue - DHS Smart City IoT Innovation Program	15	-	15
Program Expense	14	-	14
Profit/(Loss)	<u>1</u>	<u>-</u>	<u>1</u>
Program Revenue - DHS Commercial First Innovation™	4,040	1,700	2,340
Program Expense	3,742	1,574	2,168
Profit/(Loss)	<u>298</u>	<u>126</u>	<u>172</u>

Other

Program Revenue - SBA FAST 2019	54	60	(6)
Program Expense	54	60	(6)
Profit/(Loss)	<u>-</u>	<u>-</u>	<u>-</u>
Program Revenue - SBA FAST 2020	70	-	70
Program Expense	70	-	70
Profit/(Loss)	<u>-</u>	<u>-</u>	<u>-</u>
Program Revenue	4,179	1,760	2,419
Program Expenses	3,880	1,634	2,246
Net	<u>299</u>	<u>126</u>	<u>173</u>

Consolidated Revenue, Expenses and Changes in Net Position

Revenue	77,188	23,060	54,128
Expenses	21,652	25,993	(4,341)
Transfers	80	-	-
Change in Net Position	<u>55,616</u>	<u>(2,933)</u>	<u>58,549</u>
Beginning Net Position	21,834	15,535	6,299
Ending Net Position	<u>\$ 77,450</u>	<u>\$ 12,602</u>	<u>\$ 64,848</u>

**Center for Innovative Technology
Fiscal Year 2021 Results by Fund**

	Operating Funds		Designated Funds					Total	
	COV	Other	COV						
	Discretionary Fund	Grants & Contracts	Commercialization Division	Investment Division	Entrepreneurial Ecosystems Division	Strategic Initiatives Fund	Unmanned Systems Fund		135.P.4 Fund
(In Thousands)									
Net Position, Beginning Balance at 7/1/2020	\$ 988	\$ 366	\$ 1,435	\$ 17,102	\$ -	\$ 757	\$ 1,186	\$ -	\$ 21,834
Transfer				\$ (2,000)	\$ 2,000				\$ -
REVENUE AND TRANSFERS									
General Fund Appropriation	\$ 3,176			\$ 3,100	\$ 2,000	\$ 1,000	\$ 1,000		\$ 10,276
Non-General Fund Appropriation - Property Sale Proceeds			\$ 10,000					\$ 20,678	\$ 30,678
CRCF FYE20 Balance			\$ 1,825						\$ 1,825
VRIF FYE20 Balance			\$ 25,588						\$ 25,588
Interest, Sponsorship, Return on Investment	\$ 36		\$ 20	\$ 4,440	\$ 1	\$ 77	\$ 68		\$ 4,642
Transfer from Building Reserve for Rent	\$ 80								\$ 80
Grants & Contracts		\$ 4,179							\$ 4,179
Total Revenue and Transfers	\$ 3,292	\$ 4,179	\$ 37,433	\$ 7,540	\$ 2,001	\$ 1,077	\$ 1,068	\$ 20,678	\$ 77,268
EXPENSES AND TRANSFERS									
Operating Programs Net of Unapplied Indirects	\$ 31								\$ 31
Designated Programs	\$ 3,258		\$ 6,484	\$ 5,132	\$ 705	\$ 1,291	\$ 871		\$ 17,741
Grants & Contracts		\$ 3,880							\$ 3,880
Total Expenses and Transfers	\$ 3,289	\$ 3,880	\$ 6,484	\$ 5,132	\$ 705	\$ 1,291	\$ 871	\$ -	\$ 21,652
Net Change	\$ 3	\$ 299	\$ 30,949	\$ 408	\$ 3,296	\$ (214)	\$ 197	\$ 20,678	\$ 55,616
Net Position, Ending Balance at 6/30/2021	\$ 991	\$ 665	\$ 32,384	\$ 17,510	\$ 3,296	\$ 543	\$ 1,383	\$ 20,678	\$ 77,450

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

Item 135.D.2.b

**Fiscal Year 2021 Quarter 4
June 30, 2021**

Investments & Grants

Center for Innovative Technology
Grants and Investments Made
For the twelve months ended June 30, 2021

Investments made Growth Acceleration Program (GAP):

	Actual	Budget	Variance
Acomhal Research, Inc.	\$ 100,000.00		
Advanced Aircraft Company, LLC	100,000.00		
AnswersNow, Inc	199,967.04		
ArchiveCore, Inc.	50,000.00		
ARtGlass USA, LLC	50,000.00		
AtWork Systems Inc	100,000.00		
Babylon Micro-Farms, Inc	200,000.00		
Beirobotics LLC (dba Linebird)	50,000.00		
Bloomcatch Inc.	50,000.00		
Buddy Technology, Inc.	50,000.00		
Capango, Inc.	100,000.00		
Cervais, Inc.	25,000.00		
Collagen Bioscience, LLC	1,519.00		
Embody	125,000.00		
Fenris, Inc	75,000.25		
Floorwire, Inc	50,000.00		
FRNGE, Inc.	99,999.97		
Givio Inc	100,000.00		
HyperQube Technologies, Inc.	162,533.55		
Industrial Intelligence, LLC	50,000.00		
LevelFields, Inc.	50,000.00		
Micronic Technologies Inc.	100,000.00		
NOVI LLC	50,000.00		
Ostendio, Inc.	53,236.39		
OxiWear, Inc.	100,000.00		
Panaceutics Nutrition Inc.	100,000.00		
Resale Global Inc	100,000.00		
RoundlyX, Inc.	200,000.00		
Scout Inc	50,000.00		
Slate Bio Inc.	249,992.88		
Sunny Day Solutions, Inc.	50,000.00		
Sweetie Boy Home Delivery, LLC	50,000.00		
Value Unlimited Inc (dba ChowCall)	399,974.40		
	<u>\$ 3,292,223.48</u>	<u>\$ 5,400,000.00</u>	<u>\$ (2,107,776.52)</u>

Grants Awarded:

Commonwealth Commercialization Fund (CCF)
Regional Innovation Fund (RIF)

See Attached
See Attached

Center for Innovative Technology
Grants made by the Commonwealth Commercialization Fund (CCF)
For the twelve months ended June 30, 2021

Award Recipient	Project Title	Project Start - Project End	CCF Award
3 Ridge Technologies Inc.	<i>Agria™ - Truly Organic Scalable Organic Farm Factories</i>	06/15/2021 - 12/12/2021	\$100,000
AgroSpheres, Inc.	<i>Commercialization of Reliable, Sustainable Crop Protection Products</i>	06/15/2021 - 02/15/2022	\$100,000
AtWork Systems, Inc.	<i>Cybersecurity Assessment Tools for SaaS Platform</i>	06/15/2021 - 12/15/2021	\$100,000
Babylon Micro-Farms Inc.	<i>Advancing Micro-Farm Technology - Developing Automated Quality Control to Improve the Producibility and Reliability of Babylon Micro-Farms' IoT Platform</i>	06/15/2021 - 11/30/2021	\$98,250
BEAM Diagnostics, Inc	<i>Commercialization of Beacon: A Digital Platform for Innovative Prediction Tools in Healthcare</i>	07/01/2021 - 12/31/2021	\$100,000
BlackBoiler, Inc.	<i>User Control of AI-Powered Contract Markup</i>	07/01/2021 - 04/30/2022	\$100,000
Bonumose, Inc.	<i>Making Healthy Sugar Affordable for the Mass Market</i>	06/15/2021 - 12/15/2021	\$100,000
BrachyFoam Inc DBA Advaray	<i>Progress Toward Commercialization of a Novel Hydrogen-based Product for Pelvic Brachytherapy</i>	08/01/2021 - 03/31/2022	\$100,000
Caza Health LLC	<i>Improving Women's Health Outcomes - A New Diagnostic Research Tool</i>	06/15/2021 - 02/15/2022	\$99,898
Cerillo, LLC	<i>Development of a Low-cost, Miniaturized, Field-deployable ELISA Reader</i>	06/15/2021 - 12/15/2021	\$100,000
Contraline, Inc	<i>Development of Market Access Strategy for a Novel Male Contraceptive</i>	06/15/2021 - 06/15/2022	\$99,998
Federal Foundry LLC	<i>Government Contracting Capture Application</i>	06/15/2021 - 06/15/2022	\$100,000
Fend Incorporated	<i>Sales Acceleration: Fend Cellular Data Diode and Data Extraction Subscriptions</i>	06/15/2021 - 06/14/2022	\$100,000
GPX LLC	<i>Reinvigorating Participatory Democracy with GPX</i>	06/15/2021 - 03/31/2022	\$100,000
Humanitru	<i>Machine Learning and Marketing Automation to Improve Donor Retention and Acquisition</i>	06/15/2021 - 06/15/2022	\$100,000
Icarus Medical LLC	<i>Determination of Clinical Outcomes for a Novel Multi-Compartment Unloader Brace</i>	06/15/2021 - 04/15/2022	\$99,989
Itus Digital	<i>Itus Go-To-Market</i>	07/01/2021 - 01/01/2022	\$100,000
Jeeva Informatics Solutions Inc	<i>Remote Touchless Patient Recruitment and Retention Platform for Clinical Research</i>	06/15/2021 - 06/14/2022	\$100,000
Keshif, LLC	<i>Keshif/Exploratory Interactive Visual Data Analytics</i>	06/15/2021 - 06/15/2022	\$95,700
Laser Thermal Analysis, LLC	<i>Steady State Thermoreflectance in Fiber Optics: SSTR-F</i>	06/15/2021 - 12/15/2021	\$50,000
Leading Edge Advanced Fibers, Inc.	<i>Development of Ultra-Lightweight Materials for Use in Satellites</i>	06/15/2021 - 02/15/2022	\$100,000
Li Industries, Inc.	<i>Automatic Direct Recycling of End-of-Life Electric Vehicle Lithium-Ion Batteries</i>	08/01/2021 - 07/31/2022	\$100,000
Meru Biotechnologies	<i>Development and Commercialization of TruBind Technology for Drug Discovery</i>	08/15/2021 - 08/15/2022	\$95,850
Metaform	<i>System for Effectively Integrating Disparate Information Sources</i>	06/15/2021 - 06/15/2022	\$97,547
MOVA Technologies, Inc.	<i>Panel Bed Carbon Capture: Component Design, Integration, and IP Protection</i>	06/15/2021 - 06/14/2022	\$100,000

Award Recipient	Project Title	Project Start - Project End	CCF Award
NOVI LLC	<i>Remote Imaging and AI-based Flaw Detection for Pavement and Infrastructure Maintenance</i>	07/01/2021 - 04/30/2022	\$99,250
Onclave Networks, Inc	<i>Zero Trust Remote Access for Smart Communities</i>	06/15/2021 - 01/31/2022	\$100,000
Psionic LLC	<i>Psionic Navigation Doppler Lidar</i>	08/15/2021 - 04/30/2022	\$100,000
Rimstorm Inc.	<i>CMMC GovCon Enclave</i>	07/01/2021 - 03/31/2022	\$100,000
Service Robotics & Technologies	<i>Optimizing Energy and HVAC Usage through Integrated, Automated Scheduling for Facilities in Higher Education</i>	06/15/2021 - 06/23/2022	\$99,999
SVT Robotics	<i>Natural Language Processing and Interface for Robotic Integration Systems</i>	06/15/2021 - 06/14/2022	\$100,000
GreenTech Ventures, Inc. dba TrueAlgae	<i>Revolutionizing Algae for Multi-Purpose Agribusiness in VA</i>	06/15/2021 - 06/15/2022	\$100,000
Visual Workforce, Inc.	<i>Visual Workforce Skills Management and Workforce Visualizations Software</i>	06/15/2021 - 09/15/2021	\$100,000
ZeoVation	<i>Additive Manufacturing of Antimicrobial/Antiviral Polymeric Devices</i>	08/15/2021 - 08/14/2022	\$100,000

Center for Innovative Technology
Grants made by the Regional Innovation Fund (RIF)
For the twelve months ended June 30, 2021

Award Recipient	Project Start - Project End	RIF Award
Valleys Innovation Council	07/01/2021 - 06/30/2022	\$200,000
Activation Capital	07/01/2021 - 06/30/2022	\$200,000

Center for Innovative Technology
Return on Prior Investments
For the twelve months ended June 30, 2021

Return on Prior GAP Investments, including gains and losses:

Cavion	\$	22,650.42
ChurnZero		248,097.14
DataRPM		73,164.17
Distil Networks		37,414.29
DivvyCloud		5,054.79
Hosted Harbor/nexVortex		27,200.22
Kamana		78,863.01
LiveSafe		220,499.05
Pype		649,647.55
Ringobon (Ringio LLC)		10,000.00
ThreatLocker		169,560.00
Two Six Labs (Invincea)		1,344,318.57
TypeZero Technologies		313,478.00
VividCortex		8,614.61
Confidential - Name withheld due to confidentiality agreement		1,083,823.88
Zoobean		54,602.74
	\$	<u>4,346,988.44</u>

Item 135.D.2.c

Fiscal Year 2021 Quarter 4
June 30, 2021

Financial & Programmatic
Performance of Operating
Entities Owned by CIT

**No Operating Entities Owned
during FY21 Q4**

Item 135.D.2.d

Fiscal Year 2021 Quarter 4
June 30, 2021

Transition to new Authority

Timeline and Associated Activities for transition into the new Authority

CIT began the transition from its management of the Innovation and Entrepreneurship Investment Authority (IEIA) to management of the new Virginia Innovation Partnership Authority (VIPA) after passage of HB1017 and SB756 in the 2020 Session of Virginia's General Assembly. That new role - as the VIPA managing non-profit - became official on July 1, 2020.

To ensure a smooth transition and sustained program operation, CIT's existing Board remained in place until future governance could be established. In preparation for the first VIPA Board meeting, CIT's Board met for the final time on December 3, 2020 to approve changes in CIT's bylaws and articles of incorporation that would allow the newly formed VIPA Board to also serve as the Board for CIT.

Six of the eleven VIPA Board of Directors were appointed in July by Governor Northam and a seventh, Virginia's Secretary of Commerce & Trade serving as the VIPA Vice Chairman, is also in place. As of December 31, 2020, the Board positions allocated for appointment by the General Assembly's Joint Rules Committee in the authorizing language are yet to be made. However, the current seven appointees constitute a quorum for the VIPA and the inaugural Board meeting was held on December 17, 2020.

The following Board Members were present at the meeting:

- Vice Chairman - Secretary Brian Ball
- Member - Ms. Monique Adams
- Member - Dr. Barbara Boyan
- Member - Mr. Richard Hall
- Member - Mr. Chiedo John
- Member - Mr. Kurt John
- Member - Ms. Paula Sorrell

At the December 17 Board meeting, several critical actions were taken by the Board to ensure that CIT is authorized to provide administrative and operational support to the VIPA and ensure uninterrupted services from programs that require VIPA oversight. These actions were unanimously approved through a governance resolution and separate motions that included:

- Designating CIT as the managing non-profit and operating arm of the VIPA
- Appointing the President of CIT to serve as the President of the VIPA and carry out the duties outlined in the resolution
- Designating the Board of Directors for the VIPA to also serve as the Board of Directors for CIT
- Approving Advisory Boards for the Investment, Commercialization, and Entrepreneurial Ecosystems Divisions at CIT

- Approving Guidelines for the first solicitation of the Commonwealth Commercialization Fund (CCF) to be announced in January 2021.
- Delaying the first report on the VIPA Centers of Excellence until December 1, 2021
- Delaying the election of VIPA officers until the full Board has been appointed.

The VIPA held its second Board meeting on March 4, 2021, however, the four Joint Rules Committee appointments have still not been announced. The Board received an update on CIT's FY21 goals and objectives and strategies for FY22 planning. Additionally, the VIPA Board approved the criteria for the Regional Innovation Fund. Overviews of VIPA's four centers of excellence (CCAM, CCALS, CCI, VBHRC) were presented by the directors of each organization.

Significantly, the first solicitation of the new Commonwealth Commercialization Fund was launched in January 2021, and the first solicitation of the new Regional Innovation Fund was launched in March 2020. Both programs made awards before the end of FY21.

In May 2021, the General Assembly's Joint Rules Committee made the remaining four appointments to the VIPA. Those members were:

- Member – Andrew Ko
- Member – Chris Long
- Member – Rob Quartel
- Member – Angela Reddix

The full Board met for the first time on June 10, 2021, virtually. Key items on the agenda for the 4th Qtr. meeting included: Approval of CIT's Operations Plan for FY22, approval of CIT's budget for FY22, approval of the recommended name change from the Center for Innovative Technology (CIT) to the Virginia Innovative Partnership Corporation (VIPPC). The Board was provided a timeline for the rebranding effort that will include SCC approval for the corporate name change.

CIT's Entrepreneurial Ecosystems Division is working with stakeholders in all nine GO Virginia Regions to establish criteria for the second solicitation of the Regional Investment Fund (RIF). The criteria were presented to, and approved by, the VIPA Board at the March 4, 2021, meeting. The first awards from the RIF were made in June FY21.

Since July 1, 2020, operational funding for CIT and the newly consolidated COEs has been provided to CIT and then distributed accordingly. Portions of the overall Item#135 appropriation initially required VIPA Board approval but, since an initial meeting of that Board was delayed pending appointment the full Board, a budget amendment (Item 135 #2.c) was submitted and passed during the 2021 Special Session of the General Assembly that authorizes CIT's President and CEO to approve and release related

funding. Appropriated funds have been provided to the COEs in accordance with requirements outlined in the budget language.

No delays or disruptions have been experienced in any CIT legacy programs because of the transition to the VIPA. All Divisions are working with their appointed advisory committees to update goals and objectives that were the basis for the FY22 operating plan and budget.