



September 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 fourth Quarterly Report for FY2024 for the Virginia Innovation Partnership Authority. The attached report fulfills the requirements of the Item 115.C.2 of the 2024 Special Session I, Virginia Acts of Assembly.

If you have any questions, please call me at 703-989-5497.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Thorne", is placed below the word "Sincerely,".

Brandon Thorne
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. Chris Long, VIPC Board of Directors Finance Committee Chair

Item 115.C.2.a

Fiscal Year 2024 Quarter 4
June 30, 2024

Financial Performance

Virginia Innovation Partnership Authority

BUDGET ANALYSIS

For the Fiscal Year Ended June 30, 2024

(In Thousands)

| | Actual | | Budget | | Variance |
|---|---------------|----|---------------|----|-----------------|
| | FY2024 | | FY2024 | | |
| Revenue | | | | | |
| Commonwealth Appropriation - General Fund | \$ 42,484 | \$ | 42,396 | \$ | 88 |
| Interest & Misc. Income | 173 | | 130 | | 43 |
| Total Revenue | <u>42,657</u> | | <u>42,526</u> | | <u>131</u> |

Expenses and Transfers

| | | | | | |
|--|---------------|--|---------------|--|-----------|
| VIPA Administrative Expense | 3 | | 3 | | - |
| Appropriation transfers to VIPC | 17,134 | | 17,046 | | 88 |
| Appropriation disbursements to Centers of Excellence | 25,350 | | 25,350 | | - |
| Total Expenses & Transfers | <u>42,487</u> | | <u>42,399</u> | | <u>88</u> |

Consolidated Revenue, Expenses, Transfers and Changes in Net Position

| | | | | | |
|------------------------|-----------------|----|--------------|----|-----------|
| Revenue | 42,657 | | 42,526 | | 131 |
| Expenses and Transfers | 42,487 | | 42,399 | | 88 |
| Change in Net Position | 170 | | 127 | | 43 |
| Beginning Net Position | 2,622 | | 2,622 | | - |
| Ending Net Position | <u>\$ 2,792</u> | \$ | <u>2,749</u> | \$ | <u>43</u> |

Virginia Innovation Partnership Corporation
BUDGET ANALYSIS
For the Twelve Months Ended June 30, 2024

in thousands

| <i>Fiscal Year 2024 (June 30)</i> | | |
|-----------------------------------|---------------|-----------------|
| <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |

Commonwealth Projects Funded by Appropriation & Other Revenue

Revenue

| | | | |
|---|---------------|---------------|---------------|
| Commonwealth Appropriation - General Fund | \$ 17,134 | \$ 17,046 | \$ 88 |
| Interest, Sponsorship, Return on Investments & Misc. Income | 12,369 | 1,500 | 10,869 |
| Total Revenue | 29,503 | 18,546 | 10,957 |

Expenses

| | | | |
|---|---------------|---------------|-----------------|
| Commercialization Division | 9,331 | 15,224 | (5,893) |
| Investment Division | 5,714 | 6,371 | (657) |
| Entrepreneurial Ecosystems Division | 2,185 | 3,598 | (1,413) |
| Strategic Initiatives | 951 | 1,186 | (235) |
| Unmanned Systems | 1,731 | 1,839 | (108) |
| Activities Funded by Building Sale Proceeds | - | 5,192 | (5,192) |
| Corporate and Other | 1,819 | 2,093 | (274) |
| (Over)/Underapplied Indirects | - | (1,202) | 1,202 |
| Total Expenses | 21,731 | 34,301 | (12,570) |

| | | | |
|--|-------|----------|--------|
| | 7,772 | (15,755) | 23,527 |
|--|-------|----------|--------|

Contracts & Grants

| | | | |
|--|------------|----------|------------|
| Program Revenue - DHS Commercial First Innovation™ | 5,551 | - | 5,551 |
| Program Expense | 5,140 | - | 5,140 |
| Profit/(Loss) | 411 | - | 411 |
| Program Revenue - VDEM iFLOWS | 82 | - | 82 |
| Program Expense | 82 | - | 82 |
| Profit/(Loss) | - | - | - |
| Program Revenue - SSBCI | 11,198 | 12,201 | (1,003) |
| Program Expense | 11,198 | 12,201 | (1,003) |
| Profit/(Loss) | - | - | - |
| Program Revenue - EDA Planning Grant | 790 | 647 | 143 |
| Program Expense | 790 | 647 | 143 |
| Profit/(Loss) | - | - | - |
| Program Revenue - Fairfax Founders Fund | 22 | 33 | (11) |
| Program Expense | 15 | 26 | (11) |
| Profit/(Loss) | 7 | 7 | - |
| Program Revenue - SBA FAST | 116 | 29 | 87 |
| Program Expense | 116 | 29 | 87 |
| Profit/(Loss) | - | - | - |
| Program Revenue - ODAA FIX | 100 | - | 100 |
| Program Expense | 93 | - | 93 |
| Profit/(Loss) | 7 | - | 7 |
| Program Revenue | 17,859 | 12,910 | 4,949 |
| Program Expenses | 17,434 | 12,903 | 4,531 |
| Net | 425 | 7 | 418 |

Virginia Innovation Partnership Corporation
BUDGET ANALYSIS (continued)
For the Twelve Months Ended June 30, 2024

Consolidated Revenue, Expenses and Changes in Net Position

| | | | |
|------------------------|------------------|------------------|------------------|
| Revenue | 47,362 | 31,456 | 15,906 |
| Expenses | 39,165 | 47,204 | (8,039) |
| Change in Net Position | 8,197 | (15,748) | 23,945 |
| Beginning Net Position | 67,336 | 61,493 | 5,843 |
| Ending Net Position | <u>\$ 75,533</u> | <u>\$ 45,745</u> | <u>\$ 29,788</u> |

VIPC | FY2024 Fiscal Year End Results by Fund

| | Operating Funds | | | | Designated Funds | | | | | | | Total |
|---|-----------------|--------------------|---------------------|-----------|----------------------------|-------------------------------------|----------------------------|-----------------------|---|-----------|--|-------|
| | COV | Other | Investment Division | | COV | | | Unmanned Systems Fund | Building Sale Proceeds for Opp Fund/127.0 | | | |
| | Corporate | Grants & Contracts | SSBCI | VVP | Commercialization Division | Entrepreneurial Ecosystems Division | Strategic Initiatives Fund | | | | | |
| (In Thousands) | | | | | | | | | | | | |
| Beginning Balance at 7/1/2023 | \$ 1,940 | \$ 1,375 | \$ - | \$ 7,539 | \$ 29,756 | \$ 6,273 | \$ - | \$ 590 | \$ 19,863 | \$ 67,336 | | |
| REVENUE | | | | | | | | | | | | |
| General Fund Appropriation | \$ 4,034 | | | \$ 3,100 | \$ 5,000 | \$ 3,000 | \$ 1,000 | \$ 1,000 | | \$ 17,134 | | |
| Interest, Sponsorship, Return on Investment | \$ 2,069 | | | \$ 8,241 | \$ 1,528 | \$ 370 | \$ 33 | \$ 128 | | \$ 12,369 | | |
| Federal and State Grants & Contracts | | \$ 6,661 | \$ 11,198 | | | | | | | \$ 17,859 | | |
| Total Revenue | \$ 6,103 | \$ 6,661 | \$ 11,198 | \$ 11,341 | \$ 6,528 | \$ 3,370 | \$ 1,033 | \$ 1,128 | \$ - | \$ 47,362 | | |
| EXPENSES AND TRANSFERS | | | | | | | | | | | | |
| Operating and Designated Programs | \$ 5,822 | | | \$ 1,512 | \$ 1,218 | \$ 1,008 | \$ 743 | \$ 1,525 | | \$ 11,828 | | |
| Investments/Grants | | | \$ 9,417 | \$ 1,998 | \$ 7,005 | \$ 900 | | | | \$ 19,320 | | |
| Federal and State Grants & Contracts Operating Expenses | | \$ 6,236 | \$ 1,781 | | | | | | | \$ 8,017 | | |
| Transfers and Indirect Application to Designated Programs | \$ (500) | \$ 300 | | \$ 44 | \$ 103 | \$ 24 | \$ 9 | \$ 19 | | \$ - | | |
| Total Expenses | \$ 5,322 | \$ 6,536 | \$ 11,198 | \$ 3,554 | \$ 8,326 | \$ 1,932 | \$ 752 | \$ 1,544 | \$ - | \$ 39,165 | | |
| Net Change | \$ 781 | \$ 125 | \$ - | \$ 7,787 | \$ (1,798) | \$ 1,438 | \$ 281 | \$ (416) | \$ - | \$ 8,197 | | |
| Forecasted Ending Balance at 6/30/2024 | \$ 2,721 | \$ 1,500 | \$ - | \$ 15,326 | \$ 27,958 | \$ 7,711 | \$ 281 | \$ 174 | \$ 19,863 | \$ 75,533 | | |

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

Item 115.C.2.b

**Fiscal Year 2024 Quarter 4
June 30, 2024**

Investments & Grants

Virginia Innovation Partnership Corporation
Investments & Grants Made
For the twelve months ended June 30, 2024

| | Actual | Budget | Variance |
|--|---------------|---------------|-----------------|
| <u>Convertible Debt and Equity Investments made:</u> | | | |
| Virginia Venture Partners (VVP) | | | |
| 39 investments in companies | \$ 1,910,604 | \$ 1,200,000 | \$ 710,604 |
| State Small Business Credit Initiative (SSBCI) | | | |
| 34 direct investments in companies, 2 contributions to funds | \$ 9,416,714 | \$ 11,300,000 | \$ (1,883,286) |
| Each SSBCI direct investment is a co-investment with VVP | | | |
| 90% SSBCI funds 10% VVP Funds | | | |
| <u>Grants Made:</u> | | | |
| Commonwealth Commercialization Fund (CCF) | | | |
| 180 Grant payments to 88 awardees | \$ 7,144,739 | \$ 11,893,000 | \$ (4,748,261) |
| Regional Innovation Fund (RIF) | | | |
| 10 Grant payments to 7 awardees | \$ 900,000 | \$ 1,350,000 | \$ (450,000) |

Item 115.C.2.c

Fiscal Year 2024 Quarter 4
June 30, 2024

Financial & Programmatic
Performance of Operating
Entities Owned by VIPC

**No Operating Entities Owned
during FY24 Q4**