



November 19, 2019

Attn: Barbara Brown

For Reporting Purposes To:

Senator John Cooper,  
Chair Senate Committee on Agriculture, Forestry and Economic Development

Representative Dan Douglas,  
Chair House Committee on Agriculture, Forestry and Economic Development

Room 315, State Capitol  
Little Rock AR 72201

Dear Senator Cooper and Representative Douglas:

Attached for disbursement as required by A.C.A. §15-5-1608, is the annual report of the Arkansas Venture Capital Investment Trust ("AVCIT"). This report is to document and review the progress of the trustees of the AVCIT and the review committee in implementing the investment and financial assistance activities as set forth by A.C.A. §15-5-1601 *et seq.*

The AVCIT was created pursuant to the provisions of A.C.A. §28-72-2. The purpose of the AVCIT is to provide financial investment and assistance to aid early stage technology-based enterprises in Arkansas to create jobs paying in excess of county and state average wages. ADFA administers the programs of the AVCIT which operated five programs that are intended to stimulate venture capital investments in Arkansas. Those programs are the Arkansas Institutional Fund, the Arkansas Risk Capital Matching Fund, the ADFA Co-Investment Fund, Seed and Angel Capital Network and the Arkansas Venture Development Fund.

Please feel free to contact me directly at 682-5906 if you have any questions or would like to learn more about any of these investment programs or ADFA.

Sincerely,

A handwritten signature in cursive script that reads "Chuck Cathey".

Chuck Cathey  
Development Finance Officer

**Arkansas Venture Capital Investment Trust**  
**A Component Unit of the Arkansas Development Finance Authority**  
**Statement of Net Position - UNAUDITED**  
**June 30, 2019**

**Assets**

Cash and cash equivalents	3,092,154
Accrued interest receivable:	
Investment	4,347
Investments	30,243,838
Loans	<u>631,968</u>
<b>Total Assets</b>	<b><u>33,972,307</u></b>

**Liabilities**

Note Payable	21,799,262
Interest Payable	97,357
Accounts payable	5,932
Deferred Gain	<u>95,017</u>
<b>Total Liabilities</b>	<b><u>21,997,568</u></b>

**Net Position**

Restricted by program requirements	11,782,836
Restricted nonexpendable, minority interest	<u>191,903</u>
<b>Total Net Position</b>	<b><u>11,974,739</u></b>

**Arkansas Venture Capital Investment Trust**  
**A Component Unit of the Arkansas Development Finance Authority**  
**Statement of Revenues, Expenses, and Change in Net Position - UNAUDITED**  
**June 30, 2019**

**Operating Revenues**

Investment income, Interest and Dividends	(1,156,294)
Loan Interest	<u>31,468</u>

Total operating revenues (1,124,826)

**Operating Expenses**

Interest Expense	775,552
Professional Fees	45,589
Program administration	<u>456,449</u>

Total operating expenses 1,277,590

**Operating Income** (2,402,416)

Transfers In 140,405

**Change in Net Position** (2,262,011)

**Net Position**

Beginning of year	14,426,517
Distributions to member	<u>(189,767)</u>

End of year 11,974,739