

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021



THE RESERVES AT MILL FARM  
Pella, Iowa  
Housing Tax Credit Project



IOWA FINANCE  
AUTHORITY

A Component Unit of the State of Iowa

**IOWA FINANCE AUTHORITY**  
**(A Component Unit of the State of Iowa)**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR FISCAL YEAR ENDED**

**JUNE 30, 2021**

Debi Durham, Executive Director

Prepared by:

**The Accounting and Finance Department**

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## **Introductory Section (unaudited)**



October 1, 2021

## **TO THE CITIZENS, GOVERNOR, AND BOARD OF DIRECTORS:**

The Iowa Finance Authority (the Authority) is pleased to submit this Annual Comprehensive Financial Report (Annual Report) for the fiscal year ended June 30, 2021.

The Authority issues State Revolving Fund Revenue Bonds, Single-Family Mortgage Bonds, Multi-Family Housing Bonds, and administers various federal grant programs which require annual independent financial and compliance audits. To fulfill these requirements, the Authority has prepared this Annual Report and contracted with the independent auditing firm of Eide Bailly LLP to audit the financial statements.

Generally accepted accounting principles (GAAP) require management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to present fairly the Authority's net position and changes in net position. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

## **PROFILE OF THE AUTHORITY**

The Authority was created in 1975 under Chapter 16 of the Code of Iowa (the "Act") as a public instrumentality and agency of the State of Iowa to undertake programs that assist in attainment of adequate housing for low- and moderate-income families, and to undertake various finance programs. By subsequent amendments to the Act, the Authority's responsibilities have been greatly expanded. The Authority administers numerous housing, agricultural, economic development, and water quality programs. The Authority has arranged financing for the Clean Water Program since its inception in 1988 and for the Drinking Water Program since its inception in 1997. Chapter 455B and Chapter 16 of the Code of Iowa authorize the Authority, jointly and in cooperation with the Iowa Department of Natural Resources (DNR), to undertake the creation, administration, and financing of the State Revolving Fund (SRF), which includes the Clean Water and Drinking Water Programs.

The Authority is presented as a component unit in the State of Iowa's Annual Report.

## **INTERNAL CONTROL**

The Authority assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The Authority believes the internal controls provide reasonable assurance that the financial statements are free from any material misstatement.

## **BUDGETARY CONTROLS**

The Authority performs an annual budgetary process which serves as the foundation for the Authority's financial planning and control. Each year, the Authority's management team provides revenue, expense, and staffing plans which are used with an iterative review process to formulate the annual budget. The Board of Directors (Board) reviews and provides approval via formal Board action. The Authority's management and Board receive monthly financial reports comparing actual results to budget.

## **ECONOMIC CONDITION AND OUTLOOK**

Iowa's economy is comprised of a diverse group of sectors such as agriculture and food production; renewable energy; advanced manufacturing; and services such as insurance, health care, and wholesale and retail trade. With the "stay at home" orders and the shutdown of businesses due to the pandemic, all states across the country experienced a decline in gross domestic product (GDP) growth in 2020. Iowa's GDP declined by 2.3% in 2020 compared to the increase of 0.9% in growth the prior year. In 2020, Iowa ranked 8<sup>th</sup> in growth among the other states compared to 44<sup>th</sup> in 2019 as reported by the U.S. Bureau of Economic Analysis (BEA). The United States' change in GDP in 2020 was -3.4% compared to 2.3% in 2019. The BEA reported U.S. GDP increased at an annual rate of 6.3% in the first quarter and 6.5% in the second quarter of 2021.

Iowa's unemployment rate increased in 2020 due to the pandemic and was 5.4% compared to 2.8% in 2019. The average national rate of unemployment was 8.1% compared to 3.7% the prior year. However, despite this higher unemployment rate, Iowa personal income grew by 6.8% in 2020 compared to 5.0% in 2019. Iowa ranked 18<sup>th</sup> among the other states in personal income growth compared to its rank of 11<sup>th</sup> last year, as reported by the U.S. Bureau of Economic Analysis. The national personal income grew by 6.1% during the same period. The increase in transfer payments was the leading contributor to personal income growth in all states. The increase in transfer receipts was from government relief payments provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 as well as increases in state unemployment insurance compensation.

Both Iowa home sales and median sales prices climbed in June 2021 compared to June 2020. Home sales increased by 8.8% and median sales prices rose by 13.2% as of June 2021 compared to 12 months prior.

## **AUTHORITY RESPONSE TO COVID-19**

The Authority rapidly developed and launched four COVID-19 relief programs during the 2021 fiscal year to help thousands of Iowans remain in their homes and farmers manage their operations and debt. With funds through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Authority was one of the first states to launch an eviction and foreclosure assistance program. This program enabled more than 15,000 renters and homeowners to stay in their homes in the midst of a global public health emergency through a total of more than \$33 million in assistance. The Authority also launched an innovative Beginning Farmer Debt Relief Program that helped more than 1,500 COVID-19-impacted beginning farmers with their long-term debt through a total of \$14 million in assistance. Additionally, the Livestock Producer Assistance Fund provided more than \$62 million to help more than 6,200 livestock producers.

The Authority continues its work in helping Iowa renters in need through the administration of the federal Emergency Rental Assistance Program (ERAP) that was funded through the Consolidated Appropriations Act enacted on December 27, 2020. ERAP makes funding available to assist households that are unable to pay rent or utilities. The Authority has provided \$3.8 million in assistance to 1,394 renters through the end of the 2021 fiscal year and continues to provide help for these burdened renters.

## **AUTHORITY PROGRAM AND FINANCIAL HIGHLIGHTS**

**Homeownership:** The single-family program assisted 2,413 home buyers by funding \$308.5 million of mortgage-backed securities in fiscal year 2021, which was the second highest level, behind fiscal year 2020, in the history of the program. Approximately 90% of these home buyers also benefitted from the Authority's down payment and closing cost assistance grant or loan option. Borrowers have the option of a \$2,500 grant or a

second loan program that provides borrowers with 5% of the sale price up to \$5,000 and is repayable at the time of sale, refinance, or the first mortgage is paid in full. There are no monthly payments on the DPA loan program.

**Iowa Title Guaranty (ITG):** ITG issued residential and commercial title insurance certificates covering \$29.1 billion worth of Iowa real estate in fiscal year 2021, its highest amount in the program's history and an increase of 57.9% compared to last year. In addition, ITG provided \$2 million to support affordable housing in Iowa.

**Housing Tax Credits:** The Authority allocated \$89.9 million in Federal Housing Tax Credits in fiscal year 2021 which will create or preserve 524 safe and affordable homes for Iowa families. These awards leveraged an additional \$4 million in local contributions.

**State Revolving Funds (SRF):** In fiscal year 2021, the Iowa SRF executed \$318 million in low-interest loans for wastewater and drinking water infrastructure. In addition, nearly \$37 million in Planning and Design loans were awarded to assist communities with the first phases of their water infrastructure projects at zero percent interest.

## AWARDS & ACKNOWLEDGEMENT

**Certificate of Achievement:** Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Iowa Finance Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2019. This was the third consecutive year that the Authority achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

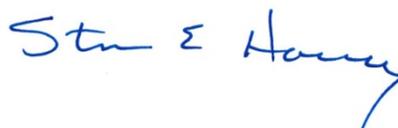
A Certificate of Achievement is valid for a period of one year only. We submitted the Annual Report for the fiscal year ended June 30, 2020, to GFOA but have not yet received any correspondence about the Certificate of Achievement for Excellence in Financial Reporting. GFOA's efforts to deal with COVID-19 have temporarily lengthened the turnaround time for award decisions. However, we believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

**Acknowledgement:** The preparation of this report on a timely basis requires the collective effort of numerous staff members throughout the Authority. The accounting and finance departments have primary responsibility for preparation of this Annual Report. We appreciate their professionalism and dedication; and it is what maintains our financial statements in conformance with the highest standards of financial accountability.

Respectfully submitted,

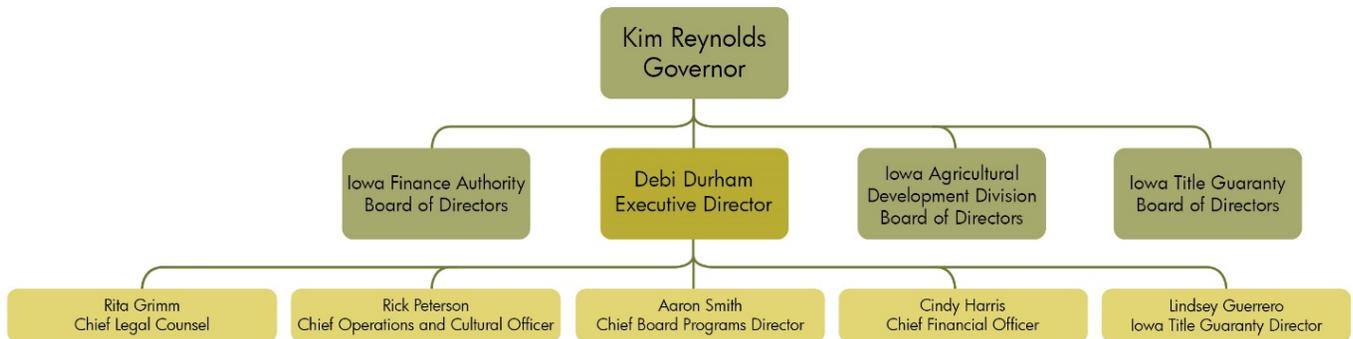


Cindy M. Harris  
Chief Financial Officer



Steven E. Harvey  
Accounting Director

## Table of Organization



## Board of Directors

Ashley Aust (Waukee)  
Tracey Ball (Des Moines)  
Lyle Borg, ex-officio voting (Pella)  
Jennifer Cooper (Des Moines)  
John Eisenman (Clinton)  
Michel Nelson, Chair (Carroll)  
Ruth Randleman, Vice Chair (Carlisle)  
Amy Reasner (Cedar Rapids)  
Gilbert Thomas, Treasurer (Clarinda)  
Michael Van Milligen (Dubuque)

## **Financial Section**



## Independent Auditor's Report

The Board of Directors  
Iowa Finance Authority  
Des Moines, Iowa

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Iowa Finance Authority (the Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

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

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 21 and Schedule of Authority's Proportionate Share of the Net Pension Liability, Schedule of Authority Contributions, Schedule of Authority's Proportionate Share of the Total OPEB Liability, and Notes to Required Supplementary Information on pages 59 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements. The introductory section, combining financial schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining financial schedules on pages 64 through 66 are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section on pages 1 through 4 and statistical section on pages 67 through 79 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated September 30, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 the Authority'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 the Authority's internal control over financial reporting and compliance.



Aberdeen, South Dakota  
September 30, 2021

This section of the Iowa Finance Authority's (the Authority) annual financial report presents management's discussion and analysis of the financial position and results of operations as of and for the fiscal year ended June 30, 2021. This section provides additional information regarding the activities of the Authority to meet the disclosure requirement of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Please use this information in conjunction with the financial statements and accompanying notes.

The Authority was created in 1975 by the Iowa legislature through the enactment of Chapter 16 of the Code of Iowa (the Act) and constitutes a public instrumentality and agency of the State of Iowa (the State). The Authority's task was to undertake programs which assist low- and moderate-income families attain adequate housing and to undertake various finance activities. Subsequent amendments to the Act expanded the Authority's responsibilities to include the administration of numerous housing, water quality, agricultural, and economic development programs. The Authority's mission is to enhance the quality of life for Iowans by making affordable financing possible for home and community.

The Authority raises funds through the public and private sale of bonds, which are not obligations of the State. The proceeds are loaned to eligible borrowers through private lending institutions across the state or directly to municipalities to fund water quality infrastructure. As a self-sustaining entity, the Authority's operating revenues come from loan and investment income, program administration fees, loan servicing, and gains on the sale of mortgage-backed securities (MBS). The Authority is a self-supporting entity and receives no tax appropriations for its operations.

#### **Authority Credit and General Obligation Rating**

The unsecured general obligation (GO) of the Authority is rated Aa2 by Moody's Investors Service (Moody's) and AA+ by S&P Global (S&P). These ratings take into account the amount of unrestricted net position maintained by the Authority, as well as certain contingent obligations to which the general obligation of the Authority is pledged. While there is no assurance that these ratings will remain in effect for any period of time, management is committed to maintaining an investment-grade rating of its general obligation.

#### **Overview of the Financial Statements**

This annual financial report consists of four parts: the independent auditor's report, the management's discussion and analysis (this section), the basic financial statements, and supplementary schedules. The basic financial statements consist of Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows; and the accompanying Notes to the Financial Statements. The Authority follows enterprise fund accounting. Accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The Statement of Net Position includes all of the Authority's assets and liabilities, presented in order of liquidity, as well as deferred outflows and deferred inflows. The organization of the statement separates assets and liabilities into current and non-current components. The resulting Net Position is displayed as either restricted or unrestricted.

Net Position is restricted when assets are subject to external limits such as bond indentures, legal agreements, federal and state statutes, or pledged in connection with the general obligation of the Authority.

The Statement of Revenues, Expenses, and Changes in Net Position accounts for the Authority's current year revenues and expenses. This statement measures the activities of the Authority's operations over the past year and presents the resulting change in net position. It is organized by separating operating revenues and expenses from non-operating revenues and expenses.

The Statement of Cash Flows primarily provides information about the net change in the Authority's cash and cash equivalents for the fiscal year. It provides information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operating, noncapital financing, investing, and capital financing activities. The statement provides information regarding the sources and uses of cash and the change in the cash balance during the reporting period.

The Notes to the Financial Statements provide additional information that is essential for a fair presentation of the basic financial statements.

The basic financial statements are presented on an Authority-wide basis and by the two major funds, the Housing Agency Fund and the State Revolving Fund (SRF). Authority-wide financial statements are provided to display a comprehensive view of all Iowa Finance Authority funds. All the assets in these funds are substantially restricted as to use by the Authority and are available only in accordance with the applicable bond resolutions, federal and Iowa laws, and other outstanding agreements.

### **Discussion of Individual Funds**

**The Housing Agency Fund** includes the Authority's programs that assist in providing affordable financing for Single-Family and Multi-Family housing, agricultural development for beginning farmers, and real estate title protection. These programs are funded through various ways: issuance of tax-exempt bonds, state and federal funds, tax credits, and fee income. Additionally, the General Operating Account, where program fee receipts are collected and from which Authority operations are paid, is also included within the Housing Agency Fund. See Combining Schedules of Net Position and Revenues, Expenses, and Changes in Net Position.

#### *Single-Family*

Single-Family homeownership programs include the FirstHome and Homes for Iowans Programs, which offer eligible first-time and repeat home buyers affordable fixed rate mortgages. In addition, the Authority offers a grant of up to \$2,500 or a second mortgage loan up to 5% of the sales price with a cap of \$5,000, to help with down payment and closing costs. These loan programs are funded through the issuance of bonds under the 1991 Single-Family Mortgage Bond Resolution, 2009 Single-Family Mortgage Revenue Bond Resolution, or through the sale of MBS in the secondary market.

#### *Multi-Family*

The Authority seeks to preserve the existing supply of affordable rental units at risk of being lost and to foster the production of new affordable units through its Multi-Family loan program. These projects are funded through equity or the issuance of bonds.

### *Federal and State Programs*

The Authority receives both state and federal resources that support affordable housing (both single and multi-family) and address homelessness. Financial activity within federal and State Programs is primarily grant income and expenses as the Authority mainly passes these grants to recipients within Iowa. These moneys are restricted for use in accordance with applicable legislation or grant agreements.

Some State programs include Home and Community Based Revolving Loan Programs that provide facilities for seniors, populations with disabilities, and those who need health, nutrition, or respite services. The State Housing Trust Fund provides grants to advance and preserve affordable Single-Family and Multi-Family housing throughout the state. The Shelter Assistance Fund (SAF) Program supports costs of operations of shelters for the homeless and domestic violence shelters, essential services for the homeless, and evaluation and reporting services for the homeless. In addition, the Authority also administers the Military Homeownership Assistance Program which provides eligible service members and veterans with a \$5,000 grant for down payment and closing costs when purchasing a home in Iowa.

Some federal programs the Authority administers include the HOME Investment Partnerships Program (HOME), the Housing Opportunities for Persons with AIDS (HOPWA) Program, the Emergency Solutions Grant (ESG) Program, and the National Housing Trust Fund (HTF) which are all funded by the U.S. Department of Housing and Urban Development (HUD). The HOME program provides no interest loans to developers to create or rehabilitate affordable rental housing. HOME also provides grants to governmental entities and non-profit organizations to assist low-income households in purchasing a home or providing rental assistance. The HOPWA Program provides housing assistance and supportive services for low-income persons with HIV/AIDS and their families. The ESG Program provides grants to agencies that assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The HTF Program provides funds to help build, preserve, and rehabilitate housing for extremely low-income households, including homeless families.

The Authority also administered several Covid programs for eviction and foreclosure prevention, rent and utility assistance, beginning farmer debt relief, as well as relief for livestock producers.

### *Iowa Agricultural Development Division*

The Iowa Agricultural Development Division (IADD) administers programs to encourage beginning farmers. The Beginning Farmer Loan Program and Loan Participation Program help Iowa farmers purchase agricultural land, depreciable machinery or equipment, breeding livestock, or buildings. The Beginning Farmer Tax Credit Program allows agricultural asset owners to earn a tax credit for leasing their land to beginning farmers. The Custom Hire Tax Credit Program offers a tax credit to anyone hiring a beginning farmer to do agricultural contract work to produce crops or livestock in Iowa. As a division of the Iowa Finance Authority, the IADD is totally self-supporting.

### *Iowa Title Guaranty Division*

Iowa Title Guaranty Division (ITG) supplements the abstract-attorney's title opinion system by providing a low-cost mechanism for guaranties of real property titles facilitating mortgage lenders' participation in the secondary market and adds to the integrity of Iowa's land-title transfer system. ITG is self-supporting.

*General Operating Account*

The General Operating Account is where program fee receipts are collected and from which Authority operations are paid. The Authority receives fee income from administering programs such as the Low-Income Housing Tax Credit (LIHTC), Project-Based Section 8, HOME, and various homeless assistance programs. Furthermore, the General Operating Account receives fees from the Private Activity Bond Program, which issues tax-exempt bonds on behalf of private entities or organizations for eligible purposes.

**The State Revolving Fund (SRF)** is a federal program jointly administered with the Department of Natural Resources (DNR) to provide low-cost financing to Iowa communities and municipalities for the design and construction of water and wastewater infrastructure projects.

The Clean Water SRF funds wastewater treatment, sewer rehabilitation, and storm water quality improvements, as well as non-point source projects. The Drinking Water SRF funds water treatment plants or improvements to existing facilities, water line extensions to existing properties, water storage facilities, wells, and source water protection efforts. The financing for these projects comes in the form of different types of loans depending on the community's need: construction, planning and design, and source water protection. Low-interest loans are also available to public and private borrowers to address storm water management, septic systems, landfill closure, soil erosion, and manure management, for example.

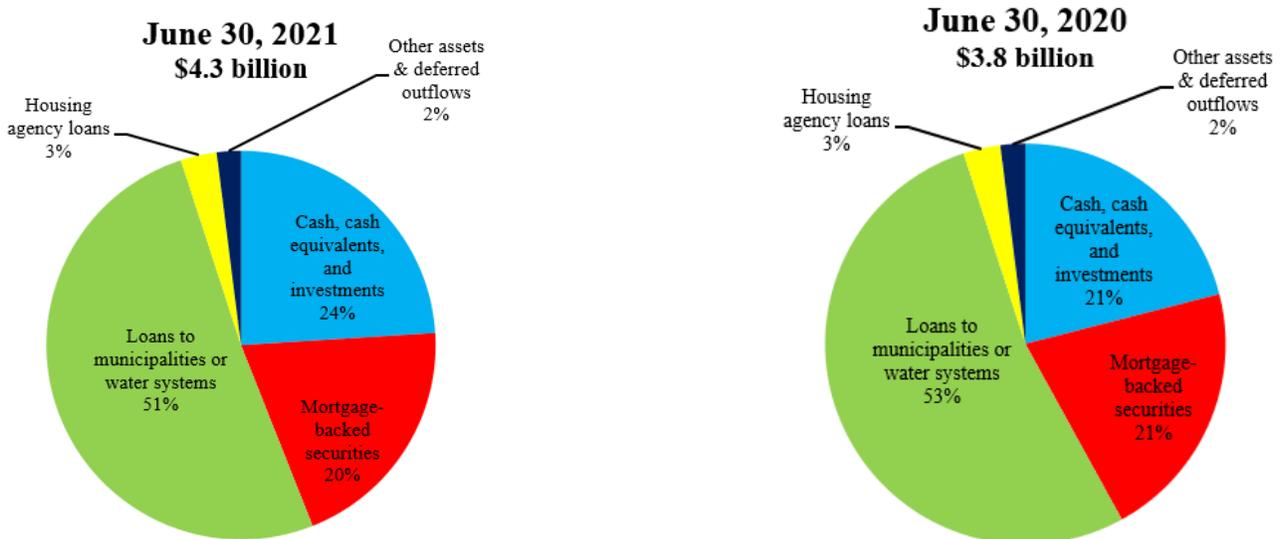
The SRF receives grants from the United States Environmental Protection Agency (EPA) and issues tax-exempt bonds in order to fund projects under the SRF. Loan interest and servicing fees also contribute to the program.

More information regarding these programs is provided in the Notes to Financial Statements.

**Condensed Financial Information**

The following charts and tables present condensed financial information for fiscal year 2021 and 2020.

**Iowa Finance Authority Total Assets and Deferred Outflows as of:**



Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2021

Iowa Finance Authority Net Position (Dollars in thousands)				
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>%</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 995,351	\$ 733,407	\$ 261,944	35.7%
Mortgage-backed securities	848,615	789,222	59,393	7.5%
Investments	58,313	71,931	(13,618)	-18.9%
Loans to municipalities or water systems	2,204,809	2,014,433	190,376	9.5%
Housing agency loans	115,257	116,758	(1,501)	-1.3%
Line of credit receivable	29,229	16,174	13,055	80.7%
Capital assets, net of accumulated depreciation	13,956	13,568	388	2.9%
Other assets	34,177	34,341	(164)	-0.5%
Total assets	<u>4,299,707</u>	<u>3,789,834</u>	<u>509,873</u>	<u>13.5%</u>
Deferred outflows	<u>16,924</u>	<u>22,937</u>	<u>(6,013)</u>	<u>-26.2%</u>
Total assets and deferred outflows	<u><u>\$ 4,316,631</u></u>	<u><u>\$ 3,812,771</u></u>	<u><u>\$ 503,860</u></u>	<u><u>13.2%</u></u>
<b>Liabilities:</b>				
Debt obligations payable	\$ 2,611,905	\$ 2,328,655	\$ 283,250	12.2%
Other liabilities	<u>268,407</u>	<u>89,971</u>	<u>178,436</u>	<u>198.3%</u>
Total liabilities	2,880,312	2,418,626	461,686	19.1%
Deferred inflows	<u>2,812</u>	<u>3,340</u>	<u>(528)</u>	<u>-15.8%</u>
Total liabilities and deferred inflows	<u>2,883,124</u>	<u>2,421,966</u>	<u>461,158</u>	<u>19.0%</u>
<b>Net position:</b>				
Net investment in capital assets	13,956	13,568	388	2.9%
Restricted net position	1,412,831	1,370,496	42,335	3.1%
Unrestricted net position	<u>6,720</u>	<u>6,741</u>	<u>(21)</u>	<u>-0.3%</u>
Total net position	<u>1,433,507</u>	<u>1,390,805</u>	<u>42,702</u>	<u>3.1%</u>
Total liabilities, deferred inflows and net position	<u><u>\$ 4,316,631</u></u>	<u><u>\$ 3,812,771</u></u>	<u><u>\$ 503,860</u></u>	<u><u>13.2%</u></u>

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2021

Iowa Finance Authority  
Revenues, Expenses, and Changes in Net Position  
(Dollars in thousands)

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>%</u>
Operating revenues:				
Interest income	\$ 73,643	\$ 77,870	\$ (4,227)	-5.4%
Gain on sale of mortgage-backed securities	6,123	4,663	1,460	31.3%
Net increase (decrease) in fair value of investments and mortgage-backed securities	(6,828)	33,390	(40,218)	-120.4%
Fee income	29,127	21,052	8,075	38.4%
Other income	1,273	1,037	236	22.8%
Total operating revenues	<u>103,338</u>	<u>138,012</u>	<u>(34,674)</u>	<u>-25.1%</u>
Operating expenses:				
Interest expense	64,615	63,896	719	1.1%
General and administrative	34,523	27,788	6,735	24.2%
Provision (recoveries) for losses	(480)	284	(764)	269.0%
Total operating expenses	<u>98,658</u>	<u>91,968</u>	<u>6,690</u>	<u>7.3%</u>
Net operating income (loss)	<u>4,680</u>	<u>46,044</u>	<u>(41,364)</u>	
Non-operating revenue (expense):				
Grant income	263,282	136,453	126,829	92.9%
Grants and aid	(225,260)	(97,704)	(127,556)	130.6%
Net non-operating revenue	<u>38,022</u>	<u>38,749</u>	<u>(727)</u>	<u>-1.9%</u>
Change in net position	42,702	84,793	(42,091)	-49.6%
Net position at beginning of year	<u>1,390,805</u>	<u>1,306,012</u>		
Net position at end of year	<u>\$ 1,433,507</u>	<u>\$ 1,390,805</u>	<u>\$ 42,702</u>	<u>3.1%</u>

**Financial Analysis – Iowa Finance Authority 2021 (dollars in thousands)**

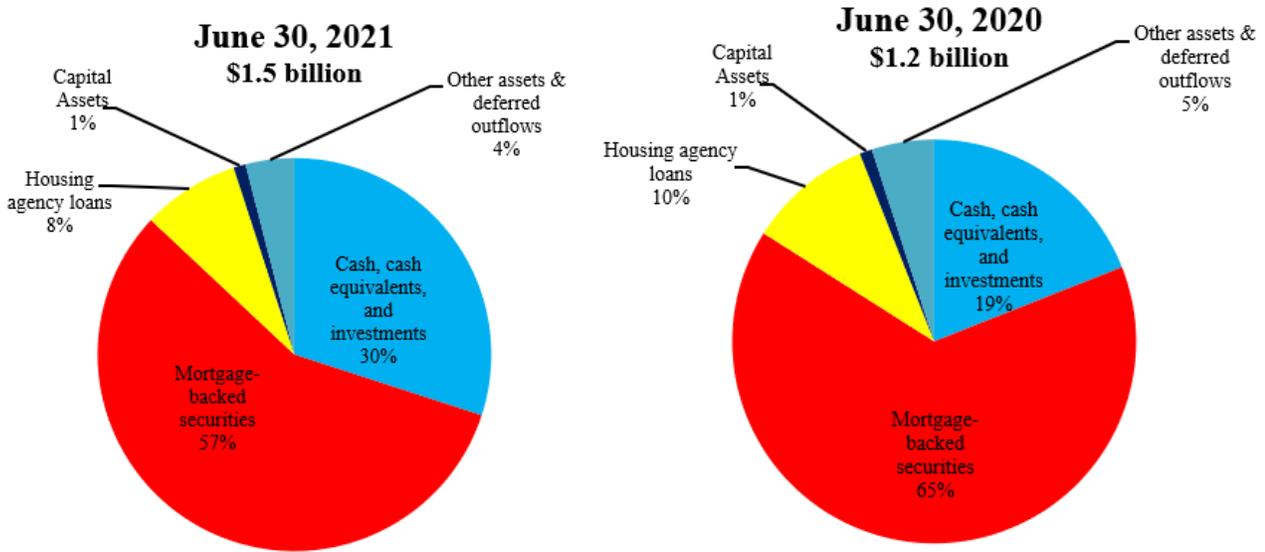
- Assets and deferred outflows increased 13.2% or \$503,860 to \$4,316,631 in fiscal year 2021 due to planned growth in mission assets, federal funds received for rent and utility assistance, and SRF bond proceeds received awaiting disbursement.
- Mission assets of MBS increased by 7.5%, or \$59,393; and, loans to municipalities or water systems (SRF loans) increased 9.5%, or \$190,376.
- The Authority's liabilities and deferred inflows increased by 19.0% or \$461,158 to \$2,883,124. Debt obligations payable increased 12.2% or \$283,250 to \$2,611,905 with the issuance of single-family bonds and SRF bonds. Other liabilities increased 198.3% or \$178,436 due to the federal funds received but not yet disbursed.
- The Authority issued four new bond series with proceeds totaling \$533,483 to purchase MBS and SRF loans and made bond payments of \$226,480.

Series	Date	Proceeds	Rating
SF 2020 DEF	08/19/2020	\$ 67,997	AAA by S&P; Aaa by Moody's
SF 2021 A	02/18/2021	86,677	AAA by S&P; Aaa by Moody's
SRF 2021 AB	05/18/2021	278,810	AAA by S&P; Aaa by Moody's
SF 2021 BC	06/17/2021	99,999	AAA by S&P; Aaa by Moody's
Total		\$ 533,483	

See Note 5 - Bonds Payable for more detail on the Authority's debt.

- Interest income decreased 5.4% to \$73,643 due to the low interest rate environment.
- Gain on sale of MBS increased 31.3% to \$6,123 due to higher MBS sales volume and prices.
- Fair value of investments and MBS decreased by \$40,218 due to lower prevailing interest rates at the end of the fiscal year.
- Fee income increased by 38.4% to \$29,127 due to higher volume in Iowa Title Guaranty.
- Interest expense increased 1.1% to \$64,615 due to the new debt issuance mentioned above, offset by interest reductions due to bond calls on higher rate debt.
- General and administrative expenses increased by 24.2% or \$6,735 to \$34,523 as a result of increased ITG field issuer costs, \$2,670, and the cost of consultants engaged for Covid relief programs, \$2,861.
- Grant income increased by 92.9% to \$263,282 due to various Covid relief programs administered through the Authority.
- Grants and aid expense increased by 130.6%, a result of the Covid grant receipts mentioned above.
- The Authority's net position increased 3.1% or \$42,702 to \$1,433,507.

**Housing Agency Fund Assets and Deferred Outflows as of:**



Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2021

Housing Agency Fund Net Position (Dollars in thousands)				
	<u>2021</u>	<u>2020</u>	Change	%
<b>Assets:</b>				
Cash and cash equivalents	\$ 439,500	\$ 220,372	\$ 219,128	99.4%
Mortgage-backed securities	848,615	789,222	59,393	7.5%
Investments	160	1,889	(1,729)	-91.5%
Housing agency loans	115,257	116,758	(1,501)	-1.3%
Line of credit	29,229	16,174	13,055	80.7%
Capital assets, net of accumulated depreciation	13,956	13,568	388	2.9%
Other assets	29,556	29,855	(299)	-1.0%
Total assets	<u>1,476,273</u>	<u>1,187,838</u>	288,435	24.3%
Deferred outflows	<u>9,270</u>	<u>12,912</u>	(3,642)	-28.2%
Total assets and deferred outflows	<u>\$ 1,485,543</u>	<u>\$ 1,200,750</u>	\$ 284,793	23.7%
<b>Liabilities:</b>				
Debt obligations payable	\$ 829,154	\$ 740,699	\$ 88,455	11.9%
Other liabilities	<u>239,724</u>	<u>61,708</u>	178,016	288.5%
Total liabilities	1,068,878	802,407	266,471	33.2%
Deferred inflows	<u>2,753</u>	<u>3,228</u>	(475)	-14.7%
Total liabilities and deferred inflows	<u>1,071,631</u>	<u>805,635</u>	265,996	33.0%
<b>Net position:</b>				
Net investment in capital assets	13,956	13,568	388	2.9%
Restricted net position	393,236	374,806	18,430	4.9%
Unrestricted net position	<u>6,720</u>	<u>6,741</u>	(21)	-0.3%
Total net position	<u>413,912</u>	<u>395,115</u>	18,797	4.8%
Total liabilities, deferred inflows and net position	<u>\$ 1,485,543</u>	<u>\$ 1,200,750</u>	\$ 284,793	23.7%

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2021

Housing Agency Fund  
Revenues, Expenses, and Changes in Net Position  
(Dollars in thousands)

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>%</u>
Operating revenues:				
Interest income	\$ 32,034	\$ 33,178	\$ (1,144)	-3.4%
Gain on sale of mortgage-backed securities	6,123	4,663	1,460	31.3%
Net increase (decrease) in fair value of investments and mortgage-backed securities	(6,477)	32,883	(39,360)	-119.7%
Fee income	22,244	14,723	7,521	51.1%
Other income	1,273	1,037	236	22.8%
Total operating revenues	<u>55,197</u>	<u>86,484</u>	<u>(31,287)</u>	<u>-36.2%</u>
Operating expenses:				
Interest expense	17,490	19,773	(2,283)	-11.5%
General and administrative	25,436	18,769	6,667	35.5%
Provision (recoveries) for losses	(455)	309	(764)	247.2%
Total operating expenses	<u>42,471</u>	<u>38,851</u>	<u>3,620</u>	<u>9.3%</u>
Net operating income (loss)	<u>12,726</u>	<u>47,633</u>	<u>(34,907)</u>	<u>-73.3%</u>
Non-operating revenue (expense):				
Grant income	228,235	91,511	136,724	149.4%
Grants and aid	(222,164)	(93,040)	(129,124)	138.8%
Net non-operating revenue (expense)	<u>6,071</u>	<u>(1,529)</u>	<u>7,600</u>	<u>-497.1%</u>
Change in net position	18,797	46,104	(27,307)	-59.2%
Net position at beginning of year	<u>395,115</u>	<u>349,011</u>		
Net position at end of year	<u>\$ 413,912</u>	<u>\$ 395,115</u>	<u>\$ 18,797</u>	<u>4.8%</u>

**Financial Analysis – Housing Agency Fund 2021 (dollars in thousands)**

- Assets and deferred outflows increased 23.7% or \$284,793 to \$1,485,543 due to the strategic goal of increasing the amount of MBS held and the receipt of Covid relief funding of \$196,774.
- Liabilities and deferred inflows increased 33.0% or \$265,996 to \$1,071,631 with the issuance of bonds to purchase MBS and unspent Covid relief funding mentioned above.
- The Housing Agency issued debt with proceeds totaling \$254,673 to purchase MBS; and made bond payments of \$162,340.

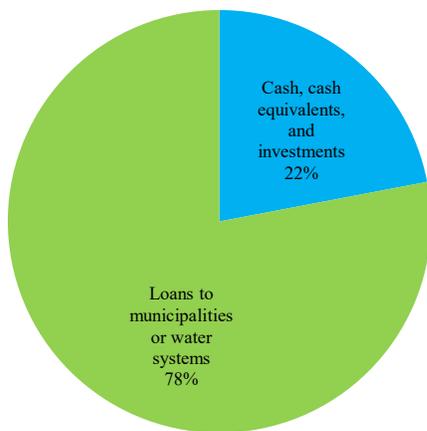
Series	Date	Proceeds	Rating
SF 2020 DEF	08/19/2020	\$ 67,997	AAA by S&P; Aaa by Moody's
SF 2021 A	02/18/2021	86,677	AAA by S&P; Aaa by Moody's
SF 2021 BC	06/17/2021	99,999	AAA by S&P; Aaa by Moody's
Total		\$ 254,673	

See Note 5 - Bonds Payable for more detail on the Authority's debt.

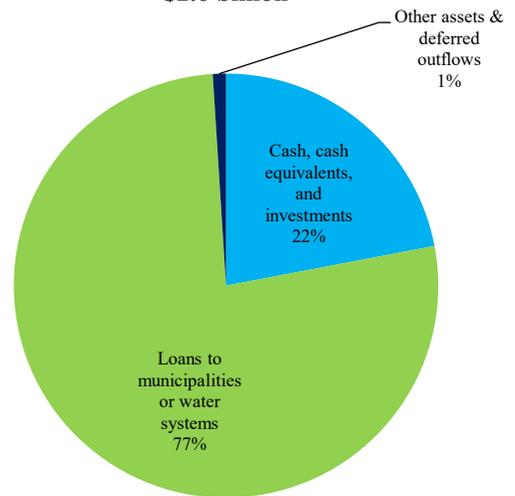
- Interest income decreased by 3.4% to \$32,034 due to the lower interest rate environment.
- Gain on sale of MBS increased 31.3% to \$6,123 due to higher MBS sales volume.
- Fair value of investments and MBS decreased by \$39,360 due to lower prevailing interest rates.
- Fee income increased by 51.1% to \$22,244 due to higher volume in Iowa Title Guaranty.
- Interest expense decreased 11.5% to \$17,490 due to the use of MBS prepayments to call higher rate bonds monthly.
- General and administrative expenses increased 35.5% to \$25,436 due to Title Guaranty field issuer fees associated with the higher volume mentioned above, \$2,670, and the costs incurred to launch and administer Covid relief programs, \$2,681.
- Changes to provision (recoveries) for losses resulted in net recoveries of \$455 due to unanticipated payoffs of several higher risk loans.
- Grant income increased 149.4% to \$228,235 due to increased federal funding for Covid relief programs.
- Grants and aid expense increased 138.8%; a result of the increased grant receipts mentioned above.
- Net position increased 4.8% or \$18,797 to \$413,912.

**State Revolving Fund Assets and Deferred Outflows as of:**

**June 30, 2021**  
**\$2.8 billion**



**June 30, 2020**  
**\$2.6 billion**



Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2021

State Revolving Fund Net Position (Dollars in thousands)				
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>%</u>
Assets:				
Cash and cash equivalents	\$ 555,851	\$ 513,035	\$ 42,816	8.3%
Investments	58,153	70,042	(11,889)	-17.0%
Loans to municipalities or water systems	2,204,809	2,014,433	190,376	9.5%
Other assets	4,621	4,486	135	3.0%
Total assets	<u>2,823,434</u>	<u>2,601,996</u>	<u>221,438</u>	<u>8.5%</u>
Deferred outflows	<u>7,654</u>	<u>10,025</u>	<u>(2,371)</u>	<u>-23.7%</u>
Total assets and deferred outflows	<u>\$ 2,831,088</u>	<u>\$ 2,612,021</u>	<u>\$ 219,067</u>	<u>8.4%</u>
Liabilities:				
Bonds payable, net	\$ 1,782,751	\$ 1,587,956	\$ 194,795	12.3%
Other liabilities	28,683	28,263	420	1.5%
Total liabilities	<u>1,811,434</u>	<u>1,616,219</u>	<u>195,215</u>	<u>12.1%</u>
Deferred inflows	<u>59</u>	<u>112</u>	<u>(53)</u>	<u>-47.3%</u>
Total liabilities and deferred inflows	<u>1,811,493</u>	<u>1,616,331</u>	<u>195,162</u>	<u>12.1%</u>
Net position:				
Restricted net position	<u>1,019,595</u>	<u>995,690</u>	<u>23,905</u>	<u>2.4%</u>
Total net position	<u>1,019,595</u>	<u>995,690</u>	<u>23,905</u>	<u>2.4%</u>
Total liabilities, deferred inflows and net position	<u>\$ 2,831,088</u>	<u>\$ 2,612,021</u>	<u>\$ 219,067</u>	<u>8.4%</u>

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Management's Discussion and Analysis (Unaudited)  
June 30, 2021

State Revolving Fund Revenues, Expenses, and Changes in Net Position (Dollars in thousands)				
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>%</u>
Operating revenues:				
Interest income	\$ 41,609	\$ 44,692	\$ (3,083)	-6.9%
Net (decrease) increase in fair value of investments	(351)	507	(858)	-169.2%
Fee income	6,883	6,329	554	8.8%
Total operating revenues	<u>48,141</u>	<u>51,528</u>	<u>(3,387)</u>	<u>-6.6%</u>
Operating expenses:				
Interest expense	47,125	44,123	3,002	6.8%
General and administrative	9,087	9,019	68	0.8%
Recoveries of losses	(25)	(25)	-	0.0%
Total operating expenses	<u>56,187</u>	<u>53,117</u>	<u>3,070</u>	<u>5.8%</u>
Net operating income (loss)	<u>(8,046)</u>	<u>(1,589)</u>	<u>(6,457)</u>	<u>406.4%</u>
Non-operating revenue (expense):				
Grant income	35,047	44,942	(9,895)	-22.0%
Grants and aid	(3,096)	(4,664)	1,568	-33.6%
Net non-operating revenue (expense)	<u>31,951</u>	<u>40,278</u>	<u>(8,327)</u>	<u>-20.7%</u>
Change in net position	23,905	38,689	(14,784)	-38.2%
Net position at beginning of year	995,690	957,001		
Net position at end of year	<u>\$ 1,019,595</u>	<u>\$ 995,690</u>	<u>\$ 23,905</u>	<u>2.4%</u>

**Financial Analysis – State Revolving Fund 2021 (dollars in thousands)**

- Assets and deferred outflows increased 8.4% or \$219,067 to \$2,831,088 due to the strategic goal of increasing loans to municipalities and water systems.
- Liabilities and deferred inflows increased by 12.1% or \$195,162 to \$1,811,493 in order to finance the additional loans mentioned above.
- The Authority issued the SRF 2021AB bond series on May 18, 2021, that generated proceeds totaling \$278,810 to purchase SRF loans. The Authority made bond payments of \$64,140.  
See Note 5 - Bonds Payable for more detail on the Authority's debt.
- Interest income decreased 6.9% to \$41,609 due to lower interest rates on outstanding loans and cash balances.
- Fee income increased 8.8% to \$6,883 due to the higher loan balances.
- Interest expense increased 6.8% to \$47,125 due to the higher bond balances.
- General and administrative expenses increased 0.8% to \$9,087.
- Grant income decreased 22.0% to \$35,047 due to a delay in availability of FY21 capitalization grants from the Environmental Protection Agency.
- Grants and aid expense decreased 33.6% to \$3,096 due to lower disbursements on SRF loans with forgivable portions during the year.
- As a result, net position increased 2.4% or \$23,905 to \$1,019,595.

**Currently Known Facts, Decisions, or Conditions**

The Authority issued Single-Family Mortgage Bonds on September 19, 2021, in the par amount of \$99.6 million to purchase mortgage-backed securities under the Authority's FirstHome and Homes for Iowans program. In conjunction with the issuance, the Authority entered into an interest rate swap agreement with Royal Bank of Canada.

At this time, the Authority is not aware of any other facts, decisions, or conditions that are expected to have a significant effect on financial position or results of operations.

**Requests for Information**

This financial report is designed to provide a general overview of the Iowa Finance Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Iowa Finance Authority  
ATTN: Chief Financial Officer  
1963 Bell Avenue, Suite 200  
Des Moines, IA 50315

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Statement of Net Position  
(Dollars in thousands)  
June 30, 2021

<b>Assets</b>	<b>Housing Agency Fund</b>	<b>State Revolving Fund</b>	<b>Total</b>
<b>Current assets (substantially restricted):</b>			
Cash and cash equivalents	\$ 439,500	\$ 555,851	\$ 995,351
Investments in mortgage-backed securities	20,239	-	20,239
Other investments	160	40,504	40,664
Loans to municipalities or water systems, net	-	144,104	144,104
Housing Agency loans, net	8,565	-	8,565
Line of credit receivable	29,229	-	29,229
Accrued interest receivable	2,458	3,658	6,116
Other current assets	2,655	963	3,618
Total current assets	<u>502,806</u>	<u>745,080</u>	<u>1,247,886</u>
<b>Noncurrent assets (substantially restricted):</b>			
Investments in mortgage-backed securities	828,376	-	828,376
Other investments	-	17,649	17,649
Loans to municipalities or water systems	-	2,060,705	2,060,705
Housing Agency loans, net	106,692	-	106,692
Capital assets, net of accumulated depreciation	13,956	-	13,956
Other noncurrent assets	24,443	-	24,443
Total noncurrent assets	<u>973,467</u>	<u>2,078,354</u>	<u>3,051,821</u>
Total assets	<u>1,476,273</u>	<u>2,823,434</u>	<u>4,299,707</u>
<b>Deferred Outflows of Resources</b>			
Other post employment benefits	130	6	136
Pension plan	1,332	100	1,432
Accumulated decrease in fair value of hedging derivatives	4,827	-	4,827
Loss on refunding	2,981	7,548	10,529
Total deferred outflows of resources	<u>9,270</u>	<u>7,654</u>	<u>16,924</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Bonds payable, net	11,516	62,760	74,276
Accrued interest payable	6,790	26,986	33,776
Escrow deposits	11,602	-	11,602
Unearned revenue	197,399	-	197,399
Accounts payable and other liabilities	8,854	1,241	10,095
Total current liabilities	<u>236,161</u>	<u>90,987</u>	<u>327,148</u>
<b>Noncurrent liabilities:</b>			
Bonds payable, net	817,638	1,719,991	2,537,629
Reserves for claims	2,077	-	2,077
Other liabilities	13,002	456	13,458
Total noncurrent liabilities	<u>832,717</u>	<u>1,720,447</u>	<u>2,553,164</u>
Total liabilities	<u>1,068,878</u>	<u>1,811,434</u>	<u>2,880,312</u>
<b>Deferred Inflows of Resources</b>			
Other post employment benefits	86	4	90
Pension plan	730	55	785
Accumulated increase in fair value of hedging derivatives	1,937	-	1,937
Total deferred inflows of resources	<u>2,753</u>	<u>59</u>	<u>2,812</u>
<b>Net Position</b>			
Net investment in capital assets	13,956	-	13,956
<b>Restricted net position:</b>			
Per bond resolutions	294,793	843,309	1,138,102
Per legislation	54,788	-	54,788
Per other agreements	43,655	176,286	219,941
Total restricted net position	<u>393,236</u>	<u>1,019,595</u>	<u>1,412,831</u>
Unrestricted net position	6,720	-	6,720
Total net position	<u>\$ 413,912</u>	<u>\$ 1,019,595</u>	<u>\$ 1,433,507</u>

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Statement of Revenues, Expenses, and Changes in Net Position  
(Dollars in thousands)  
Year Ended June 30, 2021

	<b>Housing Agency Fund</b>	<b>State Revolving Fund</b>	<b>Total</b>
Operating revenues:			
Interest on mortgage-backed securities	\$ 26,239	\$ -	\$ 26,239
Interest on loans	3,490	40,831	44,321
Interest on investments	2,305	778	3,083
Gain on the sale of mortgage-backed securities	6,123	-	6,123
Net decrease in fair value of investments and mortgage-backed securities	(6,477)	(351)	(6,828)
Fee income	22,244	6,883	29,127
Other income	1,273	-	1,273
Total operating revenues	<u>55,197</u>	<u>48,141</u>	<u>103,338</u>
Operating expenses:			
Interest expense	17,490	47,125	64,615
General and administrative	25,436	9,087	34,523
Recoveries of losses	(455)	(25)	(480)
Total operating expenses	<u>42,471</u>	<u>56,187</u>	<u>98,658</u>
Net operating income (loss)	<u>12,726</u>	<u>(8,046)</u>	<u>4,680</u>
Non-operating revenue (expense):			
Grant income	228,235	35,047	263,282
Grants and aid	(222,164)	(3,096)	(225,260)
Net non-operating revenue (expense)	<u>6,071</u>	<u>31,951</u>	<u>38,022</u>
Change in net position	<u>18,797</u>	<u>23,905</u>	<u>42,702</u>
Net position at June 30, 2020	<u>395,115</u>	<u>995,690</u>	<u>1,390,805</u>
Net position at June 30, 2021	<u>\$ 413,912</u>	<u>\$ 1,019,595</u>	<u>\$ 1,433,507</u>

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Statement of Cash Flows  
(Dollars in thousands)  
Year Ended June 30, 2021

	Housing Agency Fund	State Revolving Fund	Totals
Cash flows from operating activities:			
Cash receipts for fees and other income	\$ 23,337	\$ 6,915	\$ 30,252
Interest received on loans and mortgage-backed securities	29,802	40,574	70,376
Principal payments on loans and mortgage-backed securities	452,469	150,033	602,502
Purchase of loans and mortgage-backed securities	(647,126)	(335,895)	(983,021)
Proceeds on sale of mortgage-backed securities	123,106	-	123,106
Custodial deposits received	243,911	-	243,911
Custodial deposits disbursed	(242,665)	-	(242,665)
Cash payments for salaries and related benefits	(10,718)	(753)	(11,471)
Cash payments to suppliers	(1,160)	(8,846)	(10,006)
Net cash used in operating activities	<u>(29,044)</u>	<u>(147,972)</u>	<u>(177,016)</u>
Cash flows from noncapital financing activities:			
Proceeds from issuance of bonds	254,673	278,810	533,483
Repayment of bonds	(162,340)	(64,140)	(226,480)
Interest paid	(19,434)	(62,665)	(82,099)
Payments for cost of issuance	(2,409)	(1,265)	(3,674)
Receipts for grant programs	404,058	35,341	439,399
Payments for grant programs	(230,262)	(7,610)	(237,872)
Net cash provided by noncapital and related financing activities	<u>244,286</u>	<u>178,471</u>	<u>422,757</u>
Cash flows from investing activities:			
Purchases of investments	(428)	(39,840)	(40,268)
Interest received on investments	3,022	779	3,801
Sales/maturities of investments	2,598	51,378	53,976
Net cash provided by investing activities	<u>5,192</u>	<u>12,317</u>	<u>17,509</u>
Cash flows from capital financing activities:			
Purchase of capital assets	(1,306)	-	(1,306)
Net cash used in capital financing activities	<u>(1,306)</u>	<u>-</u>	<u>(1,306)</u>
Change in cash and cash equivalents	219,128	42,816	261,944
Cash and cash equivalents, beginning of year	220,372	513,035	733,407
Cash and cash equivalents, end of year	<u>\$ 439,500</u>	<u>\$ 555,851</u>	<u>\$ 995,351</u>
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	\$ 12,726	\$ (8,046)	\$ 4,680
Interest on investments	(2,305)	(778)	(3,083)
Interest on bonds	15,081	45,860	60,941
Payments for cost of issuance	2,410	1,265	3,675
Net decrease in fair value of investments and mortgage-backed securities	6,932	351	7,283
Provision for loan losses	8,570	-	8,570
Change in fair value of investment derivatives	(455)	-	(455)
Depreciation and loss on disposal of capital assets	918	-	918
Increase in loans and mortgage-backed securities	(77,674)	(185,862)	(263,536)
(Increase) decrease in interest receivable on loans and mortgage-backed securities	74	(258)	(184)
Decrease in custodial deposits	1,246	-	1,246
(Increase) decrease in other assets and deferred outflows	2,171	(163)	2,008
Increase (decrease) in accounts payable, other liabilities, and deferred inflows	1,262	(341)	921
Net cash used in operating activities	<u>\$ (29,044)</u>	<u>\$ (147,972)</u>	<u>\$ (177,016)</u>

## **Note 1 - Organization and Summary of Significant Accounting Policies**

### ***(a) Organization***

The Iowa Finance Authority (the Authority) was created in 1975 under Chapter 16 of the Code of Iowa as a public instrumentality and agency of the State of Iowa (the State) to undertake programs that assist in attainment of adequate housing for low- or moderate-income families, elderly families, and families that include one or more persons with disabilities. The Authority is authorized and has issued bonds for these purposes, the proceeds of which are used to provide affordable mortgage financing. The bonds are payable, principally, from repayments of such mortgage loans. These obligations do not constitute a debt of the State and, consequently, the State is not liable for any repayments.

To accomplish these purposes further, the Authority is authorized to allocate federal low-income housing tax credits for qualified Multi-Family housing developments in the State. In addition, federal grants and certain other funds of the Authority are utilized through its various housing assistance programs to provide low-interest loans or grants to assist the homeless and low-income Iowans in obtaining adequate housing.

The Authority has contracted with the United States Department of Housing and Urban Development (HUD) to serve as contract administrator for Section 8 Housing Assistance Payment (HAP) contracts. The Authority disburses subsidy payments monthly to the Multi-Family projects and monitors the individual units and projects for compliance with HUD regulations.

Chapter 16 of the Code of Iowa authorizes the Private Activity Bond Program. The Authority is authorized and has issued revenue bonds under this program, the proceeds of which have been used to provide limited types of financing for qualified manufacturing facilities, nonprofit entities, and Multi-Family housing projects. The bonds have been assigned, without recourse, to participating financial institutions or to the trustee on behalf of bondholders. Neither the Authority nor the State is obligated to pay debt service on such bonds. Therefore, the loans and bonds are not recorded in the Authority's financial statements. For the year ended June 30, 2021, the Authority issued \$232.9 million of these conduit obligations, and \$13.1 billion since the inception of the program.

The Iowa Legislature created Iowa Title Guaranty (ITG), a division of the Iowa Finance Authority, in 1986 within Chapter 16 of the Code of Iowa. ITG offers guaranties of real property titles as an adjunct to Iowa's abstract-attorney's title opinion system, providing a low-cost mechanism for guaranties of real-property titles to facilitate mortgage lenders' participation in the secondary market. ITG's mission also includes protecting the integrity of Iowa's land-title transfer system and supporting affordable housing by transferring all revenues in excess of operating expenses to the Authority's housing assistance fund.

ITG is self-supporting and charges premiums sufficient to cover the program's operating costs, including payment of administrative costs and the maintenance of an adequate reserve against claims. An ITG title certificate, closing protection letter or gap coverage is an obligation of ITG only. All ITG claims, including those related to the mortgage release program, are payable solely out of the assets and revenues of ITG and are not an indebtedness of the State of Iowa and, consequently, the State is not liable for any repayments.

Chapter 455B and Chapter 16 of the Code of Iowa authorize the Authority, jointly and in cooperation with the Iowa Department of Natural Resources (DNR), to undertake the creation, administration, and financing of the Iowa Water Pollution Control Works Financing Program (the Clean Water State Revolving Fund (CWSRF) Program) and the Iowa Drinking Water Facilities Financing Program (the Drinking Water State Revolving Fund (DWSRF) Program). These programs were created to implement provisions of federal legislation. The U.S. Environmental Protection Agency (EPA) makes annual capitalization grants to states for these programs. The Authority is authorized and has issued revenue bonds to meet the 20% State match required to receive the grants and to provide additional funds to make loans to finance all or part of the construction of wastewater and drinking water facilities. The bonds are limited obligations of the Authority payable solely from repayments of the loans and other assets and revenues pledged under the applicable bond indentures. The obligations do not constitute a debt of the State or a general obligation of the Authority.

The Iowa Agriculture Development Authority (IADA) became a division of the Authority effective July 1, 2013. It is now called the Iowa Agricultural Development Division (IADD). The Authority received all assets, liabilities, and net position of the IADA. Chapter 16 of the Code of Iowa authorizes the Authority to issue bonds for the purpose of financing loans to beginning farmers. These obligations do not constitute a general obligation of the Authority or the State. Therefore, the bonds are not recorded in the Authority's financial statements. For the year ended June 30, 2021, the IADD issued \$10.7 million of these conduit obligations, and \$625.2 million since the inception of the program.

The Authority is a component unit of the State. The Authority's financial statements are included in the State's annual comprehensive financial report.

***(b) Basis of Presentation***

The financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting in accordance with the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

***(c) Fund Accounting***

The Authority's accounts are organized as major funds, each of which is a separate set of self-balancing accounts for the assets, liabilities, net position, revenues, and expenses of the Authority's programs. The Authority presents two major funds: (1) Housing Agency Fund, and (2) State Revolving Fund (SRF).

The following describes the nature of the major funds currently maintained by the Authority:

**Housing Agency Fund – Consists of:**

- a. General Operating Accounts – account for the administrative operations of the Authority, receipts of various program fees, HUD contract administration fees, transfers to or from various bond accounts in accordance with applicable bond resolutions, income and expenses for facility rental operations, and administrative expenses of the Authority.
- b. Single-Family Bond Programs – account for the proceeds from bonds issued under the Single-Family Mortgage Bond Resolution and the Single-Family Mortgage Revenue Bond Resolution, the debt service requirements of the bonds, the investment of moneys held within the bond accounts, the related loans, and mortgage-backed securities. The bonds within the Single-Family Mortgage Bond Resolution are general obligations of the Authority but are primarily payable from assets and revenues pledged under the bond resolution. The bonds within the Single-Family Mortgage Revenue Bond Resolution are not a general obligation of the Authority but are limited obligations payable solely from the sources provided in this Resolution.

- c. Multi-Family Bond Programs – account for the proceeds from bonds issued under the Multi-Family Bond resolution and the Multi-Family Housing Bonds Master Trust Indenture, the debt service requirements of the bonds, the investment of moneys held within the bond accounts, and the related loans. The bonds within the Multi-Family programs are general obligations of the Authority but are primarily payable from assets and revenues pledged under the bond resolutions.
- d. Federal and State Programs – account for federal grants or State appropriations received and moneys transferred from ITG, all specifically restricted or committed for uses in accordance with applicable legislation or grant agreements.
- e. Iowa Agricultural Development Division – accounts for the administrative operations of IADD made up of receipts of various program fees and administrative expenses.
- f. Iowa Title Guaranty Division – accounts for the fees charged for title guaranty certificates, endorsement, and closing protection letters and the administrative costs and claims paid by ITG. Moneys in this account, after providing for adequate reserves and operating expenses, are transferred to the Housing Assistance Program.

**State Revolving Fund (SRF) – Consists of:**

- a. Clean Water Program Accounts – account for the proceeds of Clean Water Program revenue bonds, the debt service requirements of the bonds, the investment of moneys held within the bond accounts and the equity account, receipt of EPA capitalization grants, the related wastewater treatment facility loans to municipalities, and administrative costs of the program. The bonds are secured by certain loan agreements and other assets and revenues pledged under the applicable bond indentures for the SRF.
- b. Drinking Water Program Accounts – account for the proceeds of Drinking Water Program revenue bonds, the debt service requirements of the bonds, the investment of moneys held within the bond accounts and the equity account, receipt of EPA capitalization grants, the related drinking water facility loans to Iowa drinking water systems, and administrative costs of the program. The bonds are secured by certain loan agreements and other assets and revenues pledged under the applicable bond indentures for the SRF.

***(d) Substantially Restricted Assets***

Virtually all assets of the Authority are either specifically pledged to bondholders, held on behalf of various federal and state programs, held in escrow accounts, or pledged in connection with the general obligation of the Authority.

***(e) Cash Equivalents***

For purposes of the statements of cash flows, all highly liquid investments with original maturity of three months or less from the date of purchase are considered to be cash equivalents. These investments include the moneys deposited in the State's interest-bearing pooled money funds, investment agreements associated with bond issues, and various money market funds. In addition, certain nonparticipating guaranteed investment contracts are considered to be cash equivalents given the fact they are highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

***(f) Investments***

Under the various bond resolutions, State statutes, and the Authority's Investment Policy, the Authority may invest in U.S. government and agency, and municipal obligations directly or through repurchase agreements secured by such obligations, certificates of deposit in qualified financial institutions, pooled money funds with the State, commercial paper with qualified corporations, and investment agreements with U.S. government agencies, qualified financial institutions, or qualified corporations.

Investments and mortgage-backed securities are recorded at fair value in the statements of net position, with the change in the fair value recorded in the statements of revenues, expenses, and changes in net position. Guaranteed investment contracts are nonparticipating and, therefore, recorded at contract value.

***(g) Loans to Municipalities or Water Systems, Net***

Loans to municipalities or water systems are recorded at their unpaid principal balance, net of allowance for loans losses, within the SRF. The loans generally have terms of 20 to 30 years and are intended to be held to maturity. The loans are pledged as collateral for the bonds outstanding. Each municipality or water system has entered into a loan agreement with the Authority and has evidenced its commitment to repay the loan by issuing a revenue obligation or a general obligation to the Authority.

***(h) Housing Agency Loans, Net***

The Authority receives federal funds to make housing loans in connection with various federal programs for the State. These funds must be repaid to the federal government in the event of failure of the project. Loan repayments must remain within the program and be immediately loaned or granted to program recipients based upon the rules of the program.

Other Housing Agency loans are recorded at their unpaid principal balance, net of allowance for loan losses. The loans are intended to be held to maturity and are secured by first or second mortgages, other types of collateral, or are unsecured.

***(i) Provision for Loan Losses***

An evaluation of possible credit losses related to housing loans made with federal funds is made and a provision for losses is charged to grant expense. An allowance for losses of \$97.7 million was netted against housing loans made with federal funds at June 30, 2021.

An evaluation of possible credit losses relating to other Housing Agency loans is made and a provision for losses is charged to provision (recoveries) of loan losses. An allowance for losses of \$3.0 million was netted against other Housing Agency loans at June 30, 2021.

An evaluation of possible credit losses relating to loans to municipalities or water systems is made and a provision for losses is charged to provision (recoveries) of loan losses or grant expense. An allowance for losses of \$6.1 million was netted against loans to municipalities or water systems at June 30, 2021.

Interest accrues on loans and is charged to interest income until a loan becomes more than three months delinquent, at which time accrued interest is reversed. Subsequent interest income is not recognized on the loan until collected or until the loan is three months or less in arrears.

***(j) Line of Credit Receivable***

On December 18, 2020, the Authority renewed a \$45.0 million line of credit with its master servicer, Idaho Housing and Finance Association. The master servicer will draw on the line of credit to purchase qualified mortgage loans from the Authority's participating lenders. The Authority receives a first security position on the qualified mortgage loans as collateral. Unpaid balances on the line of credit bear interest at a rate equal to that of the qualified mortgage loans purchased less a small spread. The line of credit expires on December 31, 2021. As of June 30, 2021, the balance outstanding was \$29.2 million.

***(k) Capital Assets***

Furniture, fixtures, and office equipment that exceed \$5.0 thousand individually or groups of similar assets, less than \$5.0 thousand individually but more than \$10.0 thousand in total are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which range from 3 to 10 years.

Real estate purchased is recorded at cost. Land is recorded at net tax value at the time of the purchase and is not depreciated. Reasonable estimates are used to assign cost to major components and depreciated using the straight-line method over the useful lives of the assets of 15 years. The remaining cost was assigned to the building and depreciated using the straight-line method over 40 years.

***(l) Deferred Down Payment Assistance***

Down payment assistance paid in connection with the Authority's Single-Family Program is deferred and amortized over 10 years. As of June 30, 2021, there was a balance of \$9.4 million included in other assets.

***(m) Deferred Service Release Premium***

Service release premium is paid to the loan originator in connection with the Authority's Single-Family Program and amortized over the life of the loan. As of June 30, 2021, there was a balance of \$13.5 million included in other assets.

***(n) Bond Issuance Costs***

Bond issuance costs are expensed in the period incurred.

***(o) Bond Premiums, Discounts, and Losses on Refunding***

Bond premiums and discounts are amortized as an adjustment to interest expense over the life of the related bond issues using the bonds outstanding method. Losses on bond refunding are recorded as deferred outflows of resources and are deferred and amortized as an adjustment to interest expense over the shorter of the remaining life of the refunded bonds or the new bonds using the bonds outstanding method.

***(p) Custodial Deposits***

ITG holds custodial deposits in relation to its commercial title guaranty, escrow, and closing services. These funds are reported in the statement of net position of business-type activities and are expected to be held less than three months.

***(q) Escrow Deposits***

The Authority collects funds to pay property insurance, real estate taxes, and reserves in connection with certain housing loans. In addition, ITG serves as escrow agent in connection with commercial real estate transactions.

***(r) Reserves for Claims***

ITG maintains a liability for claims exposure on title guaranties due to title defects. A known claims reserve is provided for all claims received in the amount of the claim or the guarantied value of the property, whichever is less. In addition, an incurred but not reported (IBNR) reserve is provided based on an annual actuarial valuation that considers coverage amounts, claims history, and other economic factors. Changes in reserves are charged or credited to operating expenses. At June 30, 2021, known claims reserve and IBNR reserve were \$400 thousand and \$1.2 million, respectively.

In addition, the Authority assumed certain guaranties of the former Iowa Housing Corporation (IHC) in conjunction with the assets received from the IHC on July 1, 2003. At that time, management estimated the potential losses and reviews this estimate annually. The maximum amount of these guaranties as of June 30, 2021, was \$1.1 million for which a \$464 thousand reserve for claims liability is recorded within reserve for claims on the statement of net position.

**(s) Rebates Owed**

The amount of investment income the Authority may earn and retain on the proceeds of bonds issued in 1982 and after is limited by federal legislation. Earnings in excess of the allowable amount must be rebated to either the mortgagors or the U.S. Treasury. At June 30, 2021, \$29.0 thousand of such excess earnings are recorded as other liabilities on the statement of net position.

**(t) Unearned Revenue**

Compliance monitoring fees received by the Authority at the time a Low-Income Housing Tax Credit (LIHTC) project is placed in service are deferred and used to defray the administrative expenses of the Authority for annually monitoring the project's continued compliance with federal regulations. These fees are amortized over the 15-year compliance period. At June 30, 2021, \$631.2 thousand of such unearned revenue is recorded. In addition, grant funds received, that would revert if not spent, are recorded as unearned revenue. On June 30, 2021, the Authority held \$196.8 million of unspent CARES Act funds designated for an eviction and foreclosure relief program, Emergency Rental Assistance (ERA1) funds for a rent and utility assistance program and Homeowner Assistance Funds (from American Rescue Plan Act) for the benefit of homeowners experiencing financial hardship.

**(u) Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**(v) Net Position**

Restricted net position represents net position set aside, as required by the various bond resolutions, for the benefit of the respective bond owners. Assets related to such restricted net position include required reserves, loans or mortgage-backed securities (MBS), assets held for placement into loans or MBS, investments, and assets held for scheduled debt service. Restricted net position also represents net position specifically restricted for uses in accordance with applicable legislation, including ITG and the federal and State Programs. It is the Authority's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Restricted net position also represents net position restricted for use by other agreements including loans and accounts held under the Clean Water Program Accounts and the Drinking Water Program Accounts, which are restricted pursuant to the Master Trust Agreement and federal laws or regulations.

Unrestricted net position provides additional security for the Authority's general obligations and coverage of the Authority's administrative costs. Unrestricted net position is available to meet commitments listed under Note 10 - Commitments and Contingencies.

***(w) Classification of Revenues and Expenses***

The Authority distinguishes operating revenues and expenses from non-operating items. The principal operating revenues are interest income on loans, MBS, and investments; gain on the sale of MBS; change in fair value of investments, MBS, and investment derivative instruments; and fees received in connection with ITG, administration of the U.S. Department of Housing and Urban Development's Section 8 Housing Assistance Payments program and Low Income Housing Tax Credit programs. Operating expenses include interest expense; general and administrative expenses; and provisions for loan losses. All revenues and expenses not meeting this definition are reported as non-operating.

The Authority's non-operating revenues and expenses consist, primarily, of the U.S. Environmental Protection Agency's capitalization grants for the SRF programs; Section 8 Project HAP Program; pass-through amounts related to the Department of Housing and Urban Development's grants for the Home Investment Partnerships Program, Housing Opportunities for Persons with AIDS, Emergency Solutions Grant programs, and the National Housing Trust Fund; Department of the Treasury Covid-19-related grant programs; and pass-through grants from the Iowa legislature for down-payment assistance to returning active duty military personnel; homeless shelter operating grants; rent subsidy programs; wastewater and drinking water grants; transfers between programs; and other items incurred outside the normal operations of the Authority.

***(x) Gain on Sale of Mortgage-Backed Securities (MBS)***

The Authority participates in the GNMA, FNMA, and FHLMC MBS programs whereby GNMA, FNMA or FHLMC guaranties securities that are backed by pools of mortgage loans. Gains on sales of MBS are recorded at the time of settlement and represent the difference between the sale price of the MBS and the carrying value of the underlying pool of mortgages backing them.

***(y) Fee Income***

The Authority receives fee income from program users to cover the cost of the program administration. Fee income is recorded in the period earned. Fees collected in the current period for future services are amortized over the life of the service period. Major sources of fee income are ITG fees, SRF loan fees, Section 8 Housing Assistance Payments program administration fees, low-income housing tax credit fees, and service acquisition fees in connection with the Authority's Single-Family Programs.

***(z) Grant Income***

The Authority receives grant income from various sources to cover the cost of program administration and for further distribution to sub-grantees. Major sources of grant income are the Environmental Protection Agency's grants for the Authority's Clean Water Program and Drinking Water Program; the Department of Housing and Urban Development's grants for the Authority's Home Investment Partnerships Program, Housing Opportunities for Persons with AIDS, Emergency Solutions Grant Program, National Housing Trust Fund, and Section 8 Project Housing Assistance Payments Program; the Department of the Treasury Covid-19-related grants; and the Iowa legislature for down-payment assistance to returning active duty military personnel, homeless shelter operating grants, water quality grants, and disaster recovery programs. Grant income is recorded when all eligibility requirements have been met. Grant funds received in advance of meeting eligibility requirements are recorded as a liability as unearned revenue.

***(aa) Derivatives***

The Authority uses derivative financial instruments to manage and reduce exposure to adverse fluctuations in interest rates and to lower the overall cost of financing. All derivative financial instruments are recorded at fair value. Certain of the Authority's derivatives consist of interest rate swap and interest rate cap agreements entered into in connection with its issuance of variable rate mortgage revenue bonds. These derivative financial instruments are considered hedging derivative instruments and are recorded as other assets or other liabilities on the statement of net position.

The Authority's additional derivative financial instruments are commitments to purchase mortgage-backed securities. These derivative financial instruments consist of forward sales of MBS in the To-Be-Announced (TBA) market, which hedge changes in the fair value of the mortgage loan inventory and commitments. These contracts are considered investment derivative instruments and are recorded as other assets or other liabilities on the statement of net position.

The Authority reports hedging derivative instruments accumulated change in fair value as either deferred inflows or deferred outflows of resources. The Authority reports investment derivative instruments accumulated changes in fair value as part of the net increase/decrease in fair value of investments within the statement of revenues, expenses, and changes in net position.

***(bb) Use of Estimates***

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***(cc) Income Taxes***

The Authority is a tax-exempt, quasi-governmental organization under IRC Section 115(l). Accordingly, no provision for income taxes has been included in the accompanying financial statements.

**Note 2 - Cash, Cash Equivalents and Investments**

The following table presents the detail of cash and cash equivalents, investments, and investments in MBS (dollars in thousands):

	<b>June 30, 2021</b>				<b>Average Maturity (years)</b>
	<b>Housing Agency Fund</b>	<b>State Revolving Fund</b>	<b>Total</b>	<b>% of total</b>	
Cash and cash equivalents					
Cash in banks	\$ 208,168	\$ 36,109	\$ 244,277	13%	
Cash in the State Treasurer's pooled money account	57,966	-	57,966	3%	
Money market funds	173,366	519,742	693,108	37%	
Total	<u>439,500</u>	<u>555,851</u>	<u>995,351</u>	<u>53%</u>	
Investments					
Certificates of deposit	160	1,395	1,555	0%	0.93
Commercial paper	-	28,475	28,475	1%	0.53
U.S. government agency securities	-	3,601	3,601	0%	2.69
Municipal securities	-	20,920	20,920	1%	2.82
U.S. Treasury securities	-	3,762	3,762	0%	1.40
Total	<u>160</u>	<u>58,153</u>	<u>58,313</u>	<u>2%</u>	
Investments in MBS					
GNMA mortgage-backed securities	446,175	-	446,175	24%	21.92
FNMA mortgage-backed securities	338,432	-	338,432	18%	22.66
FHLMC mortgage-backed securities	64,008	-	64,008	3%	27.85
Total	<u>848,615</u>	<u>-</u>	<u>848,615</u>	<u>45%</u>	
Total	<u>\$ 1,288,275</u>	<u>\$ 614,004</u>	<u>\$ 1,902,279</u>	<u>100%</u>	

**(a) Deposits**

The Housing Agency’s deposits held in financial institutions throughout the year were entirely covered by the Federal Deposit Insurance Corporation or by the bank assessment provisions of Section 12C.22 of the Code of Iowa. The SRF waives the provisions of Section 12C.22 and has uninsured bank balances of \$30.7 million as of June 30, 2021.

**(b) Investments**

The investment of funds may be governed by the Authority’s investment policy approved by the Authority’s Board of Directors, the Authority’s various bond indentures, and the State. Permitted investments include direct obligations of, or obligations guaranteed by or issued by, certain agencies of the federal government of the United States of America; repurchase agreements fully collateralized and secured by the U.S. Treasury; corporate bonds issued or guaranteed by a domestic U.S. corporation meeting certain credit rating standards; municipal bonds backed by the full faith and credit of the municipality; pooled money funds; money market funds; certificates of deposits; commercial paper with qualified corporations; and guaranteed investment contracts with financial institutions meeting certain credit rating standards.

**(c) Credit Risk**

Credit risk is if an issuer or counterparty will not fulfill their obligation to the Authority. Custodial credit risk is if a depository institution fails it may not return the Authority’s deposits.

The Authority minimizes credit risk by limiting securities to the credits and types of investments authorized in the investment policy or relevant bond indentures and prequalifying the financial institutions, brokers, dealers, and advisers with whom the Authority does business, as outlined in the Authority’s investment policy.

**(d) Concentration Risk**

Concentration risk is the risk of loss that may be attributed to the magnitude of an investment in a single type of security or single issuer. The Authority’s investment policy outlines the allowable concentrations of various investment categories. Bond indentures restrict the types of permitted investments. Portfolio maturities are staggered to avoid undue concentration of assets within a specific maturity period, which provides for stability of income and reasonable liquidity.

The table below addresses credit risk and concentration risk of investments (dollars in thousands):

Type/Provider	Credit ratings		June 30, 2021			
	S&P	Moody’s	Housing Agency Fund	% of total	State Revolving Fund	% of total
Money market funds:						
Morgan Stanley	AAAm	Aaa-mf	\$ 24,413	2.4%	\$ -	0.0%
BlackRock	AAAm	Aaa-mf	-	0.0%	443,319	76.8%
Goldman Sachs Group	AAAm	Aaa-mf	148,953	14.6%	76,423	13.2%
Certificates of deposit						
Commercial Paper	NR	NR	160	0.0%	1,395	0.2%
U.S. government agency securities	A-1	P-1	-	0.0%	28,475	4.9%
U.S. Treasury securities	AA+	Aaa	-	0.0%	3,601	0.6%
U.S. Treasury securities	AA+	Aaa	-	0.0%	3,762	0.7%
Municipal securities	AA to AAA	A1 to Aaa	-	0.0%	20,920	3.6%
Mortgage-backed securities:						
GNMA	NR	NR	446,175	43.6%	-	0.0%
FNMA	NR	NR	338,432	33.1%	-	0.0%
FHLMC	NR	NR	64,008	6.3%	-	0.0%
Total			\$ 1,022,141	100.0%	\$ 577,895	100.0%

**(e) Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates may adversely affect the fair value of the Authority's investments. The Authority's strategy, as discussed in its investment policy, is to minimize interest rate risk by structuring investment portfolios so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

**(f) Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Authority has no positions in foreign currency or any foreign currency denominated investments.

**Note 3 - Loans**

Loans at June 30, 2021, are as follows (dollars in thousands):

	<b>2021</b>		
	<b>Cost</b>	<b>Allowance for losses</b>	<b>Net</b>
Housing Agency Loans			
Loans secured with first mortgages	\$ 61,635	\$ (1,308)	\$ 60,327
Loans secured with second mortgages, other collateral, or unsecured	350	(22)	328
Single Family second mortgage loans	9,786	(98)	9,688
State program loans	16,007	(1,598)	14,409
Federal program loans	128,205	(97,700)	30,505
Total Housing Agency Fund Loans	<u>\$ 215,983</u>	<u>\$ (100,726)</u>	<u>\$ 115,257</u>
State Revolving Fund Loans			
Loans backed by municipal bonds	\$ 2,162,927	\$ -	\$ 2,162,927
Unsecured planning and design loans	24,368	-	24,368
Unsecured nonpoint source loans	18,802	(1,288)	17,514
Forgivable portion of SRF loans	4,792	(4,792)	-
Total State Revolving Fund Loans	<u>\$ 2,210,889</u>	<u>\$ (6,080)</u>	<u>\$ 2,204,809</u>

**Note 4 - Capital Assets**

Capital assets at June 30, 2021, are as follows (dollars in thousands):

	<b>Balance at June 30, 2020</b>	<b>Additions and Transfers</b>	<b>Disposals and Reductions</b>	<b>Balance at June 30, 2021</b>
Non-depreciable assets:				
Land	\$ 886	\$ -	\$ -	\$ 886
Construction in progress	1,130	(808)	-	322
Total non-depreciable assets	<u>2,016</u>	<u>(808)</u>	<u>-</u>	<u>1,208</u>
Depreciable assets:				
Buildings and improvements	11,515	1,989	(213)	13,291
Land improvements	700	-	-	700
Office equipment & vehicles	248	338	(174)	412
Total depreciable assets	<u>12,463</u>	<u>2,327</u>	<u>(387)</u>	<u>14,403</u>
Less accumulated depreciation:	(911)	(918)	174	(1,655)
Total Capital Assets-Net	<u>\$ 13,568</u>	<u>\$ 601</u>	<u>\$ (213)</u>	<u>\$ 13,956</u>

**Note 5 - Bonds Payable**

Outstanding Bonds Payable at June 30, 2021, are as follows (dollars in thousands)

Description	Original amount	Due dates		Interest rate		Balance 2021
		From	To	From	To	
Housing Agency Bonds and Notes:						
SF 1991 Mortgage Bonds						
SF 2014 B-1 - Term Bonds	D \$ 1,525		02/01/44		3.590	\$ 253
SF 2014 B-2 - Term Bonds	D 11,895		09/01/36		3.050	2,923
SF 2015 A - Term Bonds	40,610		01/01/40		3.500	8,300
SF 2015 B - Term Bonds	40,000		01/01/46		0.030 *	40,000
SF 2015 C - Serial Bonds	22,245	01/01/16	01/01/22	0.540	3.047	1,745
SF 2016 A -Term Bonds	20,615		07/01/46		4.000	6,945
SF 2016 B - Term Bonds	20,000		07/01/46		0.030 *	20,000
SF 2016 C - Serial Bonds	19,095	07/01/16	07/01/27	0.500	2.900	11,555
SF 2016 D - Serial Bonds	12,125	07/01/17	07/01/26	0.800	2.300	6,915
SF 2016 D - Term Bonds	5,590		07/01/31		2.850	5,590
SF 2016 D - Term Bonds	17,635		07/01/46		3.500	8,395
SF 2016 E - Term Bonds	15,000		07/01/46		0.650 *	14,690
SF 2017 A - Serial Bonds	11,410	01/01/18	07/01/27	1.000	2.900	7,520
SF 2017 A - Term Bonds	17,330		07/01/47		4.000	9,740
SF 2017 B - Term Bonds	7,500		07/01/47		1.000 *	7,500
SF 2017 C - Serial Bonds	17,265	01/01/18	07/01/29	0.800	2.750	12,725
SF 2017 C - Term Bonds	22,210		01/01/47		3.500	13,740
SF 2017 D - Term Bonds	17,500		01/01/47		0.030 *	17,500
SF 2018 A - Serial Bonds	13,635	01/01/19	07/01/29	1.600	3.200	7,600
SF 2018 A - Term Bonds	19,630		07/01/47		4.000	14,015
SF 2018 B - Term Bonds	20,000		07/01/47		0.030 **	20,000
SF 2018 C - Serial Bonds	7,960	07/01/24	07/01/30	2.500	3.350	4,600
SF 2018 C - Term Bonds	17,425		07/01/48		4.000	14,085
SF 2018 D - Term Bonds	15,000		07/01/48		0.030 *	15,000
SF 2019 A - Serial Bonds	2,065	01/01/30	07/01/30	2.600	2.650	2,065
SF 2019 A - Term Bonds	4,375		07/01/32		2.950	4,375
SF 2019 A - Term Bonds	35,910		07/01/47		4.000	32,315
SF 2019 B - Term Bonds	20,000		07/01/47		0.040 *	20,000
SF 2019 C - Serial Bonds	19,615	01/01/20	01/01/30	2.500	3.500	8,435
SF 2019 D - Serial Bonds	19,280	07/01/24	07/01/32	1.400	2.300	19,280
SF 2019 D - Term Bonds	4,440		07/01/34		2.450	4,440
SF 2019 D - Term Bonds	6,620		07/01/37		2.600	6,620
SF 2019 D - Term Bonds	34,055		01/01/49		3.500	31,890
SF 2019 E - Term Bonds	15,000		01/01/49		0.030 *	15,000
SF 2019 F - Serial Bonds	7,085	01/01/20	01/01/24	1.800	2.050	4,585
SF 2020 A - Serial Bonds	10,265	07/01/28	07/01/32	1.750	2.200	10,625
SF 2020 A - Term Bonds	5,070		01/01/35		2.500	5,070
SF 2020 A - Term Bonds	13,915		01/01/40		2.700	13,915
SF 2020 A - Term Bonds	2,555		01/01/42		2.850	2,555
SF 2020 A - Term Bonds	29,205		01/01/50		3.750	28,040
SF 2020 B - Term Bonds	20,000	01/01/32	07/01/49		0.030 *	20,000
SF 2020 C - Serial Bonds	15,500	07/01/20	01/01/28	1.600	2.450	13,540
SF 2020 D - Serial Bonds	10,000	01/01/27	07/01/32	1.200	1.900	10,000
SF 2020 D - Term Bonds	3,835		07/01/35		2.000	3,835
SF 2020 D - Term Bonds	8,160		07/01/40		2.200	8,160
SF 2020 D - Term Bonds	20,825		07/01/50		3.250	20,275
SF 2020 E - Term Bonds	15,000		07/01/49		0.030 *	15,000
SF 2020 F - Serial Bonds	8,000	01/01/21	01/01/27	0.550	1.550	7,835
SF 2021 A - Serial Bonds	35,160	01/01/22	07/01/33	0.100	1.750	35,160
SF 2021 A - Term Bonds	7,185		07/01/35		1.850	7,185
SF 2021 A - Term Bonds	9,395		07/01/38		1.900	9,395
SF 2021 A - Term Bonds	31,455		01/01/47		3.000	31,455
SF 2021 B - Serial Bonds	22,830	01/01/22	07/01/33	0.125	1.950	22,830
SF 2021 B - Term Bonds	8,725		07/01/36		2.000	8,725
SF 2021 B - Term Bonds	16,315		07/01/41		2.200	16,315
SF 2021 B - Term Bonds	15,125		07/01/45		2.350	15,125
SF 2021 B - Term Bonds	29,085		07/01/51		3.000	29,085
SF 2021 C - Serial Bonds	5,000	01/01/22	07/01/24	0.250	0.600	5,000
Premium						21,262
Total SF 1991 Mortgage Bonds		924,250				780,728

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Description	Original amount	Due dates		Interest rate		Balance 2021
		From	To	From	To	
SF 2009 Mortgage Revenue Bonds						
SF 2012 1 Term Bonds	17,756		09/01/40		2.300	3,087
SF 2013 1 Term Bonds	20,000		02/01/43		2.150	4,217
SF 2013 2 Term Bonds	15,000		07/01/43		2.800	4,789
SF 2013 4 Term Bonds	10,000		08/01/43		2.800	3,204
Total SF 2009 Mortgage Revenue Bonds	<u>62,756</u>					<u>15,297</u>
Multi-Family Housing Bonds						
MF 2007 A – Term Bonds	12,700		08/01/37		0.050 *	11,030
MF 2007 B – Term Bonds	9,300		08/01/37		0.050 *	8,075
MF 2008 A – Term Bond	3,750		06/01/24		0.040 *	3,350
MF FHLB B1 – Term Bonds	D 11,500		02/01/26		1.212 **	9,839
MF FHLB 2018 – Term Bonds	D 900		02/01/25		3.020	835
Total MF Housing Bonds	<u>38,150</u>					<u>33,129</u>
Total Housing Agency	<u>1,025,156</u>					<u>829,154</u>
State Revolving Fund Revenue Bonds						
2010 - Serial Bonds	215,725	08/01/11	08/01/25	1.687	5.000	65,935
2010 - Term Bonds	77,165		08/01/30		3.550	77,165
2011 - Serial Bonds	220,435	08/01/12	08/01/31	2.000	5.000	11,905
2013 - Serial Bonds	115,450	08/01/14	08/01/33	1.500	5.000	46,490
2015 - Serial Bonds	321,530	08/01/15	08/01/35	1.000	5.000	191,340
2016 - Serial Bonds	163,275	08/01/17	08/01/39	2.000	5.000	129,095
2017 - Serial Bonds	272,990	08/01/18	08/01/37		5.000	264,030
2017 - Term Bonds	54,815		08/01/42		5.000	57,350
2017 - Term Bonds	19,655		08/01/47		5.000	19,655
2019 A - Serial Bonds	215,990	08/01/19	08/01/42	2.250	5.000	211,170
2019 B - Serial Bonds	42,015	08/01/19	08/01/28	2.567	3.354	40,855
2020 - Serial Bonds	168,740	08/01/21	08/01/40		5.000	168,740
2020 - Term Bonds	15,005	08/01/41	08/01/44		5.000	15,005
2020 - Term Bonds	18,080	08/01/45	08/01/49		5.000	18,080
2021A - Serial Bonds	164,490	08/01/22	08/01/41		5.000	164,490
2021A - Term Bonds	12,745		08/01/46		5.000	12,745
2021A - Term Bonds	9,915		08/01/51		5.000	9,915
2021B - Serial Bonds	31,140	08/01/22	08/01/26	0.158	1.014	31,140
Premium						<u>247,646</u>
Total State Revolving Fund Revenue Bonds	<u>2,139,160</u>					<u>1,782,751</u>
Total bonds and notes	<u>\$ 3,164,316</u>					<u>\$ 2,611,905</u>

D Direct placement bonds

\* Variable rate as of June 30, 2021; remarketed weekly at prevailing interest rates

\*\* Variable rate as of June 30, 2021; indices are reset weekly or monthly

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**(b) Roll forward**

The following tables summarize the bonds and notes payable activity for the Authority for the year ended June 30, 2021, (dollars in thousands):

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2021</u>	<u>Due within one year</u>
Housing Agency Fund					
SF 1991 Mortgage Bonds	\$ 650,383	\$ 254,673	\$ (127,504)	\$ 777,552	\$ 11,255
SF 1991 Mortgage Bonds					
Direct Placement	4,258	-	(1,082)	3,176	-
SF 2009 Mortgage Revenue Bonds	34,954	-	(19,657)	15,297	-
SF 2009 Mortgage Revenue Bonds					
Direct Placement	16,470	-	(16,470)	-	-
MF Bonds	23,715	-	(1,260)	22,455	-
MF Bonds Direct Placement	10,919	-	(245)	10,674	261
Total Housing Agency Fund	<u>740,699</u>	<u>254,673</u>	<u>(166,218)</u>	<u>829,154</u>	<u>11,516</u>
State Revolving Fund	<u>1,587,956</u>	<u>278,810</u>	<u>(84,015)</u>	<u>1,782,751</u>	<u>62,760</u>
Total	<u>\$ 2,328,655</u>	<u>\$ 533,483</u>	<u>\$ (250,233)</u>	<u>\$ 2,611,905</u>	<u>\$ 74,276</u>

All bonds issued by the Authority are used to purchase MBS or loans; fund cost of issuance and down payment assistance; or refund prior debt.

**(c) Maturity**

A summary of scheduled bond maturities (excluding premium and discount) and interest payments is as follows (dollars in thousands):

Year ending June 30	Housing Agency								
	Housing Agency			Total Direct Placements			Total Housing Agency		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 11,255	\$ 14,107	\$ 25,362	\$ 261	\$ 243	\$ 504	\$ 11,516	\$ 14,350	\$ 25,866
2023	19,775	15,013	34,788	280	239	519	20,055	15,252	35,307
2024	23,935	14,715	38,650	299	236	535	24,234	14,951	39,185
2025	22,155	14,376	36,531	1,069	222	1,291	23,224	14,598	37,822
2026	23,415	13,990	37,405	8,766	170	8,936	32,181	14,160	46,341
2027-2031	100,860	64,376	165,236	-	491	491	100,860	64,867	165,727
2032-2036	119,660	56,029	175,689	-	491	491	119,660	56,520	176,180
2037-2041	167,662	44,373	212,035	2,923	68	2,991	170,585	44,441	215,026
2042-2046	185,555	26,255	211,810	252	24	276	185,807	26,279	212,086
2047-2051	114,565	6,816	121,381	-	-	-	114,565	6,816	121,381
2052-2056	5,205	78	5,283	-	-	-	5,205	78	5,283
Total	<u>\$ 794,042</u>	<u>\$ 270,128</u>	<u>\$ 1,064,170</u>	<u>\$ 13,850</u>	<u>\$ 2,184</u>	<u>\$ 16,034</u>	<u>\$ 807,892</u>	<u>\$ 272,312</u>	<u>\$ 1,080,204</u>
	State Revolving Fund			Total Authority					
	Principal	Interest	Total	Principal	Interest	Total			
2022	\$ 62,760	\$ 67,410	\$ 130,170	\$ 74,276	\$ 81,760	\$ 156,036			
2023	66,340	67,501	133,841	86,395	82,753	169,148			
2024	74,805	64,602	139,407	99,039	79,553	178,592			
2025	72,885	61,639	134,524	96,109	76,237	172,346			
2026	75,050	58,682	133,732	107,231	72,842	180,073			
2027-2031	390,640	243,274	633,914	491,500	308,141	799,641			
2032-2036	384,060	148,281	532,341	503,720	204,801	708,521			
2037-2041	296,760	61,376	358,136	467,345	105,817	573,162			
2042-2046	78,810	15,753	94,563	264,617	42,032	306,649			
2047-2051	31,745	3,359	35,104	146,310	10,175	156,485			
2052-2056	1,250	31	1,281	6,455	109	6,564			
Total	<u>\$ 1,535,105</u>	<u>\$ 791,908</u>	<u>\$ 2,327,013</u>	<u>\$ 2,342,997</u>	<u>\$ 1,064,220</u>	<u>\$ 3,407,217</u>			

The Authority has the option to redeem bonds at par or, in some instances, at a premium. Generally, the redemption option cannot be exercised prior to the time the bonds have been outstanding for 10 years; however, certain special redemptions, as governed by the bond resolutions, are permitted prior to such time. Term bonds are subject to mandatory redemptions, without premium, through sinking fund installments subsequent to the scheduled completion of retirement of the serial bonds of the same issue. The schedule of bond maturities includes the sinking fund installments for the term bonds. Bond maturities and interest rates are based on those in effect as of June 30, 2021.

The bonds are secured, as described in the applicable bond resolution, by the revenues, moneys, investments, loans, and other assets in the programs and accounts established by the respective bond resolutions.

Direct placement bonds have been issued to the U.S. Treasury and Federal Home Loan Bank. These bonds are secured with the mortgaged backed securities or loans purchased with the bond proceeds and have both principal and interest receipts pledged to the bondholders.

There are no unusual events of default, no unusual termination events, and no subjective acceleration clauses in these bond resolutions with financial related consequences.

The Single-Family Mortgage Bonds Resolution and the Multi-Family Housing Bonds Master Trust Indenture contain covenants that require the Authority to make payments of principal and interest from amounts available in the General Account should deficiencies occur in the accounts established for such payments by the respective bond resolutions.

**(d) Derivative Instrument Payments and Variable-Rate Debt**

As of June 30, 2021, aggregate debt service requirements of the Authority's hedged variable-rate debt and net receipts/payments on associated derivative instruments are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on hedging derivative instruments will vary. Not all variable rate debt is associated with a derivative instrument. Refer to Note 6 for information on derivative instruments (dollars in thousands).

Fiscal year ending June 30	Variable-rate bonds principal	Variable-rate bonds interest	Interest rate swaps, net	Total
2022	\$ -	\$ 56	\$ 3,177	\$ 3,233
2023	1,300	55	3,157	4,512
2024	4,720	55	3,146	7,921
2025	1,440	53	2,982	4,475
2026	1,520	53	2,930	4,503
2027-2031	15,460	252	13,662	29,374
2032-2036	39,348	209	9,982	49,539
2037-2041	42,953	142	6,625	49,720
2042-2046	52,191	67	3,152	55,410
2047-2051	17,858	5	278	18,141
Total	<u>\$ 176,790</u>	<u>\$ 947</u>	<u>\$ 49,091</u>	<u>\$ 226,828</u>

**(e) Defeased Debt**

On February 25, 2015, the Authority issued SRF bonds with a face value of \$321.5 million to provide resources to purchase investment securities that were placed into an irrevocable trust to provide funds for future debt service payments on \$298.3 million of SRF bonds. The funds required for this transaction exceeded the net carrying value of the defeased debt by \$25.4 million. This refunding was undertaken to take advantage of the low interest rate environment. The aggregate difference in debt service between the refunding debt and the refunded debt was \$140.9 million. However, the refunding resulted in an economic gain of \$32.9 million.

On December 14, 2017, the Authority issued SRF bonds with a face value of \$347.5 million to provide resources to purchase investment securities that were placed into an irrevocable trust to provide funds for future debt service payments on \$207.4 million of SRF bonds. The funds required for this transaction exceeded the net carrying value of the defeased debt by \$87.3 thousand. This refunding was undertaken to take advantage of the low interest rate environment. The aggregate difference in debt service between the refunding debt and the refunded debt was \$19.9 million. However, the refunding resulted in an economic gain of \$16.2 million.

On January 22, 2020, the Authority used \$12.9 million of cash from the SRF Equity Accounts to provide resources to purchase State and Local Government Series (SLGS) securities that were placed into an irrevocable trust to provide funds for future debt service payments on \$12.4 million of SRF bonds. The funds required for this transaction exceeded the net carrying value of the defeased debt by \$576.2 thousand. This defeasance was undertaken to retire the oldest debt outstanding in the portfolio that would be available for redemption on August 1, 2020, in addition to achieve debt service savings resulting in an economic gain of \$766 thousand.

On June 28, 2021, the Authority placed cash into an irrevocable trust to provide funds for debt service payments on July 1, 2021. Cash for the irrevocable trust came from \$7.3 million of Single-Family Mortgage Bonds that were issued on June 17, 2021, in addition to \$218 thousand contributed from accounts related to the defeased debt. The funds required for this transaction equaled the net carrying value of the defeased debt.

As a result, the irrevocable trust account assets and the liabilities for these defeased bonds are not included in the Authority's basic financial statements.

The amount of defeased debt outstanding at June 30, 2021, is shown below (dollars in thousands):

	<b>June 30, 2021</b>
Housing Agency defeased bonds:	
Series 2013-3	\$ 7,500
State Revolving Fund defeased bonds:	
Series 2011	145,650
Series 2013	37,560
Series 2016	24,160
Total State Revolving Fund defeased bonds	207,370
Total defeased bonds	\$ 214,870

**(f) Revolving Line of Credit**

On July 30, 2021, the Authority extended a \$15.0 million revolving line of credit with U.S. Bank, N.A. The Authority will draw on the line of credit with U.S. Bank, N.A., to provide funds for the Housing Agency's Single-Family Program. The line of credit expires on March 30, 2023. As of June 30, 2021, there was no balance outstanding.

	<b>Balance at June 30, 2020</b>	<b>Draws</b>	<b>Repayments</b>	<b>Balance at June 30, 2021</b>
Line of Credit	\$ -	\$ 15,000	\$ (15,000)	\$ -

## Note 6 - Derivative Instruments

### (a) Hedging Derivatives - swaps

Swap agreements allow the Authority to raise funds at variable rates and swap them into fixed rates that are lower than those available to the Authority if fixed-rate borrowings were made directly. These contracts involve the exchange of variable-rate for fixed-rate payments between the parties, without the exchange of the underlying debt, based on a common notional amount and maturity date.

The following table displays the terms of the Authority's swap hedging derivative instruments outstanding at June 30, 2021 (dollars in thousands):

Bond series	2021 Notional amount	Effective date	Termination date	Terms		Counterparty
				Pay	Receive	
SF 2015 B	\$ 2,185	09/01/06	01/01/36	3.766%	Enhanced LIBOR	Goldman Sachs Bank USA
MF 2008 A	3,350	04/17/08	06/01/24	3.971%	SIFMA + 0.08%	Goldman Sachs Bank USA
SF 2015 B	27,765	01/01/17	01/01/46	2.518%	67% of USD LIBOR	Royal Bank of Canada
SF 2016 B*	14,800	07/01/16	07/01/21	2.206%	67% of USD LIBOR	Royal Bank of Canada
SF 2016 B*	135	12/12/07	07/01/21	4.373%	100% of USD LIBOR	The Bank of New York Mellon
SF 2016 E	5,355	01/01/18	07/01/46	2.292%	67% of USD LIBOR	Wells Fargo Bank N.A.
SF 2017 D	13,125	01/01/18	01/01/47	2.126%	67% of USD LIBOR	Wells Fargo Bank N.A.
SF 2018 B	15,000	07/01/18	07/01/47	2.490%	70% of USD LIBOR	The Bank of New York Mellon
SF 2018 D	11,250	07/01/19	07/01/48	2.638%	70% of USD LIBOR	Royal Bank of Canada
SF 2019 B	15,000	07/01/19	07/01/30	1.939%	SIFMA	Wells Fargo Bank N.A.
SF 2019 E	11,250	01/01/20	01/01/49	1.605%	SIMFA Swap Index until 1/1/2029; 67% of USD-LIBOR thereafter	The Bank of New York Mellon
SF 2020 B	15,000	07/01/20	07/01/49	1.691%	SIMFA Swap Index until 7/1/2029; 67% of USD-LIBOR thereafter	Wells Fargo Bank N.A.
SF 2020 E	11,250	07/01/21	07/01/35	1.051%	SIFMA	Wells Fargo Bank N.A.
SF 2016 B	15,000	07/01/21	01/01/28	0.870%	SIFMA	The Bank of New York Mellon
	\$ 160,465					

\* Swap was terminated on 7/1/2021

Goldman Sachs Bank USA is rated A1 by Moody's and A+ by S&P Global

The Bank of New York Mellon is rated Aa2 by Moody's and AA- by S&P Global

Royal Bank of Canada is rated Aa2 by Moody's and AA- by S&P Global

Wells Fargo Bank, N.A. is rated Aa2 by Moody's and A+ by S&P Global

SIFMA = Securities Industry and Financial Markets Association Swap Index

LIBOR = London Interbank Offered Rate

**(b) Hedging Derivatives - Caps**

Interest rate cap derivatives are where the Authority receives payments at the end of each period, based on a notional amount, when the interest rate exceeds the agreed-upon strike rate. The following table displays the terms of the Authority's cap derivative instruments outstanding at June 30, 2021 (dollars in thousands):

<b>Bond Series</b>	<b>2021 Notional amount</b>	<b>Effective date</b>	<b>Maturity date</b>	<b>Strike rate</b>	<b>Counterparty</b>
MF 2007 B	\$ 9,300	06/14/2007	01/01/2024	SIFMA = 5.5%	The Bank of New York Mellon
MF 2007 A	11,305	07/01/2018	07/01/2021	SIFMA = 3.0%	Royal Bank of Canada
MF 2007 A	11,030	07/01/2021	07/01/2024	SIFMA = 3.0%	Royal Bank of Canada
MF FHLB B-1	9,839	07/01/2018	07/01/2022	USD LIBOR = 6.0%	Royal Bank of Canada
	<u>\$ 41,474</u>				

**(c) Ratings and Definitions**

Goldman Sachs Bank USA is rated A1 by Moody's and A+ by S&P Global  
The Bank of New York Mellon is rated Aa2 by Moody's and AA- by S&P Global  
Royal Bank of Canada is rated Aa2 by Moody's and AA- by S&P Global  
Wells Fargo Bank, N.A. is rated Aa2 by Moody's and A+ by S&P Global  
SIFMA = Securities Industry and Financial Markets Association Swap Index  
LIBOR = London Interbank Offer Rate

**(d) Investment Derivatives**

As of June 30, 2021, the Authority had investment derivative instruments with the following maturities (dollars in thousands):

<b>Investment type</b>	<b>Notional value</b>	<b>Fair value</b>	<b>Investment maturities (in years)</b>			
			<b>Less than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More than 10</b>
Investment derivative instruments - swaps	\$ 7,900	\$ (348)	\$ -	\$ (348)	\$ -	\$ -
Investment derivative instrument - forward MBS sales	28,350	(45)	(45)	-	-	-
Investment derivative instruments - MBS purchase commitments	125,803	1,169	1,169	-	-	-
Total	<u>\$ 162,053</u>	<u>\$ 776</u>	<u>\$ 1,124</u>	<u>\$ (348)</u>	<u>\$ -</u>	<u>\$ -</u>

**(e) Fair Values of Derivatives**

The fair value balances of derivative instruments outstanding at June 30, 2021, classified by type, and changes in the fair value of such derivative instruments as reported in the 2021 financial statements are as follows (dollars in thousands):

<u>Bond series</u>	<u>Type</u>	<u>Fair Value 6/30/2021 Asset/(Liability)</u>	<u>Change in fair value</u>	<u>Fair Value 6/30/2020 Asset/(Liability)</u>
Hedging derivatives:				
SF 2015 B	Swap	\$ (142)	\$ 70	\$ (212)
SF 2015 B	Swap	(372)	477	(849)
SF 2016 B	Swap	(64)	49	(113)
SF 2016 E	Swap	(254)	64	(318)
SF 2017 D	Swap	(398)	223	(621)
SF 2018 B	Swap	(885)	402	(1,287)
SF 2018 D	Swap	(822)	367	(1,189)
SF 2019 B	Swap	(1,206)	764	(1,970)
SF 2019 E	Swap	(156)	391	(547)
SF 2020 B	Swap	(338)	549	(887)
SF 2020 E	Swap	353	353	-
MF 2007 A	Cap	6	6	-
MF 2007 B	Cap	1	(1)	2
MF 2008 A	Swap	(332)	135	(467)
Total hedging derivatives		<u>\$ (4,609)</u>	<u>\$ 3,849</u>	<u>\$ (8,458)</u>
Investment derivatives:				
NONE	Swap	\$ (366)	\$ 227	\$ (593)
NONE	Basis Swap	18	(1)	19
NONE	Swap	-	12	(12)
Forward MBS sales	Forward	(45)	(53)	8
MBS purchase commitments	Commitment	1,169	(1,283)	2,452
Total investment derivatives		<u>\$ 776</u>	<u>\$ (1,098)</u>	<u>\$ 1,874</u>

**(f) Methodology**

The fair values of the interest rate derivative transactions were estimated based on an independent pricing service. The valuations provided were derived from proprietary models based upon well-recognized principles and estimates about relevant future market conditions. The expected transaction cash flows are calculated using the zero-coupon discounting method which takes into consideration the prevailing benchmark interest rate environment, the specific terms and conditions of a given transaction, and assumes that the current forward rates implied by the benchmark yield curve are the market's best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the transactions, where future amounts (the expected transaction cash flows) are converted to a single current (discounted) amount, using a rate of return that takes into account the relative risk of nonperformance associated with the cash flows and time value of money. Where applicable under the income approach (which takes into consideration the risk of nonperformance), an option pricing model technique is applied such as the Black-Scholes-Merton model, the Black-Derman-Toy model, one of the short-rate models, or other market standard models consistent with accepted practices in the market for interest rate option products. The option models would consider probabilities, volatilities, time, settlement prices, and other variables pertinent to the transactions. This valuation technique is applied consistently across all the transactions.

The fair value of the forward MBS sales is estimated based on an internal valuation model, which includes current trade pricing for similar financial instruments in active markets that the Authority has the ability to access.

The fair value of the MBS purchase commitments are estimated using an internal valuation model, which includes grouping the commitments by interest rate and terms, applying an estimated closing ratio, and then multiplying by quoted investor prices determined to be reasonably applicable to the commitment groups based on interest rate, terms, and commitment expiration dates of the commitment group. The closing ratio calculation, which represents the percentage of commitments that management estimates it will ultimately fund, takes into consideration historical data and loan-level data. The weighted average closing ratio at June 30, 2021 was 77.25%.

**(g) Risks Associated with Derivative Transactions**

**Credit risk:** The Authority is exposed to credit risk on derivative instruments that are in asset positions. The aggregate fair value of derivative instruments in asset positions at June 30, 2021, was \$378 thousand. This represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted.

Bank of New York Mellon, Goldman Sachs Bank USA, Royal Bank of Canada, and Wells Fargo Bank, N.A., are currently counterparties under the derivatives agreements with the Authority.

With respect to counterparty risk, the Authority will also manage the agreements and all transactions entered into with its counterparties to ensure that the Authority's exposure to any of its counterparties does not exceed a proper amount.

**Interest rate risk:** The Authority is exposed to interest rate risk on its derivatives. On its pay-fixed, receive-variable derivatives, as the LIBOR or SIFMA swap index decreases, the Authority's net payment on the derivatives increases.

**Basis risk:** Basis risk refers to a mismatch between the interest rate received from the derivative counterparty and the interest rate actually owed on the Authority's bonds. Specifically, the Authority's basis risk is that the variable interest payment received from counterparty will be less than the actual variable interest payments owed on the Authority's variable rate bonds. The mismatch between the Authority's actual bond rate and the derivative rate is the Authority's basis risk. As of June 30, 2021, the SIFMA swap index rate is 0.03% and US 1-month LIBOR is 0.1005%.

Termination risk: Termination risk is the risk that the swap could be terminated as a result of any of several events, which may include a ratings downgrade of the Authority's single-family mortgage bonds or of a derivative counterparty covenant violation, bankruptcy, swap payment default, and default events as defined in the Authority's Single-Family Mortgage Bonds Resolution; however, the Authority believes that the likelihood of any such termination event is remote.

Rollover risk: Rollover risk is the risk that the term of a particular swap contract is not coterminous with the related bonds. If an issuer entered into a swap to hedge for a specified period of time and then decides at swap maturity that it wishes to maintain the same or similar hedge position, it may incur additional costs at that time.

The Authority minimizes this risk by matching the term of the swaps with the maturity of the related bonds.

### **Note 7 - Fair Value**

GASB Statement No. 72, *Fair Value Measurement and Application*, specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. The Authority categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. These classifications are summarized in the three broad levels below.

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs or significant value drivers are unobservable.

The Authority has the following recurring fair value measurements as of June 30, 2021:

	<b>Assets Measured at Fair Value</b>			
	(\$ in thousands)			
	<b>2021</b>	<b>Fair Value Measurements Using:</b>		
		<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
<b>Investments by fair value level</b>				
U.S. Treasury securities				
State Revolving Fund	\$ 3,762	\$ -	\$ 3,762	\$ -
U.S. Government Agency securities				
State Revolving Fund	3,601	-	3,601	-
GNMA, FNMA and FHLMC Mortgage-Backed Securities				
Housing Agency Fund	848,615	-	848,615	-
Municipal Bonds				
State Revolving Fund	20,920	-	20,920	-
Negotiable Certificates of Deposit				
Housing Agency Fund	160	-	160	-
State Revolving Fund	1,395	-	1,395	-
Commercial Paper				
State Revolving Fund	28,475	-	28,475	-
Total investments by fair value level	<u>\$ 906,928</u>	<u>\$ -</u>	<u>\$ 906,928</u>	<u>\$ -</u>
<b>Investments valued using cost based measures</b>				
Governmental Money Market Mutual Funds				
Housing Agency Fund	\$ 173,366			
State Revolving Fund	519,742			
State of Iowa Treasurer Pooled Money Fund				
Housing Agency Fund	57,966			
Total investments valued using cost based measures	<u>751,074</u>			
Total investments	<u>\$ 1,658,002</u>			
<b>Investment derivative instruments</b>				
Basis swaps (SIFMA vs. LIBOR)	\$ 18	\$ -	\$ 18	\$ -
Fixed-to-Floating Interest Rate Swaps (liability)	(366)	-	(366)	-
MBS purchase commitments	1,169	-	-	1,169
Forward MBS sales (liability)	(45)	-	(45)	-
Total investment derivative instruments	<u>\$ 776</u>	<u>\$ -</u>	<u>\$ (393)</u>	<u>\$ 1,169</u>
<b>Hedging derivative instruments</b>				
Fixed-to-Floating Interest Rate Swaps	\$ 353	\$ -	\$ 353	\$ -
Fixed-to-Floating Interest Rate Swaps (liability)	(4,969)	-	(4,969)	-
Interest rate caps	7	-	7	-
Total hedging derivative instruments	<u>\$ (4,609)</u>	<u>\$ -</u>	<u>\$ (4,609)</u>	<u>\$ -</u>

The Authority obtains its fair value pricing on fixed income investments from its third-party custodian. There are multiple pricing methodologies which are used to value the Authority's U.S. Treasury securities, U.S. Government Agency securities, Mortgage-Backed Securities, Municipal Bonds, Corporate Bonds, Commercial Paper, and Negotiable Certificates of Deposit. These methods include, but are not limited to, gathering pricing from multiple market sources and vendor credit information, observed market movements, sector news into the pricing applications and models, or manual methods. Since none of the Authority's fixed income investments are actively traded on an exchange yet rely on significant observable inputs for fair value pricing, these securities are classified as Level 2.

The Authority also holds investments in Governmental Money Market Mutual Funds, Guaranteed Investment Contracts, and the State of Iowa Treasurer Pooled Money Fund. These investments are valued using cost-based measures. The State Treasurer manages the investments and accepts all risks with respect to the investments in the pool. The pool has no limitations or restrictions on withdrawals and transacts with the Authority at a value of \$1 per share.

The Authority obtains its fair value pricing on interest rate swaps and cap derivative instruments from a third-party vendor. The fair value of the forward MBS sales and MBS purchase commitments are estimated based on internal valuation models. See Note 6(f) for further description of the fair value methodology for derivative instruments.

## **Note 8 - Pension Plan**

### ***(a) Plan Description***

IPERS membership is mandatory for employees of the Authority, except for those covered by another retirement system. Employees of the Authority are provided with pensions through a cost-sharing, multiple-employer, defined-benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report, which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

### ***(b) Pension Benefits***

A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- i. A multiplier (based on years of service).
- ii. The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

**(c) *Disability and Death Benefits***

A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

**(d) *Contributions***

Contribution rates are established by IPERS following the completion of the annual actuarial valuation using IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal years 2021 and 2020, pursuant to the required rate, regular members contributed 6.29 percent of pay and the Authority contributed 9.44 percent for a total rate of 15.73 percent.

The Authority's contributions to IPERS for the year ended June 30, 2021, 2020, and 2019, were \$724, \$665, and \$637 thousand, respectively.

**(e) *Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2021, the Authority reported a liability of \$6.0 million for its proportionate share of the net pension liability and is recorded within other liabilities in the statement of net position, of which \$5.6 million and \$0.4 million was attributed to the Housing Agency Fund and State Revolving Fund, respectively. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2020, the Authority's collective proportion was 0.086380 percent, which was a decrease of 0.005384 from its proportion measured as of June 30, 2019.

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Notes to Financial Statements  
June 30, 2021

For the year ended June 30, 2021, the Authority recognized pension expense of \$45 thousand. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (dollars in thousands):

	Housing Agency Fund		State Revolving Fund		Total	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 6	\$ 133	\$ 1	\$ 10	\$ 7	\$ 143
Changes of assumptions	288	-	21	-	309	-
Net difference between projected and actual earnings on pension plan investments	315	-	24	-	339	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	49	597	4	45	53	642
Authority contributions subsequent to the measurement date	674	-	50	-	724	-
Total	<u>\$ 1,332</u>	<u>\$ 730</u>	<u>\$ 100</u>	<u>\$ 55</u>	<u>\$ 1,432</u>	<u>\$ 785</u>

\$724 thousand reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (dollars in thousands):

Year Ended June 30,	
2022	\$ (56)
2023	(27)
2024	(46)
2025	83
2026	(31)
Total	<u>\$ (77)</u>

There were no non-employer contributing entities at IPERS.

**(f) Actuarial Assumptions**

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	2.60 percent per annum
Rate of salary increase	3.25 to 16.25 percent average, including inflation Rates vary by membership group
Long-term investment rate of return	7.00 percent, compounded annually, net of investment expense, including inflation
Wage growth	3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2014 Mortality Table for Males or Females, as appropriate, with MP-2017 generational adjustments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Asset allocation	Long-term expected real rate of return
U.S. equity	22 %	4.43 %
Non-U.S. equity	18	5.15
Global smart beta equity	6	4.87
Core plus fixed income	28	-0.29
Public credit	4	2.29
Cash	1	-0.78
Private equity	11	6.54
Private real assets	7	4.48
Private credit	3	3.11
Total	100 %	

**(g) Discount Rate**

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**(h) Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate (dollars in thousands).

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Authority's proportionate share of the net pension liability	\$ 10,047	\$ 6,026	\$ 2,654

**(i) Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report, which is available on IPERS’ web site at [www.ipers.org](http://www.ipers.org).

**(j) Payables to the Pension Plan**

At June 30, 2021, the Authority had no legally required employer or employee contributions not yet remitted to IPERS.

**Note 9 - Segment Information**

The Authority issues bonds to finance the purchase of MBS and Multi-Family developments. The bond programs are accounted for in a single enterprise fund, but investors rely on the revenue generated by the activities within the individual bond indentures. Summary financial information as of and for the year ended June 30, 2021 is presented below (dollars in thousands):

	Single Family 1991 MB	Single Family 2009 MRB	Multi Family Housing Bonds
<b>Condensed Statement of Net Position</b>			
Current assets	\$ 190,624	\$ 1,723	\$ 28,792
Noncurrent assets	847,274	15,337	56,626
<b>Total Assets</b>	<b>1,037,898</b>	<b>17,060</b>	<b>85,418</b>
Deferred outflows of resources	7,476	-	332
<b>Total Assets and Deferred Outflows</b>	<b>\$ 1,045,374</b>	<b>\$ 17,060</b>	<b>\$ 85,750</b>
Current liabilities	\$ 18,919	\$ 34	\$ 9,527
Noncurrent liabilities	774,476	15,297	33,201
Deferred inflows of resources	1,930	-	7
<b>Total Liabilities</b>	<b>795,325</b>	<b>15,331</b>	<b>42,735</b>
Restricted Net Position	250,049	1,729	43,015
<b>Total Liabilities and Net Position</b>	<b>\$ 1,045,374</b>	<b>\$ 17,060</b>	<b>\$ 85,750</b>
<b>Condensed Statement of Revenues, Expenses, and Change in Net Position</b>			
Operating revenues	\$ 28,096	\$ (1,590)	\$ 4,540
Operating expenses	18,316	1,011	817
Operating income (loss)	9,780	(2,601)	3,723
Non-operating revenue (expense)	40,944	(12,851)	(30,416)
Change in net position	50,724	(15,452)	(26,693)
Beginning net position	199,325	17,181	69,708
Ending net position	\$ 250,049	\$ 1,729	\$ 43,015
<b>Condensed Statement of Cash Flows</b>			
Net cash provided (used) by:			
Operating activities	\$ (100,142)	\$ 46,510	\$ 1,029
Noncapital financing activities	151,442	(49,452)	(32,819)
Investing activities	1,465	1	3,635
Net change	52,765	(2,941)	(28,155)
Beginning cash and cash equivalents	86,509	4,134	54,707
Ending cash and cash equivalents	\$ 139,274	\$ 1,193	\$ 26,552

**Note 10 - Commitments and Contingencies**

**(a) Housing Agency Commitments**

The Authority has assumed certain guaranties of the former Iowa Housing Corporation (IHC) in conjunction with the assets received from the IHC on July 1, 2003. The maximum amount of these guaranties as of June 30, 2021, was \$1.1 million for which a \$464 thousand reserve for claims liability is recorded.

The Authority has made commitments to grant funds for various purposes. The Authority does not record the expense or the liability for these grants until the grantee has fulfilled all contractual requirements and the funds have actually been disbursed. A summary of those outstanding commitments as of June 30, 2021, is as follows (dollars in thousands):

<b>Description</b>	
Local housing trust fund grants	\$ 9,720
Project-based housing trust fund grants	100
Homes for Iowans	420
Shelter assistance fund grants	824
Water Quality Grants	<u>1,335</u>
Total	<u><u>\$ 12,399</u></u>

**(b) State Revolving Fund Commitments**

The Authority has signed loan agreements under the SRF for which \$315.6 million have not been disbursed as of June 30, 2021.

**(c) Legal**

The Authority is subject to various claims or proceedings that arise in the ordinary course of its business activities including administrative actions involving the rights of employees. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Authority.

**(d) COVID-19 Pandemic**

During 2021, the world-wide coronavirus pandemic impacted national and global economies. The Authority's programs and services have not been materially interrupted. However, the Authority is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the Authority is not known.

### **Note 11 - Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2021, the Authority managed its risks as follows:

- The Authority participated in the State of Iowa employee benefit program for health, dental, long-term disability, and life insurance coverage which are fully insured.
- The Authority is covered by the State of Iowa for:
  - Employee Theft Governmental Entity - \$2 million
  - Computer Fraud - \$2 million
  - Computer Program/Electronic Data Restoration - \$0.5 million
- The Authority participates in the State of Iowa's self-insured Workers' Compensation Fund. The liability for unpaid claims is estimated based on the average cost per claim-type determined from an actuarial review.
- The Authority purchases insurance for:
  - Commercial General Liability - \$2 million
  - Automobile Liability - \$1 million
  - Umbrella Liability - \$10 million
  - Building Property - 1963 Bell – \$13 million
  - Personal Property - 1963 Bell – \$2.1 million
  - Crime Policy, including computer fraud - \$2 million
  - Cyber Liability - \$1 million
- Iowa Title Guaranty purchases insurance for:
  - Errors & Omissions - \$5 million
  - Crime Coverage - \$5 million
  - Reinsurance - \$20 million, ITG self-insures the first \$1.5 million of risk

### **Note 12 - Subsequent Events**

The Authority issued Single-Family Mortgage Bonds on September 29, 2021, in the par amount of \$99.6 million. Proceeds will be used to purchase mortgage-backed securities under the Authority's FirstHome and Homes for Iowans program and finance closing costs and down payment assistance. In conjunction with the issuance, the Authority entered into an interest rate swap agreement with Royal Bank of Canada.

### **Note 13 - Related Party Transactions**

A member of the Authority's Board of Directors is a key employee for the City of Dubuque, Iowa. The Authority has \$115 million in SRF loans and \$3 million in Housing Agency loans outstanding with the City of Dubuque.

### **Note 14 - Other Post-Employment Benefits (OPEB)**

#### ***(a) Plan Description***

The Authority's employees are provided with OPEB through the State of Iowa OPEB Plan—a cost-sharing, multiple-employer, defined-benefit OPEB plan administered by the State of Iowa (State Plan). The State of Iowa provides access to post-retirement medical benefits to all retirees as required by Chapter 509A.13 of the Code of Iowa. Although the retirees generally must pay 100% of the premium rate, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), requires that employers recognize the Implicit Rate Subsidy that exists in post-retirement medical plans provided by governmental employers.

The Implicit Rate Subsidy refers to the concept that retirees under the age of 65 (i.e. not eligible for Medicare) generate higher claims on average than active participants. When a medical plan is self-insured or fully insured through a third-party administrator, a premium is usually determined by analyzing the claims of the entire population in the plan and adjusting for administrative costs. The resulting premium is called a blended premium because it blends the claims of active and retired participants. Since individuals generally have more and higher claims as they get older, the blended premium paid for retirees is lower than their expected claims. Another way of considering this is that if the retirees were removed from the plan, the premium for the active group would be lower; therefore, the retirees' premiums are being subsidized by the active group. Since the employer generally pays a large portion or all of the premiums for the active group, this subsidy creates a liability for the employer. The difference between the expected claims for the retiree group and the blended premium is called the Implicit Rate Subsidy.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

#### ***(b) Plan Membership***

There are 17,448 active and 2,227 retired participants in the plan as of January 1, 2020.

#### ***(c) Plan Benefits***

The State currently offers three plans which are available to participants: Iowa Choice, National Choice, and State Police Officers Council.

The contribution requirements of the plan participants are established and may be amended by the State Legislature. The State currently finances the retiree benefit plan on a pay-as-you-go basis.

#### ***(d) OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (dollars in thousands)***

At June 30, 2021, the Authority reported a liability of \$909 for its proportionate share of the total OPEB liability, which is recorded within other liabilities in the statement of net position. The total OPEB liability was based upon an actuarial valuation performed as of January 1, 2020. The total OPEB liability was rolled-forward from the January 1, 2020, valuation date to the plan's fiscal year ended June 30, 2020, using generally accepted actuarial principles. The Authority's proportion of the total OPEB liability was based on a ratio of Authority's headcount of active employees and covered spouses in relation to all active employees and covered spouses of the plan. At June 30, 2020, the Authority's proportion was 0.427%, which was an increase of 0.003% from the prior measurement date.

For the year ended June 30, 2021, the Authority recognized OPEB expense of \$0. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Housing Agency Fund		State Revolving Fund		Total	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ -	\$ 29	\$ -	\$ 1	\$ -	\$ 30
Changes of assumptions	60	-	3	-	63	-
Change in proportionate share	70	57	3	3	73	60
Total	<u>\$ 130</u>	<u>\$ 86</u>	<u>\$ 6</u>	<u>\$ 4</u>	<u>\$ 136</u>	<u>\$ 90</u>

Amounts reported as deferred outflows and (inflows) of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended	
June 30,	
2022	\$ 7
2023	7
2024	7
2025	7
2026	7
2027+	12
Total	<u>\$ 47</u>

**(e) Actuarial Assumptions**

The total OPEB liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Rate of inflation	2.60 percent per annum
Rate of salary increase	3.25 to 14.25 percent average, including inflation Rates vary by membership group
Wage growth	3.00 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation
Discount Rate	3.44 percent (as of January 1, 2018)
(based on 20-year municipal bond yield)	3.87 percent (as of June 30, 2018) 3.50 percent (as of June 30, 2019) 2.73 percent (as of January 1, 2020) 2.21 percent (as of June 30, 2020)
Age of Spouse	Actual age or, if unavailable, males assumed to be 3 years older than females

Annual medical trends were based on industry observations and the current SOA-Getzen model, with initial trend rates starting at 6.0% (managed care plans) or 6.3% (non-managed care plans) in 2020 based on survey data and client market expectations, trending to 4.14% to 2075 and beyond.

The majority of State of Iowa employees are participants in the Iowa Public Employees Retirement System (IPERS). For this reason, the individual salary increase, mortality, withdrawal, and retirement assumptions are based on the assumptions used for IPERS actuarial valuation report as of June 30, 2019. The plan participation assumption and other medical plan specific assumptions are based upon the recent experience of the State of Iowa Post-retirement Medical Plan.

For the January 1, 2020, valuation, the following changes were made:

- Medical claim costs and premiums were updated based on recent experience.
- Annual medical trends were updated based on industry observations and the current SOA-Getzen model.
- The discount rate decreased from 3.44% as of January 1, 2018, to 2.73% as of January 1, 2021.
- The pre-retirement and post-retirement mortality assumptions were updated to be consistent with the assumptions used for “State Employees” in the June 30, 2019 IPERS actuarial valuation for the general State population and the assumptions used for “Protection Occupation” for the SPOC population.
- The salary scale was updated to be consistent with the scale used for “State Employees” in the June 30, 2019 IPERS actuarial valuation for the general State population and the scale used for “Sheriffs/Deputies and Protection Occupation” for the SPOC population.
- The retirement rates assumption was updated to be consistent with the assumptions used for “State Employees” in the June 30, 2019 IPERS actuarial valuation for the general State population and the assumptions used for “Protection Occupation” for the SPOC population.
- The withdrawal rates assumption was updated to be consistent with the assumptions used for “State Employees” in the June 30, 2019 IPERS actuarial valuation for the general State population and the assumptions used for “Protection Occupation” for the SPOC population.

***(f) Sensitivity Analysis – Changes to the Discount Rate***

The proportionate share of the total OPEB liability was calculated using a discount rate of 2.21%, as well as a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate. The sensitivity of the proportionate share of the total OPEB liability to changes in the discount rate is presented below (expressed in thousands):

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
	1.21%	2.21%	3.21%
Authority's proportionate share of the total OPEB liability	\$ 968	\$ 909	\$ 852

**(g) Sensitivity Analysis – Changes to the Healthcare Cost Trend Rate**

The proportionate share of the total OPEB liability was calculated using a healthcare trend rate of 6.0% to 6.3% grading down to 4.1%, as well as a discount rate that is 1 percentage point lower and 1 percentage point higher than the current rate. The sensitivity of the proportionate share of the total OPEB liability to changes in the healthcare cost trend rate is presented below (expressed in thousands):

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Authority's proportionate share of the net pension liability	\$ 968	\$ 909	\$ 852

**(h) Payables to the OPEB Plan**

The Authority makes no contributions to this plan; therefore, no payments are outstanding as of June 30, 2021.



Required Supplementary Information  
June 30, 2021

**Iowa Finance Authority**  
(A Component Unit of the State of Iowa)

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Schedule of Authority's Proportionate Share of the Net Pension Liability (Unaudited)  
(Dollars in thousands)  
Year Ended June 30, 2021

**(1) Schedule of Authority's Proportionate Share of the Net Pension Liability (Unaudited)**

	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.086380%	0.091764%	0.101745%	0.101311%	0.098044%	0.102439%	0.105426%
Authority's proportionate share of the net pension liability	\$ 6,026	\$ 5,349	\$ 6,437	\$ 6,688	\$ 6,114	\$ 5,093	\$ 4,267
Authority's covered payroll	7,044	6,748	7,312	7,212	6,753	7,088	7,066
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	85.55%	79.27%	88.03%	92.73%	90.54%	71.85%	60.39%
Plan fiduciary net position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

\* The amounts presented were determined as of the measurement date, which is one year prior to the Authority's fiscal year-end.

**Note:** GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Schedule of Authority's Contributions (Unaudited)  
(Dollars in thousands)  
Year Ended June 30, 2021

**(2) Schedule of Authority's Contributions (Unaudited)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily required contribution	\$ 724	\$ 665	\$ 637	\$ 653	\$ 644	\$ 603	\$ 633	\$ 631	\$ 600	\$ 534
Contributions in relation to the statutorily required contribution	\$ (724)	\$ (665)	\$ (637)	\$ (653)	\$ (644)	\$ (603)	\$ (633)	\$ (631)	\$ (600)	\$ (534)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 7,669	\$ 7,044	\$ 6,748	\$ 7,312	\$ 7,212	\$ 6,753	\$ 7,088	\$ 7,066	\$ 6,920	\$ 6,617
Contribution as a percentage of covered payroll	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Schedule of Authority's Proportionate Share of the Total OPEB Liability (Unaudited)  
(Dollars in thousands)  
Year Ended June 30, 2021

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**(3) Schedule of Authority's Proportionate Share of the Total OPEB Liability (Unaudited)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Authority's proportion of the total OPEB liability	0.427%	0.427%	0.424%	0.461%
Authority's proportionate share of the total OPEB liability	\$ 909	\$ 909	\$ 848	\$ 859
Authority's covered-employee payroll	7,290	7,290	7,363	7,783
Authority's proportionate share of the total OPEB liability as a percentage of its covered-employee payroll	12.5%	12.5%	11.5%	11.0%

\* The amounts presented were determined as of the calendar year-end that occurred within the fiscal year.

**Note:** GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

**(4) Notes to Required Supplementary Information (Unaudited)**

**(a) Pension - Changes of benefit terms:**

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

**(b) Pension - Changes of assumptions:**

The 2018 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates for all groups.
- Adjusted termination rates.
- Adjusted the probability of a vested member electing to receive a deferred benefit.
- Salary increase assumption merit component was adjusted.

The 2017 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.00 percent to 2.60 percent per year.
- Decreased the assumed rate of interest on member accounts from 3.75 percent to 3.50 percent per year.
- Decreased the long-term rate of return assumption from 7.50 percent to 7.00 percent per year.
- Decreased the wage growth and payroll growth assumption from 4.00 percent to 3.25 percent per year.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

**(c) OPEB – Funding:**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

**(d) OPEB – Changes of benefit terms:**

There were no significant changes in benefit terms.

**(e) OPEB - Changes of assumptions and demographic experience:**

Effective with the January 1, 2020, actuarial valuation, the following methodology and assumption changes were made:

- Medical claim costs and premiums were updated based on recent experience.
- Annual medical trends were updated based on industry observations and the current SOA-Getzen model.
- The salary scale was updated to be consistent with the assumption used for “State Employees” in the June 30, 2019 IPERS actuarial valuation.
- The future expectation of inflation was updated from 3.00% to 2.60% to be consistent with the assumption used in the June 30, 2019 IPERS actuarial valuation.
- The discount rate methodology was updated based on a 20-year municipal bond yield as of January 1, 2020. This resulted in a change in discount rate from 3.44% to 2.73%.

Demographic Experience - Demographic experience was updated based on the current covered population of 17,448 active participants and 2,227 inactive participants as of January 1, 2020.



Other Supplementary Information  
June 30, 2021

**Iowa Finance Authority**  
(A Component Unit of the State of Iowa)

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Combining Schedules of Net Position  
(Dollars in Thousands)

June 30, 2021

	Housing Agency							State Revolving Fund			Combined		
	General Operating Account	Single Family 1991 MB	Single Family 2009 MRB	Multi Family Housing Bonds	Federal and State Programs	Agricultural Development Division	Iowa Title Guaranty Division	Eliminations	Total Housing Agency	Clean Water Programs	Drinking Water Programs	Total SRF	Total IFA
<b>Assets</b>													
Current assets (substantially restricted):													
Cash and cash equivalents	\$ 11,355	\$ 139,274	\$ 1,193	\$ 26,552	\$ 238,210	\$ 812	\$ 22,104	\$ -	\$ 439,500	\$ 370,456	\$ 185,395	\$ 555,851	\$ 995,351
Investments in mortgage-backed securities	94	19,658	487	-	-	-	-	-	20,239	-	-	-	20,239
Other investments	-	-	-	160	-	-	-	-	160	31,079	9,425	40,504	40,664
Loans to municipalities or water systems, net	-	-	-	-	-	-	-	-	-	100,992	43,112	144,104	144,104
Housing Agency loans, net	280	274	-	2,025	5,376	610	-	-	8,565	-	-	-	8,565
Line of credit	-	29,229	-	-	-	-	-	-	29,229	-	-	-	29,229
Accrued interest receivable	6	2,186	43	191	12	20	-	-	2,458	2,739	919	3,658	6,116
Other current assets	1,262	3	-	(136)	688	22	816	-	2,655	338	625	963	3,618
<b>Total current assets</b>	<b>12,997</b>	<b>190,624</b>	<b>1,723</b>	<b>28,792</b>	<b>244,286</b>	<b>1,464</b>	<b>22,920</b>	<b>-</b>	<b>502,806</b>	<b>505,604</b>	<b>239,476</b>	<b>745,080</b>	<b>1,247,886</b>
Noncurrent assets (substantially restricted):													
Investments in mortgage-backed securities	1,237	811,956	15,183	-	-	-	-	-	828,376	-	-	-	828,376
Other investments	-	-	-	-	-	-	-	-	-	7,276	10,373	17,649	17,649
Loans to municipalities or water systems, net	-	-	-	-	-	-	-	-	-	1,580,551	480,154	2,060,705	2,060,705
Housing Agency loans, net	112	11,037	-	56,618	33,544	5,381	-	-	106,692	-	-	-	106,692
Capital assets, net	13,956	-	-	-	-	-	-	-	13,956	-	-	-	13,956
Other noncurrent assets	1	24,281	154	8	-	-	(1)	-	24,443	-	-	-	24,443
<b>Total noncurrent assets</b>	<b>15,306</b>	<b>847,274</b>	<b>15,337</b>	<b>56,626</b>	<b>33,544</b>	<b>5,381</b>	<b>(1)</b>	<b>-</b>	<b>973,467</b>	<b>1,587,827</b>	<b>490,527</b>	<b>2,078,354</b>	<b>3,051,821</b>
<b>Total assets</b>	<b>28,303</b>	<b>1,037,898</b>	<b>17,060</b>	<b>85,418</b>	<b>277,830</b>	<b>6,845</b>	<b>22,919</b>	<b>-</b>	<b>1,476,273</b>	<b>2,093,431</b>	<b>730,003</b>	<b>2,823,434</b>	<b>4,299,707</b>
<b>Deferred Outflows of Resources</b>													
Other post employment benefits	102	-	-	-	-	-	28	-	130	6	-	6	136
Pension plan	1,042	-	-	-	-	-	290	-	1,332	69	31	100	1,432
Accumulated decrease in fair value of hedging derivatives	-	4,495	-	332	-	-	-	-	4,827	-	-	-	4,827
Loss on bond refunding	-	2,981	-	-	-	-	-	-	2,981	5,233	2,315	7,548	10,529
<b>Total deferred outflows</b>	<b>1,144</b>	<b>7,476</b>	<b>-</b>	<b>332</b>	<b>-</b>	<b>-</b>	<b>318</b>	<b>-</b>	<b>9,270</b>	<b>5,308</b>	<b>2,346</b>	<b>7,654</b>	<b>16,924</b>
<b>Total assets and deferred outflows</b>	<b>\$ 29,447</b>	<b>\$1,045,374</b>	<b>\$ 17,060</b>	<b>\$ 85,750</b>	<b>\$ 277,830</b>	<b>\$ 6,845</b>	<b>\$ 23,237</b>	<b>\$ -</b>	<b>\$1,485,543</b>	<b>\$2,098,739</b>	<b>\$ 732,349</b>	<b>\$2,831,088</b>	<b>\$4,316,631</b>

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Combining Schedules of Net Position  
(Dollars in Thousands)

June 30, 2021

	Housing Agency							State Revolving Fund			Combined		
	General Operating Account	Single Family 1991 MB	Single Family 2009 MRB	Multi Family Housing Bonds	Federal and State Programs	Agricultural Development Division	Iowa Title Guaranty Division	Eliminations	Total Housing Agency	Clean Water Programs	Drinking Water Programs	Total SRF	Total IFA
<b>Liabilities</b>													
Current liabilities:													
Bonds payable, net	\$ -	\$ 11,255	\$ -	\$ 261	\$ -	\$ -	\$ -	\$ -	\$ 11,516	\$ 44,820	\$ 17,940	\$ 62,760	\$ 74,276
Accrued interest payable	-	6,628	32	130	-	-	-	-	6,790	20,994	5,992	26,986	33,776
Escrow deposits	-	-	-	9,073	-	-	2,529	-	11,602	-	-	-	11,602
Deferred revenue	209	374	-	-	196,816	-	-	-	197,399	-	-	-	197,399
Accounts payable and other liabilities	2,411	662	2	63	153	10	5,553	-	8,854	682	559	1,241	10,095
Total current liabilities	2,620	18,919	34	9,527	196,969	10	8,082	-	236,161	66,496	24,491	90,987	327,148
Noncurrent liabilities:													
Bonds payable, net	-	769,473	15,297	32,868	-	-	-	-	817,638	1,344,341	375,650	1,719,991	2,537,629
Reserves for claims	-	-	-	-	464	-	1,613	-	2,077	-	-	-	2,077
Other liabilities	5,510	5,003	-	333	737	-	1,419	-	13,002	324	132	456	13,458
Total noncurrent liabilities	5,510	774,476	15,297	33,201	1,201	-	3,032	-	832,717	1,344,665	375,782	1,720,447	2,553,164
Total liabilities	8,130	793,395	15,331	42,728	198,170	10	11,114	-	1,068,878	1,411,161	400,273	1,811,434	2,880,312
<b>Deferred Inflows of Resources</b>													
Other post employment benefits	70	-	-	-	-	-	16	-	86	4	-	4	90
Pension plan	571	-	-	-	-	-	159	-	730	38	17	55	785
Accumulated increase in fair value of hedging derivatives	-	1,930	-	7	-	-	-	-	1,937	-	-	-	1,937
Total deferred inflows of resources	641	1,930	-	7	-	-	175	-	2,753	42	17	59	2,812
<b>Net Position</b>													
Net investment in capital assets	13,956	-	-	-	-	-	-	-	13,956	-	-	-	13,956
Restricted net position:													
Per bond resolutions	-	250,049	1,729	43,015	-	-	-	-	294,793	551,616	291,693	843,309	1,138,102
Per legislation	-	-	-	-	42,840	-	11,948	-	54,788	-	-	-	54,788
Per other agreements	-	-	-	-	36,820	6,835	-	-	43,655	135,920	40,366	176,286	219,941
Total restricted net position	-	250,049	1,729	43,015	79,660	6,835	11,948	-	393,236	687,536	332,059	1,019,595	1,412,831
Unrestricted net position	6,720	-	-	-	-	-	-	-	6,720	-	-	-	6,720
Total net position	20,676	250,049	1,729	43,015	79,660	6,835	11,948	-	413,912	687,536	332,059	1,019,595	1,433,507
Total liabilities, deferred inflows, and net	\$ 29,447	\$ 1,045,374	\$ 17,060	\$ 85,750	\$ 277,830	\$ 6,845	\$ 23,237	\$ -	\$ 1,485,543	\$ 2,098,739	\$ 732,349	\$ 2,831,088	\$ 4,316,631

Iowa Finance Authority  
(A Component Unit of the State of Iowa)  
Combining Schedules of Revenues, Expenses and Changes in Net Position  
(Dollars in Thousands)  
Year Ended June 30, 2021

	Housing Agency							State Revolving Fund			Combined		
	General Operating Account	Single Family 1991 MB	Single Family 2009 MRB	Multi Family Housing Bonds	Federal and State Programs	Agricultural Development Division	Iowa Title Guaranty Division	Eliminations	Total Housing Agency	Clean Water Programs	Drinking Water Programs	Total SRF	Totals IFA
Operating revenues:													
Interest on mortgage-backed securities	\$ 54	\$ 24,603	\$ 1,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,239	\$ -	\$ -	\$ -	\$ 26,239
Interest on loans	36	724	-	2,349	178	209	-	(6)	3,490	30,940	9,891	40,831	44,321
Interest on investments	3	9	1	2,200	88	4	-	-	2,305	387	391	778	3,083
Gain on sale of mortgage-backed securities	-	6,123	-	-	-	-	-	-	6,123	-	-	-	6,123
Net (decrease) increase in fair value of investments and mortgage-backed securities	(8)	(3,287)	(3,173)	(9)	-	-	-	-	(6,477)	(170)	(181)	(351)	(6,828)
Fee revenue	7,607	(76)	-	-	-	293	16,569	(2,149)	22,244	5,409	1,474	6,883	29,127
Other revenue	1,162	-	-	-	-	-	111	-	1,273	-	-	-	1,273
Total operating revenues	8,854	28,096	(1,590)	4,540	266	506	16,680	(2,155)	55,197	36,566	11,575	48,141	103,338
Operating expenses:													
Interest expense	-	15,768	830	892	-	6	-	(6)	17,490	36,999	10,126	47,125	64,615
General and administrative	9,683	2,450	181	158	4,516	393	10,204	(2,149)	25,436	4,964	4,123	9,087	34,523
Provision (recoveries) of losses	(111)	98	-	(233)	(542)	(3)	336	-	(455)	-	(25)	(25)	(480)
Total operating expenses	9,572	18,316	1,011	817	3,974	396	10,540	(2,155)	42,471	41,963	14,224	56,187	98,658
Net operating income (loss)	(718)	9,780	(2,601)	3,723	(3,708)	110	6,140	-	12,726	(5,397)	(2,649)	(8,046)	4,680
Non-operating revenue (expense):													
Grant income	69,744	1,659	-	-	156,832	-	-	-	228,235	15,198	19,849	35,047	263,282
Grants and aid	(69,659)	(4,762)	(404)	(615)	(146,724)	-	-	-	(222,164)	(1,725)	(1,371)	(3,096)	(225,260)
Inter-Agency transfers	1,000	44,047	(12,447)	(29,801)	(799)	-	(2,000)	-	-	-	-	-	-
Net non-operating revenue (expense)	1,085	40,944	(12,851)	(30,416)	9,309	-	(2,000)	-	6,071	13,473	18,478	31,951	38,022
Change in net position	367	50,724	(15,452)	(26,693)	5,601	110	4,140	-	18,797	8,076	15,829	23,905	42,702
Net position at June 30, 2020	20,309	199,325	17,181	69,708	74,059	6,725	7,808	-	395,115	679,460	316,230	995,690	1,390,805
Net position at June 30, 2021	\$ 20,676	\$ 250,049	\$ 1,729	\$ 43,015	\$ 79,660	\$ 6,835	\$ 11,948	\$ -	\$ 413,912	\$ 687,536	\$ 332,059	\$ 1,019,595	\$ 1,433,507

## **Statistical Section (unaudited)**

## **Statistical Section (unaudited)**

This part of the Iowa Finance Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health. This information has not been audited by the independent auditor.

### **Financial Trends (Pages 68-70)**

These tables contain trend information to help the reader understand how the Authority's financial performance and well-being has changed over time.

### **Revenue Capacity (Pages 71-73)**

These tables contain information to help the reader assess the Authority's various revenue sources.

### **Debt Capacity (Page 74)**

These tables present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

### **Economic and Demographic Information (Pages 75-78)**

These tables offer economic and demographic indicators to help the reader understand the environment within which the Authority's financial activities take place.

### **Operating Indicators (Page 79)**

These tables contain data to assist the reader in understanding how the information in the Authority's financial report relates to the communities and services the Authority provides and the population it serves.

Iowa Finance Authority  
Statistical Section (unaudited)  
Year Ended June 30, 2021

		Net Position and Changes in Net Position (dollars in thousands)									
		Fiscal Year ending June 30,									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Housing Agency Fund</b>											
Net investment in capital assets		\$ 3,053	\$ 2,906	\$ 2,946	\$ 2,791	\$ 2,685	\$ 2,431	\$ 2,332	\$ 4,664	\$ 13,568	\$ 13,956
Restricted		309,155	296,476	305,092	319,421	318,934	317,597	312,578	336,512	374,806	393,236
Unrestricted		13,953	14,414	12,968	5,149	4,491	4,520	5,348	7,835	6,741	6,720
Total Housing Agency net position		<u>\$ 326,161</u>	<u>\$ 313,796</u>	<u>\$ 321,006</u>	<u>\$ 327,361</u>	<u>\$ 326,110</u>	<u>\$ 324,548</u>	<u>\$ 320,258</u>	<u>\$ 349,011</u>	<u>\$ 395,115</u>	<u>\$ 413,912</u>
Change in net position		\$ 19,409	\$ (12,365)	\$ 7,210	\$ 6,355	\$ (1,251)	\$ (1,562)	\$ (4,290)	\$ 28,753	\$ 46,104	\$ 18,797
<b>State Revolving Fund</b>											
Net investment in capital assets		\$ -	\$ 114	\$ 70	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted		742,179	775,688	808,705	824,631	868,407	891,142	920,057	957,001	995,690	1,019,595
Total State Revolving Fund net position		<u>\$ 742,179</u>	<u>\$ 775,802</u>	<u>\$ 808,775</u>	<u>\$ 824,656</u>	<u>\$ 868,407</u>	<u>\$ 891,142</u>	<u>\$ 920,057</u>	<u>\$ 957,001</u>	<u>\$ 995,690</u>	<u>\$ 1,019,595</u>
Change in net position		\$ 56,533	\$ 33,623	\$ 32,973	\$ 15,881	\$ 43,751	\$ 22,735	\$ 28,915	\$ 36,944	\$ 38,689	\$ 23,905
<b>Iowa Finance Authority</b>											
Net investment in capital assets		\$ 3,053	\$ 3,020	\$ 3,016	\$ 2,816	\$ 2,685	\$ 2,431	\$ 2,332	\$ 4,664	\$ 13,568	\$ 13,956
Restricted		1,051,334	1,072,164	1,113,797	1,144,052	1,187,341	1,208,739	1,232,635	1,293,513	1,370,496	1,412,831
Unrestricted		13,953	14,414	12,968	5,149	4,491	4,520	5,348	7,835	6,741	6,720
Total Iowa Finance Authority net position		<u>\$ 1,068,340</u>	<u>\$ 1,089,598</u>	<u>\$ 1,129,781</u>	<u>\$ 1,152,017</u>	<u>\$ 1,194,517</u>	<u>\$ 1,215,690</u>	<u>\$ 1,240,315</u>	<u>\$ 1,306,012</u>	<u>\$ 1,390,805</u>	<u>\$ 1,433,507</u>
Change in net position		\$ 75,942	\$ 21,258	\$ 40,183	\$ 22,236	\$ 42,500	\$ 21,173	\$ 24,625	\$ 65,697	\$ 84,793	\$ 42,702

Note: Information presented here is, as reported, in the basic financial statements for each respective year.

Iowa Finance Authority  
Statistical Section (unaudited)  
Year Ended June 30, 2021

Iowa Finance Authority  
Expenses - Housing Agency Fund  
(dollars in thousands)

	Fiscal Year ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating expense										
Interest expense	\$ 35,633	\$ 26,418	\$ 17,240	\$ 13,106	\$ 12,046	\$ 12,391	\$ 13,830	\$ 16,143	\$ 19,773	\$ 17,490
Employee expense	8,734	8,897	9,356	9,372	9,593	10,747	10,403	9,327	9,417	9,489
Professional services	4,022	5,003	4,660	3,973	5,114	5,078	5,073	4,766	6,091	12,129
Claims & loss expense (recoveries)	(460)	1,170	327	(4,319)	4,908	240	394	(3,562)	309	(455)
Other general and administrative expenses	1,342	1,887	7,852	1,785	1,879	2,051	2,564	2,969	3,261	3,818
Total operating expense*	49,271	43,375	39,435	23,917	33,540	30,507	32,264	29,643	38,851	42,471
Non-operating expense - grant expense**	129,155	94,396	88,438	90,191	93,704	86,313	82,316	87,324	93,040	222,164
Other non-operating expense	-	-	-	-	-	-	-	4,167	-	-
Total expenses	\$ 178,426	\$ 137,771	\$ 127,873	\$ 114,108	\$ 127,244	\$ 116,820	\$ 114,580	\$ 121,134	\$ 131,891	\$ 264,635

\* reclassified to exclude service release expense in all periods

\*\* reclassified to include Section 8 grant expense in periods prior to June 30, 2016

Iowa Finance Authority  
Statistical Section (unaudited)  
Year Ended June 30, 2021

Iowa Finance Authority Operating Expense - State Revolving Fund (dollars in thousands)										
Fiscal Year ending June 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating expense										
Interest expense	\$ 30,941	\$ 31,400	\$ 34,625	\$ 33,099	\$ 29,064	\$ 32,580	\$ 34,969	\$ 38,603	\$ 44,123	\$ 47,125
Loan loss expense (recoveries)	396	132	(25)	(5)	(25)	(25)	(25)	(25)	(25)	(25)
Iowa Finance Authority expense	1,165	1,237	1,120	1,167	1,169	1,224	1,474	1,466	1,640	1,506
Department of Natural Resources expense	7,526	8,312	8,090	7,860	7,214	8,694	7,580	8,568	7,379	7,581
Total operating expense	40,028	41,081	43,810	42,121	37,422	42,473	43,998	48,612	53,117	56,111
Non-operating expense - grant expense	1,679	4,977	5,662	6,157	8,100	7,364	4,643	3,794	4,664	3,096
Total expenses	\$ 41,707	\$ 46,058	\$ 49,472	\$ 48,278	\$ 45,522	\$ 49,837	\$ 48,641	\$ 52,406	\$ 57,781	\$ 59,207

Iowa Finance Authority  
Statistical Section (unaudited)  
Year Ended June 30, 2021

Iowa Finance Authority  
Revenue Sources - Housing Agency Fund  
(dollars in thousands)

	Fiscal Year ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating revenue										
Interest revenue										
Mortgage-backed securities	\$ 37,601	\$ 29,490	\$ 22,690	\$ 18,474	\$ 16,430	\$ 15,942	\$ 17,207	\$ 19,563	\$ 24,507	\$ 26,239
Loans	4,009	3,704	3,830	3,589	3,466	3,952	3,865	4,016	3,882	3,490
Cash equivalents and investments	3,560	3,225	3,135	4,152	3,529	3,704	4,854	6,255	4,789	2,305
Gain on sale of MBS	7,319	1,946	3,407	4,746	4,294	5,551	2,817	2,948	4,663	6,123
Net (decrease) increase in FV of investments and MBS	(4,079)	(27,777)	(1,505)	(3,585)	1,119	(13,331)	(13,524)	17,603	32,883	(6,477)
Total interest revenue	48,410	10,588	31,557	27,376	28,838	15,818	15,219	50,385	70,724	31,680
Fee revenue										
Iowa Title Guaranty	5,999	8,246	6,457	5,434	7,265	8,084	7,628	6,600	9,823	16,569
Single family*	230	86	(512)	87	507	539	670	859	426	(41)
Section 8	2,387	2,337	2,406	2,437	2,500	2,606	2,669	2,728	2,735	2,810
LIHTC	1,876	1,648	1,874	1,606	1,848	1,822	1,927	2,084	1,115	2,314
Private activity bonds	306	924	252	114	239	408	394	312	169	169
Loans	161	164	84	117	115	11	116	79	50	130
Iowa Agricultural Development Division	-	-	273	358	572	513	540	477	405	293
Total fee revenue	10,959	13,405	10,834	10,153	13,046	13,983	13,944	13,139	14,723	22,244
Other revenue	457	738	340	252	266	353	290	396	1,037	1,273
Total operating revenue	59,826	24,731	42,731	37,781	42,150	30,154	29,453	63,920	86,484	55,197
Non-operating revenue										
Grant revenue										
Miscellaneous	3,483	320	180	104	72	91	-	-	-	-
State funds	63,942	34,688	20,628	17,413	10,365	11,069	10,478	11,529	13,419	21,926
Federal funds**	70,188	66,195	67,526	70,623	73,284	73,943	71,057	74,438	78,092	206,309
Total non-operating revenue	137,613	101,203	88,334	88,140	83,721	85,103	81,535	85,967	91,511	228,235
Total Housing Agency revenues	\$ 197,439	\$ 125,934	\$ 131,065	\$ 125,921	\$ 125,871	\$ 115,257	\$ 110,988	\$ 149,887	\$ 177,995	\$ 283,432

\* reclassified to net service release expense with service acquisition revenue in all periods

\*\* reclassified to include Section 8 revenue in all periods

Iowa Finance Authority  
 Statistical Section (unaudited)  
 Year Ended June 30, 2021

Iowa Finance Authority  
 Revenue Sources - State Revolving Fund  
 (dollars in thousands)

	Fiscal Year ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating revenue										
Loan interest	\$ 34,948	\$ 37,043	\$ 37,106	\$ 37,001	\$ 36,919	\$ 36,944	\$ 38,052	\$ 39,151	\$ 39,911	\$ 40,831
Cash equivalents and investments interest	1,323	733	767	1,328	1,220	1,662	3,628	6,184	4,781	778
Net (decrease) increase in FV of investments	7	246	(357)	(86)	(582)	(789)	(519)	575	507	(351)
Fee revenue	4,110	4,150	3,916	4,255	4,526	4,913	5,578	5,868	6,329	6,883
Total operating revenue	40,388	42,172	41,432	42,498	42,083	42,730	46,739	51,778	51,528	48,141
Non-operating revenue										
EPA capitalization grants	57,865	38,001	31,675	21,893	46,026	29,843	30,846	37,572	44,942	35,047
Total State Revolving Fund revenues	\$ 98,253	\$ 80,173	\$ 73,107	\$ 64,391	\$ 88,109	\$ 72,573	\$ 77,585	\$ 89,350	\$ 96,470	\$ 83,188

Iowa Finance Authority  
Largest SRF Borrowers  
(dollars in thousands)

<b>as of June 30, 2021</b>		
Participant	Amount	% of Total
Wastewater Reclamation Authority	\$ 343,343	16%
City of Sioux City	143,004	6%
City of Fort Dodge	118,672	5%
City of Dubuque	115,012	5%
City of Clinton	66,833	3%
City of Ames	57,503	3%
City of North Liberty	42,597	2%
City Of Coralville	41,343	2%
City of Des Moines	40,192	2%
City of Fort Madison	36,121	2%
Total Top 10	<u>\$ 1,004,620</u>	<u>46%</u>
Total Loans Outstanding	\$ 2,204,809	

<b>as of June 30, 2012</b>		
Participant	Amount	% of Total
Wastewater Reclamation Authority	148,438	12%
City of Sioux City	139,249	11%
City of Clinton	64,542	5%
City of Dubuque	63,385	5%
City of Cedar Rapids	45,825	4%
City of Fort Dodge	41,776	3%
Council Bluffs Water Works	28,805	2%
Polk County	22,303	2%
City of Mason City	21,122	2%
City of Muscatine	15,480	1%
Total Top 10	<u>\$ 590,925</u>	<u>49%</u>
Total Loans Outstanding	\$ 1,214,681	

Iowa Finance Authority  
Statistical Section (unaudited)  
Year Ended June 30, 2021

Iowa Finance Authority Outstanding Debt (dollars in thousands)										
Fiscal Year ending June 30,										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020
Housing Agency Fund										
Single-family mortgage bonds*	\$ 470,975	\$ 304,391	\$ 209,551	\$ 152,977	\$ 196,886	\$ 287,488	\$ 396,061	\$ 513,520	\$ 654,641	\$ 780,728
Single-family mortgage revenue bonds*	188,000	200,099	187,419	159,768	128,399	101,231	79,002	64,799	51,424	15,297
Multi-family housing bonds*	52,895	50,997	49,086	46,864	45,022	43,238	38,146	36,492	34,634	33,129
Other debt**	950	758	654	550	-	-	46	-	-	-
Total Housing Agency Debt	712,820	556,245	446,710	360,159	370,307	431,957	513,255	614,811	740,699	829,154
SRF revenue bonds*	952,373	885,434	983,648	1,002,761	942,612	1,079,407	1,192,350	1,413,502	1,587,956	1,782,751
Total Debt	\$ 1,665,193	\$ 1,441,679	\$ 1,430,358	\$ 1,362,920	\$ 1,312,919	\$ 1,511,364	\$ 1,705,605	\$ 2,028,313	\$ 2,328,655	\$ 2,611,905
* Revenue bonds	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
** General obligation debt	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The Authority has no legal limitations on the amount of outstanding debt.

The Authority's debt is not considered debt of the State of Iowa, see notes 1 and 5 to the Basic Financial Statements for more details.

The Authority has pledged the mortgage-backed-securities and loans purchased with the proceeds of the revenue bonds along with the principal and interest payments.

Iowa Finance Authority  
 Demographic Information  
 as of June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Population (in thousands) <sup>(1)</sup>	3,076	3,093	3,109	3,121	3,131	3,142	3,149	3,155	3,164	n/a
Personal income (in millions) <sup>(2)</sup>	\$ 132,230	\$ 134,442	\$ 139,385	\$ 143,533	\$ 144,940	\$ 148,837	\$ 157,102	\$ 164,042	\$ 174,685	n/a
Per capita personal income	\$ 42,986	\$ 43,465	\$ 44,828	\$ 45,990	\$ 46,286	\$ 47,377	\$ 49,896	\$ 51,993	\$ 55,210	n/a
Labor force (in thousands) <sup>(3)</sup>	1,651	1,676	1,702	1,696	1,691	1,674	1,688	1,735	1,639	1,654
Employment (in thousands) <sup>(3)</sup>	1,568	1,595	1,630	1,633	1,629	1,621	1,645	1,688	1,508	1,588
Unemployed (in thousands) <sup>(3)</sup>	83	80	72	64	62	53	43	47	131	66
Unemployment rate <sup>(3)</sup>	5.1%	4.8%	4.3%	3.7%	3.7%	3.2%	2.6%	2.7%	8.0%	4.0%

<sup>(1)</sup> Annual Estimates of the Resident Population for the United States, Regions, States, the District of Columbia, and Puerto Rico: April 1, 2010 to July 1, 2019; April 1, 2020.  
 Source: U.S. Census Bureau, Population Division; Release Date: July 2021

<sup>(2)</sup> Personal Income Summary: Personal Income, Population, and Per Capita Personal Income, by State and Region, 2019-2020;  
 Source: Bureau of Economic Analysis

<sup>(3)</sup> Iowa Local Area Unemployment Statistics, Iowa Workforce Development  
<https://www.iowalmi.gov/local-area-unemployment-statistics>

State of Iowa  
 Principal Non-Governmental Employers  
 Prior Calendar Year and Nine Years Ago

**CALENDAR YEAR 2020**

<b>Rank</b>	<b>Employer</b>	<b>Type of Business</b>
1	Hy-Vee Food Stores	Retail Food
2	Wal-Mart	Retail General Merchandise
3	Wells Fargo	Financial Activities
4	Mercy Health Services	Health Care Services
5	Tyson Fresh Meats	Food Manufacturing
6	Deere and Company	Machinery Manufacturing
7	Casey's General Store	Convenience Stores
8	Rockwell Collins	Equipment Manufacturing
9	Fareway Food Stores	Retail Food
10	Principal Financial Group	Finance & Insurance

**CALENDAR YEAR 2011**

<b>Rank</b>	<b>Employer</b>	<b>Type of Business</b>
1	Hy-Vee Food Stores	Retail Food
2	Wal-Mart	Retail General Merchandise
3	Deere and Company	Machinery Manufacturing
4	Wells Fargo	Financial Activities
5	Rockwell Collins	Equipment Manufacturing
6	Tyson Fresh Meats	Food Manufacturing
7	Principal Financial Group	Finance & Insurance
8	Fareway Food Stores	Retail Food
9	Casey's General Store	Convenience Stores
10	Iowa Health Services	Health Care Services

The Code of Iowa defines employee counts as confidential data; as such, this information is not available.

Source: Iowa Workforce Development

Iowa Finance Authority  
Capital Assets - Net Book Value  
(dollars in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Land	\$ 716	\$ 716	\$ 716	\$ 716	\$ 716	\$ 716	\$ 716	\$ -	\$ 886	\$ 886
Construction in Progress	-	-	-	-	-	-	-	-	1,130	322
Real estate held for sale	-	-	-	-	-	-	-	1,800	-	-
Buildings and improvements	1,367	1,375	1,685	2,410	2,410	2,437	2,751	2,911	11,515	13,291
Land improvements	18	18	18	18	18	18	18	-	700	700
Office equipment & vehicles	2,644	2,883	2,893	2,316	2,368	2,150	608	248	248	412
Gross value of assets	4,745	4,992	5,312	5,460	5,512	5,321	4,093	4,959	14,479	15,611
Accumulated depreciation	1,692	1,972	2,296	2,644	2,827	2,890	1,809	295	911	1,655
Net Book Value	\$ 3,053	\$ 3,020	\$ 3,016	\$ 2,816	\$ 2,685	\$ 2,431	\$ 2,284	\$ 4,664	\$ 13,568	\$ 13,956

The Authority's capital assets are related to its primary operating location.

Iowa Finance Authority  
Statistical Section (unaudited)  
Year Ended June 30, 2021

Iowa Finance Authority  
Number of Full Time Equivalent Employees by Function  
(average number)

	Fiscal Years Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Accounting and Finance	12.0	13.7	12.2	11.9	8.2	8.0	7.7	7.9	7.3	7.9
Administration, Marketing, and IT	12.8	13.4	11.8	11.5	10.6	13.6	14.8	10.9	8.9	9.9
<b>Total Administration</b>	<b>24.8</b>	<b>27.1</b>	<b>24.0</b>	<b>23.4</b>	<b>18.8</b>	<b>21.6</b>	<b>22.5</b>	<b>18.8</b>	<b>16.2</b>	<b>17.8</b>
<b>Single-Family Programs</b>	<b>7.7</b>	<b>6.8</b>	<b>6.2</b>	<b>6.8</b>	<b>7.8</b>	<b>8.0</b>	<b>7.2</b>	<b>7.9</b>	<b>8.2</b>	<b>6.3</b>
MF Compliance	4.1	4.7	4.5	5.3	5.1	5.1	5.0	5.0	4.9	4.1
Section 8	14.2	13.5	12.3	11.3	11.1	11.2	10.1	10.1	10.0	10.9
Low Income Housing Tax Credit	7.0	7.1	7.4	7.4	7.1	7.1	6.7	6.7	6.2	6.1
Other Multifamily	3.0	3.1	3.2	3.1	2.9	3.1	3.0	2.4	2.4	2.5
<b>Multi-Family Programs</b>	<b>28.3</b>	<b>28.4</b>	<b>27.4</b>	<b>27.1</b>	<b>26.2</b>	<b>26.5</b>	<b>24.8</b>	<b>24.2</b>	<b>23.5</b>	<b>23.6</b>
Homelessness programs	0.9	1.2	1.5	1.8	2.9	3.3	3.1	3.4	3.3	2.3
HOME program	7.8	6.8	7.1	6.4	6.3	6.0	5.5	4.8	3.2	3.0
Other Federal and State programs	1.2	0.8	0.6	0.4	2.2	2.4	2.2	2.2	2.7	6.3
<b>Federal and State Programs</b>	<b>9.9</b>	<b>8.8</b>	<b>9.2</b>	<b>8.6</b>	<b>11.4</b>	<b>11.7</b>	<b>10.8</b>	<b>10.4</b>	<b>9.2</b>	<b>11.6</b>
<b>Agricultural Development Division</b>	<b>-</b>	<b>-</b>	<b>2.2</b>	<b>2.3</b>	<b>2.6</b>	<b>3.0</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.1</b>
Residential	12.3	14.8	16.2	16.5	14.5	15.5	16.5	13.0	12.7	17.1
Commercial	3.1	2.5	3.2	3.0	3.3	3.8	3.5	3.1	3.6	3.8
<b>Iowa Title Guranty Division</b>	<b>15.4</b>	<b>17.3</b>	<b>19.4</b>	<b>19.5</b>	<b>17.8</b>	<b>19.3</b>	<b>20.0</b>	<b>16.1</b>	<b>16.3</b>	<b>20.9</b>
Clean water programs	4.4	4.1	3.8	3.9	3.7	3.9	3.8	4.0	3.9	3.7
Drinking water programs	1.8	1.7	1.5	1.5	1.3	1.5	1.4	1.5	1.6	1.8
<b>State Revolving Fund</b>	<b>6.2</b>	<b>5.8</b>	<b>5.3</b>	<b>5.4</b>	<b>5.0</b>	<b>5.4</b>	<b>5.2</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>
<b>Total Iowa Finance Authority</b>	<b>92.3</b>	<b>94.2</b>	<b>93.7</b>	<b>93.1</b>	<b>89.6</b>	<b>95.5</b>	<b>92.9</b>	<b>85.3</b>	<b>81.3</b>	<b>87.8</b>

	Iowa Finance Authority									
	Operating Indicators									
	Fiscal Year ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>State Revolving Loan Program</b>										
Number of SRF loans originated	94	124	87	90	120	126	118	124	125	167
<b>Single-Family Program</b>										
Number of single-family homebuyers assisted	1,166	1,101	1,544	1,542	1,959	2,300	2,058	2,012	2,970	2,413
<b>Low Income Housing Tax Credit Program</b>										
Number of housing units created or preserved	923	719	722	595	708	1,117	1,105	600	0*	524
<b>Compliance Monitoring</b>										
Section 8 project based rental units	12,064	12,085	12,035	11,978	11,942	11,926	11,779	11,742	11,749	11,713
LIHTC & HOME program rental units	20,181	20,611	21,136	21,349	21,573	22,136	22,122	22,892	23,051	25,068
<b>Loan Servicing</b>										
SRF loans	957	951	961	974	1,042	1,089	1,131	1,167	1,203	1,250
Multi-family housing loans	407	403	406	413	388	377	363	347	337	321
Beginning farmer loans	-	-	21	26	31	45	57	72	68	62
Department of Soil Conservation loans	306	274	278	274	259	255	243	211	201	198
<b>Iowa Title Guaranty</b>										
Title guaranty certificates issued	N/A	N/A	75,309	63,881	77,639	86,074	83,913	80,076	96,349	106,080
<b>HousingIowa Conference Attendance</b>	468	464	445	572	551	706	709	811	674	0**

\* Authority elected to move the awards for LIHTC to August 2020 to better align the anticipated loan and syndication closing dates to early spring.

\*\* Due to COVID-19, the HousingIowa Conference was cancelled