

February 7, 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 second Quarterly Report for FY2023 for the Virginia Innovation Partnership Authority. The attached report fulfills the requirements of the Item 127.C.2 of the 2022 Special Session I, Virginia Acts of Assembly.

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

Sincerely,

Susan Aitcheson

CFO

Center for Innovative Technology

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cc: The Honorable Caren Merrick, Secretary of Commerce and Trade

The Honorable Janet D Howell, Co-Chair, Senate Finance & Appropriations Committee

The Honorable George L. 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 2023 Quarter 2 December 31, 2022

Financial Performance

Virginia Innovation Partnership Authority **BUDGET ANALYSIS**

For the Six Months Ended December 31, 2022

(In	Tho	IISAI	nds)

(In Thousands))					(In T	housands)		
	ACTUAL	- J	ul through	Dec	2022			FORECA	STEL	D -Fiscal Y	ear 20	23
Actual Budget Variance			V	ariance		Ē	orecast		Budget	Var	iance	
						Revenue						
\$	28,462	\$	21,171	\$	7,291	Commonwealth Appropriation - General Fund	\$	42,341	\$	42,341	\$	-
	36		2		34	Interest & Misc. Income		70		3		67
	28,498		21,173		7,325	Total Revenue		42,411	42,344			67
						Expenses						
	3		2		1	VIPA Administrative Expense		3		3		-
	8,521		8,496		25	Appropriation Transfers to VIPC		16,991		16,991		-
	19,941		12,675		7,266	Appropriation Disbursements to Centers of Excellence		25,350		25,350		-
_	28,465		21,173		7,292	Total Expenses & Transfers		42,344		42,344		-
						Consolidated Revenue, Expenses and Changes in Net Position						
	28,498		21,173		7,325	Revenue		42,411		42,344		67
	28,465		21,173		7,292	Expenses		42,344		42,344		
	33		-		33	Change in Net Position		67		-		67
	2,529		2,593		(64)	Beginning Net Position		2,529		2,593		(64)
\$	2,562	\$	2,593	\$	(31)	Ending Net Position	\$	2,596	\$	2,593	\$	3

	// -	'hauaand-\		nmonwealth Projects Funded by Appropriation & Other Re	4.	Thousand-\	
	,	housands)	00			Thousands)	000
		I through Dec 20				ED - Fiscal Year 2	
<u> </u>	<u>Actual</u> <u>I</u>	<u>Sudget</u>	/ariance	Revenue	<u>Forecast</u>	Budget	<u>Variance</u>
•	0.504	0.400	05		Φ 40.000 Φ	10.001 0	(00
\$	8,521 \$	8,496 \$	25	Commonwealth Appropriation - General Fund	\$ 16,909 \$	16,991 \$	(82
	1,536	75	1,461	Interest, Sponsorship, Return on Investments & Misc. Income	2,281	150	2,131
	10,057	8,571	1,486	Total Revenue	19,190	17,141	2,049
				Expenses			
	5,155	6,673	(1,518)	Commercialization Division	15,087	16,972	(1,885
	7,277	6,884	393	Investment Division	11,033	12,690	(1,657
	624	1,261	(637)	Entrepreneurial Ecosystems Division	2,241	2,667	(426
	1,546	595	951	Strategic Initiatives	1,530	1,286	244
	907	718	189	Unmanned Systems	2,145	1,951	194
	-	1,798	(1,798)	Activities Funded by Building Sale Proceeds	2,840	3,596	(756
	657	992	(335)	Policy, Communications and Commonwealth Engagement	1,918	1,951	(33
	-	-	-	Petersburg Founders Fund	599	-	599
	(1,380)	(1,238)	(142)	(Over)/Underapplied Indirects	(3,662)	(3,078)	(584
	14,786	17,683	· /	Total Expenses	33,731	38,035	(4,304
	11,700	11,000	(2,001)	Total Exponess	00,701	00,000	(1,00
	(4,729)	(9,112)	4,383		(14,541)	(20,894)	6,353
			Strate	egic Initiatives and Other Funding Provided by Contracts &	Grants		
				Strategic Initiatives			
	2,168	_	2,168	Program Revenue - DHS Commercial First Innovation ™	3,544	_	3,54
	2,007	_	2,007	Program Expense	3,282	-	3,282
	161	-		Profit/(Loss)	262	-	262
							_
	104	500	(396)	Program Revenue - VDEM iFLOWS	574	500	74
	104	500	(396)	Program Expense Profit/(Loss)	574 -	500	74
	-	-		Pioliv(Loss)	-	-	
	38	_	38	Program Revenue - VDEM VISA AO	200	_	200
	38	_	38	Program Expense	200	_	200
	-	-		Profit/(Loss)		-	
				Investment Division			
	-	-	-	Program Revenue - SSBCI	7,701	-	7,701
	-	-	-	Program Expense	7,701	-	7,70
	-	-	-	Profit/(Loss)	-	-	
	-	-	_	Other Program Revenue - EDA Planning Grant	262	_	262
		<u> </u>		Program Expense	262	<u> </u>	262
	-	-	-	Profit/(Loss)	-	-	
	47	53	(6)	Program Revenue - SBA FAST 2022	121	53	68
	47 47	53	(6)	Program Expense	121	53 53	68
	-	-		Profit/(Loss)	- 121	- 33	
	0.057	550			10.122		
	2,357	553	,	Program Revenue	12,402	553	11,849
	2,196 161	553 -	,	Program Expenses	12,140 262	553 -	11,587
	101	-	161	INCL		<u> </u>	262
	40.444	0.404		consolidated Revenue, Expenses and Changes in Net Posit		47.001	10.00
	12,414	9,124	,	Revenue	31,592	17,694	13,898
	16,982	18,236	,	Expenses	45,871	38,588	7,283
	169	- (0.410)		Expenses - Capital Leases (Interest & Depreciation)	350	(00.004)	350
	(4,737)	(9,112)		Change in Net Position	(14,629)	(20,894)	6,265
	73,140	71,417		Beginning Net Position Ending Net Position	73,140	71,417	1,723 7,988
Φ.	68,403 \$	62,306 \$			\$ 58,511 \$	50,523 \$	

Virginia Innovation Partnership Corporation Fiscal Year 2023 Q3 Forecast

		Operatin	g Fu	ınds						Desi	gna	ated Funds								
		cov	C	Other							C	cov								
	Discretionary Grants & Operating Contracts					Investment Division		Entrepreneurial Ecosystems Division		Strategic Initiatives Fund		Unmanned Systems Fund		Petersburg Founders Fund		Building Sale Proceeds for Opp Fund/ 127.0		T	Total	
										(In Thous	and	s)								
Beginning Balance at 7/1/2022 Transfer		1,169	\$	980	\$	33,013 \$ \$	\$	11,586 (500)	\$	4,327	\$	233	\$	1,154	\$ \$	- 500	\$	20,678 \$;	73,140
REVENUE																				
General Fund Appropriation	\$	3,809			\$	5,000 \$	5	3,100	\$	3,000	\$	1,000	\$	1,000			\$	- \$;	16,909
Interest, Sponsorship, Return on Investment	\$	855	\$	-	\$	810 \$	5	480	\$	136	\$	-						\$;	2,281
Contracts & Grants			\$	12,402														\$;	12,402
Total Revenue	\$	4,664	\$	12,402	\$	5,810 \$	5	3,580	\$	3,136	\$	1,000	\$	1,000	\$	-	\$	- \$;	31,592
EXPENSES AND TRANSFERS																				
Operating and Designated Programs	\$	5,786			\$	12,422 \$	5	7,907	\$	1,813	\$	1,233	\$	1,753	\$	500	\$	2,667 \$;	34,081
Contracts & Grants			\$	12,140														\$;	12,140
Transfers and Indirect Application to Designated Programs					\$	- \$	5	-	\$	-	\$	-	\$	-	\$	-	\$	- \$;	-
Total Expenses	\$	5,786	\$	12,140	\$	12,422 \$	5	7,907	\$	1,813	\$	1,233	\$	1,753	\$	500	\$	2,667 \$;	46,221
Net Change	\$	(1,122)	\$	262	\$	(6,612) \$	\$	(4,327)	\$	1,323	\$	(233)	\$	(753)	\$	(500)	\$	(2,667) \$;	(14,629)
Forecasted Ending Balance at 6/30/2023	\$	47	\$	1,242	\$	26,401 \$	\$	6,759	\$	5,650	\$	-	\$	401	\$	-	\$	18,011 \$	}	58,510

Item 127.C.2.b

Fiscal Year 2023 Quarter 2 December 31, 2022

Investments & Grants

Virginia Innovation Partnership Corporation Investments & Grants Made and Return on Prior Investments For the six months ended December 31, 2022

	Actual	Budget	Variance
Investments made Virginia Venture Partners (VVP): Investment in 29 companies	\$ 4,704,949.75	\$ 3,800,000.0	0 \$ 904,949.75
Return on Prior Investments, including gains and losses: Returns from 5 companies	\$ 475,046.92	\$ -	\$ 475,046.92
Grants Made: Commonwealth Commercialization Fund (CCF) Grants to 84 companies 1st tranche payments to 59 companies 2nd tranche payments to 24 companies 3rd tranche payment to 1 company	\$ 2,041,524.00	\$ 4,756,428.0	0 \$ (2,714,904.00)
Regional Innovation Fund (RIF) 2nd tranche payment to 1 company	\$ 100,000.00	\$ -	\$ 100,000.00

Item 127.C.2.c

Fiscal Year 2023 Quarter 2 December 31, 2022

Financial & Programmatic Performance of Operating Entities Owned by VIPC

No Operating Entities Owned during FY23 Q2