



### Performance Audit

### Venture Michigan Fund (VMF)

**Report Number:**  
000-0435-16

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VMF is a charitable nonprofit 501(c)(3) corporation created under Public Act 296 of 2003, the Michigan Early Stage Venture Investment Act. VMF's goal is to promote Michigan's economic health by assisting in the creation of new jobs, new businesses, and new industries within Michigan by investing in certain businesses that focus on areas including, but not limited to, alternative energy technology, high-technology, and health care. To help attain that goal, VMF obtained private financing secured by State tax vouchers in the amount of \$450.0 million to invest in these early stage companies.

Audit Objective		Conclusion	
Objective #1: To assess VMF's compliance with select legislative and contract requirements.		Generally complied	
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		
Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Envisioned success may not have been achieved.	Not applicable for observations.		

Audit Objective		Conclusion	
Objective #2: To report other information related to VMF activities.		Information provided	
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		
Exhibits Related to This Audit Objective			
<u>Exhibit #1</u> - VMF Legislation Summary <u>Exhibit #2</u> - Schedule of Venture Capital Funds and Primary Investment Strategies <u>Exhibit #3</u> - Schedule of Investment Value <u>Exhibit #4</u> - Principal Payment Requirements and Estimated Tax Voucher Usage <u>Exhibit #5</u> - Jobs by Industry Segment <u>Exhibit #6</u> - Schedule of Venture Capital Fund Investments			

**Exhibits Related to This Audit Objective**  
***(Continued)***

Exhibit #7 - List of Portfolio Companies and Descriptions

Exhibit #8 - VMF Board of Directors

Exhibit #9 - Flow Chart of VMF Investment Activities

Exhibit #10 - Statement of Net Assets/(Deficit)

Exhibit #11 - Cumulative Statement of Revenues, Expenses, and Changes in Net Assets/(Deficit)

Exhibit #12 - Cumulative Sources and Uses of Cash

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