

January 30, 2025

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 FY2025 for the Virginia Innovation Partnership Authority. The attached report fulfills the requirements of Item 115.C.2 of the 2024 Special Session I, Virginia Acts of Assembly.

If you have any questions, please call me at 571 224 2347.

Sincerely,



Leslie Williams
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 2025 Quarter 2

December 31, 2024

Financial Performance

Virginia Innovation Partnership Authority
BUDGET ANALYSIS
For the Six Months Ended December 31, 2024

	in thousands			in thousands		
	ACTUAL YTD - Jul through December 2024			FORECASTED - Fiscal Year 2025 (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	\$ 23,117	\$ 31,745	\$ (8,628)	\$ 63,489	\$ 63,489	\$ -
Interest & Misc. Income	69	63	7	125	125	-
Total Revenue	23,186	31,807	(8,621)	63,614	63,614	-
Expenses						
VIPA Administrative Expense	4	3	1	4	3	1
Appropriation Transfers to VIPC	8,567	8,523	44	17,136	17,136	-
Appropriation Disbursements to Centers of Excellence and USLS	14,550	23,177	(8,627)	46,353	46,353	-
Total Expenses & Transfers	23,121	31,703	(8,582)	63,493	63,492	1
Consolidated Revenue, Expenses and Changes in Net Position						
Revenue	23,186	31,807	(8,621)	23,186	63,614	-
Expenses	23,121	31,703	(8,582)	23,121	63,492	1
Change in Net Position	65	105	(40)	65	122	(1)
Beginning Net Position	2,791	2,622	169	2,791	2,622	169
Ending Net Position	\$ 2,856	\$ 2,727	\$ 130	\$ 2,856	\$ 2,744	\$ 168

Virginia Innovation Partnership Corporation
BUDGET ANALYSIS
For the Six Months Ended December 31, 2024

	in thousands			in thousands		
	<i>Fiscal Year 2025 (December 31)</i>			<i>FORECASTED - Fiscal Year 2025 (June 30)</i>		
	Actual	Budget	Variance	Forecast	Budget	Variance
Commonwealth Projects Funded by Appropriation & Other Revenue						
Revenue						
Commonwealth Appropriation - General Fund	\$ 8,567	\$ 8,567	\$ -	\$ 17,136	\$ 17,136	\$ -
Interest, Sponsorship, Return on Investments & Misc. Income	2,231	2,211	20	4,057	3,776	281
Total Revenue	10,798	10,778	20	21,193	20,912	281
Expenses						
Commercialization Division	2,449	4,646	(2,197)	8,256	9,795	(1,539)
Investment Division	2,719	3,475	(756)	7,289	6,950	339
Entrepreneurial Ecosystems Division	1,145	2,073	(928)	3,128	3,545	(417)
Strategic Initiatives	373	567	(194)	1,320	1,135	185
Unmanned Systems	579	597	(18)	1,108	1,122	(14)
Activities Funded by Building Sale Proceeds	-	-	-	4,500	4,993	(493)
Corporate and Other	654	885	(231)	2,029	1,888	141
(Over)/Underapplied Indirects	1,342	335	1,007	1,506	335	1,171
Total Expenses	9,261	12,578	(3,317)	29,136	29,763	(627)
	1,537	(1,800)	3,337	(7,943)	(8,851)	908
Contracts & Grants						
Program Revenue - DHS Commercial First Innovation ™	1,714	2,721	(1,007)	1,982	2,721	(739)
Program Expense	1,588	2,520	(932)	1,836	2,520	(684)
Profit/(Loss)	126	201	(75)	146	201	(55)
Program Revenue - SSBCI	6,113	8,236	(2,123)	15,428	17,373	(1,945)
Program Expense	6,113	8,236	(2,123)	15,428	17,373	(1,945)
Profit/(Loss)	-	-	0	-	-	-
Program Revenue - EDA Planning Grant	-	17	(17)	64	22	42
Program Expense	-	17	(17)	64	22	42
Profit/(Loss)	-	-	-	-	-	-
Program Revenue - Fairfax Founders Fund	1	5	(4)	1	10	(9)
Program Expense	1	4	(3)	1	8	(7)
Profit/(Loss)	-	1	(1)	-	2	(2)
Program Revenue - SBA FAST	71	39	32	155	39	116
Program Expense	71	39	32	155	39	116
Profit/(Loss)	-	-	-	-	-	-
Program Revenue	7,899	11,018	(3,119)	17,630	20,165	(2,535)
Program Expenses	7,773	10,816	(3,043)	17,484	19,962	(2,478)
Net	126	202	(76)	146	203	(57)
Consolidated Revenue, Expenses and Changes in Net Position						
Revenue	18,697	21,796	(3,099)	38,823	41,077	(2,254)
Expenses	17,034	23,394	(6,360)	46,620	49,725	(3,105)
Change in Net Position	1,663	(1,598)	3,261	(7,797)	(8,648)	851
Beginning Net Position	75,453	72,688	2,765	75,453	72,688	2,765
Ending Net Position	\$ 77,116	\$ 71,090	\$ 6,026	\$ 67,656	\$ 64,040	\$ 3,616

VIPC | FY2025 Forecast (6 months actual + 6 months forecast)

	Operating Funds				Designated Funds								Total
	COV	Other	COV										
	Corporate	Grants & Contracts	Investment Division		Commercialization Division	Entrepreneurial Ecosystems Division	Strategic Initiatives Fund	Unmanned Systems Fund	Building Sale Proceeds for Opp Fund/ 127.O				
			SSBCI	VVP									
(In Thousands)													
Beginning Balance at 7/1/2024	\$ 2,640	\$ 1,500	\$ -	\$ 15,326	\$ 27,958	\$ 7,711	\$ 281	\$ 174	\$ 19,863	\$ 75,453			
REVENUE													
General Fund Appropriation	\$ 4,036			\$ 3,100	\$ 5,000	\$ 3,000	\$ 1,000	\$ 1,000		\$ 17,136			
Interest, Sponsorship, Return on Investment	\$ 1,917			\$ 259	\$ 1,501	\$ 358	\$ 10	\$ 12		\$ 4,057			
Federal and State Grants & Contracts		\$ 2,202	\$ 15,428							\$ 17,630			
Total Revenue	\$ 5,953	\$ 2,202	\$ 15,428	\$ 3,359	\$ 6,501	\$ 3,358	\$ 1,010	\$ 1,012	\$ -	\$ 38,823			
EXPENSES AND TRANSFERS													
Operating and Designated Programs	\$ 7,307			\$ 3,349	\$ 786	\$ 728	\$ 1,168	\$ 1,000	\$ 4,500	\$ 18,838			
Investments/Grants			\$ 15,428	\$ 1,629	\$ 6,596	\$ 2,073				\$ 25,726			
Federal and State Grants & Contracts Operating Expenses		\$ 2,056	\$ -							\$ 2,056			
Transfers and Indirect Application to Designated Programs	\$ (500)	\$ 300		\$ 51	\$ 75	\$ 28		\$ 3	\$ 43	\$ -			
Total Expenses	\$ 6,807	\$ 2,356	\$ 15,428	\$ 5,029	\$ 7,457	\$ 2,829	\$ 1,168	\$ 1,003	\$ 4,543	\$ 46,620			
Net Change	\$ (854)	\$ (154)	\$ -	\$ (1,670)	\$ (956)	\$ 529	\$ (158)	\$ 9	\$ (4,543)	\$ (7,797)			
Forecasted Ending Balance at 6/30/2025	\$ 1,786	\$ 1,346	\$ -	\$ 13,656	\$ 27,002	\$ 8,240	\$ 123	\$ 183	\$ 15,320	\$ 67,656			

Designated Funds are amounts which are to be spent on a specific purpose stated in the Appropriation Act
VVP reflects administrative recovery of SSBCI program activity

Item 115.C.2.b

Fiscal Year 2025 Quarter 2
December 31, 2024

Investments & Grants

Virginia Innovation Partnership Corporation
Investments & Grants
For the Six Months Ended December 31, 2024

	Actual	Budget	Variance
<u>Convertible Debt and Equity Investments Made:</u>			
Virginia Venture Partners (VVP)			
Investments in 11 companies	\$ 555,000	\$ 820,000	\$ (265,000)
State Small Business Credit Initiative (SSBCI)			
Investments in 11 companies	\$ 4,634,998	\$ 5,356,000	\$ (721,002)
Each SSBCI direct investment is a co-investment with VVP			
90% SSBCI funds 10% VVP Funds			
<u>Grants Made:</u>			
Commonwealth Commercialization Fund (CCF)	\$ 1,815,682	\$ 3,551,000	\$ (1,735,318)
Grants to 16 companies			
Regional Innovation Fund (RIF)	\$ 673,000	\$ 1,260,000	\$ (587,000)
Grants to 7 companies			

Virginia Innovation Partnership Corporation
Return on Prior Investments
For the Six Months Ended December 31, 2024

	Actual	Budget	Variance
Return on Prior Investments, including realized gains and losses:			
Returns from 4 companies	\$ 201,541	\$ -	\$ 201,541

Item 115.C.2.c

Fiscal Year 2025 Quarter 2
December 31, 2024

Financial & Programmatic
Performance of Operating Entities
Owned by VIPC

No Operating Entities Owned
During FY2025 Q2