



December 12, 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 first Quarterly Report for FY2024 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 that reads "Susan Aitcheson". The signature is written in a cursive style and is positioned above the typed name.

Susan Aitcheson  
CFO  
Virginia Innovation Partnership Corporation

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. Barbara Boyan, VIPC Board of Directors Chair  
Mr. Rob Quartel, VIPC Board of Directors Finance Committee Chair

Item 127.C.2.a

Fiscal Year 2024 Quarter 1  
September 30, 2023

Financial Performance

Virginia Innovation Partnership Authority

**BUDGET ANALYSIS**

For the Three Months Ended September 30, 2023

(In Thousands)			(In Thousands)		
<b>ACTUAL - Jul through Sep 2023</b>			<b>FORECASTED -Fiscal Year 2024</b>		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Forecast</u>	<u>Budget</u>	<u>Variance</u>
<b>Revenue</b>					
\$ 9,661	\$ 10,599	\$ (938)	\$ 42,396	\$ 42,396	\$ -
66	33	33	180	130	50
<u>9,727</u>	<u>10,632</u>	<u>(905)</u>	<u>42,576</u>	<u>42,526</u>	<u>50</u>
<b>Expenses</b>					
3	3	-	3	3	-
4,262	4,262	-	17,046	17,046	-
5,400	6,338	(938)	25,350	25,350	-
<u>9,665</u>	<u>10,603</u>	<u>(938)</u>	<u>42,399</u>	<u>42,399</u>	<u>-</u>
<b>Consolidated Revenue, Expenses and Changes in Net Position</b>					
9,727	10,632	(905)	42,576	42,526	50
<u>9,665</u>	<u>10,603</u>	<u>(938)</u>	<u>42,399</u>	<u>42,399</u>	<u>-</u>
62	29	33	177	127	50
2,622	2,621	1	2,622	2,621	1
<u>\$ 2,684</u>	<u>\$ 2,650</u>	<u>\$ 34</u>	<u>\$ 2,799</u>	<u>\$ 2,748</u>	<u>\$ 51</u>

Virginia Innovation Partnership Corporation  
**BUDGET ANALYSIS**  
For the Three Months Ended September 30, 2023

	(In Thousands)			(In Thousands)		
	<b>ACTUAL YTD - Jul through Sep 2023</b>			<b>FORECASTED - Fiscal Year 2024 (June 30)</b>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Forecast</u>	<u>Budget</u>	<u>Variance</u>
<b>Commonwealth Projects Funded by Appropriation &amp; Other Revenue</b>						
<b>Revenue</b>						
Commonwealth Appropriation - General Fund	\$ 4,261	\$ 4,261	\$ -	\$ 17,046	\$ 17,046	\$ -
Interest, Sponsorship, Return on Investments & Misc. Income	662	375	287	3,656	1,500	2,156
<b>Total Revenue</b>	<b>4,923</b>	<b>4,636</b>	<b>287</b>	<b>20,702</b>	<b>18,546</b>	<b>2,156</b>
<b>Expenses</b>						
Commercialization Division	3,554	3,867	(313)	14,059	15,224	(1,165)
Investment Division	2,234	1,590	644	6,970	6,371	599
Entrepreneurial Ecosystems Division	849	861	(12)	3,567	3,598	(31)
Strategic Initiatives	202	364	(162)	1,238	1,186	52
Unmanned Systems	213	335	(122)	1,758	1,839	(81)
Activities Funded by Building Sale Proceeds	-	346	(346)	4,846	5,192	(346)
Policy, Communications and Commonwealth Engagement	396	529	(133)	1,950	2,093	(143)
(Over)/Underapplied Indirects	(463)	80	(543)	(1,714)	(1,202)	(512)
<b>Total Expenses</b>	<b>6,985</b>	<b>7,972</b>	<b>(987)</b>	<b>32,674</b>	<b>34,301</b>	<b>(1,627)</b>
	<b>(2,062)</b>	<b>(3,336)</b>	<b>1,274</b>	<b>(11,972)</b>	<b>(15,755)</b>	<b>3,783</b>
<b>Strategic Initiatives and Other Funding Provided by Contracts &amp; Grants</b>						
Program Revenue - DHS Commercial First Innovation ™	885	-	885	4,117	-	4,117
Program Expense	819	-	819	3,812	-	3,812
<b>Profit/(Loss)</b>	<b>66</b>	<b>-</b>	<b>66</b>	<b>305</b>	<b>-</b>	<b>305</b>
Program Revenue - VDEM iFLOWS	82	-	82	93	-	93
Program Expense	82	-	82	93	-	93
<b>Profit/(Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Program Revenue - SSBCI	2,501	2,160	341	12,539	12,201	338
Program Expense	2,501	2,160	341	12,539	12,201	338
<b>Profit/(Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Program Revenue - EDA Planning Grant	166	157	9	647	647	-
Program Expense	166	157	9	647	647	-
<b>Profit/(Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Program Revenue - Fairfax Founders Fund	4	19	(15)	14	33	(19)
Program Expense	3	15	(12)	11	26	(15)
<b>Profit/(Loss)</b>	<b>1</b>	<b>4</b>	<b>(3)</b>	<b>3</b>	<b>7</b>	<b>(4)</b>
Program Revenue - SBA FAST	15	29	(14)	128	29	99
Program Expense	15	29	(14)	128	29	99
<b>Profit/(Loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Program Revenue	3,653	2,365	1,288	17,538	12,910	4,628
Program Expenses	3,586	2,361	1,225	17,230	12,903	4,327
<b>Net</b>	<b>67</b>	<b>4</b>	<b>63</b>	<b>308</b>	<b>7</b>	<b>301</b>
<b>Consolidated Revenue, Expenses and Changes in Net Position</b>						
Revenue	8,576	7,001	1,575	38,240	31,456	6,784
Expenses	10,571	10,333	238	49,904	47,204	2,700
<b>Change in Net Position</b>	<b>(1,995)</b>	<b>(3,332)</b>	<b>1,337</b>	<b>(11,664)</b>	<b>(15,748)</b>	<b>4,084</b>
Beginning Net Position	69,908	61,493	8,415	69,908	61,493	8,415
<b>Ending Net Position</b>	<b>\$ 67,913</b>	<b>\$ 58,161</b>	<b>\$ 9,752</b>	<b>\$ 58,244</b>	<b>\$ 45,745</b>	<b>\$ 12,499</b>

**Virginia Innovation Partnership Corporation**  
**Fiscal Year 2024 Q2 Forecast by Fund**

	Operating Funds			Designated Funds						Total
	COV		Other	COV						
	Discretionary Operating	Grants & Contracts	Grants & Contracts SBCI	Investment Division	Commercialization Division	Entrepreneurial Ecosystems Division	Strategic Initiatives Fund	Unmanned Systems Fund	Building Sale Proceeds for Opp Fund/ 127.0	
(In Thousands)										
<b>Beginning Balance at 7/1/2023</b>	\$ 1,940	\$ 1,375	\$ -	\$ 10,111	\$ 29,756	\$ 6,273	\$ -	\$ 590	\$ 19,863	\$ 69,908
<b>REVENUE</b>										
General Fund Appropriation	\$ 3,946			\$ 3,100	\$ 5,000	\$ 3,000	\$ 1,000	\$ 1,000		\$ 17,046
Interest, Sponsorship, Return on Investment	\$ 1,734			\$ 94	\$ 1,426	\$ 340	\$ 62			\$ 3,656
Federal and State Grants & Contracts		\$ 4,999	\$ 12,539							\$ 17,538
<b>Total Revenue</b>	\$ 5,680	\$ 4,999	\$ 12,539	\$ 3,194	\$ 6,426	\$ 3,340	\$ 1,062	\$ 1,000	\$ -	\$ 38,240
<b>EXPENSES AND TRANSFERS</b>										
Operating and Designated Programs	\$ 6,307			\$ 2,618	\$ 1,343	\$ 981	\$ 1,062	\$ 1,517	\$ 200	\$ 14,028
Investments/Grants			\$ 11,638	\$ 1,738	\$ 10,808	\$ 2,100			\$ 4,000	\$ 30,284
Federal and State Grants & Contracts Operating Expenses		\$ 4,691	\$ 901							\$ 5,592
Transfers and Indirect Application to Designated Programs	\$ (500)	\$ 300		\$ 35	\$ 96	\$ 24		\$ 12	\$ 33	\$ -
<b>Total Expenses</b>	\$ 5,807	\$ 4,991	\$ 12,539	\$ 4,391	\$ 12,247	\$ 3,105	\$ 1,062	\$ 1,529	\$ 4,233	\$ 49,904
<b>Net Change</b>	\$ (127)	\$ 8	\$ -	\$ (1,197)	\$ (5,821)	\$ 235	\$ -	\$ (529)	\$ (4,233)	\$ (11,664)
<b>Forecasted Ending Balance at 6/30/2024</b>	\$ 1,813	\$ 1,383	\$ -	\$ 8,914	\$ 23,935	\$ 6,508	\$ -	\$ 61	\$ 15,630	\$ 58,244

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

**Item 127.C.2.b**

**Fiscal Year 2024 Quarter 1  
September 30, 2023**

**Investments & Grants**

**Virginia Innovation Partnership Corporation**  
**Investments & Grants Made**  
**For the three months ended Sept 30, 2023**

	<u>Actual</u>		<u>Budget</u>		<u>Variance</u>
<b><u>Convertible Debt and Equity Investments made:</u></b>					
Virginia Venture Partners (VVP)					
Investment in 11 companies	\$ 777,502	\$	240,000	\$	537,502
State Small Business Credit Initiative (SSBCI)					
Investment in 10 companies	\$ 2,497,514	\$	2,160,000	\$	337,514
Each SSBCI investment is a co-investment with VVP					
90% SSBCI funds 10% VVP Funds					
<b><u>Return on Prior Investments, including realized gains and losses:</u></b>					
Returns from 3 companies	\$ 441,700	\$	-	\$	441,700
<b><u>Grants Made:</u></b>					
Commonwealth Commercialization Fund (CCF)					
66 Grant payments to 49 awardees	\$ 2,751,536	\$	3,052,000	\$	(300,464)
Regional Innovation Fund (RIF)					
4 Grant payments to 4 awardees	\$ 325,000	\$	350,000	\$	(25,000)

Item 127.C.2.c

Fiscal Year 2024 Quarter 1  
September 30, 2023

Financial & Programmatic  
Performance of Operating  
Entities Owned by VIPC

**No Operating Entities Owned  
during FY24 Q1**