



**Maryland Technology Development Corporation
(TEDCO)**

**Annual Report
and
Financial Statements**

Fiscal Year 2024

Maryland Technology Development Corporation
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Introduction

Maryland has been at the forefront of supporting technology-based development, through organizations like the Maryland Technology Development Corporation (TEDCO). Created in 1998 by Maryland General Assembly to facilitate the transfer and commercialization of technology from Maryland's research universities and federal labs into the marketplace and to assist in the creation and growth of technology-based businesses in all regions of the State, TEDCO has supported the development and expansion of Maryland's entrepreneurial and innovation driven economy through targeted research, commercialization, and financing programs as well as business support and outreach programs. TEDCO's programs have supported the development of a large, diverse and growing portfolio of companies that supports the growth and diversification of the Maryland economy.

TEDCO, a "body politic and corporate and constituted as a public instrumentality of the State," was governed by a 19-member Board of Directors that includes the Secretary of the Department of Commerce as a member. Fourteen board members are appointed by the Governor with the approval of the Senate, two members are appointed by the President of the Senate, and two members are appointed by the Speaker of the House.

Mission

Enhance economic empowerment by fostering an inclusive entrepreneurial and innovation ecosystem. Identify, invest in, and help grow technology companies in Maryland.

Vision

TEDCO will be the recognized national leader for supporting translational research, and technology-based, economic, and entrepreneurial development while being the hub of Maryland's innovation ecosystem.

Core Values

TEDCO's core values unite us and guide our efforts and interactions with people inside and outside of TEDCO. They are critical in TEDCO's commitment to excellence in carrying out its mission and serving its stakeholders:

- **Accountability** – We take responsibility for our actions and for adherence to our mission, and we ensure that this responsibility is ingrained throughout the organization. We measure our activities and report our outcomes to our stakeholders. We do the right thing.
- **Collaboration** – We focus on building trust and credibility across the organization and with our customers. We are transparent in the exchange of ideas and our encouragement of one another. We value teamwork in our pursuit of supporting innovation and entrepreneurial excellence.
- **Integrity** – We provide the best quality service to our customers and strive to exceed expectations. We pursue innovation and entrepreneurial success with the highest regard for moral and ethical standards. We stand by what we say and what we do, and we always

act in an honest and open way.

- **Respect** – We uphold a culture of respect at work, within our communities, and nationally. We embrace diversity and value our employees for their individuality and the unique perspectives that they bring to the organization.
- **Stewardship** – We take seriously our responsibility to manage scarce resources and to serve as stewards of State, Federal, and private funds. We value our ability to carry out our mission and to serve our customers in an efficient and fiscally responsible manner. We encourage and empower TEDCO’s staff to act in accordance with our culture.

Technology Transfer and Commercialization

Maryland Innovation Initiative

Chapter 450 of 2012 created the Maryland Innovation Initiative (MII). The MII program is Maryland’s premier early-stage technology transfer and commercialization program. Established in 2012, MII is a collaboration between the State of Maryland; Johns Hopkins University; Morgan State University; the University of Maryland, College Park; the University of Maryland, Baltimore; and the University of Maryland, Baltimore County. The program’s mission is to accelerate promising technologies with significant commercial potential to market while leveraging each institution’s strengths. As part of a “Bench-to-Market” approach, the program offers grants to assess commercial viability of technology and investments for companies that form to license the related intellectual property.

In June 2024, MII announced the appointment of [Abishek Kulshreshth](#), as the new Executive Director of the Program. In his position, Mr. Kulshreshth began overseeing all MII activities starting at the beginning of the FY 2025 Fiscal Year (July 1, 2024).

FY2024 MII Statistics

- # of proposals - 72
- # of awards/investments – 38
- # of start-up companies formed - 18
- # of start-up companies funded – 7
- Total amount granted and invested - \$5,864,107

MII Pilot Program

Following the passage of Chapter 697 of 2021, the Maryland Innovation Initiative launched the Maryland Innovation Initiative University Partnership Pilot Program, a two-year pilot program expanding MII’s model to entrepreneurial activities at two of the State’s four-year public comprehensive universities, Bowie State University and Frostburg State University. The Program was designed to bolster the pilot universities as anchor economic development institutions for their respective regions and communities and to include the two pilot comprehensive universities in the ecosystem of knowledge and resources available at the State’s other major research institution partners party to the MII program, strengthening the respective regional economic development strategies of FSU and BSU and fostering a statewide university

entrepreneurship and commercialization ecosystem.

Over the duration of two fiscal years beginning July 1, 2022, the MII has worked collaboratively with the two pilot universities to design and implement programs to encourage and support student and faculty entrepreneurship, industry collaboration, and technology commercialization, leveraging state resources to raise awareness, deploy educational materials, and directly fund proposals to strengthen each university's capacity to commercialize innovations. Through these programs, MII, BSU, and FSU have seen significant advancements towards the development of a resilient and lasting infrastructure that fosters and supports innovation and entrepreneurship at the two pilot institutions

Additional information on the Maryland Innovation Initiative University Partnership Pilot Program is provided in the Maryland Innovation Initiative University Partnership Pilot Program Report submitted earlier this year.

Maryland Technology Commercialization Fund

TEDCO's legacy initiative in technology transfer and commercialization is the Maryland Technology Commercialization Fund (TCF). TCF supports technology and product development by start-up companies often deemed too early in their development to gain the interest of traditional venture capital investments. TCF's investments are intended to defray the cost of the additional research and development activities that would move a specific technology or technology package to the threshold of commercialization.

FY2024 TCF Statistics

- # of investments - 3
- # of jobs in funded companies – 6¹
- Total \$ invested - \$649,996

Cybersecurity Investment Fund

Chapter 535 of 2014 created the Cybersecurity Investment Fund (CIF). The CIF is targeted to cyber security technologies and builds on TEDCO's Technology Commercialization Fund.

FY2024 CIF Statistics

- # of proposals received - 7
- # of investments - 3²
- # of jobs in funded companies – 2³
- Total \$ invested-\$800,000
- Annual amount of follow-on funding for active CIF portfolio - \$19,430,085

¹ Estimate

² Two Investments were initiated and approved in FY 24 (FY24 Budget) but closed in FY 25

³ Estimate

Life Science Investment Fund

The Life Science Investment Fund provides funding to companies developing products for human health that require FDA approval. This fund was transferred to TEDCO from the Department of Commerce's BioMaryland program. This program previously provided awards under the names Biotechnology Development Awards and the Translational Research Awards. TEDCO modified the funding program to better meet the demand of those life science companies with the most challenging commercialization pathways.

FY2024 LSIF Statistics

- # of investments - 3⁴
- # of jobs in funded companies – 4⁵
- Total \$ invested- \$650,000

Gap Investment Fund

The Gap Investment Fund seeks to make disbursements to start-up technology-based companies that need capital to grow their businesses in Maryland. The disbursements are matched by investments the company has received from other sources. The purpose of this Fund is to help bridge the gap to traditional institutional venture capital and retain companies in Maryland who might be vulnerable to leave the state for other funding opportunities at this stage of investment. Companies must use Gap Investment Funds to employ new staff to grow and become more firmly established in Maryland.

FY2024 Gap Investment Fund Statistics

- # of investments – 2⁶
- # of jobs in funded companies – 6⁷
- \$ awarded - \$550,000

Builder Fund

The Pre-seed Builder Fund (or Builder Fund) was created to financially and operationally support the development of startup companies run by entrepreneurs who demonstrate a socially or economically disadvantaged background that hinders access to traditional forms of capital and executive networks at the pre-seed stage. Companies selected for Builder Fund support receive direct investment and agree to receive executive management assistance to accomplish specified milestones that better position the company for follow-on, professional investment. The Builder Fund differentiates itself by identifying exceptional investment opportunities statewide operated and majority owned by anyone who can exert proof of their economic disadvantaged status (as informed by 13 CFR 124) by collaboratively advancing the development of those opportunities in ways that can lead to the next stage of investment. This program supports TEDCO's overall

⁴ One investment was initiated and approved in FY 24 (FY24 Budget) but closed in FY 25; One investment was initiated and approved in FY 24 (FY24 Budget), but still pending

⁵ Estimate

⁶ One investment (not reflected) was initiated and approved in FY 23, but closed in FY 24

⁷ Estimate

mission of discovering, investing in, and helping to build great, Maryland-based companies that grow and last. In FY 2024, the program provided funding to 22 companies.

To provide additional support, TEDCO advises companies of other State programs for minority and women-owned businesses. Specifically, all companies are informed of the services and investment programs under the Maryland Small Business Development Financing Authority (MSBDFa). TEDCO will systematically make referrals to MSBDFa for all companies that express an interest in other resources.

FY2024 Builder Fund Statistics

- # of investments - 26
- # of jobs in funded companies – 107
- \$ awarded - \$4,525,000

State Small Business Credit Initiative (SSBCI)

In fiscal 2022, it was announced that TEDCO would receive additional funding through the U.S. Treasury Department’s State Small Business Credit Initiative (SSBCI). TEDCO developed plans to allocate the funds into four existing programs targeting technology-based Maryland businesses and entrepreneurs through SSBCI.

Three programs—the Venture Equity Fund, Venture Capital Limited Partnership Equity program, and Seed Funds Equity program—are primarily focused on venture capital and startup funding. The fourth, the Social Impact Funds, provides investment and support to entrepreneurs who demonstrate economic or social disadvantage. Through these four programs, TEDCO continues to leverage its relationships with top-tier technology companies, entrepreneurs, and investors in the state while collaborating with universities, regional business accelerators and incubators, and other organizations.

From the start of the program through FY 2024, TEDCO allocated the following amounts:

Social Impact Fund: \$1,650,000

Seed Funds Equity Program: \$5,891,022

Venture Equity Fund: \$7,613,067

The Venture Capital Limited Partnership Equity Program secured its first Limited Partner Agreement Side Letter and deployed a capital of \$198,733 in FY 2024

Coordinating Emerging Nanobiotechnology Research in Maryland Fund

Chapter 446 of 2008 created the Coordinating Emerging Nanobiotechnology Research in Maryland Fund. This program has never received an appropriation, and as such there is no program activity to report.

Technology Incubator Program

Incubator Development Fund

On June 1, 2001, TEDCO’s enabling legislation was modified to create the Incubator Development Fund (IDF). To date, capital appropriations for the fund total \$8,267,500. No new projects were funded in FY2024. The IDF summary is shown below:

Incubator	Funding Awarded
techcenter@UMBC	\$1,000,000
Silver Spring Innovation Center	\$1,000,000
ETC@Johns Hopkins Eastern	\$1,000,000
Frederick Innovative Technology Center@Hood	\$425,000
Prince George’s County Technology Assistance Center	\$230,000
Rockville Innovation Technology Center	\$1,000,000
Frederick Innovative Technology Center@Monocacy	\$562,500
Hagerstown Technical Innovation Center	\$450,000
University of Maryland-Baltimore	\$1,000,000
Germantown Innovation Center	\$600,000
Dorchester County	\$1,000,000
Subtotals	\$8,267,500

Incubator Feasibility Studies

In order to qualify appropriate opportunities for the Incubator Development Fund, TEDCO must engage partners to sponsor independent, professional studies of the feasibility of potential incubator projects. Each study is sponsored by a local government, college, university, or non-profit corporation, and provides at least a 1:1 cash match. No feasibility studies were undertaken in FY 2024.

Business Assistance Fund

To support the incubator network in Maryland, TEDCO provides the Maryland Business Innovation Association (MBIA) with project funding grants to assist start-ups located within individual incubators. The individual grant amounts are determined through a competitive application process which is managed by MBIA.

The funding is used to both attract start-ups to incubators and help start-ups pay for assistance that is not provided by their incubators. This includes but is not limited to the following types of business assistance:

- Prototype development
- Market studies
- Lab equipment purchases
- Competitive analysis

Venture Development (formerly Entrepreneur and Ecosystem Empowerment (E3))

TEDCO's Entrepreneur and Ecosystem Empowerment (E3) was renamed Venture Development in FY2025. TEDCO's Venture Development department manages several programs to assist start-up companies in accelerating their growth. Our Venture Development programs and services take several different forms, depending on the company's stage and an assessment of its likely path forward.

The Venture Development team collaborates with the start-up company to create mentorship and advisory solutions that complement and build on other assistance the entrepreneur receives. Some of the programs include Rural Business Innovation Initiative (RBII), Urban Business Innovation Initiative (UBII), Network Advisors, Loaned Executives, Maryland Makerspace Initiative Program, Prelude Pitch, and more.

The following overview outlines the activities of the E3 department in FY2024. TEDCO's FY 2025 Annual report will provide information on the activities of the Venture Development department.

Rural Business Innovation Initiative

Studies conducted by the United States Small Business Administration (SBA) have shown that high-tech companies based in rural areas are often impeded by the absence of infrastructure necessary to support technical commercial enterprises and the inability to recruit critical masses of people with the appropriate education and skill sets to fully staff such enterprises. However, the same studies show that when rural policy initiatives are enacted to provide small business assistance through non-profits and rural development centers, economic development in those areas is enhanced.

The Rural Business Innovation Initiative (RBII) was created to address the needs of small businesses in the rural areas of Maryland (Western Maryland, Southern Maryland, Northeastern Maryland, Upper Eastern Shore and Lower Eastern Shore) through the Rural Business Innovation Initiative (RBII). Since its inception in 2009, the program has been supported by state, federal, and TEDCO funds. To implement the program, TEDCO brought on Business Mentors from the local areas to enhance technology commercialization activities by providing technical and business assistance to incubator-stage companies and incubators in the targeted counties. The program currently provides project grants and pre-seed investments.

The RBII program has been well-received by rural businesses and elected officials and has been successful in providing technical assistance to the entrepreneurs in the rural areas. The hands-on involvement of the Business Mentors and the technical assistance of third-party consultants have been key factors in furthering the growth of these start-up companies.

In fiscal 2024, Business Mentors mentored approximately 30 new companies, resulting in 1,149 hours of mentoring. Four companies received pre-seed investments and three companies received project grant funding.

Examples of business assistance included:

- Market studies
- Competitive analysis
- Funding for product development

In addition, the RBII program organized regional meetings with TEDCO's CEO and continued to

support the virtual I-Corps course in conjunction with UMD. To increase participation and access for underrepresented entrepreneurs, while maintaining focus on rural companies, access to this course was also extended to companies from other TEDCO programs.

Rural Pre-Seed Fund

In FY 2018, the RBII program launched a Rural Pre-Seed Investment Fund which invests \$25,000 in rural companies in the RBII program. In FY 2024, a total of 4 investments have been made totaling \$100,000.

Urban Business Innovation Initiative

In FY21, TEDCO expanded the RBII concept to assist underserved entrepreneurs in two urban areas, Prince George's County and Baltimore City. This program is referred to as the Urban Business Innovation Initiative (UBII).

In FY24, UBII representatives mentored 17 new companies with a total of 510 mentoring hours and 1,512 hours of outreach. In addition, the program approved three project grants to start-ups – examples of assistance included market assessment and product development. Like RBII, the mentor reps in these regions also work with other ecosystem organizations, accelerators, and incubators to ensure entrepreneurs are connected to the right resources at the right time in their growth. The UBII program has formalized these relationships and meets quarterly as a group.

Comprehensive Technical Assistance Program

The Comprehensive Technical Assistance Program, established by Chapter 235 of 2021, was created to provide comprehensive technical assistance to any business that qualifies for TEDCO's funding programs. Many early-stage companies engage with TEDCO for financial and other technical support. The types of service required by these companies, a concierge-like service, requires a significant commitment of staff time. TEDCO staff can provide technical assistance themselves, direct the company to other resources in the State, or match the company with expertise through its vast network of advisors. The fiscal note for this legislation estimated it would cost TEDCO about \$250,000 annually and would impact approximately 130 companies.

While the legislation passed, TEDCO has not yet received funding for this program. As required, TEDCO has promulgated regulations to implement the program, however, TEDCO lacks the funding to move forward with the program.

Maryland Makerspace Initiative Program

In fiscal year 2023, TEDCO managed the Maryland Makerspace Initiative Program. Created through legislation passed by the Maryland General Assembly, the Makerspace Program provides grants up to \$100,000 and technical assistance (provided by Open Works) for qualified entities looking to establish a new Makerspace, expand an existing Makerspace, or develop Makerspace programming. The mission of this initiative is to grow a state-wide community of Makerspaces that provides entrepreneurs with access to tools, technologies, and knowledge to support their growth and development as well as expand workforce training.

In its second year of execution, The Maryland Makerspace Initiative received 43 applications and

awarded 18 makerspaces with a collective funding total of \$817,000. Of that, 48% or \$396,000 went to makerspaces located in rural counties in Maryland. 11 awardees were previously funded last year while 7 new awardees were selected. Our support has increased across rural counties, with 39% of all funds from FY24, and 49% of FY25 all to rural counties (applications received in FY24 were awarded in FY25).

Network Advisors

Growing great companies takes more than money and Maryland's entrepreneurs repeatedly express the need for assistance in certain very specific areas. To help meet that need, TEDCO has curated a highly diverse network of advisors who have current, relevant experience in one or more of these specific areas. This group, the Network Advisors, brings its broad and diversified depth of experience to bear on the unique needs of Maryland's start-up companies – the entire effort is dedicated to helping the State's technology-based entrepreneurs reach their full potential. Network Advisors typically provide 2 – 3 hours of pro bono advising to individual companies multiple times a year. In FY24, this program grew to 115 Network Advisors and requests for Network Advisors grew by 69% (more than 3x growth compared to FY22).

Loaned Executives

In certain cases, companies that have already received, or are likely to receive, an investment from TEDCO, can engage one of the Network Advisors on a contractual basis to provide paid advisory services to a company to help that company achieve a specific milestone and make them competitive for the next round of funding and growth. In FY2024, TEDCO funded 23 loaned executive projects totaling a maximum of 990 hours served, more than 2x FY2023. Projects have demographically and geographically spanned the state and range from designing medical device prototypes to filing non-provisional patents to developing customer acquisition and sales strategies. All projects went to underserved entrepreneurs.

Prelude Pitch

Each month, TEDCO invites start-up companies to practice their pitch in front of TEDCO team members and experienced mentors (Network Advisors) to receive valuable feedback and an introduction to TEDCO. In FY24, TEDCO held multiple virtual Prelude Pitch events which provided 47 companies an opportunity to pitch their ideas.

On-line Educational Resources & Workshops

While several educational materials on entrepreneurship can be found on-line, the current thinking around best practices in entrepreneurship revolves around the lean start-up approach. TEDCO believes strongly that entrepreneurs in most technology sectors should follow these practices when working to establish a company. The TEDCO website links entrepreneurs to a variety of available and accessible on-line educational resources including several focused on the lean start-up approach.

To add to these educational resources, in FY24, TEDCO held Investor Readiness Workshops, and a Latinos in Tech webinar.

Maryland Entrepreneur Hub

In FY21, TEDCO partnered with Commerce and the University System of Maryland (USM) to build and develop a state-wide AI enabled platform designed to connect all parts of the entrepreneurial community. The Maryland Entrepreneur Hub now enables innovators, startup founders, and small business owners to find and connect with the right resources for their business, including investors, universities, mentoring programs, networking groups, training programs, and more. Resources can also be viewed on a map by region or by type of resource, industry sector, stage of growth, type of business, and/or by founder focus (e.g., Female led, Black led, Latino led, BIPOC led, Veteran- led, and underserved founders).

Market Search Databases and IPGen

Many start-up companies fail due to a lack of understanding of their market. While there is no substitute for talking to potential customers, entrepreneurs first need to assess their potential market at a general level. An understanding of competitors, industry trends, and market segments through secondary research is an important part of developing a plan to launch a business. Moreover, entrepreneurs that do not have a solid understanding of their market will find it difficult to raise funding from TEDCO and other investors.

Market Search Services provided by TEDCO continue to be available to entrepreneurs via remote access. The services are a resource to help entrepreneurs address the challenges of conducting market assessments. The goal is to improve the market assessment and opportunity analysis associated with the development of business plans and applications for TEDCO's funding programs.

In addition to research, entrepreneurs often need assistance in understanding their intellectual property (IP) and the patent process. With this in mind, TEDCO partnered with a Builder Fund portfolio company called IPGen, which was founded by a patent attorney. IPGen uses AI, NLP, machine learning, and NLG, to streamline and simplify various stages of the patent process. The platform is free for entrepreneurs to use for one year as they navigate the complexities around securing their IP.

Federal Laboratory Technology Initiatives

NIST-Science and Technology Entrepreneurship Program

The overall objective of N-STEP (NIST – Science and Technology Entrepreneurship Program) is to provide opportunities for motivated researchers to build upon the experience gained while working at the National Institute of Standards and Technology (NIST) as they explore entrepreneurial careers. The Program is focused on the commercialization of research performed at NIST by employees nearing the end of their term of employment (including graduating post-docs) who are interested in forming companies to independently pursue further translational research and development of technologies specifically related to NIST's mission so that the technologies can be commercialized as products or services to benefit the public. As of the fall of 2023, NIST required that the program be put on hold.

FAST Grant – SBIR/STTR Proposal Lab

The Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR) Proposal Lab is a series of workshops funded, in part, by the Small Business Administration with a TEDCO match of cash and in-kind effort. TEDCO teamed with the GovCon Incubator and the

Small Business Development Center (SBDC) on a Small Business Administration FAST grant. The grant was extended by the SBA for one additional year (FY24). The output of the program has been an increase in the win rate for first-time SBIR/STTR proposals from Women-Owned, Small Disadvantaged, and Rural Maryland businesses. The original program’s goal was to double the national win rate of 16% to 32% for Proposal Lab participants. The program has an overall award rate of 40%. Cohort graduates have been awarded more than \$28M in SBIR and STTR Phase I and Phase II awards from multiple agencies. Not only does the SBIR/STTR Proposal Lab help with the SBIR/STTR win rate, but also provides business skills that improve the entrepreneur’s overall business acumen. For FY24, TEDCO accepted 27 companies into the cohort. Recruiting for the FY25 cohort begins on October 1, 2024.

The Maryland Defense Technology Commercialization Center (DefTech)

DefTech is funded by the Department of Defense (DoD) Office of Local Community Cooperation (OLDCC), TEDCO, and the Maryland Department of Commerce to connect Maryland businesses to the DoD laboratories to further product development, engage in cooperative research, and access the unique facilities, equipment, and expertise available through DoD lab engagement. The program started in mid-FY23, three consultants were hired, and the program is currently supporting 41 companies’ product and solution development with DoD Labs. DefTech received a no-cost extension through August 2024 with a new contract beginning September 2024 to expand the program. New funding will focus on supporting the diversification of defense-dependent communities and connecting businesses to all federal labs.

TEDCO Administration – Salaries and Incentives

In accordance with § 10-415(a)(2)(iii) of the Economic Development Article, the following exhibit provides the salaries and incentives as approved by the Board for TEDCO employees for fiscal 2024. The data represents approved positions and compensation, not actual expenditures, as several positions were vacant for at least a portion of the fiscal year.

Fiscal 2024 Positions – Salary and Incentive Summary

<u>Title</u>	<u>Number of Positions</u>	<u>Total Salaries</u>	<u>Total Incentives</u>	<u>Total Annual Compensation</u>
Executive Management	4	\$ \$1,155,225	\$ \$392,777	\$1,548,002
Vice President/Chief	3	\$594,451	\$202,113	\$796,564
Program Director	6	\$819,650	\$278,681	\$1,098,331
Assistant Director	5	\$639,717	\$217,504	\$857,221
Associate	3	\$244,568	\$83,153	\$327,721
Administration	4	\$321,474	\$109,301	\$430,775
Total	25	\$3,775,085	\$1,283,529	\$5,058,614

The Board of Directors and the executive staff of TEDCO are currently reviewing TEDCO’s

compensation policy, including the use of bonuses, to ensure that the compensation structure conforms to existing state practices, while encouraging recruitment and retention.

Current TEDCO Investments

In accordance with § 10-415(a)(2) of the Economic Development Article, Appendix B of this report includes detailed information on all entities that have current investments from TEDCO programs. Specifically, the report includes information on the place of principal business operations, the number of employees in and outside of the State, capital investments; job creation; and a determination of which entities are qualified businesses as established by Chapter 487 and 488 of 2019.

The information contained in Appendix B reflects investments made prior to the enactment of Chapter 487 and 488 of 2019. As such, some portfolio companies fall outside of the new definition of qualified business. This is due, in most cases, to the growth of the company's staff (sales staff, technical staff, etc.) outside of Maryland. In other instances, the Maryland company is acquired by an out-of-state company and therefore falls outside the designation of qualified business. In a smaller number of cases, the company failed to prosper and decided to shutter its operations. It should be noted that some companies fail to report this data to TEDCO; however, TEDCO continues to encourage accurate and timely reporting of data. Despite these challenges, the majority of portfolio companies meet the reporting standards and meet the newly adopted requirements in the statute for qualified businesses. The statute also requires that TEDCO report on the creation of, appointments to, and responsibilities of any advisory committee related to its investments. At this time, TEDCO has not created, nor does it have plans to create an advisory committee for its investments. TEDCO's Investment Committee and the Maryland Venture Fund Authority have been reconstituted and are meeting in accordance with statute.

Maryland Stem Cell Research Fund

A more detailed report regarding the project summary and financial support will be provided in the 2024 Stem Cell Annual Report to the Governor as indicated in section § 10-442 of the Economic Development Article. This report is due on or before January 1.

Maryland Venture Fund

The Maryland Venture Fund was transferred from the Department of Business and Economic Development to TEDCO on October 1, 2015. A more detailed report regarding this program will be provided in the 2024 Maryland Venture Fund Annual Report to the Governor, the Senate Budget and Taxation Committee and the House Ways and Means Committee as required by § 10-499 of the Economic Development Article. This report is due on or before January 1.

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(7/1/2023 to 6/30/2024)

Company Name	County	City	State	Maryland Employees	Total Employees	Account: Industry	Account: Primary Reporting Program	Investment Date	Amount
Machfu Inc	Montgomery County	Rockville	MD	12		12 Information security	Maryland Venture Fund	7/12/2023	\$250,000.00
Flexnode, Inc.	Montgomery County	Bethesda	MD	4		21 Information security	Seed Investment Funds	7/7/2023	\$500,000.00
Sparen Holding Company, Inc.	Baltimore City	Towson	MD	1		1 Software	Social Impact	7/10/2023	\$100,000.00
Pirl Technology, Inc.	Frederick County	Rockville	MD	1		1 Mobilitytech	Social Impact	7/7/2023	\$200,000.00
The Magruder Project Pet Connect	Montgomery County	Columbia	MD	1		2 Retailtech	Social Impact	7/6/2023	\$250,000.00
Trigger Transformation Inc. (Truvelop)	Baltimore City	Baltimore	MD	1		3 Software	Urban Business Innovation Initiative	8/3/2023	\$300,000.00
HBVtech	Frederick County	Frederick	MD	2		3	Rural Business Innovation Initiative	11/3/2023	\$25,000.00
University Startups	Montgomery County	Gaithersburg	MD	40		50 Software	Maryland Venture Fund	9/26/2023	\$500,000.00
Home Quote LLC DBA RENDR	Howard County	Ellicott City	MD	7		7 Software	Seed Investment Funds	11/9/2023	\$300,000.00
EcoMap Technologies, Inc.	Baltimore City	Baltimore	MD	26		32 Software	Seed Investment Funds	8/1/2023	\$750,000.00
Escalate USA Inc	Montgomery County	Silver Spring	MD	9		9 Software	Social Impact	9/5/2023	\$200,000.00
ReBokeh	Baltimore County	Towson	MD	1		1 Software	Social Impact	8/9/2023	\$200,000.00
KaloCyte, Inc.	Baltimore City	Baltimore	MD	7		10 Physical Sciences	Maryland Venture Fund	7/5/2023	\$500,000.00
Pathotrak, Inc.	Prince George's County	Laurel	MD	7		8 Physical Sciences	Maryland Venture Fund	8/21/2023	\$500,000.00
Linshom Management, LLC	Baltimore City	Baltimore	MD	3		4 Life Sciences	Maryland Venture Fund	7/31/2023	\$249,992.06
Linshom Management, LLC	Baltimore City	Baltimore	MD	3		4 Life Sciences	Maryland Venture Fund	7/31/2023	\$149,972.11
Oncospace Inc.	Baltimore City	Baltimore	MD	7		9 Physical Sciences	Maryland Venture Fund	11/29/2023	\$349,999.96
Keep Company, Inc.	Montgomery County	Bethesda	MD	11		11 Software	Social Impact	10/23/2023	\$250,000.00
VirgilHR	Montgomery County	Gaithersburg	MD	3		5 Software	Social Impact	4/30/2024	\$150,000.00
Marinalife, Inc.	Baltimore City	Baltimore	MD	12		12 Software	Maryland Venture Fund	11/16/2023	\$500,000.00
Impruvon, Inc.	Baltimore City	Baltimore	MD	2		4 Software	Seed Investment Funds	12/11/2023	\$300,000.00
Legends of Learning, Inc.	Baltimore County	Timonium	MD	22		41 Software	Maryland Venture Fund	12/14/2023	\$875,000.00
EBO, Corp.	Baltimore City	Baltimore	MD	1		1 Software	Social Impact	12/13/2023	\$150,000.00
Tomorrow's Bio Today	Somerset County	Princess Anne	MD	3		3 Healthcare	Rural Business Innovation Initiative	12/8/2023	\$25,000.00
Aloe Therapeutics	Montgomery County	Darnestown	MD	3		5 Healthcare	Social Impact	3/4/2024	\$100,000.00
NasaClip, Inc.	Baltimore County	Baltimore	MD	2		3 Life Sciences	Social Impact	10/10/2023	\$500,000.00
Infinite Focus Schools DBA Clymb	Baltimore City	Baltimore	MD	8		8 Software	Social Impact	10/11/2023	\$225,000.00
VirgilHR	Montgomery County	Gaithersburg	MD	3		5 Software	Social Impact	10/18/2023	\$250,000.00
Dockshare, Inc	Baltimore County	Towson	MD	2		2 Software	Social Impact	12/20/2023	\$100,000.00
PediaMetrix Inc	Montgomery County	Rockville	MD	4		4 Life Sciences	Seed Investment Funds	10/30/2023	\$200,000.00
Medcura, Inc.	Prince George's County	Riverdale	MD	13		22 Life Sciences	Maryland Venture Fund	10/18/2023	\$350,000.00
Silvec Biologics Inc.	Montgomery County	gaithersburg	Maryland	12		15 Life Sciences	Maryland Venture Fund	6/25/2024	\$249,998.81
Innate 3D, Inc. (DBA) Innate Technologies,	Montgomery County	North Bethesda	MD	2		5 Software	MEIF	1/23/2024	\$500,000.00
Astek Diagnostics Inc.	Baltimore County	Baltimore	MD	5		7 Life Sciences	Seed Investment Funds	3/6/2024	\$250,000.00
Kubanda Cryotherapy, Inc	Baltimore City	Baltimore	Maryland	3		6 Healthcare	Social Impact	4/22/2024	\$200,000.00
International Products Generated, Inc. d/b	Prince George's County	Oxon Hill	MD	5		5 Software	Social Impact	1/29/2024	\$150,000.00
Cerebro Capital, Inc.	Baltimore City	Baltimore	MD	19		19 Software	Maryland Venture Fund	1/31/2024	\$150,000.00
V&B Ventures, Inc.	Prince George's County	Upper Marlboro	MD	28		50 Retailtech	Maryland Venture Fund	4/22/2024	\$305,000.00
Sonavex, Inc.	Baltimore City	Baltimore	MD	8		14 Life Sciences	Maryland Venture Fund	4/5/2024	\$500,002.32
OmniSpeech LLC.	Prince George's County	College Park	MD	4		8 Software	Maryland Venture Fund	5/8/2024	\$300,000.00
Solixa Inc.	Montgomery County	Bethesda	MD	2		4 Life Sciences	Maryland Venture Fund	5/7/2024	\$200,000.00
ABCVue (Rivue Software) dba Beyond Com	Howard County	Columbia	MD	1		1 Technology	Social Impact	4/23/2024	\$100,000.00
Femly Corporation	Baltimore City	Baltimore	MD	9		12 Supplytech	Social Impact	6/6/2024	\$50,000.00
Simmbion, LLC	Baltimore City	Baltimore	MD	3		3 Life Sciences	Social Impact	6/17/2024	\$200,000.00
V&B Ventures, Inc.	Prince George's County	Upper Marlboro	MD	28		50 Retailtech	Maryland Venture Fund	4/10/2024	\$195,000.00
Blue Star Service Solutions, Inc.	Montgomery County	Rockville	MD	32		42 Software	Maryland Venture Fund	5/15/2024	\$500,000.00
Cellphire, Inc.	Montgomery County	Rockville	MD	52		52 Biotechnology	Maryland Venture Fund	4/29/2024	\$350,000.00
Silvec Biologics Inc.	Montgomery County	gaithersburg	Maryland	12		15 Life Sciences	Maryland Venture Fund	6/25/2024	\$249,998.81
Total				446		611			\$13,749,964.07

**MARYLAND TECHNOLOGY DEVELOPMENT
CORPORATION**

A COMPONENT UNIT OF THE STATE OF MARYLAND

**Consolidated Financial Statements and
Supplementary Information**

For the Years Ended June 30, 2024 and 2023

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Maryland Technology Development Corporation (TEDCO)
Columbia, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying consolidated financial statements of Maryland Technology Development Corporation (TEDCO), a component unit of the State of Maryland, as of and for the years ended June 30, 2024 and 2023, and the related notes to the consolidated financial statements, which collectively comprise TEDCO's basic consolidated financial statements as listed in the table of contents.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of TEDCO, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TEDCO, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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



In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about TEDCO's ability to continue as a going concern for twelve months beyond the consolidated financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 TEDCO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TEDCO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated 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 consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated 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 Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise TEDCO's basic consolidated financial statements. The accompanying consolidating schedules of net position, consolidating schedules of revenues, expenses, and changes in net position, and the schedules of governmental activities (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic consolidated 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 consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2024, on our consideration of TEDCO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 TEDCO's 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 TEDCO's internal control over financial reporting and compliance.

SC+H Attest Services, P.C.

Baltimore, Maryland
September 19, 2024

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
Management's Discussion and Analysis
For the Years Ended June 30, 2024 and 2023

Brief Discussion of the Basic Financial Statements

Maryland Technology Development Corporation (TEDCO) is a body corporate and politic and is constituted as a public instrumentality of the State of Maryland. TEDCO's mission upon creation was to capitalize on the vast underutilized technology assets in the State's research universities through commercialization. This mission has expanded to include the enhancement of Maryland's economic development by fostering an inclusive entrepreneurial innovation ecosystem. To accomplish this, TEDCO identifies, invests in, and supports the growth of technology companies throughout Maryland through the distribution of grants and investments focused on technology commercialization, financial support for incubators, and educational and coaching activities for entrepreneurs.

Additionally, TEDCO administers the Maryland Stem Cell Research Fund (MSCRF), which promotes State-funded stem cell research through grants to public and private entities in the State, along with administering the Maryland Innovation Initiative (MII). MII is focused on supporting technology proof of concept and commercialization of research conducted in partnership universities and leveraging each institution's strengths. In October 2015, TEDCO acquired the Maryland Venture Fund (MVF) through legislation. However, TEDCO does not receive any new appropriation for the operation of MVF and now considers MVF an Evergreen Fund.

As usual, TEDCO has had a very productive Fiscal Year 2024. Applications were higher in most programs and interest in our programs and services remained high as evidenced by a large demand for funding and staff mentoring/counseling. Some specific program statistics follow:

- Technology Commercialization Fund (TCF)
 - 70 applications, 3 companies funded, \$649,996 deployed.
- Life Science Investment Fund (LSIF)
 - 15 applications, 2 companies funded, \$400,000 deployed.
- Cyber Security Investment Fund (CIF)
 - 7 applications, 1 company funded, \$300,000 deployed.
- MSCRF
 - 113 applications, 57 projects funded, \$18,514,418 deployed.
- MII
 - 72 applications, 38 projects funded, \$5,864,107 deployed.
- Gap Investment Fund
 - 25 applications, 3 company funded, \$1,050,000 deployed.
- Builder Fund
 - 85 applications, 26 companies funded, \$4,525,000 deployed.
- Inclusion Fund
 - 4 companies funded, \$1,100,000 deployed.
- State Small Business Credit Initiative (SSBCI) 2.0
 - 11 companies funded, \$4,354,994 deployed.
- Makerspace
 - 43 applications, 21 companies funded, \$899,115 deployed.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
Management's Discussion and Analysis
For the Years Ended June 30, 2024 and 2023

Brief Discussion of the Basic Financial Statements – continued

TEDCO continues to be one of the most active players in Maryland's innovation and entrepreneurial community. Examples of this activity include serving on boards like Maryland incubators, tech council and industry groups; sponsoring and participating in numerous events throughout the State; and enhancing economic development in our rural and urban communities with a dedicated program to help grow technology innovations.

A key ingredient to TEDCO's success is collaboration. TEDCO takes on a variety of collaborations including those with tech transfer offices in university and federal labs focused on commercialization efforts, partnering with other community members on programs and grant applications, state and local economic development agencies on community building, tech councils and state and federal legislators through testimonial support of policy and program initiatives.

This annual report consists of the consolidated statements of net position, the consolidated statements of revenues, expenses, and changes in net position, the consolidated statements of cash flows, and notes to the consolidated financial statements, which provide information about the activities of TEDCO and MVF.

The discussion and analysis that follows presents a general overview of the financial performance and activities of the consolidated entity of TEDCO from July 1, 2023 through June 30, 2024. As required supplementary information, the analysis should be used in conjunction with the consolidated financial statements and related notes to assess the overall financial condition and reported results of operations of TEDCO.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
Management's Discussion and Analysis
For the Years Ended June 30, 2024 and 2023

Consolidated Comparative Financial Statements

Condensed consolidated statements of net position:

	2024	2023	2022	2024 / 2023 Change	2023 / 2022 Change
CURRENT ASSETS					
Cash and cash equivalents	\$ 80,914,772	\$ 61,965,463	\$ 48,660,369	\$ 18,949,309	\$ 13,305,094
Investments	1,452,452	2,011,720	2,426,322	(559,268)	(414,602)
Accounts receivable	217,806	277,428	560,966	(59,622)	(283,538)
Loan receivable	25,000	25,000	25,000	-	-
Current portion of notes receivable	2,676,293	1,589,742	831,359	1,086,551	758,383
Prepaid expenses and other current assets	221,740	89,234	113,625	132,506	(24,391)
Total Current Assets	<u>85,508,063</u>	<u>65,958,587</u>	<u>52,617,641</u>	<u>19,549,476</u>	<u>13,340,946</u>
NONCURRENT ASSETS					
Restricted cash	-	1,188,503	1,454,532	(1,188,503)	(266,029)
Investments	67,255,028	69,681,983	68,476,514	(2,426,955)	1,205,469
Loan receivable	775,000	800,000	825,000	(25,000)	(25,000)
Notes receivable	36,125,265	27,087,705	14,299,297	9,037,560	12,788,408
Deposits	26,340	26,340	49,476	-	(23,136)
Subscription assets	296,745	567,408	398,819	(270,663)	168,589
Right-of-use assets	2,764,541	-	1,005,681	2,764,541	(1,005,681)
Capital assets	38,406	48,600	24,259	(10,194)	24,341
Total Noncurrent Assets	<u>107,281,325</u>	<u>99,400,539</u>	<u>86,533,578</u>	<u>7,880,786</u>	<u>12,866,961</u>
Total Assets	<u>\$ 192,789,388</u>	<u>\$ 165,359,126</u>	<u>\$ 139,151,219</u>	<u>\$ 27,430,262</u>	<u>\$ 26,207,907</u>
LIABILITIES					
Current liabilities	\$ 56,776,204	\$ 35,004,635	\$ 19,663,472	\$ 21,771,569	\$ 15,341,163
Non-current liabilities	3,003,958	296,503	1,200,477	2,707,455	(903,974)
Total Liabilities	<u>59,780,162</u>	<u>35,301,138</u>	<u>20,863,949</u>	<u>21,746,569</u>	<u>15,316,163</u>
NET POSITION					
Net investment in capital assets	-	25,299	-	(25,299)	25,299
Unrestricted	133,009,226	130,032,689	118,287,270	2,976,537	11,745,419
Total Net Position	<u>133,009,226</u>	<u>130,057,988</u>	<u>118,287,270</u>	<u>2,951,238</u>	<u>11,770,718</u>
Total Liabilities and Net Position	<u>\$ 192,789,388</u>	<u>\$ 165,359,126</u>	<u>\$ 139,151,219</u>	<u>\$ 27,430,262</u>	<u>\$ 26,207,907</u>

The largest portions of TEDCO's total assets as of June 30, 2024 are cash and cash equivalents of \$80,914,772, investments of \$68,707,480 and notes receivable of \$38,801,558.

The largest portions of TEDCO's total assets as of June 30, 2023 are investments of \$71,693,703, cash and cash equivalents, including restricted cash, of \$63,153,966, and notes receivable of \$28,677,477.

The largest portion of TEDCO's total liabilities as of June 30, 2024 are stem cell and other grants payable of \$28,093,359.

The largest portion of TEDCO's total liabilities as of June 30, 2023 are stem cell and other grants payable of \$22,053,312.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
Management's Discussion and Analysis
For the Years Ended June 30, 2024 and 2023

Consolidated Comparative Financial Statements – continued

Condensed consolidated statements of revenues, expenses, and changes in net position:

	2024	2023	2022	2024 / 2023 Change	2023 / 2022 Change
Operating Revenues – Grants and Other	\$ 46,939,515	\$ 54,909,864	\$ 25,903,594	\$ (7,970,349)	\$ 29,006,270
Operating Expenses					
Stem Cell Program	20,146,480	19,185,466	9,077,608	961,014	10,107,858
Tech Transfer	7,252,808	6,542,989	7,131,495	709,819	(588,506)
Business Incubation	5,690,303	3,384,173	2,576,167	2,306,130	808,006
Maryland Venture Fund	1,507,822	2,232,082	1,188,406	(724,260)	1,043,676
General Administration	6,198,360	4,656,806	2,748,461	1,541,554	1,908,345
Total Operating Expenses	<u>40,795,773</u>	<u>36,001,516</u>	<u>22,722,137</u>	<u>4,794,257</u>	<u>13,279,379</u>
Net Operating Income	6,143,742	18,908,348	3,181,457	(12,764,606)	15,726,891
Investment Earnings (Losses)	176,353	(2,344,828)	10,848,413	2,521,181	(13,193,241)
Transfer to State of Maryland	(3,368,857)	(4,792,802)	(14,803,305)	1,423,945	10,010,503
Change in Net Position	<u>\$ 2,951,238</u>	<u>\$ 11,770,718</u>	<u>\$ (773,435)</u>	<u>\$ (8,819,480)</u>	<u>\$ 12,544,153</u>
Total Revenues	<u>\$ 47,115,868</u>	<u>\$ 52,565,036</u>	<u>\$ 36,752,007</u>	<u>\$ (5,449,168)</u>	<u>\$ 15,813,029</u>

Analysis of Overall Financial Position and Results of Operations

TEDCO's revenues are derived primarily from State grants for operations and the administration of MSCRF and MII, Federal grants, royalties, and investment earnings. TEDCO's revenues decreased approximately 10% from \$52,565,036 for the year ended June 30, 2023 to \$47,115,868 for the year ended June 30, 2024. Most of this decrease was from the decrease in deployment from the SSBCI program; and the revenue associated with the release of revenue upon deployment. SSBCI was new in FY23 and TEDCO deployed at a faster pace than in FY24.

TEDCO's revenues increased approximately 43% from \$36,752,007 for the year ended June 30, 2022 to \$52,565,036 for the year ended June 30, 2023. Most of this increase was from the increase of State funding for the Stem Cell Research program. MSCRF went from \$8.2M in FY22 to \$20.5M in FY23.

TEDCO's programs & operations revenue (not including Stem Cell, MII & SSBCI) from the State of Maryland decreased approximately 10% from \$15,128,125 for the year ended June 30, 2023 to \$13,496,859 for the year ended June 30, 2024. This decrease was primarily due to the revenue released (earned income) associated when an investment is made.

TEDCO's programs & operations revenue (not including stem cell and MII) from the State of Maryland increased approximately 48% from \$10,202,738 for the year ended June 30, 2022 to \$15,125,125 for the year ended June 30, 2023. This increase was primarily due to the revenue released (earned income) associated when an investment is made plus two new programs funded by the State; SSBCI and the Inclusion Fund. The Builder Fund and Life Science Investment programs had an increase from FY22.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
Management's Discussion and Analysis
For the Years Ended June 30, 2024 and 2023

Analysis of Overall Financial Position and Results of Operations - continued

TEDCO's current assets increased approximately 29% from \$65,958,587 as of June 30, 2023 to \$85,508,063 as of June 30, 2024. The increase is due to an increase in cash and cash equivalents.

TEDCO's current assets increased approximately 25% from \$52,617,641 as of June 30, 2022 to \$65,958,587 as of June 30, 2023. The increase is due to an increase in cash and cash equivalents and accounts receivable.

TEDCO's noncurrent assets increased approximately 8% from \$99,400,539 as of June 30, 2023 to \$107,281,325 as of June 30, 2024. The increase is due to an increase in notes receivable. A large amount of TEDCO investments are in the form of Convertible Notes.

TEDCO's noncurrent assets increased approximately 15% from \$86,533,578 as of June 30, 2022 to \$99,400,539 as of June 30, 2023. The increase is due to an increase in notes receivable.

TEDCO's current liabilities increased approximately 62% from \$35,004,635 as of June 30, 2023 to \$56,776,204 as of June 30, 2024. This increase is partially from Stem Cell grants awarded and unearned grant revenues that were not deployed in FY24.

TEDCO's current liabilities increased approximately 78% from \$19,663,472 as of June 30, 2022 to \$35,004,635 as of June 30, 2023. This increase is due to the deployment of the additional Stem Cell grant funds from the State for FY23. Most Stem Cell grants are awarded in May and at year-end are a current liability.

Operating expenses increased approximately 13% from \$36,001,516 for the year ended June 30, 2023 to \$40,795,773 for the year ended June 30, 2024. This is partially due to the increase in Business Incubation, Stem Cell grants awarded, and in General Administration expenses.

Operating expenses increased approximately 58% from \$22,722,137 for the year ended June 30, 2022 to \$36,001,516 for the year ended June 30, 2023. This is primarily due to an increase of \$10M in the Stem Cell Program along with \$2M in General Administration expenses.

Net position increased by approximately 2.3% from \$130,057,988 as of June 30, 2023 to \$133,009,226 as of June 30, 2024.

Net position increased by approximately 9.9% from \$118,287,270 as of June 30, 2022 to \$130,057,988 as of June 30, 2023.

Description of Capital Asset and Long-Term Debt Activity

During fiscal year 2024, TEDCO did not purchase any major capital assets. Computer equipment was purchased at a cost of \$14,539. Depreciation and amortization expense was \$24,732 for the year ended June 30, 2024.

During fiscal year 2023, TEDCO did not purchase any major capital assets. Computer equipment was purchased at a cost of \$22,310. Depreciation and amortization expense was \$4,856 for the year ended June 30, 2023.

TEDCO does not have any long-term debt.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
Management's Discussion and Analysis
For the Years Ended June 30, 2024 and 2023

Discussion of Currently Known Facts, Decisions, or Conditions

Fiscal Year 2025 State-Funded Operating Budget

The total State appropriation to TEDCO for fiscal year 2025 is \$52,935,816.

The breakdown of funds is:

- Operating Programs - \$2,935,816
- Cyber Maryland TEDCO - \$440,000
- MSCRF- \$20,500,000
- MII - \$5,300,000
- BII Pilot - \$1,500,000
- Rural Business Innovation Initiative - \$640,000
- Maryland Industrial Partnerships - \$300,000
- Cyber Investment Fund - \$900,000
- Life Science Investment Fund - \$1,000,000
- Gap Investment Fund - \$1,000,000
- Builder Fund - \$7,500,000
- Inclusion Fund - \$750,000
- Equitech Fund - \$5,000,000
- Makerspace - \$1,000,000
- Pava La Pere Innovation Acceleration Grant - \$500,000
- SBIR & STTR Incentive and technical Asst - \$1,830,000
- Upsurge- Uprise - \$840,000
- Baltimore Tech Hub Consortium - \$1,000,000

The purpose of MSCRF is to promote State-funded stem cell research and cures through grants to public and private entities in the State. MSCRF is a special, non-lapsing fund that is not subject to the State Finance and Procurement Article. The Maryland Stem Cell Commission (the Commission), established by the Maryland General Assembly, has established an independent scientific peer review committee composed of nationally recognized scientific experts in the field of stem cell research. The Committee reviews, ranks, and rates research proposals for State-funded stem cell research based on procedures and guidelines established by the Commission, and in a manner that gives consideration to the scientific, medical, and ethical implications of the research. The Committee will then make recommendations to the Commission, based on the ranking and ratings awarded to each research proposal according to its scientific merit.

II was established in 2012 to accelerate the rate of commercializing university-developed technologies in Maryland. II will partner with the University of Maryland-College Park, the University of Maryland-Baltimore, the University of Maryland-Baltimore County, Morgan State University and Johns Hopkins University. In addition to the \$5,300,000, each of the five Universities contribute into this program for an additional \$800,000.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
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Discussion of Currently Known Facts, Decisions, or Conditions - continued

The Rural Business Innovation Initiative assists start-up and small technology-based businesses in the rural and urban areas of Maryland to advance the company to a higher level of success. The program offers professional ongoing mentoring and targeted projects to help companies succeed at no cost to the company.

The Cyber Investment Fund (CIF) will support Maryland companies to develop and commercialize new cybersecurity products.

The Life Science Investment Fund (LSIF) assists Maryland companies developing products addressing human health that require approval from the U.S. Food and Drug Administration (FDA) for commercialization.

The Gap Investment Fund addresses the critical gap in capital that exists between seed and venture investments, which often comes when companies are most vulnerable to leaving Maryland for investments from other states. The Gap Investment Fund helps retain these Maryland companies, many of which have already taken advantage of Maryland's various seed and pre-seed funding resources.

The Builder Investment Fund evolved from the Minority Business Pre-Seed Fund that was created in FY2017. The Builder Fund was created to financially and operationally support the development of start-up companies run by entrepreneurs who demonstrate a socially or economically disadvantaged background that hinders access to traditional forms of capital and executive networks at the pre-seed stage. Companies selected for a Builder Fund investment will also receive executive support to better position the company to receive follow-on, professional investment in 12 – 18 months. The Builder Fund differentiates itself by identifying exceptional investment opportunities in markets that are often overlooked by traditional funding organizations, by advancing the development of those opportunities, and by making valuable introductions that can lead to the next stage of investment.

The Inclusion Fund is a fund within TEDCO's Social Impact Funds. The Inclusion Fund focuses on investment opportunities that are often overlooked by traditional sources of investment and financing because of economic disadvantage. One of the biggest challenges is the gap between pre-seed and seed funding for these early-stage technology businesses and the Inclusion fund seeks to invest in these companies. Ultimately, the companies create jobs in the State and become attractive candidates for follow on financing or investing.

The Makerspace Fund was created through legislation passed by the Maryland General Assembly. It provides grants up to \$100,000 and technical assistance for qualified entities looking to establish a new Makerspace, expand an existing Makerspace, or develop Makerspace programming. The goal is to grow a state-wide community of Makerspaces that provides entrepreneurs with access to tools, technologies, and knowledge to support their growth and development as well as expand workforce training. Funding will be awarded to 20 projects spanning 11 counties and Baltimore City.

For the SSBCI (State Small Business Credit Initiative) program, TEDCO will receive up to \$50 million and will allocate the funds into four existing programs targeting technology-based Maryland businesses and entrepreneurs. Three programs—the Venture Equity Fund, Venture Capital Limited Partnership Equity program, and Seed Funds Equity program—are primarily focused on venture capital and startup funding. The fourth, the Social Impact Funds, provides investment and support to entrepreneurs who demonstrate economic or social disadvantage. Through these four programs, TEDCO will continue to leverage its relationships with top-tier technology companies, entrepreneurs, and investors in the state while collaborating with universities, regional business accelerators and incubators, and other organizations.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
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Discussion of Currently Known Facts, Decisions, or Conditions - continued

The Equitech Growth Fund was legislated in 2023 and created the Maryland Equitech Growth Fund within TEDCO to address specific areas and goals, with funding provided at \$3 million in FY24 and \$5 million annually through FY33. A strategic plan is to be developed in consultation with the Maryland Economic Development Corporation, the Maryland Small Business Development Financing Authority, industry, university, and representative community groups. Ultimately, the legislative leadership seeks an impactful, inclusive, and measurable long-term economic development strategy in advanced technology industries to accelerate Maryland’s growth. In tandem with this legislative effort, TEDCO launched an umbrella initiative – Cultivate Maryland – that captures the myriad of TEDCO programs that fall under the Equitech priorities such as TEDCO’s women entrepreneur programs, RBII, Venture Development, the Maryland Stem Cell Research Fund, Marketing, etc. Over 40 ecosystem stakeholders have pledged their support of this initiative, focused on stitching and scaling Maryland innovation assets, and addressing gaps.

The Maryland General Assembly created the Cyber Maryland Program for multiple purposes. The program will (1) create a talent pipeline that materially reduces workforce vacancies by July 1, 2026; (2) serve as a one-stop shop for employers seeking to leverage cyber workforce development programs offered by the State and its partners; (3) inform cybersecurity training and education programs operated by public or private entities with industry-driven needs; (4) build the most advanced local and State information technology (IT) workforce in the nation; (5) coordinate and accelerate cybersecurity research and innovation in the State; and (6) support the efforts of the Maryland Department of Information Technology to improve the State government’s cybersecurity posture, including State agencies, local government units, and critical infrastructure.

The Maryland Equity Investment Fund’s purpose is to allow unappropriated general fund surplus to be invested in a “qualified business” – with a goal to increase private equity and venture capital in the State. For fiscal 2024, the Governor must include an appropriation to the new fund equal to 10% of the unappropriated general fund surplus in excess of \$10 million from the second prior fiscal year, up to a maximum of \$10 million, with up to \$15 million instead of up to \$25 million being appropriated to the SRPS accumulation funds (trust fund) that year.

TEDCO’s Venture Development department manages several programs to assist start-up companies with key milestones designed to accelerate growth. Our Venture Development programs and services take several different forms, depending on the company's stage and an assessment of its likely path forward. The Venture Development team collaborates with the start-up company and its other advisors to create an advisory solution that complements and augments the other assistance the entrepreneur receives. Some of the programs include Rural Business Innovation Initiative, Urban Business Innovation Initiative, Network Advisors, Loaned Executives, Maryland Makerspace Initiative Program, Prelude Pitch, and more.

The Enterprise Investment Fund is MVF’s flagship fund. MVF invests in early-stage growth companies that are leaders in software, hardware, cybersecurity or life science verticals. The typical initial investment ranges from \$300,000 to \$1,500,000 with the potential for additional investment for follow-on opportunities. The Enterprise Fund is an “evergreen fund” that reinvests returns into new and existing Maryland-based companies based on several factors that include the potential opportunity, return on investment and impact on economic development for Maryland.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
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New for Fiscal year 2025:

- **Pava La Pere Innovation Acceleration Grant**
 - This program, administered by TEDCO, will make available \$50,000 to qualifying technology-based start-up companies founded by students or faculty members of post-secondary institutions in the Baltimore-Towson-Columbia area. These grant funds will be used, in part, to support costs associated with planning, development, regulatory compliance, and/or other technical assistance related to establishing the entrepreneur's company. This program will encourage and support founders with Pava's entrepreneurial spirit and passion by providing financial support to make their ideas into reality.
- **Upsurge-UpRise**
 - This is a program at UpSurge Baltimore, an organization that provides grants, investments, and other support to local startup companies. The funds in TEDCO's budget will support the Upsurge-UpRise program and is intended to connect founders with investors, experienced entrepreneurs, and service providers to accelerate growth. This funding also supports the federal Tech Hub application.
- **Baltimore Tech Hub Consortium**
 - The Baltimore Tech Hub Consortium is participating in a federal program to invest in regions with the potential for rapid growth in key technology sectors. This funding will support the federal application for Phase 2 of the U.S. EDA's Tech Hub Program that would bring additional federal investment to the region (potentially \$70 million and more).
- **Baltimore Innovation Initiative**
 - This is a two-year Maryland Innovation Initiative Pilot Program supporting technology commercialization for colleges and universities in the Baltimore-Columbia-Towson MSA prioritizing products or services aimed at integrating artificial intelligence or machine learning in health care and biotechnology sectors. This program is based on the successful MII University Partnership Pilot Program model that expanded eligibility of MII to Bowie State and Frostburg State Universities.
- **SBIR & STTR**
 - The SBIR/STTR Incentive Program was created to entice eligible Maryland businesses to apply for funding through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer Research (STTR) programs. These programs, collectively called America's Seed Fund, provide federal funding to support research and product development in small businesses. Maryland is providing matching funds up to \$25K or \$75K for Phase I or Phase II awards, respectively. These grants can be used by companies for business related expenses that are not covered by the SBIR/STTR grants and can help to prepare businesses for investment or scaling and will ultimately contribute to job growth in the State of Maryland.

Contacting TEDCO

Interested parties can contact TEDCO at 10960 Grantchester Way, Suite 120, Columbia, Maryland, 21044.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND

Consolidated Statements of Net Position

<i>As of June 30,</i>	<i>2024</i>	<i>2023</i>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 80,914,772	\$ 61,965,463
Investments	1,452,452	2,011,720
Accounts receivable	217,806	277,428
Loan receivable	25,000	25,000
Current portion of notes receivable, net of allowance of \$1,226,945 and \$2,578,929	2,676,293	1,589,742
Prepaid expenses and other current assets	221,740	89,234
Total Current Assets	85,508,063	65,958,587
Non-current Assets:		
Restricted cash	-	1,188,503
Investments	67,255,028	69,681,983
Loan receivable – noncurrent	775,000	800,000
Notes receivable – noncurrent, net of allowance of \$16,561,613 and \$12,366,159	36,125,265	27,087,705
Deposits	26,340	26,340
Subscription assets, net of accumulated amortization of \$611,449 and \$432,208	296,745	567,408
Right-of-use assets, net of accumulated amortization of \$30,671 and \$0	2,764,541	-
Capital assets, net of accumulated depreciation and amortization of \$71,603 and \$46,330	38,406	48,600
Total Non-current Assets	107,281,325	99,400,539
Total Assets	\$ 192,789,388	\$ 165,359,126
Liabilities and Net Position		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 4,130,125	\$ 3,756,479
Accrued interest	523	1,503
Stem cell grants payable	25,838,836	19,992,817
Other grants payable	2,254,523	2,060,495
Due to State of Maryland	3,368,857	4,792,803
Subscription liabilities, current portion	127,496	292,703
Unearned grant revenue	21,055,844	4,107,835
Total Current Liabilities	56,776,204	35,004,635
Non-current Liabilities:		
Subscription liabilities, net of current portion	169,007	296,503
Lease liability	2,834,951	-
Total Non-current Liabilities	3,003,958	296,503
Total Liabilities	59,780,162	35,301,138
Commitments and Contingencies (Note 9)		
Net Position:		
Net investment in capital assets	-	25,299
Unrestricted	133,009,226	130,032,689
Total Net Position	133,009,226	130,057,988
Total Liabilities and Net Position	\$ 192,789,388	\$ 165,359,126

The accompanying notes are an integral part of these consolidated financial statements.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND

**Consolidated Statements of Revenues, Expenses, and
Changes in Net Position**

<i>For the Years Ended June 30,</i>	<i>2024</i>	<i>2023</i>
Operating Revenues:		
State of Maryland grants:		
Maryland Stem Cell Research	\$ 20,128,998	\$ 19,193,541
State Small Business Credit Initiative	4,858,279	11,081,043
Maryland Innovation Initiative	5,859,223	6,670,498
TEDCO operations	13,496,859	15,128,125
Total State of Maryland grants	44,343,359	52,073,207
Federal grants	244,839	206,109
Sponsorships	850	2,295
Royalties	70,453	345,137
Other revenues	2,280,014	2,283,116
Total Operating Revenues	46,939,515	54,909,864
Operating Expenses		
Stem Cell Program	20,146,480	19,185,466
Tech Transfer	7,252,808	6,542,989
Business Incubation	5,690,303	3,384,173
Maryland Venture Fund	1,507,822	2,232,082
General Administration	6,198,360	4,656,806
Total Operating Expenses	40,795,773	36,001,516
Operating Income	6,143,742	18,908,348
Non-operating Revenues		
Investment Earnings (Losses)	176,353	(2,344,828)
Transfer to State of Maryland	(3,368,857)	(4,792,802)
Change in Net Position	2,951,238	11,770,718
Net Position, beginning of year	130,057,988	118,287,270
Net Position, end of year	\$ 133,009,226	\$ 130,057,988

The accompanying notes are an integral part of these consolidated financial statements.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND

Consolidated Statements of Cash Flows

<i>For the Years Ended June 30,</i>	<i>2024</i>	<i>2023</i>
Cash Flows from Operating Activities:		
Cash received from operations	\$ 63,947,146	\$ 58,039,020
Cash paid for operations	(30,772,754)	(22,896,071)
Net Cash, Cash Equivalents and Restricted Cash Provided by Operating Activities	33,174,392	35,142,949
Cash Flows from Investing Activities:		
Proceeds from sale of investments	7,008,008	6,494,657
Purchases of investments	(6,314,290)	(12,616,002)
Distributions from investments	3,368,857	4,792,802
Payments on loan receivable	25,000	25,000
Payments on notes receivable	292,782	1,285,715
Advances of notes receivable	(14,693,898)	(18,000,986)
Capital and related purchases of property and equipment	(14,540)	(43,845)
Loss on disposal of property and equipment	-	2,247
Net Cash, Cash Equivalents and Restricted Cash Used in Investing Activities	(10,328,081)	(18,060,412)
Cash Flows from Financing Activities:		
Payments on lease liabilities	-	(205,149)
Payments on subscription liabilities	(292,703)	(268,069)
Net Cash, Cash Equivalents and Restricted Cash Used In Financing Activities	(292,703)	(473,218)
Transfer to State of Maryland General Fund	(4,792,802)	(3,570,254)
Net Increase in Cash, Cash Equivalents and Restricted Cash	17,760,806	13,039,065
Cash, Cash Equivalents and Restricted Cash, beginning of year	63,153,966	50,114,901
Cash, Cash Equivalents and Restricted Cash, end of year	\$ 80,914,772	\$ 63,153,966
Reconciliation of operating income to net cash, cash equivalents and restricted cash provided by operating activities		
Operating Income	\$ 6,143,742	\$ 18,908,348
Adjustments to reconcile operating income to net cash, cash equivalents and restricted cash provided by operating activities:		
Depreciation and amortization	326,068	407,223
Allowance for doubtful accounts	3,377,005	1,168,480
Changes in operating assets and liabilities:		
Accounts receivable	59,622	283,538
Prepaid expenses and other current assets	(132,506)	24,391
Deposits	-	23,136
Accounts payable and accrued expenses	373,646	1,493,285
Accrued interest	(980)	(70,153)
Stem cell grants payable	5,846,019	10,629,175
Grants payable	194,028	(570,092)
Unearned grant revenue	16,948,009	2,845,618
Lease liability	39,739	-
Net Cash, Cash Equivalents and Restricted Cash Provided by Operating Activities	\$ 33,174,392	\$ 35,142,949

The accompanying notes are an integral part of these consolidated financial statements.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND

Consolidated Statements of Cash Flows - continued

<i>For the Years Ended June 30,</i>	<i>2024</i>	<i>2023</i>
Non-cash Operating Activities		
Recognition of subscription asset (Note 9)	\$ -	\$ 421,417
Recognition of subscription liability (Note 9)	\$ -	\$ 421,417
Recognition of right-of-use asset (Note 9)	\$ 2,795,212	\$ -
Recognition of lease liability (Note 9)	\$ 2,795,212	\$ -
Derecognition of right-of-use asset (Note 9)	\$ -	\$ 868,543
Derecognition of lease liability (Note 9)	\$ -	\$ 1,061,391
Non-cash Investing Activities		
Convertible Notes Receivable Converted to Equity Securities	\$ 900,000	\$ 2,000,000
Decrease in Fair Value of Investments	\$ (6,469,086)	\$ (7,648,452)
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and Cash Equivalents	\$ 80,914,772	\$ 61,965,463
Restricted Cash	-	1,188,503
Total Cash, Cash Equivalents and Restricted Cash	\$ 80,914,772	\$ 63,153,966

The accompanying notes are an integral part of these consolidated financial statements.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2024 and 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Maryland Technology Development Corporation (TEDCO) was established as a body corporate and politic and a public instrumentality of the State of Maryland (the State). TEDCO's board of directors consists of 18 individuals, the Secretary of the Maryland Department of Commerce and 17 members appointed by the Governor with the advice and consent of the State Senate. TEDCO works to:

- Assist in transferring to the private sector and commercializing the results and products of scientific research and development conducted by colleges, universities and federal labs.
- Assist in the commercialization of technology developed in the private sector. Foster commercialization of the research and development described above to create and sustain businesses throughout all regions of the State.
- Administer the Maryland Technology Incubator Program by promoting entrepreneurship and the creation of jobs in technology-related industry by establishing and operating effective incubators throughout the State that provide adequate physical space designed, and programs intended, to increase or accelerate business success in the field of technology.
- Administer the Maryland Stem Cell Research Fund. The purpose of the Fund is to promote state-funded stem cell research and cures through grants to public and private entities in the State. The Fund is a special, non-lapsing fund that is not subject to the State Finance and Procurement Article.
- Administer the Maryland Innovation Initiative Fund (MII). The purpose of the Fund is to promote commercialization of research conducted in the partnership universities and leverage each institution's strengths through grants to eligible research universities and university affiliated start-up companies.
- Administer the Maryland Venture Fund (MVF), an early-stage, evergreen venture capital fund, to make direct investments in early-stage technology and life science companies and indirect investments in venture capital funds.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Maryland Technology Development Corporation and MVF. TEDCO acquired MVF in October 2015 through legislation. All material intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting

All of TEDCO's activities are reported as an enterprise fund as defined by Governmental Accounting Standards Board (GASB) Statement No. 34, as amended. Financial reporting for enterprise funds conforms to accounting principles generally applicable to the transactions of similar commercial enterprises and utilizes the full accrual method of accounting.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2024 and 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of Accounting – continued

TEDCO prepares its consolidated financial statements using the “economic resources” measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by GASB. The consolidated statements of net position present all of TEDCO’s assets, liabilities, and deferred inflows/outflows of resources with the difference between the two reported as “net position.”

The statements of net position combine and consolidate all of TEDCO’s current financial resources with capital assets (net of accumulated depreciation) and liabilities. The end result is categorized as unrestricted net position. The consolidated statements of revenues, expenses and changes in net position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

TEDCO is required to follow all statements of the GASB. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued to incorporate FASB and AICPA guidance into GASB authoritative literature. Other pronouncements of FASB are not applied in the preparation of the accompanying consolidated financial statements.

Use of Estimates

The 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in bank accounts, overnight investment accounts, money market funds invested in federal government obligations, and cash and short-term investments on deposit with the State Treasurer. TEDCO considers all short-term securities with an original maturity of three months or less at the date of purchase to be cash equivalents. Certain grants require that TEDCO hold the grant monies in separate bank accounts.

The Annotated Code of Maryland requires TEDCO to maintain its cash balances on deposit with the State Treasurer, except for cash and cash equivalent accounts established to satisfy urgent cash requirements or proceeds of TEDCO financing arrangements. The State Treasurer maintains State funds on a pooled basis in accordance with the Annotated Code of Maryland.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
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Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2024 and 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Restricted Cash

Restricted cash represents amounts on deposit with the State Treasurer of \$0 and \$17,678 and with commercial banks of \$0 and \$1,170,825 as of June 30, 2024 and 2023, respectively. These amounts are designated to fulfill funding commitments of certain investments.

Accounts Receivable

Accounts receivable represent amounts appropriated from the State of Maryland, royalties due from companies TEDCO invested in and proceeds due from the sale of investments. Accounts receivable are reported at their outstanding balances. Based on past experience with accounts receivable from the State of Maryland and current analysis of amounts due from companies, TEDCO's management believes that no allowance for doubtful accounts is necessary.

Loan Receivable

Loan receivable consists of a non-interest bearing promissory note due from Dorchester County for funding TEDCO provided for the construction of a technology incubator. Loan receivable is reported at its outstanding balance. Beginning July 15, 2016, payments totaling \$25,000 are due annually. The loan receivable must be repaid in full within 15 years.

Notes Receivable

TEDCO provides funding to various borrowers from its Maryland Technology Commercialization Fund, CyberSecurity Investment Fund, State Small Business Credit Initiative, and MVF. The funds are used by the borrowers to develop and commercialize new technology services and products. In order to reimburse TEDCO for its initial investment, the arrangement allows each of these borrowers, with TEDCO's concurrence, to exercise the option of exchanging the amounts owed to TEDCO for an equitable share in the respective company's equity. With the approval of TEDCO's Executive Director, the notes can be converted into equity investments.

TEDCO reports these notes receivable at their outstanding balances reduced by an allowance for doubtful accounts. Management periodically evaluates the adequacy of the allowance for doubtful accounts by considering TEDCO's past notes receivable loss experience, known and inherent risks in the notes receivable population, adverse situations that may affect a borrower's ability to pay, and current economic conditions.

The allowance for doubtful accounts is increased by charges to bad debt expense and decreased by charge offs of the notes receivable balances. Notes receivable are considered past due when no payments have been received by their contractual due dates, varying with different borrowers. Notes receivable are charged off based on management's case-by-case determination that they are uncollectible. As of June 30, 2024 and 2023, TEDCO determined the allowance for doubtful accounts to be \$17,788,558 and \$14,945,088, respectively.

Investments

Investments consist of U.S. government securities, agency securities and equity securities.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2024 and 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investments – continued

TEDCO, through the Seed Investment Fund, Life Science Investment Fund and Builder Fund programs have made certain equity investments in early-stage technology companies that are economically viable but have not yet attracted venture capital investment. These programs also have made equity investments in companies to assist them in collaborating with Maryland colleges and universities or federal laboratories located in Maryland to develop and commercialize new services and products. TEDCO, through MVF, has made certain investments in early-stage companies that are growing the next generation of outstanding businesses in Maryland. MVF has made investments into venture capital partnerships that invest in early-stage technology companies where there is a significant risk of private capital being deployed. Most of these equity investments are in businesses that do not have a proven history of profitability. As such, the future financial condition and operating results of the businesses are uncertain, and the market value of MVF's investments could be significantly affected.

TEDCO has a program for providing seed capital to start-up technology companies. TEDCO follows State of Maryland regulations, as stipulated in TEDCO's investment policy, in selecting its investment funds and companies.

TEDCO invests in various investment securities, which are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and those changes could materially affect investment balances.

Deposits

Deposits consist of amounts related to future periods that TEDCO has paid in conjunction with certain leases.

Right-Of-Use Assets

TEDCO has adopted a policy of capitalizing right-of-use assets held under lease liabilities as defined by GASB Statement No. 87, *Leases*. These assets include leased facilities. The leased assets are recorded at the present value of the leased liability and amortized using a systematic and rational manner over the shorter of the lease term or useful life of the underlying asset.

Subscription Assets

TEDCO has adopted a policy of capitalizing subscription assets held under subscription liabilities as defined by GASB Statement No. 96, *Subscription-Based Information Technology Agreements*. These assets include subscription based information technology arrangements. The subscription assets are recorded at the present value of the subscription liability and amortized using a systematic and rational manner over the shorter of the subscription term or useful life of the underlying asset.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2024 and 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Capital Assets

Capital assets are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated on the straight-line basis over the estimated useful lives of the respective assets ranging between 3 and 10 years. All purchases of individual capital assets over \$2,500 with a useful life greater than one year are capitalized. Computer software purchases are recorded as capital assets and depreciated based on the useful life of the asset.

Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of capital assets are retired, the related cost and accumulated depreciation and amortization are removed from the accounts, and any gain or loss is included in the consolidated statements of revenues, expenses, and changes in net position.

Capital assets are evaluated for impairment on an annual basis under GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries* (GASB 42). GASB 42 requires an evaluation of prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. As of June 30, 2024 and 2023, management does not believe that any of the capital assets of TEDCO meet the criteria for impairment as set forth in GASB 42.

Unearned Grant Revenue

Unearned grant revenue results from unexpended federal and nonfederal grant advances. TEDCO recognizes grant revenue when related expenses are incurred. As of June 30, 2024 and 2023, unearned grant revenue was \$21,055,844 and \$4,107,835, respectively.

Revenue Recognition

Revenues are recognized when earned. The State of Maryland has granted TEDCO an operating grant of \$7,465,816 and \$6,775,816 for the years ended June 30, 2024 and 2023, respectively.

Stem cell funding is recorded as revenue when TEDCO commits these funds and the funds are payable. During each of the years ended June 30, 2024 and 2023, the State of Maryland granted TEDCO \$20,500,000 for Maryland Stem Cell Research. These funds are committed for the next three years and will be recognized as revenue as they are earned. Stem cell funding recognized as revenue for the years ended June 30, 2024 and 2023 totaled \$20,128,998 and \$19,193,541, respectively.

TEDCO receives grant funds from the United States Department of the Treasury through the State Small Business Credit Initiative (SSBCI) to support private financing to small businesses. TEDCO recognizes revenue in relation to these grant funds when TEDCO commits these funds and the funds are payable. SSBCI funding recognized as revenue for the years ended June 30, 2024 and 2023 totaled \$4,858,279 and \$11,081,043, respectively.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND
Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2024 and 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue Recognition – continued

TEDCO receives grant funds from the state of Maryland through the Maryland Innovation Initiative (MII) to promote the commercialization of research conducted within Maryland universities. TEDCO recognizes revenue in relation to these grant funds when TEDCO commits these funds and the funds are payable. MII funding recognized as revenue for the years ended June 30, 2024 and 2023 totaled \$5,859,223 and \$6,670,498, respectively.

TEDCO Operations revenue on the consolidated statement of revenues, expenses and changes in net position is comprised of other grant funds received from the State for business incubation facility development and is considered unearned until TEDCO commits these funds and the funds are payable. Other grants are recorded on the cost-reimbursement method where revenue is recognized when the expenses have been incurred by TEDCO. Revenue recognized for TEDCO Operations for the years ended June 30, 2024 and 2023 totaled \$13,946,859 and \$15,128,125, respectively.

Other revenues on the consolidated statement of revenues, expenses and changes in net position for the year ended June 30, 2024 is comprised of approximately \$30,000 of contributions from various universities participating in the MII program; approximately \$1,720,000 of prior year awards that were rescinded for various reasons and able to be used for future awards; and approximately \$530,000 for various income items relating to event income and various repayments.

Other revenues on the consolidated statement of revenues, expenses and changes in net position for the year ended June 30, 2023 is comprised of approximately \$226,000 of contributions from various universities participating in the MII program; approximately \$1,470,000 of prior year awards that were rescinded for various reasons and able to be used for future awards; and approximately \$590,000 for various income items relating to event income and various repayments.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of revenues, expenses, and changes in net position. Expenses that can be directly identified with a particular function are assigned to that function. Expenses that can be allocated among the various functions using a reasonable allocation method are allocated among the functions benefited.

TEDCO distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with TEDCO's operating charter. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Significant Concentration

TEDCO receives a substantial portion of its grant revenue from the State of Maryland. If the State of Maryland were to discontinue funding to TEDCO, and if alternative funding sources could not be obtained, operations could cease or be significantly curtailed.

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Recently Adopted Accounting Principles

Effective July 1, 2022, TEDCO adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94), which improves financial reporting by addressing issues related to public-private and public-public partnerships (PPPs) and provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An operator, as defined by GASB 94 should report an intangible right-to-use asset related to an underlying PPP asset that is either owned by the transferor, as defined by GASB 94, at or before the commencement of the PPP term, and certain direct costs. For an underlying PPP asset that is not owned by the transferor and is not the underlying asset of an service concession arrangement (SCA), an operator should recognize a liability measured based on the estimated carrying value of the underlying PPP asset as of the expected date of the transfer in ownership. In addition, an operator should recognize a liability for installment payments, if any, to be made to the transferor in relation to the PPP. Measurement of a liability for installment payments should be at the present value of the payments expected to be made during the PPP term. An operator also should recognize a deferred outflow of resources for the consideration provided or to be provided to the transferor as part of the PPP. Expense should be recognized by an operator in a systematic and rational manner over the PPP term. This statement requires a government that engaged in an APA that contains multiple components to recognize each component as a separate arrangement. An APA that is related to operating or maintaining a nonfinancial asset should be reported by a government as an outflow of resources in the period to which payments relate. There was no effect on operating income, or net position as a result of the adoption of GASB 94.

Effective July 1, 2023, TEDCO adopted GASB statement No. 100, *Accounting Changes and Error Corrections* (GASB 100), which modifies the guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. GASB 100 requires the retrospective approach to adopt this guidance which requires a restatement for all prior periods presented. There was no effect on operating income or net position as a result of the adoption of GASB 100.

Effective July 1, 2022, TEDCO adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), which modifies the guidance for subscription-based information technology arrangements (SBITA's) accounting. Under this statement, a government generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is measured at an amount equal to the subscription liability, plus any payments made at or before the commencement of the subscription term (Note 9).

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Transfer to the State of Maryland

The State of Maryland law requires TEDCO to transfer the distributions received from its venture capital investments in early-stage technology to the State of Maryland. Distributions received from venture capital investments totaled \$3,368,857 and \$4,792,802 for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, distributions received from venture capital investments but not yet transferred to the State of Maryland totaled \$3,368,857 and \$4,792,803, respectively.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents consisted of the following as of June 30,:

	2024	2023
Deposits with Financial Institutions	\$ 75,174,309	\$ 57,113,896
Restricted Cash	-	1,188,503
Money Market Funds	5,740,463	4,851,567
Total	\$ 80,914,772	\$ 63,153,966

Investments consisted of the following as of June 30,:

	2024	Percent	2023	Percent
U.S. Government Securities	\$ 1,452,452	2%	\$ 2,011,720	3%
Equity Securities	67,255,028	98%	69,681,983	97%
Total	\$ 68,707,480	100%	\$ 71,693,703	100%

Market Risk

TEDCO holds equity securities of companies in connection with its Maryland Technology Incubator Program and MVF described in Note 1. These investments are a part of the service TEDCO provides to these companies to promote entrepreneurship and the creation of jobs.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, TEDCO's deposits in financial institutions may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent, but not in TEDCO's name.

As of June 30, 2024, TEDCO's bank balances were \$75,191,987. Of the bank balances, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$74,941,987 was covered by collateral held in the pledging bank's trust department in TEDCO's name.

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2. CASH AND CASH EQUIVALENTS AND INVESTMENTS – continued

Custodial Credit Risk – continued

As of June 30, 2023, TEDCO’s bank balances were \$58,302,399. Of the bank balances, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$58,052,399 was covered by collateral held in the pledging bank’s trust department in TEDCO’s name.

TEDCO is required by Section 17-101(d) of the Local Government Article of the Annotated Code of Maryland to collateralize deposits in banks in excess of federal deposit insurance. Satisfactory collateral is enumerated at Section 6-202 of the State Finance and Procurement Article of the Code. As of June 30, 2024 and 2023, bank deposits were properly collateralized.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of TEDCO’s investment in a single issuer. Investments guaranteed by the U.S. government are excluded from this determination.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates.

As of June 30, 2024, securities with stated maturities mature according to the following segmented time distribution:

Investment Type	Fair Value	Less than 1	1-5	6-10
U.S. Government Securities	\$ 1,452,452	\$ 222,398	\$ 1,230,054	\$ -
Total	\$ 1,452,452	\$ 222,398	\$ 1,230,054	\$ -

As of June 30, 2023, securities with stated maturities mature according to the following segmented time distribution:

Investment Type	Fair Value	Less than 1	1-5	6-10
U.S. Government Securities	\$ 2,011,720	\$ 222,855	\$ 1,788,865	\$ -
Total	\$ 2,011,720	\$ 222,855	\$ 1,788,865	\$ -

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates could adversely affect the fair value of the investment. TEDCO does not invest in foreign currency denominated investments and is not exposed to foreign currency risk.

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2. CASH AND CASH EQUIVALENTS AND INVESTMENTS – continued

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to TEDCO.

Certificates of deposit are held at various financial institutions covered within the FDIC insurance limits at those financial institutions.

As of June 30, 2024, TEDCO's agency securities are rated as AAA under Moody's and AA+ under S&P. All other investments held are unrated.

3. FAIR VALUE MEASUREMENTS

TEDCO categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles, as follows:

- Level 1: Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets as of the reporting date;
- Level 2: Valuations based on pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies;
- Level 3: Valuations based on pricing inputs that are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgement or estimation.

As a practical expedient, investments in privately held venture capital partnerships ordinarily are valued at fair value based on TEDCO's proportionate share of the funds' net asset value, which represents a market approach. TEDCO's valuation procedures require TEDCO to consider all relevant information at the time TEDCO values its investments. TEDCO has assessed factors including, but not limited to, price transparency and valuation procedures in place, and the level of illiquid investments held. TEDCO will consider such information and consider whether it is appropriate, in light of all relevant circumstances, to value such a position at its net asset value as reported or whether to adjust such value.

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3. FAIR VALUE MEASUREMENTS – continued

The following table sets forth by level, within the fair value hierarchy, TEDCO’s investments at fair value as of June 30, 2024:

	Level 1	Level 2	Level 3	Investments Measured at Net Asset Value ⁽¹⁾	Total
Investments by fair value level					
U.S. government securities	\$ 1,452,452	\$ -	\$ -	\$ -	\$ 1,452,452
Equity investments in privately-held companies	-	-	45,111,255	-	45,111,255
Equity investments in venture capital partnerships	-	-	-	22,143,773	22,143,773
Total investments by fair value level	\$ 1,452,452	\$ -	\$ 45,111,255	\$ 22,143,773	\$ 68,707,480

The following table sets forth by level, within the fair value hierarchy, TEDCO’s investments at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Investments Measured at Net Asset Value ⁽¹⁾	Total
Investments by fair value level					
U.S. government securities	\$ 2,011,720	\$ -	\$ -	\$ -	\$ 2,011,720
Equity investments in privately-held companies	-	-	43,661,742	-	43,661,742
Equity investments in venture capital partnerships	-	-	-	26,020,241	26,020,241
Total investments by fair value level	\$ 2,011,720	\$ -	\$ 43,661,742	\$ 26,020,241	\$ 71,693,703

- (1) These investments are presented for reconciliation purposes and are not required to be categorized in the fair value hierarchy since they are measured at net asset value, without adjustment, as permitted by the practical expedient.

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3. FAIR VALUE MEASUREMENTS – continued

Investments of TEDCO are included in the consolidated statements of net position at fair value as determined by management. U.S. government and agency securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets for those securities. Fair values of investments in privately-held companies, classified in Level 3 of the fair value hierarchy, are determined by management after consideration of, among other factors, the financial condition, operating results, significant recent events, and other security offerings of the investees. Fair values of investments in venture capital partnerships are determined using the net asset value practical expedient.

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of TEDCO’s Level 3 assets for the years ended June 30,:

	<u>2024</u>	<u>2023</u>
Balance, Beginning of Year	\$ 43,661,742	\$ 31,929,677
Transfer/Conversion	900,000	2,000,000
Realized Gains	140,724	2,067,794
Unrealized Gains (Losses) Relating to Instruments		
Held at the Reporting Date	(6,469,086)	(284,058)
Purchases, Sales, Issuances, and Settlements, Net	<u>6,877,875</u>	<u>7,948,329</u>
Balance, End of Year	<u>\$ 45,111,255</u>	<u>\$ 43,661,742</u>

4. NOTES RECEIVABLE

In August 2015, TEDCO obtained a note receivable due from Neos Technologies, LLC. This is a noninterest-bearing note with an original balance of \$50,234 and calls for monthly principal payments of \$500 through January 2024. The note was paid off during the year ended June 30, 2024.

In January 2023, TEDCO obtained a note receivable due from Radiopharmaceutical Imaging and Dosimetry, LLC (Rapid Dosimetry). The note required an initial installment payment of \$15,715 and then requires quarterly payments based on the lesser of 10% of Rapid Dosimetry’s quarterly revenue or the principal balance of the note as of the end of the quarter. The full principal amount is due on January 21, 2025, the note carries no interest until the maturity date at which 10% interest per annum will be added to the unpaid principal balance as of the maturity date. As of June 30, 2024 and 2023, the principal balance was \$139,352 and \$192,760, respectively.

During the year ended June 30, 2012, TEDCO began obtaining convertible promissory notes in exchange for TEDCO’s agreement to invest in various companies. The convertible promissory notes accrue interest at rates ranging from 3% to 8% and have maturity dates ranging from 18 months to 5 years after the date of the note. Upon the occurrence of any deemed conversion event, TEDCO has the sole discretion to accelerate amounts due under the note or to exchange the entire outstanding principal amount, together with accrued interest, for an equity investment in the company. As of June 30, 2024 and 2023, the total balance outstanding on these convertible promissory notes was \$48,004,898 and \$37,897,632, which included accrued interest of \$5,651,468 and \$3,625,707, respectively.

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4. NOTES RECEIVABLE – continued

During the year ended June 30, 2016, as part of the MVF program, TEDCO began obtaining convertible promissory notes in exchange for TEDCO’s agreement to invest in various early-stage technology and life science companies. The convertible promissory notes accrue interest at 8% and have maturity dates ranging from 18 months to 5 years after the date of the note. Upon the occurrence of certain events, TEDCO has the right either to accelerate amounts due under the notes or to exchange the entire outstanding principal amount, together with accrued interest, for an equity investment in the company. As of June 30, 2024 and 2023, the total balance outstanding on these convertible promissory notes was \$8,445,866 and \$5,528,909, which included accrued interest of \$939,921 and \$542,964, respectively.

Notes receivable are summarized as follows as of June 30,:

	2024	2023
Convertible Promissory Notes Principal Advanced	\$ 49,859,375	\$ 39,257,870
Convertible Promissory Notes Interest Accrued	6,591,389	4,168,671
Allowance for Uncollectible Balances	(17,788,558)	(14,945,088)
Total Convertible Promissory Notes	38,662,206	28,481,453
Other Notes Receivable	139,352	195,994
Total Notes Receivable	\$ 38,801,558	\$ 28,677,447
Notes Receivable - Current	\$ 2,676,293	\$ 1,589,742
Notes Receivable - Noncurrent	36,125,265	27,087,705
Total	\$ 38,801,558	\$ 28,677,447

The increase in allowance for uncollectible balances on notes receivable of \$2,843,470 incurred during the year ended June 30, 2024 can be strictly attributable to TEDCO notes. The increase in allowance for uncollectible balances on notes receivable of \$868,480 incurred during the year ended June 30, 2023 can be strictly attributable to TEDCO notes.

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5. RIGHT-OF-USE ASSETS

Right-of-use assets activity for the years ended June 30, 2024 and 2023 is summarized as follows:

	Balance, July 1, 2023	Additions	Retirements	Balance, June 30, 2024
Right-of-use assets	\$ -	\$ 2,795,212	\$ -	\$ 2,795,212
Less: accumulated amortization	-	(30,671)	-	(30,671)
Net right-of-use assets	<u>\$ -</u>	<u>\$ 2,764,541</u>	<u>\$ -</u>	<u>\$ 2,764,541</u>

	Balance, July 1, 2022	Additions	Retirements	Balance, June 30, 2023
Right-of-use assets	\$ 1,554,234	\$ -	\$ (1,554,234)	\$ -
Less: accumulated amortization	(548,553)	(137,138)	685,691	-
Net right-of-use assets	<u>\$ 1,005,681</u>	<u>\$ (137,138)</u>	<u>\$ (868,543)</u>	<u>\$ -</u>

Amortization expense for the years ended June 30, 2024 and 2023 was \$30,671 and \$137,138, respectively. This amount is included in general administration under operating expenses on the consolidated statements of revenues, expenses, and changes in net position.

6. SUBSCRIPTION ASSETS

The following table presents the total subscription assets and accumulated amortization as of June 30, 2024 and 2023, respectively:

	Balance, July 1, 2023	Additions	Retirements	Balance, June 30, 2024
Subscription assets	\$ 999,616	\$ -	\$ (91,422)	\$ 908,194
Less: Accumulated amortization	(432,208)	(270,663)	91,422	(611,449)
Net Subscription Assets	<u>\$ 567,408</u>	<u>\$ (270,663)</u>	<u>\$ -</u>	<u>\$ 296,745</u>

	Balance, July 1, 2022	Additions	Retirements	Balance, June 30, 2023
Subscription assets	\$ 578,199	\$ 421,417	\$ -	\$ 999,616
Less: Accumulated amortization	(179,380)	(252,828)	-	(432,208)
Net Subscription Assets	<u>\$ 398,819</u>	<u>\$ 168,589</u>	<u>\$ -</u>	<u>\$ 567,408</u>

Amortization expense for the years ended June 30, 2024 and 2023 was \$270,663 and \$252,828, respectively. This amount is included in general administration under operating expenses on the consolidated statements of revenues, expenses, and changes in net position.

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7. CAPITAL ASSETS

Changes in the components of capital assets are summarized as follows for the years ended June 30, 2024 and 2023:

	Balance, July 1, 2023	Additions	Deletions	Balance, June 30, 2024
Computer equipment	\$ 94,930	\$ 14,540	\$ -	\$ 109,470
	<u>94,930</u>	<u>14,540</u>	<u>-</u>	<u>109,470</u>
Accumulated depreciation and amortization:				
Computer equipment	46,330	24,734	-	71,064
	<u>46,330</u>	<u>24,734</u>	<u>-</u>	<u>71,064</u>
Capital assets, net	<u>\$ 48,600</u>	<u>\$ (10,194)</u>	<u>\$ -</u>	<u>\$ 38,406</u>

	Balance, July 1, 2022	Additions	Deletions	Balance, June 30, 2023
Computer equipment	\$ 83,574	\$ 43,845	\$ (32,489)	\$ 94,930
Office furniture	210,142	-	(210,142)	-
Leasehold improvements	7,697	-	(7,697)	-
	<u>301,413</u>	<u>43,845</u>	<u>(250,328)</u>	<u>94,930</u>
Accumulated depreciation and amortization:				
Computer equipment	62,139	16,680	(32,489)	46,330
Office furniture	210,142	-	(210,142)	-
Leasehold improvements	4,873	577	(5,450)	-
	<u>277,154</u>	<u>17,257</u>	<u>(248,081)</u>	<u>46,330</u>
Capital assets, net	<u>\$ 24,259</u>	<u>\$ 26,588</u>	<u>\$ (2,247)</u>	<u>\$ 48,600</u>

Depreciation and amortization expense for the years ended June 30, 2024 and 2023 was \$24,734 and \$17,257, respectively. This amount is included in general administration under operating expenses on the consolidated statements of revenues, expenses, and changes in net position.

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8. PROFIT SHARING PLAN

TEDCO maintains a defined contribution, tax deferred “profit sharing” plan that covers all eligible contract employees. All contract employees who have completed six consecutive months of service with TEDCO and have attained age 21 are eligible for the plan. Participants are 100% vested at all times. Each plan year, TEDCO may, in its sole discretion, make a contribution to be allocated to the accounts of eligible participants. For the years ended June 30, 2024 and 2023, TEDCO made an 8% contribution of each employee’s base compensation. Contract employees do not contribute to the Plan.

Contribution expense for TEDCO was \$284,110 and \$287,154 for the years ended June 30, 2024 and 2023, respectively, which is allocated among programs and general administration expenses in the consolidated statements of revenues, expenses, and changes in net position.

9. COMMITMENTS AND CONTINGENCIES

Office Space Lease

TEDCO had a 10-year lease agreement for an office space, which was set to expire on February 28, 2026. The lease initially required monthly rental payments of approximately \$316,000 (base rent), increasing to approximately \$395,000 by the year 2025, plus a pro-rata share of common area maintenance and real estate tax charges, as defined in the lease agreement.

During the year ended June 30, 2023, TEDCO elected to terminate their lease from their old office and move into a new office space temporarily. Therefore, the right-of-use assets and lease liability were removed from the books during the year ended June 30, 2023. The lease termination resulted in a gain on termination of lease of \$180,758 which is included in other revenues on the consolidated statement of changes in net position for the year ended June 30, 2023. As the temporary office lease was under twelve months, it was not required to be included on the consolidated statements of net position and the costs were expensed as incurred.

During the year ended June 30, 2024, TEDCO entered into a new 11-year lease agreement for an office space, which is set to expire April 30, 2035. The lease initially required monthly rental payments of approximately \$34,000 (base rent), increasing to approximately \$44,000 by the year 2035. The lease agreement contains a rent abatement period in which TEDCO is not responsible for paying the rent for the first fourteen months of the lease from their commencement date, which was May 1, 2024. As a result of the new lease agreement, TEDCO recognized an initial lease liability \$2,795,212, which represents the present value of remaining lease payments, and a right-of-use asset of \$2,795,212 as of May 1, 2024, the date they entered into the lease agreement. The lease liability is measured at the present value of payments expected to be made during the lease term, including variable payments that depend on an index or a rate (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs and is amortized over the lease term. The lease liability is measured by using TEDCO’s estimated incremental borrowing rate of 8.50%, in determining the present value of the lease payments. The amortization of the discount on the lease liability is reported as interest expense each period. TEDCO also considered any lease terms that included options to extend or terminate the lease, residual value guarantees, restrictive covenants and lease incentives when valuing the right-of-use assets.

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9. COMMITMENTS AND CONTINGENCIES – continued

Office Space Lease – continued

Lease payments due totaled \$0 and \$389,966 for the years ended June 30, 2024 and 2023, respectively.

Interest expense on the lease liability totaled \$39,739 and \$68,498 for the years ended June 30, 2024 and 2023, respectively, and is recorded in interest expense on the accompanying consolidated statements revenues, expenses and changes in net position. There was no accrued interest as of June 30, 2024 and 2023.

The weighted average remaining lease term of the lease is 10.8 years as of June 30, 2024. The weighted average discount rate of the lease is 8.50% as of June 30, 2024.

Subscription Based Arrangements

TEDCO has several subscription based information technology agreements with various vendors as follows:

Agreement	Description	Begin Date	End Date	Initial Subscription Asset
Cinergy	Licenses for Gatekeeper NetSuite Module	09/15/2021	09/14/2026	\$ 71,152
Global Data	Subscription for Medical and Pharma Intelligence	07/01/2021	06/30/2024	209,393
Jungle Laser	Software License	10/01/2021	09/30/2024	18,428
Oracle	Licenses for NetSuite Software and Cloud Services	10/20/2022	10/19/2027	223,054
Payscale	Subscription to Insight Lab Core	07/01/2021	06/30/2024	19,324
Pitchbook	Pitchbook Platform	07/01/2021	09/30/2024	168,480
Salesforce	Sales Cloud, Lightning Platform Starter	07/01/2021	01/31/2024	91,422
Streamlink	AmpliFund Software Subscription	12/01/2022	11/30/2025	88,392
Workday	Adaptive Planning Base	09/30/2022	09/29/2026	109,971

During the year ended June 30, 2023, TEDCO implemented GASB Statement No. 96, which requires all subscription based information technology arrangements to be presented on the statement of net position as an amortizable subscription asset and a liability to make payments. The subscription assets represent TEDCO's right to use underlying assets for the subscription term and subscription liabilities represent TEDCO's obligation to make subscription payments per the subscription agreement. The subscription liabilities are measured at the present value of payments expected to be made during the subscription terms, including variable payments that depend on an index or a rate. The subscription assets are measured at the amount of the initial measurement of the subscription liabilities, plus any payments made to the vendor at or before the commencement of the subscription term. The subscription liabilities are measured by using TEDCO's estimated incremental borrowing rate of 8.50%, in determining the present value of the subscription payments. The amortization of the discount on the subscription liability is reported as interest expense each period.

Subscription payments totaled \$292,703 and \$268,069 for the years ended June 30, 2024 and 2023, respectively. One contract ended during the year ended June 30, 2024, which resulted in a retirement of \$91,422.

Interest expense on the subscription liabilities totaled \$22,429 and \$24,274 for the years ended June 30, 2024 and 2023, respectively, and is recorded in operating expenses on the accompanying consolidated statements of revenues, expenses and changes in net position.

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9. COMMITMENTS AND CONTINGENCIES – continued

Subscription Based Arrangements – continued

The weighted average remaining subscription term was 2.6 and 2.8 years as of June 30, 2024 and 2023, respectively. The weighted average discount rate of the subscriptions was 8.50% as of June 30, 2024 and 2023.

The following table presents future minimum subscription payments as of June 30, 2024:

Year Ending June 30,	Total	Principal	Interest
2025	\$ 139,068	\$ 127,496	\$ 11,572
2026	106,528	100,504	6,024
2027	58,024	56,033	1,991
2028	12,574	12,470	104
Total	\$ 316,195	\$ 296,503	\$ 19,691

10. INCOME TAXES

TEDCO was created by the Maryland General Assembly and is exempt from state and federal income taxes. Accordingly, no tax provision has been included in the accompanying consolidated financial statements.

11. RELATED PARTIES

On November 9, 2017, TEDCO formed a Limited Liability Company, Maryland Innovation Opportunity Fund I, LLC (MIOF), with the Maryland State Retirement and Pension System (MSRPS). As stipulated by the operating agreement, TEDCO will manage the operations of MIOF. The purpose of MIOF is to make investments in private equity and venture capital in the State of Maryland. All capital for investment will be contributed by MSRPS. TEDCO will not receive any cost reimbursement or management fee for its management role, rather it will receive a carried interest in the fund as stipulated in the operating agreement. Additionally, TEDCO has guaranteed the investments held by MIOF up to the lesser of the capital invested by MSRPS or \$25,000,000 for potential losses in portfolio losses on investments held by MIOF. For the years ending June 30, 2024 and 2023, no losses have been incurred.

12. RISK MANAGEMENT

TEDCO, as a public instrumentality of the State of Maryland, benefits from sovereign immunity. As such, it is liable for, and exposed to risk of loss from, causes of action arising in tort (including, inter alia, causes of action alleging errors and omissions) only to the limited extent provided in the Maryland Tort Claims Act (Title 12, State Government Article, Annotated Code of Maryland).

TEDCO is exposed to various risks of loss related to theft of, damage to, and destruction of assets, including, inter alia, those caused by natural disasters. During the years ended June 30, 2024 and 2023, TEDCO carried insurance through various commercial carriers to cover such risks of loss. TEDCO has had no settled claims resulting from these risks that exceeded its commercial insurance coverage in any of the prior three fiscal years.

SUPPLEMENTARY INFORMATION

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND

Consolidating Schedule of Net Position
As of June 30, 2024

	Maryland Technology Development Corporation	Maryland Venture Fund	Eliminations	Consolidated Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 62,115,218	\$ 18,799,554	\$ -	\$ 80,914,772
Investments	1,452,452	-	-	1,452,452
Accounts receivable	191,506	26,300	-	217,806
Loan receivable	25,000	-	-	25,000
Current portion of notes receivable, net of allowance of \$1,226,945	1,736,372	939,921	-	2,676,293
Prepaid expenses and other current assets	203,190	18,550	-	221,740
Due from Maryland Venture Fund	1,037,270	-	(1,037,270)	-
Total Current Assets	66,761,008	19,784,325	(1,037,270)	85,508,063
Non-current Assets:				
Restricted cash	-	-	-	-
Investments	22,545,276	44,709,752	-	67,255,028
Loan receivable – noncurrent	775,000	-	-	775,000
Notes receivable – noncurrent, net of allowance of \$16,561,613	28,905,265	7,220,000	-	36,125,265
Deposits	26,340	-	-	26,340
Subscription assets, net of accumulated amortization of \$611,449	296,745	-	-	296,745
Right-of-use assets, net of accumulated amortization of \$30,671	2,764,541	-	-	2,764,541
Capital assets, net of accumulated depreciation and amortization of \$71,603	38,406	-	-	38,406
Total Noncurrent Assets	55,351,573	51,929,752	-	107,281,325
Total Assets	\$ 122,112,581	\$ 71,714,077	\$ (1,037,270)	\$ 192,789,388
Liabilities and Net Position				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 4,130,125	\$ -	\$ -	\$ 4,130,125
Accrued interest	523	-	-	523
Stem cell grants payable	25,838,836	-	-	25,838,836
Other grants payable	2,254,523	-	-	2,254,523
Due to State of Maryland	-	3,368,857	-	3,368,857
Due to TEDCO	-	1,037,270	(1,037,270)	-
Subscription liabilities, current portion	127,496	-	-	127,496
Unearned grant revenue	21,055,844	-	-	21,055,844
Total Current Liabilities	53,407,347	4,406,127	(1,037,270)	56,776,204
Non-current Liabilities:				
Subscription liabilities, net of current portion	169,007	-	-	169,007
Lease liability	2,834,951	-	-	2,834,951
Total Non-current Liabilities	3,003,958	-	-	3,003,958
Total Liabilities	56,411,305	4,406,127	(1,037,270)	59,780,162
Net Position:				
Net investment in capital assets	-	-	-	-
Unrestricted	65,701,276	67,307,950	-	133,009,226
Total Net Position	65,701,276	67,307,950	-	133,009,226
Total Liabilities and Net Position	\$ 122,112,581	\$ 71,714,077	\$ (1,037,270)	\$ 192,789,388

See accompanying independent auditors' report.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND

Consolidating Schedule of Net Position
As of June 30, 2023

	Maryland Technology Development Corporation	Maryland Venture Fund	Eliminations	Consolidated Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 38,428,888	\$ 23,536,575	\$ -	\$ 61,965,463
Investments	2,011,720	-	-	2,011,720
Accounts receivable	256,930	20,498	-	277,428
Loan receivable	25,000	-	-	25,000
Current portion of notes receivable, net of allowance of \$2,578,929	1,046,778	542,964	-	1,589,742
Prepaid expenses and other current assets	71,734	17,500	-	89,234
Due from Maryland Venture Fund	373,544	-	(373,544)	-
Total Current Assets	42,214,594	24,117,537	(373,544)	65,958,587
Non-current Assets:				
Restricted cash	-	1,188,503	-	1,188,503
Investments	21,631,528	48,050,455	-	69,681,983
Loan receivable – non-current	800,000	-	-	800,000
Notes receivable – non-current, net of allowance of \$12,366,159	22,387,705	4,700,000	-	27,087,705
Deposits	26,340	-	-	26,340
Subscription assets, net of accumulated amortization of \$432,208	567,408	-	-	567,408
Capital assets, net of accumulated depreciation and amortization of \$46,330	48,600	-	-	48,600
Total Non-current Assets	45,461,581	53,938,958	-	99,400,539
Total Assets	\$ 87,676,175	\$ 78,056,495	\$ (373,544)	\$ 165,359,126
Liabilities and Net Position				
Current Liabilities:				
Accounts payable and accrued expenses	\$ 3,743,571	\$ 12,908	\$ -	\$ 3,756,479
Accrued interest	1,503	-	-	1,503
Stem cell grants payable	19,992,817	-	-	19,992,817
Other grants payable	2,060,495	-	-	2,060,495
Due to State of Maryland	-	4,792,803	-	4,792,803
Due to TEDCO	-	373,544	(373,544)	-
Subscription liabilities, current portion	292,703.00	-	-	292,703
Unearned grant revenue	4,107,835	-	-	4,107,835
Total Current Liabilities	30,198,924	5,179,255	(373,544)	35,004,635
Non-current Liabilities:				
Subscription liabilities, net of current portion	296,503	-	-	296,503
Total Liabilities	30,495,427	5,179,255	(373,544)	35,301,138
Net Position:				
Net investment in capital assets	25,299	-	-	25,299
Unrestricted	57,155,449	72,877,240	-	130,032,689
Total Net Position	57,180,748	72,877,240	-	130,057,988
Total Liabilities and Net Position	\$ 87,676,175	\$ 78,056,495	\$ (373,544)	\$ 165,359,126

See accompanying independent auditors' report.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND

**Consolidating Schedule of Revenues, Expenses, and
Changes in Net Position
For the Year Ended June 30, 2024**

	Maryland Technology Development Corporation	Maryland Venture Fund	Eliminations	Consolidated Eliminations Total
Operating Revenues:				
State of Maryland grants:				
Maryland Stem Cell Research	\$ 20,128,998	\$ -	\$ -	\$ 20,128,998
State Small Business Credit Initiative	4,858,279	-	-	4,858,279
Maryland Innovation Initiative	5,859,223	-	-	5,859,223
TEDCO operations	13,496,859	-	-	13,496,859
Total State of Maryland grants	44,343,359	-	-	44,343,359
Federal grants	244,839	-	-	244,839
Sponsorships	850	-	-	850
Royalties	70,453	-	-	70,453
Other revenues	2,274,214	5,800	-	2,280,014
Total Operating Revenues	46,933,715	5,800	-	46,939,515
Operating Expenses				
Stem Cell Program	20,146,480	-	-	20,146,480
Tech Transfer	7,252,808	-	-	7,252,808
Business Incubation	5,690,303	-	-	5,690,303
Maryland Venture Fund	-	1,507,822	-	1,507,822
General Administration	6,198,360	-	-	6,198,360
Total Operating Expenses	39,287,951	1,507,822	-	40,795,773
Operating Income (Loss)	7,645,764	(1,502,022)	-	6,143,742
Non-operating Revenues				
Investment Earnings (Losses)	874,764	(698,411)	-	176,353
Transfer to State of Maryland	-	(3,368,857)	-	(3,368,857)
Change in Net Position	8,520,528	(5,569,290)	-	2,951,238
Net Position, beginning of year	57,180,748	72,877,240	-	130,057,988
Net Position, end of year	\$ 65,701,276	\$ 67,307,950	\$ -	\$ 133,009,226

See accompanying independent auditors' report.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND

**Consolidating Schedule of Revenues, Expenses, and
Changes in Net Position
For the Year Ended June 30, 2023**

	Maryland Technology Development Corporation	Maryland Venture Fund	Eliminations	Consolidated Eliminations Total
Operating Revenues:				
State of Maryland grants:				
Maryland Stem Cell Research	\$ 19,193,541	\$ -	\$ -	\$ 19,193,541
State Small Business Credit Initiative	11,081,043	-	-	11,081,043
Maryland Innovation Initiative	6,670,498	-	-	6,670,498
TEDCO operations	15,128,125	-	-	15,128,125
Total State of Maryland grants	52,073,207	-	-	52,073,207
Federal grants	206,109	-	-	206,109
Sponsorships	2,295	-	-	2,295
Royalties	345,137	-	-	345,137
Other revenues	2,283,116	-	-	2,283,116
Total Operating Revenues	54,909,864	-	-	54,909,864
Operating Expenses				
Stem Cell Program	19,185,466	-	-	19,185,466
Tech Transfer	6,542,989	-	-	6,542,989
Business Incubation	3,384,173	-	-	3,384,173
Maryland Venture Fund	-	2,232,082	-	2,232,082
General Administration	4,656,806	-	-	4,656,806
Total Operating Expenses	33,769,434	2,232,082	-	36,001,516
Operating Income (Loss)	21,140,430	(2,232,082)	-	18,908,348
Non-operating Revenues				
Investment Earnings (Losses)	6,299,346	(8,644,174)	-	(2,344,828)
Transfer to State of Maryland	-	(4,792,802)	-	(4,792,802)
Change in Net Position	27,439,776	(15,669,058)	-	11,770,718
Net Position, beginning of year	29,740,972	88,546,298	-	118,287,270
Net Position, end of year	\$ 57,180,748	\$ 72,877,240	\$ -	\$ 130,057,988

See accompanying independent auditors' report.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND

Schedule of Governmental Activities
For the Year Ended June 30, 2024

Functions	Program Revenues			Net Revenues (Expenses) and Change in Net Position
	Expenses	Operating Grants	Sponsorships and Royalties	
Stem Cell Program	\$ 20,146,480	\$ 20,128,998	\$ -	\$ (17,482)
Tech Transfer	7,252,808	6,094,099	70,453	(1,088,256)
Business Incubation	5,690,303	13,730,489	-	8,040,186
Maryland Venture Fund	1,507,822	-	-	(1,507,822)
General Administration	6,198,360	4,634,612	850	(1,562,898)
Total	\$ 40,795,773	\$ 44,588,198	\$ 71,303	\$ 3,863,728
General Revenues				
				2,280,014
				176,353
				<u>2,456,367</u>
				(3,368,857)
				2,951,238
				<u>130,057,988</u>
				<u>\$ 133,009,226</u>

See accompanying independent auditors' report.

MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
A COMPONENT UNIT OF THE STATE OF MARYLAND

Schedule of Governmental Activities
For the Year Ended June 30, 2023

Functions	Program Revenues			Net Revenues (Expenses) and Change in Net Position
Functions	Expenses	Operating Grants	Sponsorships and Royalties	Position
Stem Cell Program	\$ 19,185,466	\$ 19,193,541	\$ -	\$ 8,075
Tech Transfer	6,542,989	6,820,151	345,137	622,299
Business Incubation	3,384,173	23,845,236	-	20,461,063
Maryland Venture Fund	2,232,082	-	-	(2,232,082)
General Administration	4,656,806	2,420,388	2,295	(2,234,123)
Total	\$ 36,001,516	\$ 52,279,316	\$ 347,432	\$ 16,625,232
General Revenues				
				2,283,116
				(2,344,828)
				(61,712)
				(4,792,802)
				11,770,718
				118,287,270
				\$ 130,057,988

See accompanying independent auditors' report.