



December 18, 2023

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

Dear Director Maul:

Enclosed please find the REVISED fourth Quarterly Report for FY2023 for the Virginia Innovation Partnership Authority. The attached report fulfills the requirements of the Item 127.C.2 of the 2023 Special Session I, Virginia Acts of Assembly.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Aitcheson", is written over a light gray rectangular background.

Susan Aitcheson
CFO
Center for Innovative Technology

cc: The Honorable Caren Merrick, Secretary of Commerce and Trade
The Honorable Janet D Howell, Co-Chair, Senate Finance & Appropriations Committee
The Honorable George Barker, Co-Chair, Senate Finance & Appropriations Committee
The Honorable Barry Knight, Chair, House Appropriations Committee
Ms. Anne 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. Rita Roy, VIPA and VIPC Board of Directors Chair
Mr. Rob Quartel, VIPC Board of Directors Finance Committee Chair

Item 127.C.2.a

Fiscal Year 2023 Quarter 4
June 30, 2023

Financial Performance

Virginia Innovation Partnership Authority
BUDGET ANALYSIS
For the Fiscal Year Ended June 30, 2023

(In Thousands)

| | Fiscal Year 2023 | | |
|--|-------------------------|---------------|-----------------|
| | Actual | Budget | Variance |
| Revenue | | | |
| Commonwealth Appropriation - General Fund | \$ 47,863 | \$ 42,341 | \$ 5,522 |
| Interest & Misc. Income | 96 | 3 | 93 |
| Total Revenue | 47,959 | 42,344 | 5,615 |
| Expenses and Transfers | | | |
| VIPA Administrative Expense | 3 | 3 | - |
| Appropriation Transfers to VIPC | 17,122 | 16,991 | 131 |
| Appropriation Disbursements to Centers of Excellence | 30,741 | 25,350 | 5,391 |
| Total Expenses & Transfers | 47,866 | 42,344 | 5,522 |

Consolidated Revenue, Expenses, Transfers and Changes in Net Position

| | | | |
|------------------------|----------|----------|-------|
| Revenue | 47,959 | 42,344 | 5,615 |
| Expenses and Transfers | 47,866 | 42,344 | 5,522 |
| Change in Net Position | 93 | - | 93 |
| Beginning Net Position | 2,529 | 2,593 | (64) |
| Ending Net Position | \$ 2,622 | \$ 2,593 | \$ 29 |

Virginia Innovation Partnership Corporation
BUDGET ANALYSIS
For the Fiscal Year Ended June 30, 2023

Commonwealth Projects Funded by Appropriation & Other Revenue

| | (In Thousands) | | |
|---|-------------------------|-----------------|-----------------|
| | Fiscal Year 2023 | | |
| | Actual | Budget | Variance |
| Revenue | | | |
| Commonwealth Appropriation - General Fund | \$ 17,122 | \$ 16,991 | \$ 131 |
| Interest, Sponsorship, Return on Investments & Misc. Income | 6,296 | 150 | 6,146 |
| Total Revenue | 23,418 | 17,141 | 6,277 |
| Expenses | | | |
| Commercialization Division | 10,361 | 15,788 | (5,427) |
| Investment Division | 9,206 | 11,714 | (2,508) |
| Entrepreneurial Ecosystems Division | 1,326 | 2,452 | (1,126) |
| Strategic Initiatives | 1,414 | 1,156 | 258 |
| Unmanned Systems | 1,849 | 1,804 | 45 |
| Activities Funded by Building Sale Proceeds | 911 | 3,369 | (2,458) |
| Policy, Communications and Commonwealth Engagement | 1,401 | 1,752 | (351) |
| Petersburg Founders Fund | 577 | - | 577 |
| Total Expenses | 27,045 | 38,035 | (10,990) |
| | (3,627) | (20,894) | 17,267 |

Strategic Initiatives and Other Funding Provided by Contracts & Grants

| | | | |
|---|------------|----------|------------|
| Program Revenue - DHS Commercial First Innovation TM | 5,094 | - | 5,094 |
| Program Expense | 4,717 | - | 4,717 |
| Profit/(Loss) | 377 | - | 377 |
| Program Revenue - VDEM iFLOWS | 507 | 500 | 7 |
| Program Expense | 501 | 500 | 1 |
| Profit/(Loss) | 6 | - | 6 |
| Program Revenue - VDEM VISA AO | 195 | - | 195 |
| Program Expense | 195 | - | 195 |
| Profit/(Loss) | - | - | - |
| Program Revenue - SSBCI | 5,287 | - | 5,287 |
| Program Expense | 5,287 | - | 5,287 |
| Profit/(Loss) | - | - | - |
| Program Revenue - EDA Planning Grant | 149 | - | 149 |
| Program Expense | 149 | - | 149 |
| Profit/(Loss) | - | - | - |
| Program Revenue - Fairfax Founders Fund | 44 | - | 44 |
| Program Expense | 32 | - | 32 |
| Profit/(Loss) | 12 | - | 12 |
| Program Revenue - SBA FAST 2022 | 100 | 53 | 47 |
| Program Expense | 100 | 53 | 47 |
| Profit/(Loss) | - | - | - |
| Program Revenue | 11,376 | 553 | 10,823 |
| Program Expenses | 10,981 | 553 | 10,428 |
| Net | 395 | - | 395 |

Consolidated Revenue, Expenses and Changes in Net Position

| | | | |
|------------------------|------------------|------------------|------------------|
| Revenue | 34,794 | 17,694 | 17,100 |
| Expenses | 38,026 | 38,588 | (562) |
| Change in Net Position | (3,232) | (20,894) | 17,662 |
| Beginning Net Position | 73,140 | 71,417 | 1,723 |
| Ending Net Position | \$ 69,908 | \$ 50,523 | \$ 19,385 |

Virginia Innovation Partnership Corporation
Fiscal Year 2023 Results by Fund

| | Operating Funds | | | Designated Funds | | | | | | | Total |
|---|-------------------------|--------------------|--------------------------|---------------------|----------------------------|-------------------------------------|----------------------------|-----------------------|--------------------------|--|------------|
| | COV | Other | | COV | | | | | | | |
| | Discretionary Operating | Grants & Contracts | Grants & Contracts SSBCI | Investment Division | Commercialization Division | Entrepreneurial Ecosystems Division | Strategic Initiatives Fund | Unmanned Systems Fund | Petersburg Founders Fund | Building Sale Proceeds for Opp Fund/ 127.0 | |
| | (In Thousands) | | | | | | | | | | |
| Beginning Balance at 7/1/2022 | \$ 1,169 | \$ 980 | \$ - | \$ 11,586 | \$ 33,013 | \$ 4,327 | \$ 233 | \$ 1,154 | \$ - | \$ 20,678 | \$ 73,140 |
| Recycled Proceeds | | | | \$ (500) | | | | \$ | \$ 500 | | \$ - |
| REVENUE | | | | | | | | | | | |
| General Fund Appropriation | \$ 4,017 | | | \$ 3,100 | \$ 5,005 | \$ 3,000 | \$ 1,000 | \$ 1,000 | | | \$ 17,122 |
| Interest, Sponsorship, Return on Investment | \$ 1,261 | | | \$ 3,611 | \$ 1,068 | \$ 178 | \$ 75 | \$ 103 | | | \$ 6,296 |
| Federal and State Grants & Contracts | | \$ 6,089 | \$ 5,287 | | | | | | | | \$ 11,376 |
| Total Revenue | \$ 5,278 | \$ 6,089 | \$ 5,287 | \$ 6,711 | \$ 6,073 | \$ 3,178 | \$ 1,075 | \$ 1,103 | \$ - | \$ - | \$ 34,794 |
| EXPENSES AND TRANSFERS | | | | | | | | | | | |
| Operating and Designated Programs | \$ 4,707 | | | \$ 2,114 | \$ 1,286 | \$ 694 | \$ 1,308 | \$ 1,651 | | \$ 807 | \$ 12,567 |
| Investments/Grants | | | \$ 4,388 | \$ 5,499 | \$ 7,954 | \$ 525 | | | \$ 500 | | \$ 18,866 |
| Federal and State Grants & Contracts Operating Expenses | | \$ 5,694 | \$ 899 | | | | | | | | \$ 6,593 |
| Transfers and Indirect Application to Designated Programs | \$ (200) | | | \$ 73 | \$ 90 | \$ 13 | | \$ 16 | | \$ 8 | \$ - |
| Total Expenses | \$ 4,507 | \$ 5,694 | \$ 5,287 | \$ 7,686 | \$ 9,330 | \$ 1,232 | \$ 1,308 | \$ 1,667 | \$ 500 | \$ 815 | \$ 38,026 |
| Net Change | \$ 771 | \$ 395 | \$ - | \$ (975) | \$ (3,257) | \$ 1,946 | \$ (233) | \$ (564) | \$ (500) | \$ (815) | \$ (3,232) |
| Forecasted Ending Balance at 6/30/2023 | \$ 1,940 | \$ 1,375 | \$ - | \$ 10,111 | \$ 29,756 | \$ 6,273 | \$ - | \$ 590 | \$ - | \$ 19,863 | \$ 69,908 |

Designated Funds are amounts which are to be spent on a specific purpose stated in the Appropriation Act with the exception of the Petersburg Founders Fund, which is designated as part of Governor Youngkin's "Partnership for Petersburg" Initiative

Item 127.C.2.b

**Fiscal Year 2023 Quarter 4
June 30, 2023**

Investments & Grants

Virginia Innovation Partnership Corporation
Investments & Grants Made
For the fiscal year ended June 30, 2023

| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
|--|-----------------|------------------|-------------------|
| <u>Convertible Debt and Equity Investments made:</u> | | | |
| Virginia Venture Partners (VVP) | | | |
| Investment in 54 companies | \$ 5,498,662.52 | \$ 7,000,000.00 | \$ (1,501,337.48) |
| State Small Business Credit Initiative (SSBCI) | | | |
| Investment in 26 companies | \$ 4,388,054.12 | \$ - | \$ 4,388,054.12 |
| <u>Return on Prior Investments, including gains and losses:</u> | | | |
| Returns from 8 companies | \$ 843,612.07 | \$ - | \$ 843,612.07 |
| <u>Grants Made:</u> | | | |
| Commonwealth Commercialization Fund (CCF) | | | |
| 226 Grant payments to 134 awardees | \$ 7,954,239.00 | \$ 12,424,428.00 | \$ (4,470,189.00) |
| Regional Innovation Fund (RIF) | | | |
| 6 Grant payments to 5 awardees | \$ 525,000.00 | \$ 1,300,004.00 | \$ (775,004.00) |
| Petersburg Founders Fund (PFF) | | | |
| 20 Grant payments to 20 awardees | \$ 500,000.00 | \$ 500,000.00 | \$ - |

Item 127.C.2.c

Fiscal Year 2023 Quarter 4
June 30, 2023

Financial & Programmatic
Performance of Operating
Entities Owned by VIPC

**No Operating Entities Owned
during FY23 Q4**