



January 30, 2024

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 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, appearing to read "Susan Aitcheson", is written over a light gray rectangular background.

Susan Aitcheson
CFO
Virginia Innovation Partnership Corporation

cc: The Honorable Caren Merrick, Secretary of Commerce and Trade
The Honorable L. Louise Lucas, Chair, Senate Finance & Appropriations Committee
The Honorable Luke E. Torian, 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 2024 Quarter 2
December 31, 2023**

Financial Performance

Virginia Innovation Partnership Authority

BUDGET ANALYSIS

For the Six Months Ended December 31, 2023

	in thousands			in thousands		
	ACTUAL YTD - Jul through Dec 2023			FORECASTED -Fiscal Year 2024 (June 30)		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Forecast</u>	<u>Budget</u>	<u>Variance</u>
Revenue						
Commonwealth Appropriation - General Fund	\$ 23,071	\$ 21,198	\$ 1,873	\$ 42,396	\$ 42,396	\$ -
Interest & Misc. Income	101	65	36	180	130	50
Total Revenue	23,172	21,263	1,909	42,576	42,526	50
Expenses						
VIPA Administrative Expense	3	3	-	3	3	-
Appropriation Transfers to VIPC	8,521	8,523	(2)	17,046	17,046	-
Appropriation Disbursements to Centers of Excellence	14,550	12,675	1,875	25,350	25,350	-
Total Expenses & Transfers	23,074	21,201	1,873	42,399	42,399	-
Consolidated Revenue, Expenses and Changes in Net Position						
Revenue	23,172	21,263	1,909	42,576	42,526	50
Expenses	23,074	21,201	1,873	42,399	42,399	-
Change in Net Position	98	62	36	177	127	50
Beginning Net Position	2,622	2,621	1	2,622	2,621	1
Ending Net Position	\$ 2,720	\$ 2,683	\$ 37	\$ 2,799	\$ 2,748	\$ 51

Virginia Innovation Partnership Corporation
BUDGET ANALYSIS
For the Six Months Ended December 31, 2023

	in thousands			in thousands		
	<u>ACTUAL YTD - Jul through Dec 2023</u>			<u>FORECASTED - Fiscal Year 2024 (June 30)</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Forecast</u>	<u>Budget</u>	<u>Variance</u>
Commonwealth Projects Funded by Appropriation & Other Revenue						
Revenue						
Commonwealth Appropriation - General Fund	\$ 8,521	\$ 8,523	\$ (2)	\$ 17,046	\$ 17,046	\$ -
Interest, Sponsorship, Return on Investments & Misc. Income	6,832	750	6,082	8,779	1,500	7,279
Total Revenue	15,353	9,273	6,080	25,825	18,546	7,279
Expenses						
Commercialization Division	5,749	7,512	(1,763)	11,150	15,224	(4,074)
Investment Division	3,920	3,586	334	6,611	6,371	240
Entrepreneurial Ecosystems Division	1,181	1,687	(506)	2,832	3,598	(766)
Strategic Initiatives	418	630	(212)	1,239	1,186	53
Unmanned Systems	497	799	(302)	1,765	1,839	(74)
Activities Funded by Building Sale Proceeds	-	1,731	(1,731)	3,923	5,192	(1,269)
Policy, Communications and Commonwealth Engagement	684	977	(293)	1,925	2,093	(168)
(Over)/Underapplied Indirects	(470)	(235)	(235)	(1,086)	(1,202)	116
Total Expenses	11,979	16,687	(4,708)	28,359	34,301	(5,942)
	3,374	(7,414)	10,788	(2,534)	(15,755)	13,221
Contracts & Grants						
Program Revenue - DHS Commercial First Innovation™	2,279	-	2,279	4,117	-	4,117
Program Expense	2,110	-	2,110	3,812	-	3,812
Profit/(Loss)	169	-	169	305	-	305
Program Revenue - VDEM IFLOWS	82	-	82	93	-	93
Program Expense	82	-	82	93	-	93
Profit/(Loss)	-	-	-	-	-	-
Program Revenue - SSBCI	5,426	5,400	26	12,230	12,201	29
Program Expense	5,426	5,400	26	12,230	12,201	29
Profit/(Loss)	-	-	-	-	-	-
Program Revenue - EDA Planning Grant	384	391	(7)	705	647	58
Program Expense	384	391	(7)	705	647	58
Profit/(Loss)	-	-	-	-	-	-
Program Revenue - Fairfax Founders Fund	6	24	(18)	12	33	(21)
Program Expense	5	19	(14)	10	26	(16)
Profit/(Loss)	1	5	(4)	2	7	(5)
Program Revenue - SBA FAST	56	29	27	128	29	99
Program Expense	56	29	27	128	29	99
Profit/(Loss)	-	-	-	-	-	-
Program Revenue	8,233	5,844	2,389	17,285	12,910	4,375
Program Expenses	8,063	5,839	2,224	16,978	12,903	4,075
Net	170	5	165	307	7	300
Consolidated Revenue, Expenses and Changes in Net Position						
Revenue	23,586	15,117	8,469	43,110	31,456	11,654
Expenses	20,042	22,526	(2,484)	45,337	47,204	(1,867)
Change in Net Position	3,544	(7,409)	10,953	(2,227)	(15,748)	13,521
Beginning Net Position	69,908	61,493	8,415	69,908	61,493	8,415
Ending Net Position	\$ 73,452	\$ 54,084	\$ 19,368	\$ 67,681	\$ 45,745	\$ 21,936

**Virginia Innovation Partnership Corporation
Fiscal Year 2024 Q3 Forecast**

	Operating Funds				Designated Funds						Total
	COV	Other	Investment Division		COV		Strategic Initiatives Fund	Unmanned Systems Fund	Building Sale Proceeds for Opp Fund/ 127.0		
	Discretionary Operating	Grants & Contracts	SSBCI	VVP	Commercialization Division	Entrepreneurial Ecosystems Division					
(In Thousands)											
Beginning Balance at 7/1/2023	\$ 1,940	\$ 1,375	\$ -	\$ 10,111	\$ 29,756	\$ 6,273	\$ -	\$ 590	\$ 19,863	\$ 69,908	
REVENUE											
General Fund Appropriation	\$ 3,946			\$ 3,100	\$ 5,000	\$ 3,000	\$ 1,000	\$ 1,000		\$ 17,046	
Interest, Sponsorship, Return on Investment	\$ 1,917			\$ 4,941	\$ 1,501	\$ 358	\$ 62			\$ 8,779	
Federal and State Grants & Contracts		\$ 5,055	\$ 12,230							\$ 17,285	
Total Revenue	\$ 5,863	\$ 5,055	\$ 12,230	\$ 8,041	\$ 6,501	\$ 3,358	\$ 1,062	\$ 1,000	\$ -	\$ 43,110	
EXPENSES AND TRANSFERS											
Operating and Designated Programs	\$ 6,226			\$ 2,347	\$ 1,294	\$ 968	\$ 1,062	\$ 1,522	\$ 400	\$ 13,819	
Investments/Grants			\$ 11,329	\$ 1,730	\$ 8,335	\$ 1,475			\$ 3,000	\$ 25,869	
Federal and State Grants & Contracts Operating Expenses		\$ 4,748	\$ 901							\$ 5,649	
Transfers and Indirect Application to Designated Programs	\$ (500)	\$ 300		\$ 39	\$ 91	\$ 23		\$ 14	\$ 33	\$ -	
Total Expenses	\$ 5,726	\$ 5,048	\$ 12,230	\$ 4,116	\$ 9,720	\$ 2,466	\$ 1,062	\$ 1,536	\$ 3,433	\$ 45,337	
Net Change	\$ 137	\$ 7	\$ -	\$ 3,925	\$ (3,219)	\$ 892	\$ -	\$ (536)	\$ (3,433)	\$ (2,227)	
Forecasted Ending Balance at 6/30/2024	\$ 2,077	\$ 1,382	\$ -	\$ 14,036	\$ 26,537	\$ 7,165	\$ -	\$ 54	\$ 16,430	\$ 67,681	

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 2
December 31, 2023**

Investments & Grants

Virginia Innovation Partnership Corporation
Investments & Grants Made
For the six months ended December 31, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Convertible Debt and Equity Investments made:</u>			
Virginia Venture Partners (VVP)			
Investment in 21 companies	\$ 1,102,502	\$ 600,000	\$ 502,502
State Small Business Credit Initiative (SSBCI)			
Investment in 20 companies	\$ 5,422,514	\$ 5,400,000	\$ 22,514
Each SSBCI investment is a co-investment with VVP			
90% SSBCI funds 10% VVP Funds			
<u>Return on Prior Investments, including realized gains and losses:</u>			
Returns from 6 companies	\$ 7,478,958	\$ -	\$ 7,478,958
<u>Grants Made:</u>			
Commonwealth Commercialization Fund (CCF)			
112 Grant payments to 71 awardees	\$ 4,372,276	\$ 5,899,000	\$ (1,526,724)
Regional Innovation Fund (RIF)			
5 Grant payments to 5 awardees	\$ 425,000	\$ 625,000	\$ (200,000)

Item 127.C.2.c

Fiscal Year 2024 Quarter 2
December 31, 2023

Financial & Programmatic
Performance of Operating
Entities Owned by VIPC

**No Operating Entities Owned
during FY24 Q2**