



November 20, 2020

Senator Cecile Bledsoe, Co-Chair
Representative Jeff Wardlaw, Co-Chair
Arkansas Legislative Council
Room 315, State Capitol Little Rock AR 72201

Dear Senator Bledsoe and Representative Wardlaw:

As required by ACA §15-5-1110(a), I am providing information that describes the financial condition, the results, and economic impact of the Arkansas Development Finance Authority's (ADFA) Capital Access Program (CAP).

The purpose of CAP is to make funds available to borrowers who might otherwise have difficulty in obtaining conventional bank loans. The program accomplishes this purpose by partnering with each lender to help build a loan loss reserve account each time the lender enrolls a loan into the program. The loan loss reserve account is available on a pooled basis to be applied to any of that lender's CAP enrolled loans, should the need arise. The funds are maintained on deposit with the lender in ADFA's name. Additionally, the loan pool deposited with the lender will increase as the lender increases the number of loans enrolled.

The ADFA, as administrator, is not a party to loan transactions and plays no role in underwriting, approving, or servicing the loans. The program currently leverages private capital on a thirty-to-one basis (30:1), for each one public dollar provided, the lenders loan thirty dollars. We believe this to be a fantastic way to leverage public dollars. The average lender loan amount is \$41,000 with an average enrolled loan amount of \$32,000 and that is why we believe this program is so beneficial to small businesses located in Arkansas.

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

Sincerely,

Charles Cathey

Charles Cathey
Bond Guaranty Manager and
Development Finance Officer

Arkansas Capital Access Program
Statement of Net Position - UNAUDITED
June 30, 2020

ASSETS

Cash and cash equivalents	461,297
Accrued interest receivable:	
Investment	<u>2</u>
Total Assets	<u>461,299</u>

LIABILITIES

Other payables	<u>-</u>
Total Liabilities	<u>-</u>

NET POSITION

Restricted by program requirements	<u>461,299</u>
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Arkansas Capital Access Program
Statement of Revenues, Expenses and Change in Net Position - UNAUDITED
For the Year Ended June 30, 2020

OPERATING REVENUES:

Interest income:	
Investment Interest Income	1,518
Reserve Fees	<u>118,084</u>
Total operating revenues:	119,602

OPERATING EXPENSES:

Program administration	<u>59,398</u>
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OPERATING INCOME	<u>60,204</u>
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CHANGE IN NET POSITION	60,204
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NET POSITION:

Beginning of year	<u>401,095</u>
End of year	<u>461,299</u>

Capital Access Loan Program

Cumulative Program Activity

November 20, 2020

RESERVE BALANCES

BANK NAME	LOAN BALANCES 03/31/2020	RESERVE BALANCE	CLAIMS BY LENDERS ON BORROWER DEFAULTS		
Southern Financial Partners [closed]	\$ -	\$ -	Southern Financial Partners	3 \$	19,674.27
Community State Bank/Bank of Bradley	\$ 600,459.36	\$ 127,378.43	Community State Bank	8 \$	436,066.18
Equity (fka Community First Bank)	\$ 132,539.94	\$ -	Equity Bank fka Comm 1s	8 \$	61,917.88
Southern Bancorp (Elk Horn Bank)	\$ 281,737.95	\$ 76,383.52	Southern Bancorp fka Elk	8 \$	209,161.86
Enterprise Corp of the Delta	\$ -	\$ 86,367.62	Enterprise Corporation o	1 \$	127,000.00
Regions [closed]	\$ -	\$ -	Regions [closed]	0 \$	-
1st Jacksonville Bank [closed]	\$ -	\$ -	First Jacksonville Bank	1 \$	4,564.07
Little River Bank of Lepanto (closed)	\$ -	\$ -	Little River Bank of Lepar	1 \$	47,658.33
Communities Unlimited/AltConsulting	\$ 343,276.19	\$ 11,831.15	Communities Unlimited/A	5 \$	19,813.86
Lift Fund/Accion	\$ -	\$ -	Lift Fund/Accion	3 \$	55,578.28
Fidelity National	\$ -	\$ -	Fidelity National	0 \$	-
Forge, Inc.	\$ 4,444,687.73	\$ 141,189.28	Forge, Inc.	23 \$	236,805.21
TOTALS	\$ 5,802,701.17	\$ 443,150.00	CLAIM TOTALS	61 \$	1,218,239.94

BANK PARTICIPATION

BANK NAME	TOTAL LOANS ENROLLED	TOTAL ENROLLED	PUBLIC FUNDS	PRIVATE FUNDS	TOTAL RESERVE DEPOSITS
Southern Financial Partners [closed]	7	\$ 175,039.73	\$ 11,026.80	\$ 7,351.20	\$ 18,378.00
Community State Bank/Bank of Bradley	242	\$ 10,610,431.60	\$ 266,768.37	\$ 250,665.86	\$ 517,434.23
Equity (fka Community First Bank)	39	\$ 902,212.54	\$ 40,599.82	\$ 27,100.88	\$ 67,700.70
Southern Bancorp (Elk Horn Bank)	127	\$ 3,611,461.26	\$ 136,823.33	\$ 113,834.96	\$ 250,658.29
Enterprise Corp of the Delta	28	\$ 3,337,235.00	\$ 109,947.86	\$ 94,227.86	\$ 204,175.72
Regions [closed]	1	\$ 15,500.00	\$ 697.50	\$ 465.00	\$ 1,162.50
1st Jacksonville Bank [closed]	6	\$ 84,705.21	\$ 5,190.00	\$ 3,460.00	\$ 8,650.00
Little River Bank of Lepanto (closed)	17	\$ 516,436.00	\$ 41,670.32	\$ 28,006.00	\$ 69,676.32
Communities Unlimited/AltConsulting	51	\$ 879,202.73	\$ 39,609.62	\$ 26,405.08	\$ 66,014.70
Lift Fund/Accion	10	\$ 228,239.62	\$ 20,541.53	\$ 13,694.35	\$ 34,235.88
Fidelity National	0	\$ -	\$ -	\$ -	\$ -
Forge, Inc.	333	\$ 6,098,293.00	\$ 190,925.82	\$ 176,173.82	\$ 367,099.64
TOTALS	861	\$ 26,458,756.69	\$ 863,800.97	\$ 741,385.01	\$ 1,605,185.98

Capital Access Loan Program
Cumulative Program Activity for Industry and County

November 20, 2020

BY INDUSTRY						
Industry Sector	# of Loans	% of Loans	Enrolled Loan Amounts	Public Funds	% of Total Funds	Average Loan Amount
11: Agriculture, Forestry, Fishing, Hunting	208	24.16%	\$8,914,582.88	\$230,195.05	26.65%	\$42,859
21: Stone Mining, Rock Quarry	1	0.12%	\$3,000.00	\$135.00	0.02%	\$3,000
23: Construction	68	7.90%	\$1,645,589.07	\$56,896.15	6.59%	\$24,200
31, 32, 33: Mfg - Food-Wood-Metal	65	7.55%	\$2,323,598.91	\$85,765.10	9.93%	\$35,748
42, 44-45: Wholesale / Retail Trade	144	16.72%	\$4,012,332.36	\$156,349.28	18.10%	\$27,863
48-49: Transportation / Warehousing	54	6.27%	\$1,402,849.88	\$51,902.62	6.01%	\$25,979
51: Information	2	0.23%	\$13,000.00	\$585.00	0.07%	\$6,500
52: Finance & Insurance	4	0.46%	\$58,500.00	\$2,055.00	0.24%	\$14,625
53-81: All Other Services (excp't Pblc Admin)	315	36.59%	\$8,085,303.59	\$279,917.77	32.41%	\$25,668
TOTALS	861	100.00%	\$26,458,756.69	\$863,800.97	100.00%	\$30,730.26
BY COUNTY						
Ashley	3	0.35%	\$59,500.00	\$1,785.00	0.21%	\$19,833.33
Baxter	1	0.12%	\$30,000.00	\$900.00	0.10%	\$30,000.00
Benton	29	3.37%	\$488,500.00	\$17,715.00	2.05%	\$16,844.83
Boone	39	4.53%	\$906,562.54	\$38,215.57	4.42%	\$23,245.19
Bradley	7	0.81%	\$677,168.00	\$23,328.00	2.70%	\$96,738.29
Carroll	13	1.51%	\$289,150.00	\$11,436.75	1.32%	\$22,242.31
Chicot	2	0.23%	\$30,000.00	\$1,050.00	0.12%	\$15,000.00
Clark	72	8.36%	\$1,705,693.26	\$58,312.83	6.75%	\$23,690.18
Clay	1	0.12%	\$200,000.00	\$9,000.00	1.04%	\$200,000.00
Columbia	3	0.35%	\$97,620.00	\$3,153.60	0.37%	\$3,153.60
Conway	5	0.58%	\$157,000.00	\$1,830.00	0.21%	\$31,400.00
Craighead	12	1.39%	\$240,500.00	\$8,242.50	0.95%	\$20,041.67
Crittenden	2	0.23%	\$55,000.00	\$2,475.00	0.29%	\$27,500.00
Crawford	4	0.46%	\$55,000.00	\$2,250.00	0.26%	\$13,750.00
Cross	5	0.58%	\$68,500.00	\$2,055.00	0.24%	\$13,700.00
Dallas	3	0.35%	\$73,500.00	\$2,985.00	0.35%	\$24,500.00
Desha	6	0.70%	\$486,000.00	\$12,915.00	1.50%	\$81,000.00
Drew	1	0.12%	\$333,400.00	\$10,002.00	1.16%	\$333,400.00
Faulkner	9	1.05%	\$212,000.00	\$6,585.00	0.76%	\$23,555.56
Franklin	1	0.12%	\$1,000.00	\$30.00	0.00%	\$1,000.00
Fulton	1	0.12%	\$50,000.00	\$1,500.00	0.17%	\$50,000.00
Garland	24	2.79%	\$649,300.00	\$23,137.50	2.68%	\$27,054.17
Grant	2	0.23%	\$75,000.00	\$2,250.00	0.26%	\$37,500.00
Greene	4	0.46%	\$74,200.00	\$2,739.00	0.32%	\$18,550.00
Hempstead	9	1.05%	\$579,348.00	\$18,605.00	2.15%	\$64,372.00
Hot Spring	6	0.70%	\$127,500.00	\$5,655.00	0.65%	\$21,250.00
Howard	2	0.23%	\$47,000.00	\$1,560.00	0.18%	\$23,500.00
Independence	1	0.12%	\$15,000.00	\$450.00	0.05%	\$15,000.00
Jackson	2	0.23%	\$35,000.00	\$1,050.00	0.12%	\$17,500.00
Jefferson	30	3.48%	\$1,155,202.73	\$45,259.62	5.24%	\$38,506.76
Lafayette	143	16.61%	\$4,972,400.72	\$128,156.14	14.84%	\$34,772.03
Lee	2	0.23%	\$45,000.00	\$1,575.00	0.18%	\$22,500.00
Lincoln	1	0.12%	\$48,000.00	\$2,160.00	0.25%	\$48,000.00
Little River	1	0.12%	\$13,400.00	\$402.00	0.05%	\$13,400.00
Lonoke	5	0.58%	\$461,000.00	\$19,620.00	2.27%	\$92,200.00
Madison	61	7.08%	\$831,800.00	\$27,373.50	3.17%	\$13,636.07
Marion	2	0.23%	\$35,000.00	\$1,200.00	0.14%	\$17,500.00
Miller	94	10.92%	\$5,273,390.79	\$127,998.47	14.82%	\$56,099.90
Mississippi	5	0.58%	\$108,945.50	\$5,610.00	0.65%	\$21,789.10
Monroe	10	1.16%	\$928,721.63	\$29,884.95	3.46%	\$92,872.16
Newton	5	0.58%	\$43,000.00	\$1,740.00	0.20%	\$8,600.00
Ouachita	3	0.35%	\$60,772.09	\$2,363.16	0.27%	\$20,257.36
Phillips	7	0.81%	\$177,929.00	\$9,700.32	1.12%	\$25,418.43
Pike	1	0.12%	\$11,500.00	\$345.00	0.04%	\$11,500.00
Poinsett	16	1.86%	\$517,490.50	\$39,360.32	4.56%	\$32,343.16
Polk	5	0.58%	\$135,000.00	\$5,250.00	0.61%	\$27,000.00
Pope	1	0.12%	\$20,000.00	\$900.00	0.10%	\$20,000.00
Prairie	1	0.12%	\$62,500.00	\$2,812.50	0.33%	\$62,500.00
Pulaski	87	10.10%	\$1,762,420.70	\$68,232.81	7.90%	\$20,257.71
Saline	10	1.16%	\$229,000.00	\$7,095.00	0.82%	\$22,900.00
Searcy	5	0.58%	\$45,000.00	\$1,500.00	0.17%	\$9,000.00
Sebastian	3	0.35%	\$58,000.00	\$1,785.00	0.21%	\$19,333.33
Sevier	1	0.12%	\$10,000.00	\$450.00	0.05%	\$10,000.00
St. Francis	9	1.05%	\$221,039.73	\$8,027.30	0.93%	\$24,559.97
Union	7	0.81%	\$169,000.00	\$7,320.00	0.85%	\$24,142.86
Van Buren	3	0.35%	\$56,560.00	\$3,965.40	0.46%	\$18,853.33
Yell	1	0.12%	\$10,000.00	\$450.00	0.05%	\$10,000.00
Washington	72	8.36%	\$1,143,000.00	\$38,880.00	4.50%	\$15,875.00
Woodruff	1	0.12%	\$35,241.50	\$3,171.73	0.37%	\$35,241.50
TOTALS	861	100.00%	\$26,458,756.69	\$863,800.97	100.00%	\$30,730.26

Capital Access Loan Program

Cumulative Program Activity for Loan Size and Age of Business

November 20, 2020

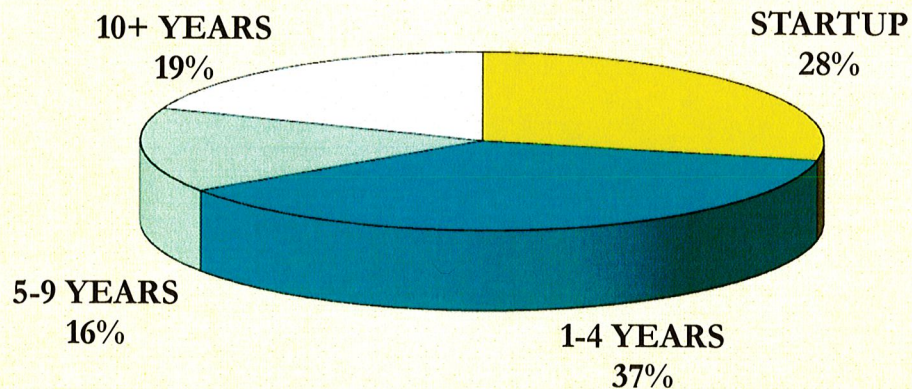
BY SIZE

Guaranteed Loan Size	# of Loans	% of Loans	Dollar Amount
0-\$24,999	521	60.51%	\$5,684,856.42
\$25,000-\$49,999	200	23.23%	\$6,747,967.34
\$50,000-\$74,999	71	8.25%	\$3,784,162.45
\$75,000-\$99,999	14	1.63%	\$1,179,783.08
\$100,000-\$124,999	13	1.51%	\$1,390,406.50
\$125,000 and up	42	4.88%	\$7,671,580.90
TOTALS	861	100.00%	\$26,458,756.69

Number of Jobs **2580**
Public Funds Leverage **30.50 to 1**

BY AGE

LOANS BY AGE OF BUSINESS



Capital Access Loan Program

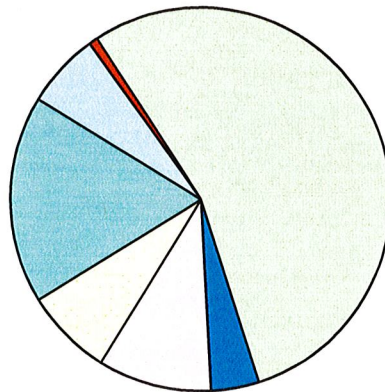
Minority Program Activity

November 20, 2020

INDUSTRY	# OF LOANS	AMOUNT OF LOANS	PUBLIC FUNDS
11 - Nonmanufacturing-Agriculture	11 \$	164,200.00 \$	7,277.00
23 - Construction	26 \$	362,102.73 \$	11,966.37
31, 32, 33 - Manufacturing- Food-Wood-Metal	20 \$	376,589.00 \$	11,875.19
42, 44, 45 - Nonmanufacturing-Wholesale/Retail Trade	47 \$	803,973.94 \$	27,851.58
48, 49 - Nonmanufacturing -Transportation /Public Utilities	17 \$	290,925.15 \$	11,588.21
51 - Information	2 \$	13,000.00 \$	585.00
53 to 81 - Other Nonmanufacturing -Services	146 \$	3,285,761.59 \$	113,464.30
Totals	269 \$	5,296,552.41 \$	184,607.65

Program Comparative Totals	# OF LOANS	AMOUNT OF LOANS	PUBLIC FUNDS
Minority Loan Totals	269 \$	5,296,552.41 \$	184,607.65
Total Cap Program Activity	861 \$	26,458,756.69 \$	863,800.97
Percentage Minority Activity	31.24%	20.02%	21.37%

MINORITY ACTIVITY BY INDUSTRY



■ 11 - Nonmanufacturing-Agriculture

□ 23 - Construction

□ 31, 32, 33 - Manufacturing- Food-Wood-Metal

□ 42, 44, 45 - Nonmanufacturing-Wholesale/Retail Trade

□ 48, 49 - Nonmanufacturing -Transportation /Public Utilities

■ 51 - Information

□ 53 to 81 - Other Nonmanufacturing -Services