

**THE VIRGINIA INNOVATION PARTNERSHIP AUTHORITY
INCLUDING ITS BLENDED COMPONENT UNIT
CENTER FOR INNOVATIVE TECHNOLOGY
Herndon, Virginia**

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2021**



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MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

The management of the Virginia Innovation Partnership Authority (the Authority) offers readers of the Authority's consolidated financial statements this narrative overview and analysis of its financial activities for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the consolidated financial statements and accompanying notes.

Reporting Entity

For financial reporting purposes, the Authority's reporting entity consists of the Authority and its component unit organization, the Center for Innovative Technology (CIT), for which the Authority is financially accountable (blended component unit). The funds and accounts of all entities that have been identified as part of the Authority or CIT have been included. Transactions are accounted for in enterprise funds and reports have been prepared on the accrual basis of accounting. Further information can be found in Note A to the Consolidated Financial Statements.

The Authority is a political subdivision of the Commonwealth of Virginia (the Commonwealth), as authorized by the Commonwealth of Virginia Innovation Partnership Authority Act (VIPA Act), Title 2.2, Chapter 22 of the Code of Virginia. The legislation passed during the FY2020 General Assembly session established the Authority on July 1, 2020 and repealed the Innovation and Entrepreneurship Investment Authority (IEIA) on June 30, 2020. The Authority was created to support the life cycle of innovation, from translational research; to entrepreneurship; to pre-seed and seed stage funding; and to acceleration, growth, and commercialization, resulting in the creation of new jobs and company formation.

The Authority is the successor in interest to IEIA and the Virginia Research Investment Committee (VRIC). The legislation defines a new board structure and names CIT as the managing non-profit of the Authority. The Authority consolidates specific Commonwealth appropriated economic development initiatives, known as Centers of Excellence (COEs), under one umbrella, including the Virginia Biosciences Health Research Corporation, the Commonwealth Center for Advanced Manufacturing, the Commonwealth Cyber Initiative, and the Commonwealth Center for Advanced Logistics. Additionally, two other organizations, Virginia Academy of Engineering, Science and Medicine and the Virginia Nuclear Energy Consortium, receive Commonwealth appropriations through the Authority.

The Consolidated Statement of Net Position presents information on all of the Authority and CIT, collectively "the Organization", assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Organization is improving or deteriorating.

The Consolidated Statement of Revenues, Expenses and Changes in Net Position presents information showing how the net position of the Organization changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for some items that are related to cash flows in prior or future fiscal periods.

Consolidated Net Position as of June 30, 2021

	2021	2020	Change
Assets:			
Current assets	\$ 82,608,662	\$ 25,867,662	\$ 56,741,000
Total assets	82,608,662	25,867,662	56,741,000
Liabilities:			
Current liabilities	3,527,551	1,392,021	2,135,530
Long term liabilities	163,296	186,586	(23,290)
Total liabilities	3,690,847	1,578,607	2,112,240
Net Position:			
Unrestricted	78,917,815	24,289,055	54,628,760
Total net position	\$ 78,917,815	\$ 24,289,055	\$ 54,628,760

As of the end of fiscal year 2021, the Organization's assets exceeded its liabilities by \$79 million (net position), an increase of \$54.6 million over the prior fiscal year. The ending balance is comprised entirely of unrestricted net position. Unrestricted net position balances are available to fund operations of the organization, subject to certain funding designations per the Commonwealth of Virginia's legislated budget for the Authority.

Current assets at fiscal year-end 2021 consist of \$80.8 million of cash and cash equivalents and \$1.9 million in prepaid expenses and net receivables. Current assets increased \$56.7 million from the prior year. The increase is attributable to \$56 million in one-time funding (cash), the result of the transfer of the Virginia Research Investment Committee (VRIC) assets into the Authority, comprised of \$25 million from the Virginia Research Investment Fund (VRIF) and \$31 million in Herndon property sale proceeds.

The current liabilities increase of \$2.1 million from fiscal year-end 2020 to 2021 is attributable to an increase in accounts payable and accrued expenses for costs incurred on CIT's federal award with the U.S. Department of Homeland Security (DHS); a loss on investment that occurred in FY22 but prior to the issuance of the financial statements (the loss is the result of a confidential settlement agreement, see Note P for more information); and an accrual for Obligation under Securities Lending. See Notes B & C to the

Consolidated Financial Statements for more information on Obligations under Securities Lending.

Consolidated Revenues, Expenses, and Changes in Net Position for the Fiscal Year Ended June 30, 2021

	2021	2020	Change
Operating revenues:			
Lease	\$ -	\$ 644,427	\$ (644,427)
Contracts and grants & Growth Acceleration Program	4,844,176	4,252,201	591,975
Miscellaneous	<u>128,058</u>	<u>181,415</u>	<u>(53,357)</u>
Total operating revenues	4,972,234	5,078,043	(105,809)
Operating expenses:			
CIT expenses	21,650,255	16,363,479	5,286,776
Building and Authority administrative	3,012	1,047,155	(1,044,143)
Depreciation	<u>-</u>	<u>620,486</u>	<u>(620,486)</u>
Total operating expenses	21,653,267	18,031,120	3,622,147
Non-operating revenues/(expenses):			
Appropriations from the Commonwealth of Virginia - CIT	68,366,791	12,890,091	55,476,700
Appropriations from the Commonwealth of Virginia - COE	30,750,000	-	30,750,000
Interest & Miscellaneous revenue and gain on investment	2,873,857	11,151,801	(8,277,944)
Appropriations Disbursed to COEs	(30,680,855)	-	(30,680,855)
Loss on disposal of fixed assets	<u>-</u>	<u>(11,636,367)</u>	<u>11,636,367</u>
Total non-operating revenues/(expenses)	71,309,793	12,405,525	58,904,268
Change in net position	54,628,760	(547,552)	55,176,312
Net position at July 1, beginning fiscal year	<u>24,289,055</u>	<u>24,836,607</u>	<u>(547,552)</u>
Net position at June 30, ending fiscal year	<u>\$ 78,917,815</u>	<u>\$ 24,289,055</u>	<u>\$ 54,628,760</u>

Approximately 93% of the Organization's consolidated revenue comes from Commonwealth of Virginia appropriations. In FY2021, \$68 million is for CIT programs (\$12 million in recurring funding plus \$56 million in one-time funding) and \$31 million are pass-through funds for the Centers of Excellence. \$56 million in one-time funding is comprised of \$31 million for the sale of the Herndon property and \$25 million associated with the VRIF that was consolidated with VIPC's Commonwealth Commercialization Fund (CCF) program. The remainder of revenue is from CIT contracts and grants with federal entities, Growth Acceleration Program (GAP) investment proceeds, and interest income.

Total interest, miscellaneous and gain on investment revenue decreased by \$8 million due to a reduction in investment gains. Gains on investments are the result of the liquidations of GAP investments. The timing, volume and proceeds from these liquidation events are unpredictable in nature and vary from year to year.

Multiple factors caused the \$5.3 million increase in CIT expenses in fiscal year 2021 as compared to fiscal year 2020. In the Commercialization Division, grants expense increased by \$3.3 million year over year due to the consolidation of the Virginia Research Investment Fund and the Commonwealth Commercialization Research Fund into the newly formed Commonwealth Commercialization Fund. In the Strategic Initiatives

Division, expenses related to the federal contract with DHS for the Smart Cities IoT Innovation SCITI Labs Project increased by \$1.4 million. The contract's objective is to design, develop, prototype, and evaluate emergency response and management technologies and tools for first responders and DHS component units; advance the applied use of Smart City and Internet of Things (IoT) sensors; and the applied situational awareness, decision support, and commercialization support services to the DHS Science and Technology (S&T) First Responders Group, DHS S&T Apex Programs, and DHS Component Units.

The CIT building and property located in Herndon, Virginia, were sold in May 2020. The FY2020 amounts in Lease Revenue, Building Expense, and Depreciation are associated with the activity prior to May 2020. The sale resulted in a Loss on disposal of Fixed Assets.

Economic Outlook

The Authority's appropriation from the Commonwealth increased dramatically over the prior fiscal year, from \$13 million to \$99 million, an increase of \$86 million. \$31 million of the increase are pass-through amounts from the Authority to COEs and other organizations that receive appropriations from the Commonwealth. The remaining one-time increase of \$56 million has been designated for two activities, CCF and investments. The CCF will increase the amount of annual grants made and move from annual solicitations to a rolling solicitation model. The one-time funding designated for investment activities (investment in private funds, investments in partnership with Virginia accelerators and university technology commercialization programs, and activities aligned with the Virginia Innovation Index) is specified in Item 135 P.4 of the 2021 Special Session I Appropriation Act Chapter 552.

As a result of the COVID-19 outbreak, for the health and safety of CIT staff and the communities they serve, in March 2021 CIT began teleworking with office access subject to enhanced safety protocols. CIT implemented virtual engagement strategies with internal and external communities served. Events migrated to virtual platforms where possible and deferred when necessary. The organization continues to monitor local, state, national, and scientific guidance. The financial and programmatic activity impact has been minimal and is expected to continue as such.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Net Position

VIRGINIA INNOVATION PARTNERSHIP AUTHORITY with
CENTER FOR INNOVATIVE TECHNOLOGY

CONSOLIDATED STATEMENT OF NET POSITION

For the Fiscal Year Ended June 30, 2021

ASSETS

Current assets:

Cash and cash equivalents (Note C)	\$	80,327,301
Cash and cash equivalents held by Treasurer of Virginia (Note C)		426,568
Accounts and accrued receivables (Note D)		1,588,344
Prepaid expenses and deposits		266,449
Notes receivable (Note E)		3,661,388
Less: allowance for doubtful accounts		<u>(3,661,388)</u>
Total current assets		82,608,662

Noncurrent assets:

Notes receivable (Note E)		1,897,289
Less: allowance for doubtful accounts		<u>(1,897,289)</u>
Total noncurrent assets		-

Total assets

82,608,662

LIABILITIES

Current liabilities:

Accounts payable		1,497,398
Accrued expenses		1,551,585
Compensated absences (Note H & L)		30,000
Unearned revenue (Note B)		22,000
Obligation under Securities Lending		<u>426,568</u>
Total current liabilities		3,527,551

Long Term liabilities:

Compensated absences (Note H & L)		<u>163,296</u>
Total long term liabilities		163,296

Total liabilities

3,690,847

NET POSITION

Unrestricted		<u>78,917,815</u>
Total net position	\$	<u>78,917,815</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of this consolidated financial statement.

Consolidated Statement of Revenues, Expenses and Changes in Net Position

VIRGINIA INNOVATION PARTNERSHIP AUTHORITY with

CENTER FOR INNOVATIVE TECHNOLOGY

CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, and CHANGES IN NET POSITION

For the Fiscal Year Ended June 30, 2021

Operating revenues:	
Contracts and grants	4,180,978
Growth Acceleration Program	663,198
Miscellaneous	128,058
Total operating revenues	4,972,234
Operating expenses:	
Commercialization Division	7,658,988
Investment Division	6,113,711
Entrepreneur Ecosystems Division	839,543
Strategic initiatives	5,244,499
Unmanned Systems	1,039,361
Policy, Communications and Commonwealth Engagement	754,153
VIPA administrative	3,012
Total operating expenses	21,653,267
Operating loss	(16,681,033)
Non-operating revenues/(expenses):	
Appropriations from the Commonwealth of Virginia	99,116,791
Interest & Miscellaneous revenue	297,655
Gain on investment	2,576,202
Appropriations Disbursed to COEs	(30,680,855)
Total non-operating revenues/(expenses)	71,309,793
Change in net position	54,628,760
Change in net position	54,628,760
Net position at July 1, 2020	24,289,055
Net position at June 30, 2021	\$ 78,917,815

The accompanying Notes to Consolidated Financial Statements are an integral part of this consolidated financial statement.

Consolidated Statement of Cash Flows

VIRGINIA INNOVATION PARTNERSHIP AUTHORITY with
CENTER FOR INNOVATIVE TECHNOLOGY

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2021

Cash flows from (used by) operating activities:	
Contracts and grants revenue received	3,479,720
Growth Acceleration Program revenue received	663,438
Miscellaneous receipts	128,287
Payments to Commonwealth Research Commercialization Fund/ Commonwealth Commercialization Fund/Virginia Research Investment Fund recipients	(5,892,421)
Payments to Regional Innovation Fund recipients	(400,000)
Payments to Growth Acceleration Program recipients	(3,384,874)
Payments to vendors	(7,477,012)
Payments to employees	(3,862,258)
Net cash used by operating activities	<u>(16,745,120)</u>
Cash flows from non-capital financing activities:	
Appropriations received from the Commonwealth of Virginia	99,179,311
Appropriations Disbursed to COEs	(30,682,361)
Net cash provided by non-capital financing activities	<u>68,496,950</u>
Cash flows from investing activities:	
Proceeds from liquidations of investments	3,701,202
Interest received	149,282
Net cash used by investing activities	<u>3,850,484</u>
Net increase in cash and cash equivalents	55,602,314
Cash and cash equivalents at July 1, 2020	<u>24,724,987</u>
Cash and cash equivalents at June 30, 2021	<u>\$ 80,327,301</u>
Reconciliation of cash and cash equivalents:	
Per Statement of Net Position	
Total Cash and cash equivalents including amounts held by Treasurer of Virginia	80,753,869
Less:	
Securities Lending Cash Equivalents	<u>(426,568)</u>
Cash and cash equivalents per Statement of Cash Flows	<u>\$ 80,327,301</u>

INNOVATION AND ENTREPRENEURSHIP INVESTMENT AUTHORITY AND
 CENTER FOR INNOVATIVE TECHNOLOGY and SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
 For the Fiscal Year Ended June 30, 2021

Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (16,681,033)
Adjustments to reconcile operating loss to net cash:	
Non-cash item - Securities Lending transaction fee	7,216
Changes in assets and liabilities:	
Increase in accounts and accrued receivables	(701,258)
Increase in prepaid expenses and deposits	(79,930)
Decrease in investments (Investment in Mach37 LLC)	240
Increase in accounts payable	767,637
Decrease in accrued expenses	(34,702)
Decrease in compensated absences	(23,290)
	<hr/>
Net cash used by operating activities	\$ (16,745,120)
Non-cash investing, capital and financing activities:	
Change in liabilities related to nonoperating income	<u>\$ 149,737</u>

Notes to the Consolidated Financial Statements

NOTE A – DESCRIPTION OF ORGANIZATION

The consolidated financial statements include the accounts of the Virginia Innovation Partnership Authority (the Authority) and its blended component unit, the Center for Innovative Technology (CIT), collectively “the Organization”. The Authority is a political subdivision of the Commonwealth of Virginia (the Commonwealth), as authorized by the Commonwealth of Virginia Innovation Partnership Authority Act (VIPA Act), Title 2.2, Chapter 22 of the Code of Virginia. The VIPA Act provides for the Authority’s Board of Directors to designate the president and staff of a not-for-profit entity to carry out the day-to-day operations and activities of the Authority. CIT is the non-stock, not-for-profit corporation designated for this purpose, and it acts as the operating arm of the Authority. The mission of CIT is to grow and diversify Virginia’s economy by investing in and accelerating innovation commercialization and entrepreneurship. The Virginia General Assembly 2021 Reconvened Special Session I, Virginia Acts of Assembly Chapter 552 authorizes the Authority to transfer funds appropriated to it by the Commonwealth to CIT for use in realizing its mission.

The financial statements of the Authority, including its blended component unit CIT, are intended to present the financial position and the changes in financial position and cash flows on only that portion of the financial reporting entity of the Commonwealth that is attributable to the transactions of the Organization. A separate report is prepared for the Commonwealth that includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises oversight authority. The Authority is a component unit of the Commonwealth and is included in the basic financial statements of the Commonwealth. Consolidating financial statements for the Authority and CIT can be found in the Supplementary Information section of the Annual Financial Statement report. Legislation was passed during the FY2020 General Assembly session to establish the Virginia Innovation Partnership Authority (VIPA) on July 1, 2020. See Footnote P for additional information.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The consolidated financial statements of the Organization have been prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when a liability is incurred, regardless of the timing of cash flows.

Basis of Consolidation – The consolidated financial statements incorporate the financial statements of the Authority and CIT. Significant inter-organizational transactions include inter-company rent, other operating costs and COE Appropriations. These inter-organizational transactions have been eliminated during consolidation.

Use of Estimates – Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of consolidated assets and liabilities at the date of the consolidated financial statements. On an ongoing basis, the Organization’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Allocation Method – CIT uses the full-cost allocation approach using historically approved indirect rates to allocate indirect costs among activities for all program areas, including those that are billable to the Federal government on a cost-reimbursement basis. CIT allocates indirect costs based on three rates: fringe, overhead and general and administrative costs. The fringe and overhead rates are applied to functions based upon direct labor cost. The general and administrative rate is applied to functions based upon total

NOTE B – SIGNIFICANT ACCOUNTING POLICIES (continued)

cost. Included within the accrued expenses line item is the amount CIT has estimated is owed to the Federal government based on the delay of when CIT receives the approved indirect rates versus when the billing occurs. For annual financial statement presentation, CIT allocates the under/over-applied indirect costs to the applicable program area(s).

Consolidated Net Position – The net position of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Position – Component of net position available for use in general operations and not subject to restrictions.

As of June 30, 2021, net position of the Organization was classified as unrestricted net position.

Revenue Recognition – Revenue is recognized when earned. Payments under cost-reimbursable contracts received in advance are unearned to the applicable period in which the related services are performed or expenditures are incurred. Contributions are recognized when cash, securities or other assets, or notification of a beneficial interest is received.

Prepaid Expenses and Deposits – Prepaid expenses and deposits represent amounts paid prior to delivery of the related service.

Accounts Receivable – Accounts receivable are primarily unsecured non-interest-bearing amounts due from contracts and grants. The Organization provides an allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Normal accounts receivable are due 30 days after issuance of the invoice. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer/grantor.

Capital Assets – Property and equipment are stated at cost at the date of acquisition or, in the case of gifts, at fair market value at the date of donation. Capital assets are recorded for items with a cost of \$5,000 or more and a useful life of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expenses as incurred. Depreciation is recognized using the straight-line method over the useful lives of the assets –3 to 10 years for furniture, fixtures and equipment.

Land, buildings and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the consolidated financial statement for the fiscal year ended June 30, 2021.

Accounts payable and accrued expenses – Accounts payable and accrued expenses represent amounts owed for goods and services received but not paid prior to year-end. Accounts payable are vendor expenses with invoices currently in process for payment in the near future. Accrued expenses are liabilities that are estimable (invoice not received). Additionally, a portion of accrued expenses reflects what is due for overapplied indirect rates from the indirect cost allocation process for federal programs, and for FY21, accrued expenses includes an accrual for a loss on investment that occurred in FY22 but prior to the issuance of the FY21 financial statements. The loss is the result of a confidential settlement agreement.

Compensated Absences – Compensated absences account for the Organization's liability for compensated time off earned by employees but not taken as of June 30, 2021.

Securities Lending Transactions – Cash equivalents held by the Treasurer of Virginia represent the Authority's allocated share of cash collateral received and reinvested and securities received for the State Treasury's securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Annual Comprehensive Financial Report. The Commonwealth's policy is to record unrealized

NOTE B – SIGNIFICANT ACCOUNTING POLICIES (continued)

gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies.

Operating and Non-Operating Activity – Most of the financial activity of the Organization is a result of operations. Operating activities are directly related to the Organization's promotion of the Commonwealth's economic growth. Currently, Non-operating activity relates to appropriations from the Commonwealth and investment activities.

Gain on Investment – This non-operating activity is related to investments made in Growth Acceleration (GAP) portfolio companies. The gain could be related to note repayments, acquisitions or mergers, or sale of stock. See Footnotes E and J for more information regarding notes receivable and equity positions. Loss on investment is netted with gains within this line item. For FY21, this line item includes a loss on investment that occurred in FY22 but prior to the issuance of the FY21 financial statements. The loss is the result of a confidential settlement agreement.

Appropriation Disbursed to COEs – The Authority consolidates specific Commonwealth appropriated economic development initiatives, known as Centers of Excellence (COEs), under one umbrella, including the Virginia Biosciences Health Research Corporation, the Commonwealth Center for Advanced Manufacturing, the Commonwealth Cyber Initiative, and the Commonwealth Center for Advanced Logistics. Additionally, two other organizations, Virginia Academy of Engineering, Science and Medicine and the Virginia Nuclear Energy Consortium, receive Commonwealth appropriations through the Authority. The Authority receives the appropriation for these COEs and organizations directly from the Commonwealth and disburses their appropriations to them directly.

Income Taxes – The Authority is a political subdivision of the Commonwealth; and, therefore, is exempt from federal income tax.

CIT is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though tax can be levied on income unrelated to the exempt purpose of CIT (unless that income is otherwise excluded by the IRC). Contributions to CIT are tax deductible to donors under Section 170 of the IRC. The organization is not classified as a private foundation.

For all open tax years for all major taxing jurisdictions, management of the Organization has concluded that there are no uncertain tax positions that would require recognition in the financial statements. Management does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months.

Generally, tax returns of the Organization's entities remain open to inspection by federal, state and local authorities for three years from the date of filing. Returns for fiscal years ended June 30, 2018 and later (CIT) and calendar years ended December 31, 2019 (for previously majority-owned subsidiaries M37 Equity Pool, LLC and M37 Carried Interest, LLC) and later remain subject to examination.

NOTE C – CASH AND INVESTMENTS

The investment policy of the Organization, established and monitored by the Board of Directors, complies with the Investment of Public Funds Act, Code of Virginia Section 2.2-4500 – 4518. The investment policy establishes guidelines for the quality of investments, maturities and investment yields. Cash and cash equivalents represent deposits and short-term investments with original maturity dates of up to 90 days.

Custodial Credit Risk - All deposits of the Organization are maintained in accounts covered by federal depository insurance and collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia, as amended, which provides for an assessable multiple financial institution collateral pool.

NOTE C – CASH AND INVESTMENTS (continued)

Disclosure is required for risk associated with uncollateralized cash deposits and uninsured and unregistered securities held by a counterparty, or its trust department or agent, but not in the Organization's name. As of June 30, 2021, the Organization had no deposits or investments exposed to custodial credit risk.

Concentration of Credit Risk – Disclosure of any one issuer is required when it represents five percent or more of total investments. At June 30, 2021, the Organization had no investments greater than five percent.

Foreign Currency Risk – Disclosure is required for investments exposed to changes in exchange rates that could adversely affect the fair value of an investment or deposit. The Organization had no foreign investment or deposits during the fiscal year ended June 30, 2021.

Credit Risk – Disclosure of the credit quality rating is required for investments exposed to the risk an issuer or other counterparty will not fulfill its obligations. At June 30, 2021, the Organization had cash and cash equivalents as shown in the chart below:

	<u>Credit Rating</u>	<u>Amount</u>
Cash, cash equivalents and investments:		
Cash		\$ 132,215
Cash Equivalents Held with Treasurer of Virginia		426,568
Local Government Investment Pool	AAAm	<u>80,195,086</u>
Total cash, cash equivalents and investments		<u>\$ 80,753,869</u>

The Local Government Investment Pool (LGIP) enables governmental entities to maximize their return on investments by providing for a State administered fund where monies can be commingled for investment purposes in order to realize the economies of large-scale investing and professional funds management. The LGIP is managed in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 79. The LGIP is in compliance with all of the standards of GASB Statement No. 79 and elects to report its investments for financial reporting at amortized cost. Participants in the LGIP should also report their investments in the LGIP at amortized cost. The LGIP is rated AAAM by Standard & Poor's rating service.

CIT participates in the General Account Investment Portfolio, managed by the Virginia Department of the Treasury. A portion of cash is held in the Securities Lending program, the cash equivalents held with the Treasurer of Virginia listed in the table above.

NOTE D – ACCOUNTS AND ACCRUED RECEIVABLES

At June 30, 2021, CIT held accounts and accrued receivables of \$1,588,344, of which, \$1,523,474 is related to contracts and grants and the remaining \$64,870 is from sponsorships and miscellaneous accrued revenue.

NOTE E – NOTES RECEIVABLE

As of June 30, 2021, CIT had 71 convertible note purchase agreements with 57 emerging companies under its Growth Acceleration Program (GAP). The promissory notes have maturity dates of 8 to 36 months from issuance. Payment due at maturity includes principal plus interest, at rates ranging from 2% to 10%.

In some cases, CIT has granted extensions as the notes have become due. At CIT's option, CIT may convert certain notes into company equity, subject to terms of the related note.

NOTE E – NOTES RECEIVABLE (continued)

Notes due to be repaid within one fiscal year have been classified as Current Notes Receivable. Notes due to be repaid after one fiscal year or longer have been classified as Noncurrent Notes Receivable.

At June 30, 2021, CIT held \$5,558,677 in notes receivable. Due to the risk involved with emerging-stage companies, CIT elects to set up an allowance for the full amount when a promissory note is issued. At fiscal year-end, CIT set up a full allowance of \$5,558,677.

NOTE F – CAPITAL ASSETS

The Organization had the following capital asset activities as of and during the year ended June 30, 2021:

	Beginning Balance	Acquisitions and Additions	Sales and Dispositions	Ending Balance
Furniture, Fixtures, and Equipment	236,064	-	-	236,064
Accumulated Depreciation	(236,064)	-	-	(236,064)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE G – CONCENTRATION OF REVENUE

For the fiscal year ended June 30, 2021, approximately 93% of the Organization's revenue was from appropriations received from the Commonwealth of Virginia.

NOTE H – COMPENSATED ABSENCES

It is CIT's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since CIT does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred. Each employee may carry the equivalent of two weeks of annual leave forward to the following calendar year. See note L for further detail.

NOTE I – COMMITMENTS

As of fiscal year end 2021, CIT had entered into two operating leases. Rental expense for operating leases for the year ended June 30, 2021 was \$86,823 for CIT. CIT has the following minimum rental payments due under operating leases, as of June 30, 2021:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 207,479
2023	\$ 15,182
Total	<u>\$ 222,661</u>

NOTE J – EQUITY POSITIONS

At June 30, 2021, CIT held equity positions in 89 start-up organizations, obtained through CIT's GAP Fund. The equity was obtained by exercising conversion options in the GAP Fund note purchase agreements and through cash purchases.

NOTE J – EQUITY POSITIONS (continued)

The equity in the companies are not traded on the open market so it is difficult to determine a market value for the equity positions without full company valuations. Because there is no clear assessment of value, the Organization has not recorded the equity positions as assets and as such, CIT's GAP Fund equity portfolio not traded on the open market, as of June 30, 2021 are listed in detailed below:

Company Name	Number of Shares/ Units	Equity Type
418 Intelligence Corp.	109,494	Preferred
Anatropo, Inc.	59,167	Common
AnswersNow, Inc.	1,456	Preferred
Aquanta, Inc.	2,679,389	Preferred
Archemedx	305,975	Preferred
Ario, Inc.	57,180	Preferred
Atomic Corporate Industries, Inc.	79,621	Preferred
Axon Ghost Sentinel, Inc.	59,167	Common
Babylon Micro-Farms, Inc.	26,320	Preferred
Biorez, Inc (Formerly Soft Tissue Regeneration, Inc)	330	Preferred
Blue Triangle Technologies, Inc.	12,955	Preferred
Brazen Careerist, Inc.	560,734	Preferred
Card Isle	200	Preferred
CargoSense, Inc.	321,395	Preferred
Cervais, Inc.	136,122	Common
ChurnZero, Inc.	416,831	Preferred
Cirrusworks, Inc.	163,040	Preferred
Cirrusworks, Inc.	205,210	Common
Collagen Bioscience LLC	1,519	Common
Cont3nt.com, Inc.	133,262	Preferred
Contraline, Inc.	87,186	Preferred
Curbside Kitchen	214,285	Preferred
Cyber 20/20, Inc.	74,386	Common
CynjaTech, LLC	373,636	Units
Cyph, Inc.	360,772	Common
CySecure	160,952	Common
Dark3, Inc.	71,337	Preferred
DeepSig	494,097	Preferred
DroneUp	406,666	Preferred
EdConnective	200,000	Common
Embody	412,669	Preferred
Eunomic Inc. (Caveonix)	136,979	Preferred
Fend	N/A	SAFE
Fenris	499,205	Preferred
Fenris	127,660	Preferred
Fitnet Corporation	965	Preferred
FRNGE, Inc.	440,927	Preferred
Gathering, Inc. (aka Rize)	699,077	Preferred
GovTribe Inc.	4,037	Preferred
Gryphn Corporation, Inc.	24,621	Preferred
Harbinger (Arcsys)	107,497	Preferred
Hashlit, Inc. (Corsha)	125,000	Preferred
Hideez Group, Inc.	428,810	Common
Hungry Marketplace, Inc.	191,681	Preferred
Hypercube Technologies, Inc.	615,664	Preferred
Hypercube Technologies, Inc.	400,000	Common
iAspire, LLC	72,153	Common
ID.me, Inc.	203,206	Preferred

CIT's GAP Fund equity portfolio not traded on the open market, as of June 30, 2021 (continued):

Company Name	Number of Shares/ Units	Equity Type
INF Robotics Inc.	N/A	SAFE
Introhive, Inc.	322,580	Preferred
iTi Health, Inc. (ZielBio)	62,696	Preferred
LevelFields, Inc	43,103	Common
Liteldeas, LLC (LiteSheet)	48,668	Preferred
Locurity Inc.	59,167	Common
Loop88, Inc.	43,450	Preferred
Lumin	522,726	Preferred
Manor Financial Inc./Upsidedoor	238,435	Preferred
MarginEdge Co.	402,539	Preferred
Maternity Neighborhood, Inc.	200,000	Preferred
Micronic Technologies, Inc.	77,893	Preferred
Mobilesense Technologies, Inc.	451,329	Common
Ostendio, Inc.	129,913	Preferred
Panaceutics Nutrition, Inc.	250,356	Preferred
PerformYard, Inc.	347,830	Preferred
Plutus Privacy Security, Inc.	200	Common
Power Fingerprinting, Inc.	21,671	Preferred
PublicRelay, Inc.	246,257	Preferred
Quirk, Inc.	376,000	Common
Resale Global Inc	N/A	SAFE
RunSafe Security, Inc.	614,777	Preferred
SceneThink, Inc.	769	Preferred
Senseware, Inc.	888,536	Preferred
Shevirah Inc.	384,199	Common
Shiftone, Inc. (MomentSnap)	321,015	Preferred
Sitscape Inc.	37	Common
Slate Bio, Inc.	33,999	Preferred
Societas Analytics, Inc.	40,000	Common
Status Identity, Inc.	40,000	Common
Suvola Corporation	212,189	Common
SylLab Systems	300,000	Common
Syncurity Corporation	5,917	Common
TearSolutions, Inc.	82,680	Preferred
Territory Foods, Inc.	286,530	Common
ThreatQuotient, Inc.	440,691	Preferred
Urgent.Ly Inc.	106,945	Preferred
Value Unlimited, Inc. (dba Chowcall)	3,072	Preferred
Vangogh Imaging, Inc.	80,000	Common
Vangogh Imaging, Inc.	200,000	Preferred
Virgil Security, Inc.	324,675	Common
Wealthengine, Inc.	47,002	Preferred
WealthForge, LLC	33,422	Preferred
Zoobean, Inc.	1,256,982	Preferred
Zoomph, Inc.	133,333	Preferred

NOTE K - EMPLOYEE BENEFITS

CIT has a defined contribution retirement plan covering substantially all employees. Under the plan, CIT makes contributions fixed at a percentage of each employee's compensation to pay premiums for individual retirement annuity contracts written by the Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). Plan contributions are fully and immediately vested and amounts are non-forfeitable. Additional tax-deferred contribution, subject to certain limitations, may be made by the employees through a salary reduction program. Pension expense for the plan totaled \$426,445 for the fiscal year ended June 30, 2021.

NOTE L – LONG TERM LIABILITIES

The Organization had the following Long Term Liability activity as of and during the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance
Compensated absences	\$ 186,586	\$ -	\$ (23,290)	\$ 163,296
Total	<u>\$ 186,586</u>	<u>\$ -</u>	<u>\$ (23,290)</u>	<u>\$ 163,296</u>

NOTE M – CONDENSED COMBINING FINANCIAL INFORMATION

Blended component unit condensed combining financial information is listed in the tables below.

CENTER FOR INNOVATIVE TECHNOLOGY CONDENSED STATEMENT OF NET POSITION

For the Fiscal Year Ended June 30, 2021

ASSETS

Total current assets	80,085,835
Total noncurrent assets	-
Total assets	<u>80,085,835</u>

LIABILITIES

Total current liabilities	3,596,696
Total long term liabilities	163,296
Total liabilities	<u>3,759,992</u>

NET POSITION

Unrestricted	76,325,843
Total net position	<u>\$ 76,325,843</u>

NOTE M – CONDENSED COMBINING FINANCIAL INFORMATION (continued)

CENTER FOR INNOVATIVE TECHNOLOGY

CONDENSED STATEMENT OF REVENUES, EXPENSES, and CHANGES IN NET POSITION

For the Fiscal Year Ended June 30, 2021

Operating revenues	4,972,234
Operating expenses	<u>21,650,254</u>
Operating loss	(16,678,020)
Appropriations from the Commonwealth of Virginia	68,447,190
Interest revenue	146,381
Gain on investment	<u>2,576,202</u>
Total non-operating revenues/(expenses)	<u>71,169,773</u>
Change in net position	54,491,753
Net position at July 1, 2020	<u>21,834,090</u>
Net position at June 30, 2021	<u>\$ 76,325,843</u>

CENTER FOR INNOVATIVE TECHNOLOGY

CONDENSED STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2021

Net cash provided (used) by:

Operating activities	(16,741,346)
Non-capital financing activities	68,556,901
Investing activities	<u>3,846,679</u>
Net increase in cash and cash equivalents	55,662,234
Cash and cash equivalents at July 1, 2020	<u>22,140,734</u>
Cash and cash equivalents at June 30, 2021	<u>\$ 77,802,968</u>

NOTE N - CONTINGENT LIABILITIES

At June 30, 2021, CIT had no Contingent Liabilities.

NOTE O - RISK MANAGEMENT

The Authority and CIT are exposed to various risks of loss related to: torts, theft, or damage and destruction to assets, injuries to employees, and natural disasters. Risk management insurance includes general liability, property, directors and officers, errors and omissions, equipment, and worker's compensation. The Authority is insured through the Commonwealth's Risk Management Program. CIT is insured through commercial insurance policies with The Hartford, and Philadelphia Indemnity Insurance Company, CIT's health care plan is administered by Anthem. M37 Carried Interest, LLP (M37 CI), a previously majority-

NOTE O - RISK MANAGEMENT (continued)

owned subsidiary, is insured through a 5 year commercial insurance tail policy with Armfield, Harrison & Thomas, Inc. (AHT) Insurance to cover CIT's previously owned interest in M37 CI until the March 2020 date of sale.

NOTE P – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 19, 2022, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

VIPC Rebrand and Name Change – The 2019 General Assembly Session directive formed a new Virginia innovation initiative and the initiative was later named in late 2020 to be the Virginia Innovation Partnership Authority (Authority). As a result of the new authority development, legislation was enacted that required assistance from a new entity to manage the initiatives supported by VIPA. Legislators identified and determined that CIT met that need for the Commonwealth and that CIT should be renamed in 2021 to reflect its new relationship with and support of the Authority.

CIT's name and brand change reflects not only the new era in the prioritization of innovation in the Commonwealth through the establishment of the authority but the success CIT has achieved over the past 30 years of service to Virginia. This change allows the organization an opportunity to grow and expand in new directions as it supports the Authority with leadership, direction, and momentum as the Commonwealth strives to lead the nation in innovation, opportunity, and job creation. The name change became effective on October 1, 2021 at which time CIT became known as the Virginia Innovation Partnership Corporation (VIPC).

Savano Capital Partners III, LLC v. Center for Innovative Technology – In May 2021, Savano Capital Partners III, LLC (Savano) filed a complaint against CIT in Fairfax County Circuit Court, seeking to rescind the March 2020 sale of CIT's interest in M37 Carried Interest LLC (M37 CI) to Savano. M37 CI held shares in a portfolio of ten companies that had participated in the MACH37 Cyber Accelerator program. Subsequent to the sale, the former CEO of one of the portfolio companies, NS8 Inc. (NS8), was criminally charged with investor fraud and NS8 has since declared bankruptcy. As a result, Savano sought the return of their investment.

In the purchase agreement document, CIT made no representations or warranties regarding the financial condition of the portfolio companies and Savano represented and warranted that it relied solely on its own investigation of the portfolio companies. Savano sought to rescind the purchase agreement based on claims that: (1) both CIT and Savano were under the alleged mistaken belief as to NS8's true financial condition at the time the agreement was signed, and (2) CIT engaged in an "innocent fraud" in its sale of CIT's interest in M37 CI. CIT has not been accused of any wrong doing or prior knowledge of the fraud investigation of NS8.

In January 2022, the parties entered into mediation with the goal to reach a settlement agreement. A confidential settlement was reached and executed in February 2022. This transaction occurred in FY2022 but was prior to the issuance of the FY2021 financial statements. As such, the loss on investment was accrued and recognized for FY2021 and netted within the gain on investment line item.

SUPPLEMENTARY INFORMATION

Consolidating Statement of Net Position

VIRGINIA INNOVATION PARTNERSHIP AUTHORITY with
 CENTER FOR INNOVATIVE TECHNOLOGY
CONSOLIDATING STATEMENT OF NET POSITION
 For the Fiscal Year Ended June 30, 2021

	VIPA	CIT	Eliminating Entry	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,524,333	\$ 77,802,968	\$ -	\$ 80,327,301
Cash Equivalent held with Treasurer	-	426,568	-	426,568
Accounts and accrued receivables	-	1,588,344	-	1,588,344
Prepaid expenses and deposits	-	266,449	-	266,449
Notes receivable	-	3,661,388	-	3,661,388
Less: allowance for doubtful accounts	-	(3,661,388)	-	(3,661,388)
Due from CIT (COE Appropriations)	69,145	-	(69,145)	-
Due from Authority (VIPA & IEIA)	-	1,506	(1,506)	-
Total current assets	<u>2,593,478</u>	<u>80,085,835</u>	<u>(70,651)</u>	<u>82,608,662</u>
Noncurrent assets:				
Notes receivable	-	1,897,289	-	1,897,289
Less: allowance for doubtful accounts	-	(1,897,289)	-	(1,897,289)
Total noncurrent assets	-	-	-	-
Total assets	<u>2,593,478</u>	<u>80,085,835</u>	<u>(70,651)</u>	<u>82,608,662</u>
LIABILITIES				
Current liabilities:				
Due to VIPA (COE Appropriations)	-	69,145	(69,145)	-
Accounts payable	-	1,497,398	-	1,497,398
Accrued expenses	-	1,551,585	-	1,551,585
Obligation under Securities Lending	-	426,568	-	426,568
Compensated absences	-	30,000	-	30,000
Unearned revenue	-	22,000	-	22,000
Due to CIT (Operating Expenses)	1,506	-	(1,506)	-
Total current liabilities	<u>1,506</u>	<u>3,596,696</u>	<u>(70,651)</u>	<u>3,527,551</u>
Long Term liabilities:				
Compensated absences	-	163,296	-	163,296
Total long term liabilities	-	163,296	-	163,296
Total liabilities	<u>1,506</u>	<u>3,759,992</u>	<u>(70,651)</u>	<u>3,690,847</u>
NET POSITION				
Unrestricted	<u>2,591,972</u>	<u>76,325,843</u>	-	<u>78,917,815</u>
Total net position	<u>\$ 2,591,972</u>	<u>\$ 76,325,843</u>	<u>\$ -</u>	<u>\$ 78,917,815</u>

Consolidating Statement of Revenues, Expenses, Changes in Net Position

VIRGINIA INNOVATION PARTNERSHIP AUTHORITY with
CENTER FOR INNOVATIVE TECHNOLOGY

CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Fiscal Year Ended June 30, 2021

	VIPA	CIT	Eliminating Entry	Total
Operating revenues:				
Contracts and grants	\$ -	\$ 4,180,978	\$ -	\$ 4,180,978
Growth Acceleration Program	-	663,198	-	663,198
Miscellaneous	-	128,058	-	128,058
Total operating revenues	-	4,972,234	-	4,972,234
Operating expenses:				
Commercialization Division	-	7,658,988	-	7,658,988
Investment Division	-	6,113,711	-	6,113,711
Entrepreneur Ecosystems Division	-	839,543	-	839,543
Strategic initiatives	-	5,244,499	-	5,244,499
Unmanned Systems	-	1,039,361	-	1,039,361
Policy, Communications and Commonwealth Engagement	-	754,153	-	754,153
VIPA administrative	3,012	-	-	3,012
Total operating expenses	3,012	21,650,255	-	21,653,267
Operating loss	(3,012)	(16,678,021)	-	(16,681,033)
Non-operating revenues/(expenses):				
Appropriations from the Commonwealth of Virginia	99,116,791	-	-	99,116,791
Interest & Miscellaneous revenue	151,274	146,381	-	297,655
Gain (Loss) on investment	-	2,576,202	-	2,576,202
Total non-operating revenues/(expenses)	99,268,065	2,722,583	-	101,990,648
Income/(loss) before transfers and other comprehensive income	99,265,053	(13,955,438)	-	85,309,615
Transfers (out)/in - CIT Appropriations	(68,366,791)	68,366,791	-	-
Transfers (out)/in - CIT FY2021 Rent from IEIA Building Reserve	(80,400)	80,400	-	-
Appropriations Disbursed to COEs	(30,680,855)	-	-	(30,680,855)
Change in net position	137,007	54,491,753	-	54,628,760
Change in net position	137,007	54,491,753	-	54,628,760
Net position at July 1, 2020	2,454,965	21,834,090	-	24,289,055
Net position at June 30, 2021	\$ 2,591,972	\$ 76,325,843	\$ -	\$ 78,917,815

Appendix A - INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED
FINANCIAL STATEMENTS



Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

August 19, 2022

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Directors
Virginia Innovation Partnership Authority and
Center for Innovative Technology

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

We have audited the accompanying financial statements of the Virginia Innovation Partnership Authority, a component unit of the Commonwealth of Virginia, including its blended component unit, the Center for Innovative Technology, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and

perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2021, and the changes in its financial position and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages three through six be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Consolidating Statement of Net Position and the Consolidating Statement of Revenues, Expenses, and Changes in Net Position (consolidating statements) are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The consolidating statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 19, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

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Appendix B – AGENCY OFFICIALS

VIRGINIA INNOVATION PARTNERSHIP AUTHORITY
And
CENTER FOR INNOVATIVE TECHNOLOGY

BOARD OF DIRECTORS
As of June 30, 2021

The Honorable Brian Ball, Vice Chairman

Monique Adams
Barbara Boyan
Richard Hall

Chiedo John
Kurt John
Paula Sorrell

OFFICERS

Bob Stolle, President and Chief Executive Officer, CIT

Susan Aitcheson, Treasurer, Secretary and Chief Financial Officer, CIT and VIPA