



April 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 third 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 804-387-8235.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale Lachniet".

Dale Lachniet
CFO (Interim)
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 3
March 31, 2024

Financial Performance

Virginia Innovation Partnership Authority
BUDGET ANALYSIS
 For the Nine Months Ended March 31, 2024

	in thousands			in thousands		
	ACTUAL YTD - Jul through Mar 2024			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	\$ 37,198	\$ 31,797	\$ 5,401	\$ 42,396	\$ 42,396	\$ -
Interest & Misc. Income	129	98	32	180	130	50
Total Revenue	<u>37,327</u>	<u>31,895</u>	<u>5,433</u>	<u>42,576</u>	<u>42,526</u>	<u>50</u>
Expenses						
VIPA Administrative Expense	3	3	-	3	3	-
Appropriation Transfers to VIPC	12,873	12,785	88	17,046	17,046	-
Appropriation Disbursements to Centers of Excellence	24,325	19,013	5,313	25,350	25,350	-
Total Expenses & Transfers	<u>37,201</u>	<u>31,801</u>	<u>5,401</u>	<u>42,399</u>	<u>42,399</u>	<u>-</u>
Consolidated Revenue, Expenses and Changes in Net Position						
Revenue	37,327	31,895	5,433	42,576	42,526	50
Expenses	37,201	31,801	5,401	42,399	42,399	-
Change in Net Position	126	94	32	177	127	50
Beginning Net Position	2,622	2,621	1	2,622	2,621	1
Ending Net Position	<u>\$ 2,748</u>	<u>\$ 2,715</u>	<u>\$ 33</u>	<u>\$ 2,799</u>	<u>\$ 2,748</u>	<u>\$ 51</u>

Virginia Innovation Partnership Corporation
BUDGET ANALYSIS
For the Nine Months Ended March 31, 2024

	in thousands			in thousands		
	ACTUAL YTD - Jul through Mar 2024			FORECASTED - Fiscal Year 2024 (June 30)		
	Actual	Budget	Variance	Forecast	Budget	Variance
Commonwealth Projects Funded by Appropriation & Other Revenue						
Revenue						
Commonwealth Appropriation - General Fund	\$ 12,873	\$ 12,785	\$ 88	\$ 17,046	\$ 17,046	\$ -
Interest, Sponsorship, Return on Investments & Misc. Income	8,311	1,125	7,186	9,491	1,500	7,991
Total Revenue	21,184	13,910	7,274	26,537	18,546	7,991
Expenses						
Commercialization Division	7,229	11,334	(4,105)	9,684	15,224	(5,540)
Investment Division	5,285	5,594	(309)	6,419	6,371	48
Entrepreneurial Ecosystems Division	1,577	2,910	(1,333)	2,746	3,598	(852)
Strategic Initiatives	681	902	(221)	1,017	1,186	(169)
Unmanned Systems	941	1,235	(294)	1,680	1,839	(159)
Activities Funded by Building Sale Proceeds	-	2,884	(2,884)	300	5,192	(4,892)
Corporate and Other	1,122	1,622	(500)	1,819	2,093	(274)
(Over)/Underapplied Indirects	(336)	(668)	332	416	(1,202)	1,618
Total Expenses	16,499	25,813	(9,314)	24,081	34,301	(10,220)
	4,685	(11,903)	16,588	2,456	(15,755)	18,211
Contracts & Grants						
Program Revenue - DHS Commercial First Innovation ™	3,665	-	3,665	4,214	-	4,214
Program Expense	3,394	-	3,394	3,901	-	3,901
Profit/(Loss)	271	-	271	313	-	313
Program Revenue - VDEM iFLOWS	82	-	82	93	-	93
Program Expense	82	-	82	93	-	93
Profit/(Loss)	-	-	-	-	-	-
Program Revenue - SSBCI	6,878	8,640	(1,762)	13,316	12,201	1,115
Program Expense	6,878	8,640	(1,762)	13,316	12,201	1,115
Profit/(Loss)	-	-	-	-	-	-
Program Revenue - EDA Planning Grant	629	647	(18)	825	647	178
Program Expense	629	647	(18)	825	647	178
Profit/(Loss)	-	-	-	-	-	-
Program Revenue - Fairfax Founders Fund	20	29	(9)	23	33	(10)
Program Expense	14	23	(9)	16	26	(10)
Profit/(Loss)	6	6	-	7	7	-
Program Revenue - SBA FAST	122	29	93	119	29	90
Program Expense	122	29	93	119	29	90
Profit/(Loss)	-	-	-	-	-	-
Program Revenue - ODAA FIX	100	-	100	100	-	100
Program Expense	49	-	49	96	-	96
Profit/(Loss)	51	-	51	4	-	4
Program Revenue	11,496	9,345	2,151	18,690	12,910	5,780
Program Expenses	11,168	9,339	1,829	18,366	12,903	5,463
Net	328	6	322	324	7	317
Consolidated Revenue, Expenses and Changes in Net Position						
Revenue	32,680	23,255	9,425	45,227	31,456	13,771
Expenses	27,667	35,152	(7,485)	42,447	47,204	(4,757)
Change in Net Position	5,013	(11,897)	16,910	2,780	(15,748)	18,528
Beginning Net Position	69,908	61,493	8,415	69,908	61,493	8,415
Ending Net Position	\$ 74,921	\$ 49,596	\$ 25,325	\$ 72,688	\$ 45,745	\$ 26,943

Virginia Innovation Partnership Corporation
Fiscal Year 2024 Q4 Forecast (8 mo actuals + 4 mo forecast)

	Operating Funds				Designated Funds						Total
	COV		Other		COV						
	Discretionary Operating	Grants & Contracts	Investment Division		Commercialization Division	Entrepreneurial Ecosystems Division	Strategic Initiatives Fund	Unmanned Systems Fund	Building Sale Proceeds for Opp Fund/ 127.0		
SSBCI			VVP								
(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	\$ 1,921			\$ 5,622	\$ 1,501	\$ 358	\$ 23	\$ 66		\$ 9,491	
Federal and State Grants & Contracts		\$ 5,374	\$ 13,316							\$ 18,690	
Total Revenue	\$ 5,867	\$ 5,374	\$ 13,316	\$ 8,722	\$ 6,501	\$ 3,358	\$ 1,023	\$ 1,066	\$ -	\$ 45,227	
EXPENSES AND TRANSFERS											
Operating and Designated Programs	\$ 5,832			\$ 2,543	\$ 1,193	\$ 934	\$ 903	\$ 1,504	\$ 300	\$ 13,209	
Investments/Grants			\$ 12,415	\$ 1,859	\$ 7,488	\$ 1,525				\$ 23,287	
Federal and State Grants & Contracts Operating Expenses		\$ 5,050	\$ 901							\$ 5,951	
Transfers and Indirect Application to Designated Programs	\$ (500)	\$ 300		\$ 51	\$ 100	\$ 28		\$ 17	\$ 3	\$ -	
Total Expenses	\$ 5,332	\$ 5,350	\$ 13,316	\$ 4,453	\$ 8,781	\$ 2,487	\$ 903	\$ 1,521	\$ 303	\$ 42,447	
Net Change	\$ 535	\$ 24	\$ -	\$ 4,269	\$ (2,280)	\$ 871	\$ 120	\$ (455)	\$ (303)	\$ 2,780	
Forecasted Ending Balance at 6/30/2024	\$ 2,475	\$ 1,399	\$ -	\$ 14,380	\$ 27,476	\$ 7,144	\$ 120	\$ 135	\$ 19,560	\$ 72,688	

Item 127.C.2.b

**Fiscal Year 2024 Quarter 3
March 31, 2024**

Investments & Grants

Virginia Innovation Partnership Corporation
Investments & Grants Made
For the nine months ended March 31, 2024

	Actual	Budget	Variance
<u>Convertible Debt and Equity Investments made:</u>			
Virginia Venture Partners (VVP)			
Investment in 25 companies	\$ 1,285,802	\$ 960,000	\$ 325,802
State Small Business Credit Initiative (SSBCI)			
Investment in 24 companies	\$ 6,874,214	\$ 8,640,000	\$ (1,765,786)
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 7 companies	\$ 7,866,525	\$ -	\$ 7,866,525
<u>Grants made:</u>			
Commonwealth Commercialization Fund (CCF)			
142 Grant payments to 82 awardees	\$ 5,393,971	\$ 8,878,000	\$ (3,484,029)
Regional Innovation Fund (RIF)			
7 Grant payments to 5 awardees	\$ 625,000	\$ 1,075,000	\$ (450,000)

Item 127.C.2.c

Fiscal Year 2024 Quarter 3
March 31, 2024

Financial & Programmatic
Performance of Operating
Entities Owned by VIPC

**No Operating Entities Owned
during FY24 Q3**