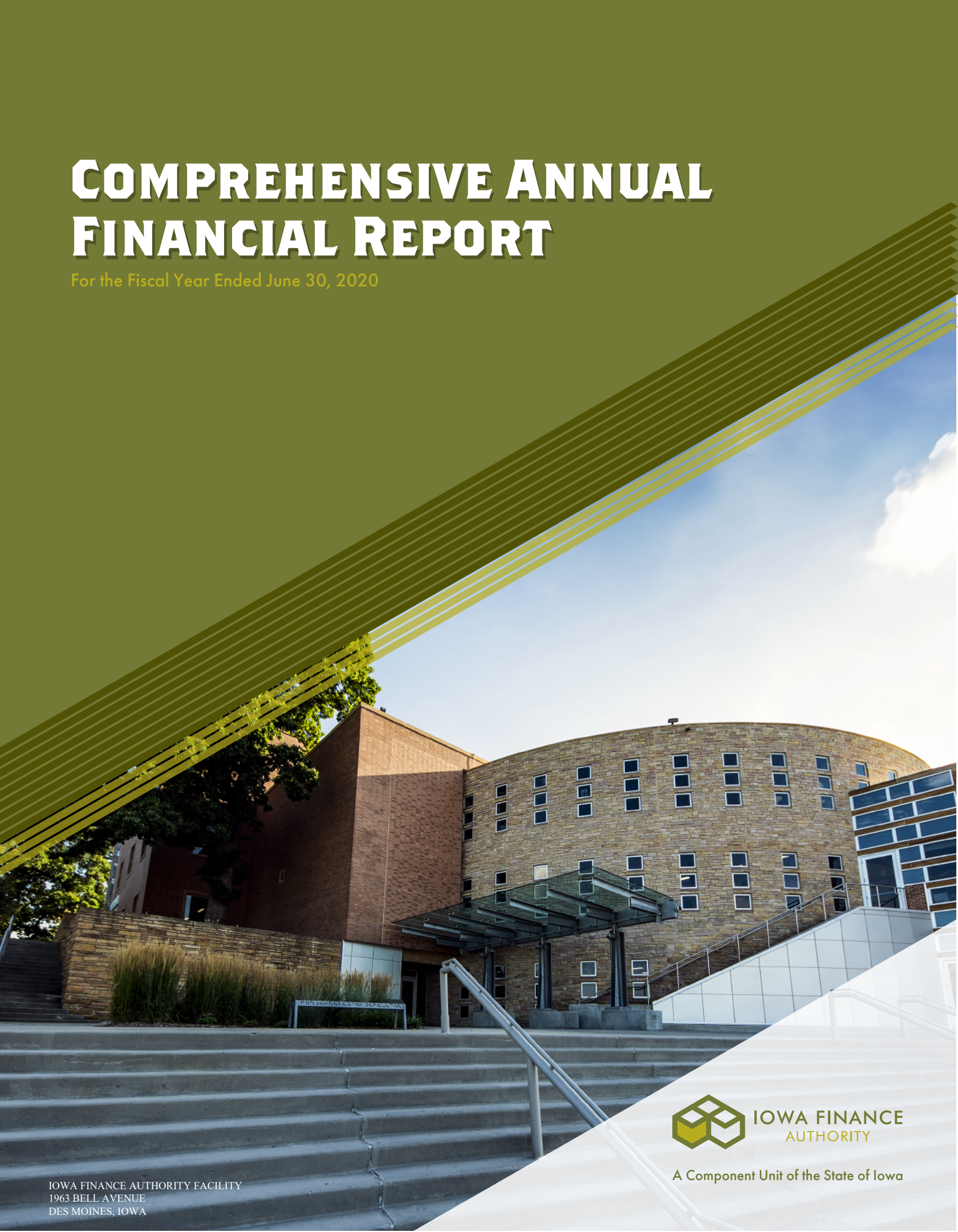


COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



**IOWA FINANCE
AUTHORITY**

A Component Unit of the State of Iowa

IOWA FINANCE AUTHORITY FACILITY
1963 BELL AVENUE
DES MOINES, IOWA

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED

JUNE 30, 2020

Debi Durham, Executive Director

Prepared by:

The Accounting and Finance Department

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Introductory Section (unaudited)



September 30, 2020

TO THE CITIZENS, GOVERNOR, AND BOARD OF DIRECTORS:

The Iowa Finance Authority (the Authority) is pleased to submit this Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020.

The Authority issues State Revolving Fund Revenue Bonds, Single Family Mortgage Bonds, Multifamily 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 CAFR 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 include the Clean Water and Drinking Water Programs.

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

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. Iowa's growth in real gross domestic product (GDP) of 0.9% was weaker in 2019 compared to the increase of 2.2% in growth the prior year. In 2020, Iowa ranked 44th in growth among the other states compared to 37th in 2018 as reported by the U.S. Bureau of Economic Analysis (BEA). The United States growth in gross domestic product for the same period declined to 2.2%, down from 3.0% in 2018. However, with the coronavirus pandemic and many states requiring "stay at home" orders, the 2020 growth in GDP is expected to decline significantly. The BEA reported U.S. GDP decreased at an annual rate of 5.0% in the first quarter and its advance estimate for the 2nd quarter is a decrease of 32.9%.

Iowa's unemployment rate has been below the national average over the last ten years. Iowa's unemployment rate has been steadily declining since 2010 when it was at its highest of 6.4%, compared to the national average of 9.3%. The Iowa average unemployment rate for calendar year 2019 was 2.8%, tied for 6th in the lowest among all states. The average national rate was 3.7%.

Iowa personal income grew by 5.0% in 2019 compared to 4.1% in 2018. Iowa ranked 11th among the other states in personal income growth compared to its rank of 25th last year, as reported by the U.S. Bureau of Economic Analysis. The national personal income grew by 4.4% during the same period.

Iowa home sales were steady from June 2019 to June 2020, while median sales price increased slightly over the same period. Home sales dropped slightly, just under 1.0% as of June 2020 compared to 12 months prior, but the median sale price of \$181,245 was 0.7% higher than in 2019.

AUTHORITY RESPONSE TO COVID-19

In March 2020 when COVID-19 cases were rising in the state, the Authority sent staff home to work remotely. The Authority was able to seamlessly continue operations through secure technology and continue to serve Iowans. In order to prevent the spread of the virus, state-wide restrictions only allowed essential businesses to stay open which caused widespread unemployment and, consequently, the loss of income for many citizens. In response to these hardships the Authority created a new program, the Eviction and Foreclosure Prevention (EFP) program, which provides short-term relief to income-eligible renters and homeowners. The EFP program provides rental or mortgage assistance for up to four months for those who are at risk of eviction or foreclosure due to a documented COVID-19 related loss of income.

Funding of \$22 million for the EFP program was made available through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

AUTHORITY PROGRAM AND FINANCIAL HIGHLIGHTS

Homeownership: The single-family program assisted 2,970 home buyers by funding \$358 million of mortgage-backed securities in fiscal year 2020, which was a record in the history of the program. Approximately 87 % 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 2nd 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 \$19 billion worth of Iowa real estate in fiscal year 2020, an increase of 31% compared to last year. In addition, ITG provided \$1.75 million to support affordable housing in Iowa.

Housing Tax Credits: In response to discussions with Low-Income Housing Tax Credit stakeholders, the Authority elected to move the awards for the federal housing tax credits to August 2020 to better align the anticipated loan and syndication closing dates to a preferred time in the early spring. No tax credits were awarded in fiscal year 2020.

State Revolving Funds (SRF): In fiscal year 2020, the Iowa SRF executed nearly \$260 million in low-interest loans for wastewater and drinking water infrastructure. In addition, over \$13 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 comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the second consecutive year that the Authority achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

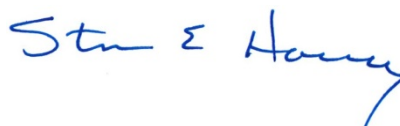
A Certificate of Achievement is valid for a period of one year only. We submitted the CAFR for the fiscal year ended June 30, 2019 to GFOA but have not yet received any correspondence about the Certificate of Achievement for Excellence in Financial Reporting. GFOA's efforts to deal with COVID-19 have temporarily lengthened the turnaround time for award decisions. However, we believe that our current comprehensive annual 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 CAFR. 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,

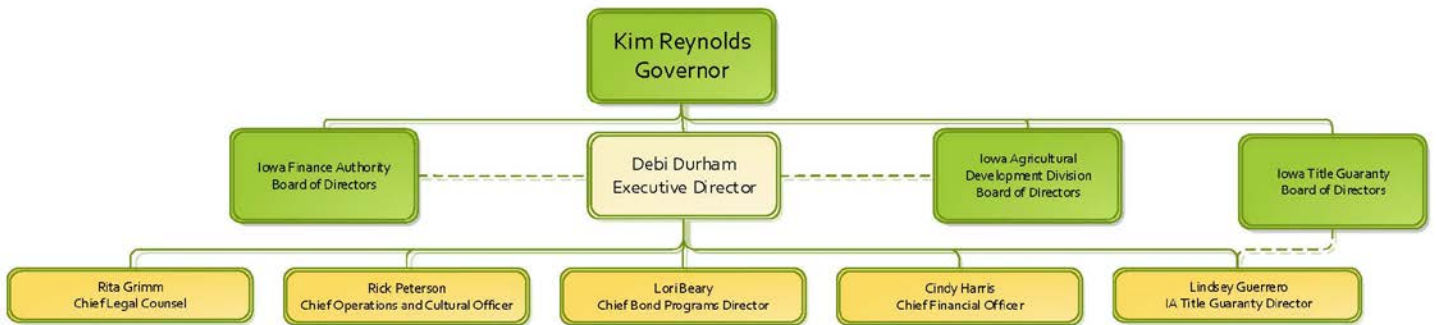


Cindy M. Harris
Chief Financial Officer



Steven E. Harvey
Accounting Director

Table of Organization



Board of Directors

Ashley Aust (Des Moines)
Darlys Baum (Burlington)
Jane Bell (Atlantic)
Lyle Borg, ex-officio voting (Pella)
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

To 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 Iowa Finance Authority (the Authority) as of and for the year ended June 30, 2020, 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. 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, 2020, 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 22 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 62 through 66 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 basic 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 67 through 69 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 70 through 82 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.



Aberdeen, South Dakota
September 30, 2020

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, 2020. 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 revenue 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 of 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 multifamily 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. The Mortgage Credit Certificate (MCC) Program provides eligible first-time home buyers with a certificate that can save Iowa home buyers up to \$2,000 every year on their federal tax liability for the life of the mortgage. 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.

Multifamily

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 multifamily 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 multifamily) 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 who have 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 multifamily 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.

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 for the production of 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.

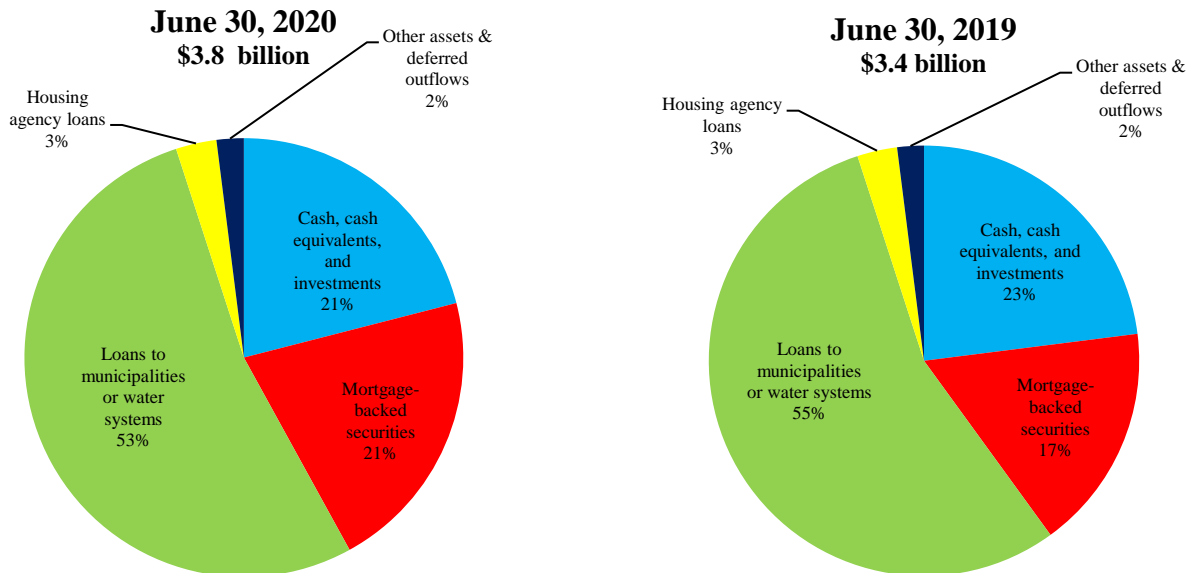
The SRF receives grants from the United States Environmental Protection Agency (EPA) and issues tax-exempt bonds in order to fund projects under the SRF. Loan interest and servicing fees also contribute to the program.

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 2020 and 2019.

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, 2020

Iowa Finance Authority Net Position (Dollars in thousands)				
	<u>2020</u>	<u>2019</u>	Change	%
Assets:				
Cash and cash equivalents	\$ 733,407	\$ 689,457	\$ 43,950	6.4%
Mortgage-backed securities	789,222	576,234	212,988	37.0%
Investments	71,931	78,685	(6,754)	-8.6%
Loans to municipalities or water systems	2,014,433	1,855,127	159,306	8.6%
Housing agency loans	116,758	118,381	(1,623)	-1.4%
Line of credit receivable	16,174	23,197	(7,023)	-30.3%
Capital assets, net of accumulated depreciation	13,568	4,664	8,904	190.9%
Other assets	34,341	28,574	5,767	20.2%
Total assets	3,789,834	3,374,319	415,515	12.3%
Deferred outflows	22,937	21,883	1,054	4.8%
Total assets and deferred outflows	<u>\$ 3,812,771</u>	<u>\$ 3,396,202</u>	<u>\$ 416,569</u>	<u>12.3%</u>
Liabilities:				
Debt obligations payable	\$ 2,328,655	\$ 2,028,313	\$ 300,342	14.8%
Other liabilities	89,971	59,166	30,805	52.1%
Total liabilities	2,418,626	2,087,479	331,147	15.9%
Deferred inflows	3,340	2,711	629	23.2%
Total liabilities and deferred inflows	<u>2,421,966</u>	<u>2,090,190</u>	<u>331,776</u>	<u>15.9%</u>
Net position:				
Net investment in capital assets	13,568	4,664	8,904	190.9%
Restricted net position	1,370,496	1,293,513	76,983	6.0%
Unrestricted net position	6,741	7,835	(1,094)	-14.0%
Total net position	<u>1,390,805</u>	<u>1,306,012</u>	<u>84,793</u>	<u>6.5%</u>
Total liabilities, deferred inflows and net position	<u>\$ 3,812,771</u>	<u>\$ 3,396,202</u>	<u>\$ 416,569</u>	<u>12.3%</u>

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Management's Discussion and Analysis (Unaudited)
June 30, 2020

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

	<u>2020</u>	<u>2019</u>	Change	%
Operating revenues:				
Interest income	\$ 77,870	\$ 75,169	\$ 2,701	3.6%
Gain on sale of mortgage-backed securities	4,663	2,948	1,715	58.2%
Net increase in fair value of investments and mortgage-backed securities	33,390	18,178	15,212	83.7%
Fee income	21,052	19,007	2,045	10.8%
Other income	1,037	396	641	161.9%
Total operating revenues	<u>138,012</u>	<u>115,698</u>	<u>22,314</u>	<u>19.3%</u>
Operating expenses:				
Interest expense	63,896	54,746	9,150	16.7%
General and administrative	27,788	27,096	692	2.6%
Provision for (recoveries of) losses	284	(3,587)	3,871	107.9%
Total operating expenses	<u>91,968</u>	<u>78,255</u>	<u>13,713</u>	<u>17.5%</u>
Net operating income	<u>46,044</u>	<u>37,443</u>	<u>8,601</u>	<u>23.0%</u>
Non-operating revenue (expense):				
Grant income	136,453	123,539	12,914	10.5%
Grants and aid	(97,704)	(91,118)	(6,586)	7.2%
Other non-operating expense	-	(4,167)	4,167	100.0%
Net non-operating revenue	<u>38,749</u>	<u>28,254</u>	<u>10,495</u>	<u>37.1%</u>
Change in net position	<u>84,793</u>	<u>65,697</u>	<u>19,096</u>	<u>29.1%</u>
Net position at beginning of year	<u>1,306,012</u>	<u>1,240,315</u>		
Net position at end of year	<u>\$ 1,390,805</u>	<u>\$ 1,306,012</u>	<u>\$ 84,793</u>	<u>6.5%</u>

Financial Analysis – Iowa Finance Authority 2020 (dollars in thousands)

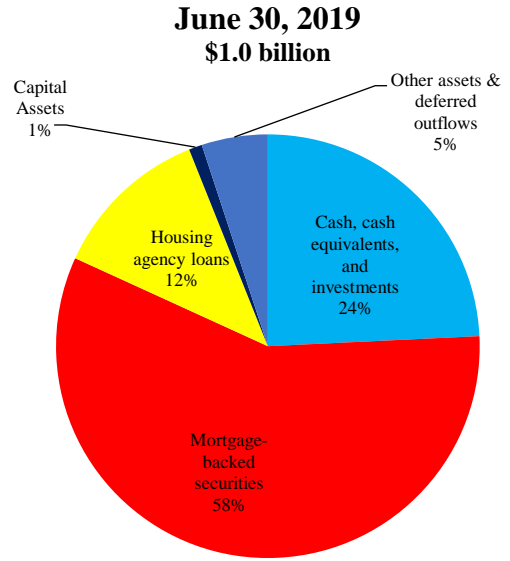
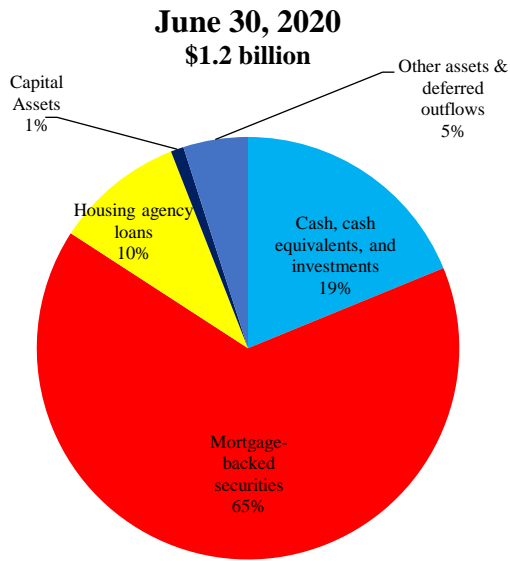
- Assets and deferred outflows increased 12.3% or \$416,569 to \$3,812,771 in fiscal year 2020 due to planned growth in mission assets. MBS increased by 37.0%, or \$212,988. Loans to municipalities or water systems (SRF loans) increased 8.6%, or \$159,306. Non-mission assets of cash, cash equivalents, and investments also increased due to bond proceeds awaiting investment in mission assets.
- Capital assets, net of accumulated depreciation, increased by \$8,904 to \$13,568. The Authority purchased capital assets of \$10,704, recognized depreciation of \$312, and disposed of \$1,800. Capital assets consist of its current facility, and the associated furniture, fixtures, and equipment.
- The Authority's liabilities and deferred inflows increased by 15.9% or \$331,776 to \$2,421,966. Debt obligations payable increased 14.8% or \$300,342 to \$2,328,655 with the issuance of single-family bonds and SRF bonds.
- The Authority issued three new bond series with proceeds totaling \$454,183 to purchase MBS and SRF loans and made bond payments of \$153,841.

Series	Date	Proceeds	Rating
SF 2019 DEF	09/26/2019	\$ 90,000	AAA by S & P; Aaa by Moody's
SF 2020 ABC	02/13/2020	99,998	AAA by S & P; Aaa by Moody's
SRF 2020 A	02/27/2020	264,185	AAA by S & P; Aaa by Moody's; AAA by Fitch
Total		\$ 454,183	

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

- Interest income increased 3.6% to \$77,870 due to the growth in interest earning assets.
- Gain on sale of MBS increased 58.2% to \$4,663 due to higher MBS sales prices and volume.
- Fair value of investments and MBS increased by \$15,212 due to lower prevailing interest rates at the end of fiscal year 2020.
- Fee income increased by 10.8% to \$21,052 due to higher volume in Iowa Title Guaranty.
- Interest expense increased 16.7% to \$63,896 due to new debt issuance mentioned above.
- General and administrative expenses increased slightly by 2.6% to \$27,788 primarily from professional services of field issuers related to increased issuance of Iowa Title Guaranty certificates.
- Changes to estimated loan losses increased the provision for losses by \$284.
- Grant income increased by 10.5% to \$136,453 due to SRF capitalization grants and federal and state housing grants.
- Grants and aid expense increased by 7.2%, a result of the grant receipts mentioned above.
- The Authority's net position increased 6.5% or \$84,793 to \$1,390,805.

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, 2020

Housing Agency Fund Net Position (Dollars in thousands)				
	<u>2020</u>	<u>2019</u>	Change	%
Assets:				
Cash and cash equivalents	\$ 220,372	\$ 239,958	\$ (19,586)	-8.2%
Mortgage-backed securities	789,222	576,234	212,988	37.0%
Investments	1,889	5,765	(3,876)	-67.2%
Housing agency loans	116,758	118,381	(1,623)	-1.4%
Line of credit	16,174	23,197	(7,023)	-30.3%
Capital assets, net of accumulated depreciation	13,568	4,664	8,904	190.9%
Other assets	29,855	23,148	6,707	29.0%
Total assets	<u>1,187,838</u>	<u>991,347</u>	196,491	19.8%
Deferred outflows	<u>12,912</u>	<u>9,122</u>	3,790	41.5%
Total assets and deferred outflows	<u>\$ 1,200,750</u>	<u>\$ 1,000,469</u>	<u>\$ 200,281</u>	<u>20.0%</u>
Liabilities:				
Debt obligations payable	\$ 740,699	\$ 614,811	\$ 125,888	20.5%
Other liabilities	<u>61,708</u>	<u>33,973</u>	27,735	81.6%
Total liabilities	802,407	648,784	153,623	23.7%
Deferred inflows	<u>3,228</u>	<u>2,674</u>	554	20.7%
Total liabilities and deferred inflows	<u>805,635</u>	<u>651,458</u>	154,177	23.7%
Net position:				
Net investment in capital assets	13,568	4,664	8,904	190.9%
Restricted net position	374,806	336,512	38,294	11.4%
Unrestricted net position	<u>6,741</u>	<u>7,835</u>	(1,094)	-14.0%
Total net position	<u>395,115</u>	<u>349,011</u>	46,104	13.2%
Total liabilities, deferred inflows and net position	<u>\$ 1,200,750</u>	<u>\$ 1,000,469</u>	<u>\$ 200,281</u>	<u>20.0%</u>

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Management's Discussion and Analysis (Unaudited)
June 30, 2020

Housing Agency Fund Revenues, Expenses, and Changes in Net Position (Dollars in thousands)				
	<u>2020</u>	<u>2019</u>	Change	%
Operating revenues:				
Interest income	\$ 33,178	\$ 29,834	\$ 3,344	11.2%
Gain on sale of mortgage-backed securities	4,663	2,948	1,715	58.2%
Net increase in fair value of investments and mortgage-backed securities	32,883	17,603	15,280	86.8%
Fee income	14,723	13,139	1,584	12.1%
Other income	1,037	396	641	161.9%
Total operating revenues	<u>86,484</u>	<u>63,920</u>	<u>22,564</u>	<u>35.3%</u>
Operating expenses:				
Interest expense	19,773	16,143	3,630	22.5%
General and administrative	18,769	17,062	1,707	10.0%
Provision for (recoveries of) losses	309	(3,562)	3,871	108.7%
Total operating expenses	<u>38,851</u>	<u>29,643</u>	<u>9,208</u>	<u>31.1%</u>
Net operating income	<u>47,633</u>	<u>34,277</u>	<u>13,356</u>	<u>39.0%</u>
Non-operating revenue (expense):				
Grant income	91,511	85,967	5,544	6.4%
Grants and aid	(93,040)	(87,324)	(5,716)	6.5%
Other non-operating expense	-	(4,167)	4,167	100.0%
Net non-operating revenue (expense)	<u>(1,529)</u>	<u>(5,524)</u>	<u>3,995</u>	<u>-72.3%</u>
Change in net position	<u>46,104</u>	<u>28,753</u>	<u>17,351</u>	<u>60.3%</u>
Net position at beginning of year	<u>349,011</u>	<u>320,258</u>		
Net position at end of year	<u>\$ 395,115</u>	<u>\$ 349,011</u>	<u>\$ 46,104</u>	<u>13.2%</u>

Financial Analysis – Housing Agency Fund 2020 (dollars in thousands)

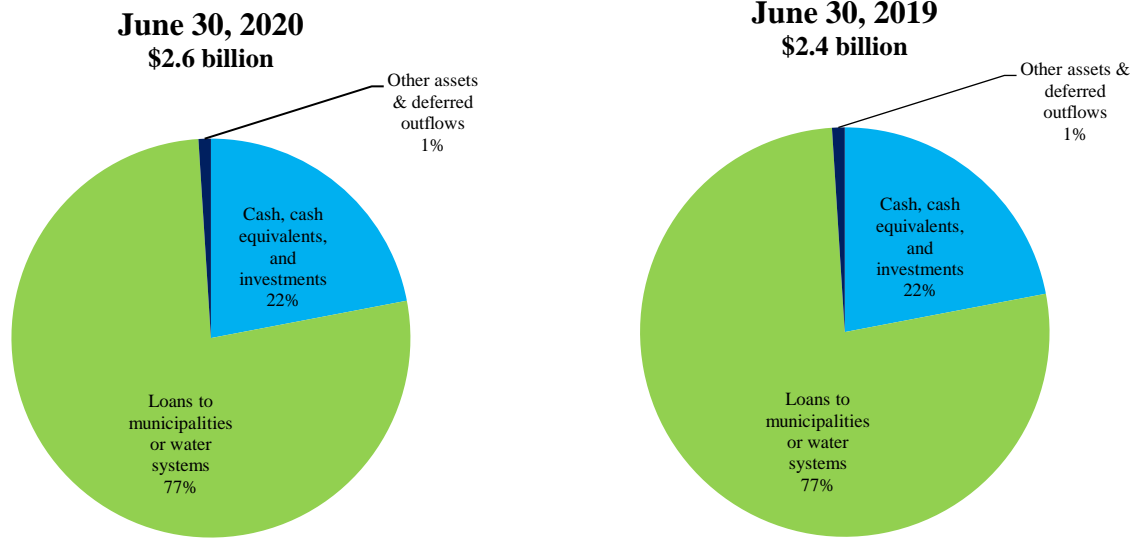
- Assets and deferred outflows increased 20.0% or \$200,281 to \$1,200,750 primarily due to the strategic goal of increasing the amount of MBS held.
- Capital assets, net of accumulated depreciation, increased by \$8,904 to \$13,568. The Housing Agency purchased capital assets of \$10,704 and recognized depreciation of \$312 and disposed of \$1,800. Capital assets consist of its current facility and the associated furniture, fixtures, and equipment.
- Liabilities and deferred inflows increased 23.7% or \$154,177 to \$805,635 with the issuance of bonds to purchase MBS and unspent CARES Act funds of \$21,333.
- The Housing Agency issued debt with proceeds totaling \$189,998 to purchase MBS; and made bond payments of \$64,110.

<u>Series</u>	<u>Date</u>	<u>Proceeds</u>	<u>Rating</u>
SF 2019 DEF	09/26/2019	\$ 90,000	AAA by S & P; Aaa by Moody’s
SF 2020 ABC	02/13/2020	99,998	AAA by S & P; Aaa by Moody’s
Total		\$ 189,998	

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

- Interest income increased by 11.2% to \$33,178 due to increasing MBS assets.
- Gain on sale of MBS increased 58.2% to \$4,663 due to slightly higher MBS prices and sales volume.
- Fair value of investments and MBS increased by \$15,280 due to lower prevailing interest rates at the end of the fiscal year.
- Fee income increased by 12.1% to \$14,723 due to higher volume in Iowa Title Guaranty.
- Interest expense increased 22.5% to \$19,773 due to the additional bonds issued during the year.
- General and administrative expenses increased 10.0% to \$18,769 primarily from professional services of field issuers related to increased issuance of Iowa Title Guaranty certificates.
- Changes to estimated loan losses increased the provision for losses by \$309.
- Grant income increased 6.4% to \$91,511 due to increased federal funding for the Section 8 Housing Assistance Payments Program and State funding for water quality.
- Grants and aid expense increased 6.5%; a result of the increased grant receipts mentioned above.
- Net position increased 13.2% or \$46,104 to \$395,115.

State Revolving 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, 2020

	State Revolving Fund Net Position (Dollars in thousands)			
	<u>2020</u>	<u>2019</u>	Change	%
Assets:				
Cash and cash equivalents	\$ 513,035	\$ 449,499	\$ 63,536	14.1%
Investments	70,042	72,920	(2,878)	-3.9%
Loans to municipalities or water systems	2,014,433	1,855,127	159,306	8.6%
Other assets	4,486	5,426	(940)	-17.3%
Total assets	<u>2,601,996</u>	<u>2,382,972</u>	219,024	9.2%
Deferred outflows	<u>10,025</u>	<u>12,761</u>	(2,736)	-21.4%
Total assets and deferred outflows	<u>\$ 2,612,021</u>	<u>\$ 2,395,733</u>	\$ 216,288	9.0%
Liabilities:				
Bonds payable, net	\$ 1,587,956	\$ 1,413,502	\$ 174,454	12.3%
Other liabilities	28,263	25,193	3,070	12.2%
Total liabilities	1,616,219	1,438,695	177,524	12.3%
Deferred inflows	<u>112</u>	<u>37</u>	75	202.7%
Total liabilities and deferred inflows	<u>1,616,331</u>	<u>1,438,732</u>	177,599	12.3%
Net position:				
Restricted net position	<u>995,690</u>	<u>957,001</u>	38,689	4.0%
Total net position	<u>995,690</u>	<u>957,001</u>	38,689	4.0%
Total liabilities, deferred inflows and net position	<u>\$ 2,612,021</u>	<u>\$ 2,395,733</u>	\$ 216,288	9.0%

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Management's Discussion and Analysis (Unaudited)
June 30, 2020

State Revolving Fund				
Revenues, Expenses, and Changes in Net Position				
(Dollars in thousands)				
	<u>2020</u>	<u>2019</u>	Change	%
Operating revenues:				
Interest income	\$ 44,692	\$ 45,335	\$ (643)	-1.4%
Net increase in fair value of investments and mortgage-backed securities	507	575	(68)	-11.8%
Fee income	<u>6,329</u>	<u>5,868</u>	<u>461</u>	<u>7.9%</u>
Total operating revenues	<u>51,528</u>	<u>51,778</u>	<u>(250)</u>	<u>-0.5%</u>
Operating expenses:				
Interest expense	44,123	38,603	5,520	14.3%
General and administrative	9,019	10,034	(1,015)	-10.1%
Recoveries of losses	<u>(25)</u>	<u>(25)</u>	<u>-</u>	<u>0.0%</u>
Total operating expenses	<u>53,117</u>	<u>48,612</u>	<u>4,505</u>	<u>9.3%</u>
Net operating income (loss)	<u>(1,589)</u>	<u>3,166</u>	<u>(4,755)</u>	<u>-150.2%</u>
Non-operating revenue (expense):				
Grant income	44,942	37,572	7,370	19.6%
Grants and aid	<u>(4,664)</u>	<u>(3,794)</u>	<u>(870)</u>	<u>22.9%</u>
Net non-operating revenue (expense)	<u>40,278</u>	<u>33,778</u>	<u>6,500</u>	<u>19.2%</u>
Change in net position	<u>38,689</u>	<u>36,944</u>	<u>1,745</u>	<u>4.7%</u>
Net position at beginning of year	<u>957,001</u>	<u>920,057</u>		
Net position at end of year	<u>\$ 995,690</u>	<u>\$ 957,001</u>	<u>\$ 38,689</u>	<u>4.0%</u>

Financial Analysis – State Revolving Fund 2020 (dollars in thousands)

- Assets and deferred outflows increased 9.0% or \$216,288 to \$2,612,021 due to the strategic goal of increasing loans to municipalities and water systems.
- Liabilities and deferred inflows increased by 12.3% or \$177,599 to \$1,616,331 in order to finance the additional loans mentioned above.
- The Authority issued the SRF 2020A bond series on February 27, 2020, that generated proceeds totaling \$264,185 to purchase SRF loans. The Authority made bond payments of \$89,731.
See Note 5 - Bonds Payable for more detail on the Authority's debt.
- Interest income decreased 1.4% to \$44,692 due to lower interest rates on cash balances.
- Fee income increased 7.9% to \$6,329 due to the higher loan balances.
- Interest expense increased 14.3% to \$44,123 due to the higher bond balances.
- General and administrative expenses decreased 10.1% to \$9,019 due to lower DNR set-aside expenses.
- Grant income increased 19.6% to \$44,942 due to availability of capitalization grants from the Environmental Protection Agency.
- Grants and aid expense increased 22.9% to \$4,664 due to higher disbursements on SRF loans with forgivable portions during the year.
- As a result, net position increased 4.0% or \$38,689 to \$995,690.

Currently Known Facts, Decisions, or Conditions

The Authority issued Single Family Mortgage Bonds on August 19, 2020, in the par amount of \$65.8 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 Wells Fargo Bank, N.A.

On April 16, 2020, the Authority entered into an agreement to lease the first floor of its building at 1963 Bell Avenue, Des Moines, IA, to the Iowa Department of Administrative Services on behalf of and for the benefit of the Iowa Department of Commerce - Iowa Insurance Division. The Authority is completing tenant improvements, of which \$1.3 million remained as of June 30, 2020, for the Iowa Insurance Division for a move-in date of August 24, 2020.

The global outbreak of COVID-19 is affecting national capital markets and negatively impacting the overall economy. The Authority has a Continuity of Operations Plan which has allowed it to provide continued execution of its programs with minimal disruption. In response to COVID-19, the Authority is already administering a new program, with federal funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and may be asked to administer additional programs in the future in response to the pandemic. Furthermore, the Authority cannot predict the duration of the pandemic and how it may impact the Authority's housing and state revolving fund programs and financial position.

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, 2020

Assets	Housing Agency Fund	State Revolving Fund	Total
Current assets (substantially restricted):			
Cash and cash equivalents	\$ 220,372	\$ 513,035	\$ 733,407
Investments in mortgage-backed securities	17,893	-	17,893
Other investments	1,889	50,965	52,854
Loans to municipalities or water systems, net	-	130,961	130,961
Housing Agency loans, net	11,687	-	11,687
Line of credit receivable	16,174	-	16,174
Accrued interest receivable	3,243	3,401	6,644
Other current assets	1,978	1,085	3,063
Total current assets	<u>273,236</u>	<u>699,447</u>	<u>972,683</u>
Noncurrent assets (substantially restricted):			
Investments in mortgage-backed securities	771,329	-	771,329
Other investments	-	19,077	19,077
Loans to municipalities or water systems, net	-	1,883,472	1,883,472
Housing Agency loans, net	105,071	-	105,071
Capital assets, net of accumulated depreciation	13,568	-	13,568
Other noncurrent assets	24,634	-	24,634
Total noncurrent assets	<u>914,602</u>	<u>1,902,549</u>	<u>2,817,151</u>
Total assets	<u>1,187,838</u>	<u>2,601,996</u>	<u>3,789,834</u>
Deferred Outflows of Resources			
Other post-employment benefits	130	6	136
Pension plan	1,233	109	1,342
Accumulated decrease in fair value of hedging derivatives	8,248	-	8,248
Loss on refunding	3,301	9,910	13,211
Total deferred outflows of resources	<u>12,912</u>	<u>10,025</u>	<u>22,937</u>
Liabilities			
Current liabilities:			
Bonds payable, net	16,819	64,140	80,959
Accrued interest payable	7,586	26,277	33,863
Escrow deposits	9,528	-	9,528
Unearned revenue	21,615	-	21,615
Accounts payable and other liabilities	4,926	1,512	6,438
Total current liabilities	<u>60,474</u>	<u>91,929</u>	<u>152,403</u>
Noncurrent liabilities:			
Bonds payable, net	723,880	1,523,816	2,247,696
Reserves for claims	1,872	-	1,872
Other liabilities	16,181	474	16,655
Total noncurrent liabilities	<u>741,933</u>	<u>1,524,290</u>	<u>2,266,223</u>
Total liabilities	<u>802,407</u>	<u>1,616,219</u>	<u>2,418,626</u>
Deferred Inflows of Resources			
Other post-employment benefits	86	4	90
Pension plan	1,219	108	1,327
Accumulated increase in fair value of hedging derivatives	1,923	-	1,923
Total deferred inflows of resources	<u>3,228</u>	<u>112</u>	<u>3,340</u>
Net Position			
Net investment in capital assets	13,568	-	13,568
Restricted net position:			
Per bond resolutions	286,214	822,646	1,108,860
Per legislation	39,667	-	39,667
Per other agreements	48,925	173,044	221,969
Total restricted net position	<u>374,806</u>	<u>995,690</u>	<u>1,370,496</u>
Unrestricted net position	6,741	-	6,741
Total net position	<u>\$ 395,115</u>	<u>\$ 995,690</u>	<u>\$ 1,390,805</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, 2020

	Housing Agency Fund	State Revolving Fund	Total
Operating revenues:			
Interest on mortgage-backed securities	\$ 24,507	\$ -	\$ 24,507
Interest on loans	3,882	39,911	43,793
Interest on investments	4,789	4,781	9,570
Gain on the sale of mortgage-backed securities	4,663	-	4,663
Net increase in fair value of investments and mortgage-backed securities	32,883	507	33,390
Fee income	14,723	6,329	21,052
Other income	1,037	-	1,037
Total operating revenues	86,484	51,528	138,012
Operating expenses:			
Interest expense	19,773	44,123	63,896
General and administrative	18,769	9,019	27,788
Provision for (recoveries of) losses	309	(25)	284
Total operating expenses	38,851	53,117	91,968
Net operating income (loss)	47,633	(1,589)	46,044
Non-operating revenue (expense):			
Grant income	91,511	44,942	136,453
Grants and aid	(93,040)	(4,664)	(97,704)
Net non-operating revenue (expense)	(1,529)	40,278	38,749
Change in net position	46,104	38,689	84,793
Net position at June 30, 2019	349,011	957,001	1,306,012
Net position at June 30, 2020	\$ 395,115	\$ 995,690	\$ 1,390,805

Iowa Finance Authority
(A Component Unit of the State of Iowa)
Statement of Cash Flows
(Dollars in thousands)
Year Ended June 30, 2020

	Housing Agency Fund	State Revolving Fund	Totals
Cash flows from operating activities:			
Cash receipts for fees and other income	\$ 15,338	\$ 6,288	\$ 21,626
Interest received on loans and mortgage-backed securities	28,270	40,862	69,132
Principal payments on loans and mortgage-backed securities	448,596	130,010	578,606
Purchase of loans and mortgage-backed securities	(721,352)	(280,084)	(1,001,436)
Proceeds on sale of mortgage-backed securities	107,450	-	107,450
Cash payments for salaries and related benefits	(8,441)	(752)	(9,193)
Cash payments to suppliers	(13,961)	(8,338)	(22,299)
Net cash used in operating activities	<u>(144,100)</u>	<u>(112,014)</u>	<u>(256,114)</u>
Cash flows from noncapital financing activities			
Proceeds from issuance of bonds	189,998	264,185	454,183
Repayment of bonds	(62,389)	(70,915)	(133,304)
Interest paid	(17,637)	(55,925)	(73,562)
Payments for cost of issuance	(1,731)	(1,300)	(3,031)
Receipts for grant programs	112,877	45,235	158,112
Payments for grant programs	(95,771)	(13,895)	(109,666)
Net cash provided by noncapital and related financing activities	<u>125,347</u>	<u>167,385</u>	<u>292,732</u>
Cash flows from investing activities:			
Purchases of investments	(385)	(45,836)	(46,221)
Interest received on investments	4,991	4,781	9,772
Sales/maturities of investments	4,247	49,220	53,467
Net cash provided by investing activities	<u>8,853</u>	<u>8,165</u>	<u>17,018</u>
Cash flows from capital financing activities:			
Purchase of capital assets	(11,320)	-	(11,320)
Sale of capital assets	1,634	-	1,634
Net cash used in capital financing activities	<u>(9,686)</u>	<u>-</u>	<u>(9,686)</u>
Change in cash and cash equivalents	(19,586)	63,536	43,950
Cash and cash equivalents, beginning of year	239,958	449,499	689,457
Cash and cash equivalents, end of year	<u>\$ 220,372</u>	<u>\$ 513,035</u>	<u>\$ 733,407</u>
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	\$ 47,633	\$ (1,589)	\$ 46,044
Interest on investments	(4,789)	(4,781)	(9,570)
Interest on bonds	18,042	42,823	60,865
Payments for cost of issuance	1,731	1,300	3,031
Net increase in fair value of investments and mortgage-backed securities	(32,883)	(507)	(33,390)
Provision for loan losses	1,634	-	1,634
Change in fair value of investment derivatives	2	-	2
Depreciation and loss on disposal of capital assets	781	-	781
Increase in loans and mortgage-backed securities	(169,972)	(150,073)	(320,045)
(Increase) decrease in interest receivable on loans and mortgage-backed securities	(119)	952	833
Increase in other assets and deferred outflows	(11,260)	(288)	(11,548)
Increase in accounts payable, other liabilities, and deferred inflows	5,100	149	5,249
Net cash used in operating activities	<u>\$ (144,100)</u>	<u>\$ (112,014)</u>	<u>\$ (256,114)</u>

See Accompanying Notes to Financial Statements

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 multifamily 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 multifamily 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 multifamily 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, 2020, the Authority issued \$376.4 million of these conduit obligations, and \$12.8 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 authorizes 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, 2020, the IADD issued \$15.8 million of these conduit obligations, and \$614.5 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 comprehensive annual 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, 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. Multifamily 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, 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 \$97.4 million was netted against housing loans made with federal funds at June 30, 2020.

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 \$3.5 million was netted against other Housing Agency loans at June 30, 2020.

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 \$10.6 million was netted against loans to municipalities or water systems at June 30, 2020.

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 February 7, 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, 2020. As of June 30, 2020, the balance outstanding was \$16.2 million.

(k) Capital Assets

Furniture, fixtures, and equipment that exceed \$5.0 thousand 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 is 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, 2020, there was a balance of \$10.2 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, 2020, there was a balance of \$12.0 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) 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.

(q) Reserves for Claims

ITG's liability for estimated title losses comprises both losses and settlement expenses related to known claims and an estimate for claims that may be reported in the future. The estimate of claims that may be reported in the future is often referred to as incurred but not reported claims. The loss reserves represent the aggregate future payments that are expected to be incurred on claim losses and for costs to settle both known claims and incurred but not reported claims. The amounts are not discounted to their present values.

ITG provides for estimated incurred but not reported losses by a charge to expense when the related guaranty fee revenue is recognized. The amount charged to expense is determined by applying a rate (the loss provision rate) to total title guaranty fee revenue. Known claim reserves are \$437.9 thousand at June 30, 2020 and are reported on the statement of net position as reserves for claims. Estimated incurred but not reported claims are \$970.3 thousand at June 30, 2020, and are also reported as reserves for claims on the statement of net position.

ITG also engages an independent actuarial firm to review and assess the estimated loss provision rate, known claims reserves, and incurred but not reported reserves. The independent actuarial firm actuary performs a reserve analysis utilizing generally accepted actuarial methods and other tests and analyses deemed necessary to provide a professional opinion. ITG's management uses the independent actuaries' review and opinion and other relevant information it may have concerning claims to determine what it considers to be the best estimate of the total amount required as a reserve for claims.

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, 2020, 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.

(r) *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, 2020, \$23.7 thousand of such excess earnings are recorded as other liabilities on the statement of net position.

(s) *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, 2020, \$842.4 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, 2020, the Authority held \$21.3 million of unspent CARES Act funds designated for an eviction and foreclosure relief program.

(t) *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.

(u) *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.

(v) *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; 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.

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

The Authority participates in the GNMA and FNMA MBS programs whereby GNMA or FNMA 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.

(x) *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.

(y) *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; 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.

(z) *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.

(aa) 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.

(bb) 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):

	June 30, 2020				
	Housing Agency Fund	State Revolving Fund	Total	% of total	Average Maturity (years)
Cash and cash equivalents					
Cash in banks	\$ 8,388	\$ 42,852	\$ 51,240	3%	
Cash in the State Treasurer's pooled money account	60,396	-	60,396	4%	
Guaranteed Investment Contracts	36,319	-	36,319	2%	
Money market funds	115,269	470,183	585,452	37%	
Total	<u>220,372</u>	<u>513,035</u>	<u>733,407</u>	<u>46%</u>	
Investments					
Certificates of Deposit	110	2,917	3,027	0%	2.02
U.S. government agency securities	501	22,298	22,799	1%	1.50
Municipal securities	-	12,209	12,209	1%	2.95
U.S. Treasury securities	1,278	32,618	33,896	2%	0.64
Total	<u>1,889</u>	<u>70,042</u>	<u>71,931</u>	<u>4%</u>	
Investments in MBS					
GNMA mortgage-backed securities	396,676	-	396,676	25%	21.47
FNMA mortgage-backed securities	347,998	-	347,998	22%	22.78
FHLMC mortgage-backed securities	44,548	-	44,548	3%	27.38
Total	<u>789,222</u>	<u>-</u>	<u>789,222</u>	<u>50%</u>	
Total	<u>\$ 1,011,483</u>	<u>\$ 583,077</u>	<u>\$ 1,594,560</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 \$23.6 million as of June 30, 2020.

(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 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, 2020			
	S&P	Moody's	Housing	%	State	%
			Agency Fund	of total	Revolving Fund	of total
Guaranteed investment contracts:						
Societe Generale*	A/A-1	A1/P-1	\$ 36,319	3.9%	\$ -	0.0%
Money market funds:						
Morgan Stanley	AAAm	Aaa-mf	17,258	1.8%	-	0.0%
BlackRock	AAAm	Aaa-mf	-	0.0%	408,582	75.7%
Goldman Sachs Group	AAAm	Aaa-mf	98,011	10.4%	61,601	11.4%
Certificates of deposit	NR	NR	110	0.0%	2,917	0.5%
U.S. government agency securities	AA+	Aaa	501	0.1%	22,298	4.1%
U.S. Treasury securities	AA+	Aaa	1,278	0.1%	32,618	6.0%
Municipal securities	AA to AAA	A1 to Aaa	-	0.0%	12,209	2.3%
Mortgage-backed securities:						
GNMA	NR	NR	396,676	42.1%	-	0.0%
FNMA	NR	NR	347,998	36.9%	-	0.0%
FHLMC	NR	NR	44,548	4.7%	-	0.0%
Total			\$ 942,699	100.0%	\$ 540,225	100.0%

* Collateralized with U.S. government securities

(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, 2020, are as follows (dollars in thousands):

	2020		
	Cost	Allowance for losses	Net
Housing Agency Loans			
Loans secured with first mortgages	\$ 59,990	\$ (1,430)	\$ 58,560
Loans secured with second mortgages, other collateral, or unsecured	912	(227)	685
Single Family second mortgage loans	4,679	-	4,679
State program loans	16,126	(1,825)	14,301
Federal program loans	135,969	(97,436)	38,533
Total Housing Agency Fund Loans	\$ 217,676	\$ (100,918)	\$ 116,758
State Revolving Fund Loans			
Loans backed by municipal bonds	\$ 1,971,232	\$ -	\$ 1,971,232
Unsecured planning and design loans	20,935	-	20,935
Unsecured nonpoint source loans	23,579	(1,313)	22,266
Forgivable portion of SRF loans	9,281	(9,281)	-
Total State Revolving Fund Loans	\$ 2,025,027	\$ (10,594)	\$ 2,014,433

Note 4 - Capital Assets

Capital assets at June 30, 2020, are as follows (dollars in thousands):

	Balance at June 30, 2019	Additions	Disposals and Impairments	Balance at June 30, 2020
Non-depreciable assets:				
Land	\$ -	\$ 886	\$ -	\$ 886
Construction in progress	-	1,130	-	1,130
Real estate held for sale	1,800	-	(1,800.00)	-
Total nondepreciable assets	1,800	2,016	(1,800)	2,016
Depreciable assets:				
Buildings and improvements	2,911	8,604	-	11,515
Land improvements	-	700	-	700
Furniture, fixtures, & equipment	248	-	-	248
Total depreciable assets	3,159	9,304	-	12,463
Less accumulated depreciation:	(295)	(616)	-	(911)
Total Capital Assets-Net	\$ 4,664	\$ 10,704	\$ (1,800)	\$ 13,568

Note 5 - Bonds Payable

(a) Outstanding Bonds Payable at June 30, 2020, are as follows (dollars in thousands)

Description	Original amount	Due dates		Interest rate		Balance 2020
		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	\$ 377
SF 2014 B-2 - Term Bonds	D 11,895		09/01/36		3.050	3,881
SF 2015 A - Term Bonds	13,170		01/01/39		3.500	1,905
SF 2015 A - Term Bonds	40,610		01/01/40		3.500	14,395
SF 2015 B - Term Bonds	40,000		01/01/46		0.150 *	40,000
SF 2015 C - Serial Bonds	22,245	01/01/16	01/01/22	0.540	3.047	7,345
SF 2016 A - Term Bonds	7,395		01/01/34		3.200	7,300
SF 2016 A - Term Bonds	20,615		07/01/46		4.000	9,655
SF 2016 B - Term Bonds	20,000		07/01/46		0.120 *	20,000
SF 2016 C - Serial Bonds	19,095	07/01/16	07/01/27	0.500	2.900	13,955
SF 2016 C - Term Bonds	3,435		01/01/29		3.125	3,435
SF 2016 D - Serial Bonds	12,125	07/01/17	07/01/26	0.800	2.300	8,760
SF 2016 D - Term Bonds	5,590		07/01/31		2.850	5,590
SF 2016 D - Term Bonds	8,320		07/01/36		3.150	8,320
SF 2016 D - Term Bonds	17,635		07/01/46		3.500	11,005
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	9,120
SF 2017 A - Term Bonds	11,760		07/01/32		3.550	11,760
SF 2017 A - Term Bonds	17,330		07/01/47		4.000	12,520
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	14,770
SF 2017 C - Term Bonds	4,160		07/01/32		3.150	4,160
SF 2017 C - Term Bonds	7,140		01/01/37		3.400	7,140
SF 2017 C - Term Bonds	22,210		01/01/47		3.500	17,450
SF 2017 D - Term Bonds	17,500		01/01/47		0.120 *	17,500
SF 2018 A - Serial Bonds	13,635	01/01/19	07/01/29	1.600	3.200	12,240
SF 2018 A - Term Bonds	5,515		07/01/33		3.500	5,515
SF 2018 A - Term Bonds	19,630		07/01/47		4.000	17,145
SF 2018 B - Term Bonds	20,000		07/01/47		0.430 **	20,000
SF 2018 C - Serial Bonds	7,960	07/01/24	07/01/30	2.500	3.350	7,960
SF 2018 C - Term Bonds	3,235		07/01/33		3.600	3,235
SF 2018 C - Term Bonds	17,425		07/01/48		4.000	16,390
SF 2018 D - Term Bonds	15,000		07/01/48		0.476 *	15,000
SF 2018 E - Serial Bonds	5,000	07/01/19	07/01/24	2.850	3.450	4,295
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	35,250
SF 2019 B - Term Bonds	20,000		07/01/47		0.110 *	20,000
SF 2019 C - Serial Bonds	19,615	01/01/20	01/01/30	2.500	3.500	19,040
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	33,915
SF 2019 E - Term Bonds	15,000		01/01/49		0.120 *	15,000
SF 2019 F - Serial Bonds	7,085	01/01/20	01/01/24	1.800	2.050	7,005
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	29,205
SF 2020 B - Term Bonds	20,000	01/01/32	07/01/49		0.120 *	20,000
SF 2020 C - Serial Bonds	15,500	07/01/20	01/01/28	1.600	2.450	15,500
Premium						16,468
Total SF 1991 Mortgage Bonds						654,641

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Description	Original amount	Due dates		Interest rate		Balance 2020
		From	To	From	To	
SF 2009 Mortgage Revenue Bonds						
SF 2009 3A - Term Bonds	D 31,200		07/01/41		3.010	5,670
SF 2011 1 Serial Bonds	14,315	07/01/12	07/01/23	0.500	4.000	-
SF 2011 1 Term Bonds	5,765		01/01/29		4.500	-
SF 2011 2 Serial Bonds	9,650	01/01/13	07/01/22	0.700	3.600	740
SF 2011 2 Term Bonds	4,365		07/01/28		4.500	150
SF 2009 3C Term Bonds	D 30,000		07/01/41		2.320	10,800
SF 2012 1 Term Bonds	17,756		09/01/40		2.300	4,383
SF 2013 1 Term Bonds	20,000		02/01/43		2.150	6,627
SF 2013 2 Term Bonds	15,000		07/01/43		2.800	6,440
SF 2013 3 Term Bonds	32,430		02/01/42		2.900	12,190
SF 2013 4 Term Bonds	10,000		08/01/43		2.800	4,330
Premium						94
Total SF 2009 Mortgage Revenue Bonds	<u>190,481</u>					<u>51,424</u>
Multi Family Housing Bonds +						
MF 1978 A - Term Bonds	22,050		04/01/21		6.000	775
MF 2007 A - Term Bonds	12,700		08/01/37		0.160 *	11,305
MF 2007 B - Term Bonds	9,300		08/01/37		0.160 *	8,285
MF 2008 A - Term Bond	3,750		06/01/24		0.160 *	3,350
MF FHLB B1 - Term Bonds	D 11,500		02/01/26		1.290 **	10,063
MF FHLB 2018 - Term Bonds	D 900		02/01/25		3.020	856
Total MF Housing Bonds	<u>60,200</u>					<u>34,634</u>
Total Housing Agency	<u>997,966</u>					<u>740,699</u>
State Revolving Fund Revenue Bonds						
2010 - Serial Bonds	215,725	08/01/11	08/01/25	2.000	5.000	83,235
2010 - Term Bonds	77,165		08/01/30		5.272	77,165
2011 - Serial Bonds	220,435	08/01/12	08/01/31	2.000	5.000	21,850
2013 - Serial Bonds	115,450	08/01/14	08/01/33	1.500	5.000	51,220
2015 - Serial Bonds	321,530	08/01/15	08/01/35	1.000	5.000	216,345
2016 - Serial Bonds	163,275	08/01/17	08/01/39	2.000	5.000	130,895
2017 - Serial Bonds	272,990	08/01/18	08/01/37		5.000	267,740
2017 - Term Bonds	54,815		08/01/42		5.000	54,815
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	214,560
2019 B - Serial Bonds	42,015	08/01/19	08/01/28	2.567	3.354	41,650
2020 - Serial Bonds	168,740	08/01/21	08/01/40		5.000	168,740
2020 - Term Bonds	33,085	08/01/44	08/01/49		5.000	33,085
Premium						207,001
Total State Revolving Fund Revenue Bonds	<u>1,920,870</u>					<u>1,587,956</u>
Total bonds and notes	<u>\$ 2,918,836</u>					<u>\$ 2,328,655</u>

D Direct placement bonds

* Variable rate as of June 30, 2020; remarketed weekly at prevailing interest rates

** Variable rate as of June 30, 2020; indices are reset weekly or monthly

+ All bonds, other than MF 1978A and MF FHLB 2018, are part of the 2005 MF Master Trust Indenture

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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, 2020, (dollars in thousands):

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>Due within one year</u>
Housing Agency Fund					
SF 1991 Mortgage Bonds	\$ 507,704	\$ 189,998	\$ (47,319)	\$ 650,383	\$ 15,370
SF 1991 Mortgage Bonds					
Direct Placement	5,816	-	(1,558)	4,258	-
SF 2009 Mortgage Revenue Bonds	43,189	-	(8,235)	34,954	430
SF 2009 Mortgage Revenue Bonds					
Direct Placement	21,610	-	(5,140)	16,470	-
MF Bonds	25,345	-	(1,630)	23,715	775
MF Bonds Direct Placement	11,147	-	(228)	10,919	244
Total Housing Agency Fund	<u>614,811</u>	<u>189,998</u>	<u>(64,110)</u>	<u>740,699</u>	<u>16,819</u>
State Revolving Fund	<u>1,413,502</u>	<u>264,185</u>	<u>(89,731)</u>	<u>1,587,956</u>	<u>64,140</u>
Total	<u>\$ 2,028,313</u>	<u>\$ 454,183</u>	<u>\$ (153,841)</u>	<u>\$ 2,328,655</u>	<u>\$ 80,959</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
2021	\$ 16,575	\$ 14,892	\$ 31,467	\$ 244	\$ 288	\$ 532	\$ 16,819	\$ 15,670	\$ 32,489
2022	17,370	15,549	32,919	261	285	546	17,631	15,515	33,146
2023	15,245	15,203	30,448	280	281	561	15,525	15,139	30,664
2024	19,300	14,877	34,177	299	277	576	19,599	14,816	34,415
2025	16,625	14,606	31,231	1,069	263	1,332	17,694	14,444	32,138
2026-2030	98,570	67,404	165,974	8,766	736	9,502	107,336	65,306	172,642
2031-2035	120,100	55,587	175,687	-	659	659	120,100	52,198	172,298
2036-2040	139,015	41,306	180,321	3,881	215	4,096	142,896	39,352	182,248
2041-2045	168,080	23,976	192,056	377	50	427	168,457	23,271	191,728
2046-2050	98,080	4,988	103,068	-	-	-	98,080	5,630	103,710
Total	<u>\$ 708,960</u>	<u>\$ 268,387</u>	<u>\$ 977,348</u>	<u>\$ 15,177</u>	<u>\$ 3,054</u>	<u>\$ 18,231</u>	<u>\$ 724,137</u>	<u>\$ 261,341</u>	<u>\$ 985,478</u>
	State Revolving Fund			Total Authority					
	Principal	Interest	Total	Principal	Interest	Total			
2021	\$ 64,140	\$ 62,695	\$ 126,835	\$ 80,959	\$ 78,365	\$ 159,324			
2022	62,760	60,711	123,471	80,391	76,226	156,617			
2023	59,695	58,054	117,749	75,220	73,193	148,413			
2024	62,480	55,321	117,801	82,079	70,137	152,216			
2025	64,200	52,563	116,763	81,894	67,007	148,901			
2026-2030	346,460	218,834	565,294	453,796	284,140	737,936			
2031-2035	346,855	134,778	481,633	466,955	186,976	653,931			
2036-2040	267,865	57,369	325,234	410,761	96,721	507,482			
2041-2045	79,055	14,334	93,389	247,512	37,605	285,117			
2046-2050	27,445	2,888	30,333	125,525	8,518	134,043			
Total	<u>\$ 1,380,955</u>	<u>\$ 717,547</u>	<u>\$ 2,098,502</u>	<u>\$ 2,105,092</u>	<u>\$ 978,888</u>	<u>\$ 3,083,980</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, 2020.

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 Multifamily 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, 2020, 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
2021	\$ -	\$ 319	\$ 2,863	\$ 3,182
2022	-	321	2,838	3,159
2023	1,300	320	2,819	4,439
2024	4,720	318	2,804	7,842
2025	1,440	310	2,645	4,395
2026-2030	11,885	1,508	12,545	25,938
2031-2035	33,070	1,309	9,176	43,555
2036-2040	38,980	898	6,161	46,039
2041-2045	46,348	489	3,245	50,082
2046-2050	24,047	77	423	24,547
Total	<u>\$ 161,790</u>	<u>\$ 5,869</u>	<u>\$ 45,519</u>	<u>\$ 213,178</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.

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, 2020, is shown below (dollars in thousands):

	2020
State Revolving Fund defeased bonds:	
Series 2010A	\$ 12,420
Series 2011	145,650
Series 2013	37,560
Series 2016	24,160
Total State Revolving Fund defeased bonds	\$ 219,790

(f) Revolving Line of Credit

On February 6, 2020, the Authority entered into 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 December 31, 2020. As of June 30, 2020, there was no balance outstanding.

	Balance at June 30, 2019	Draws	Repayments	Balance at June 30, 2020
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, 2020 (dollars in thousands):

Bond series	2020	Effective date	Termination date	Terms		Counterparty
	Notional amount			Pay	Receive	
SF 2015 B	\$ 2,270	09/01/06	01/01/36	3.766%	Enhanced LIBOR	Goldman Sachs Bank USA
SF 2015 B	15	11/01/06	07/01/36	4.632%	SIFMA + 0.10%	The Bank of New York Mellon
MF 2008 A	3,350	04/17/08	06/01/24	3.971%	SIFMA + 0.08%	Goldman Sachs Bank USA
SF 2015 B	27,715	01/01/17	01/01/46	2.518%	67% of USD LIBOR	Royal Bank of Canada
SF 2016 B	13,915	07/01/16	07/01/46	2.206%	67% of USD LIBOR	Royal Bank of Canada
SF 2016 E	3,955	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.
	<u>\$ 131,845</u>					

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, 2020 (dollars in thousands):

Bond Series	2020 Notional amount	Effective date	Maturity date	Strike rate	Counterparty
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%	Royal Bank of Canada
MF FHLB B-1	10,063	07/01/2018	07/01/2022	USD LIBOR = 6%	Royal Bank of Canada
	<u>\$ 30,668</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, 2020, the Authority had investment derivative instruments with the following maturities (dollars in thousands):

Investment type	Notional value	Fair value	Investment maturities (in years)			
			Less than 1	1-5	6-10	More than 10
Investment derivative instruments - swaps	\$ 10,510	\$ (586)	\$ -	\$ (12)	\$ (574)	\$ -
Investment derivative instrument – forward MBS sales	22,353	8	8	-	-	-
Investment derivative instruments - MBS purchase commitments	65,375	2,452	2,452	-	-	-
Total	<u>\$ 98,238</u>	<u>\$ 1,874</u>	<u>\$ 2,460</u>	<u>\$ (12)</u>	<u>\$ (574)</u>	<u>\$ -</u>

(e) Fair Values of Derivatives

The fair value balances of derivative instruments outstanding at June 30, 2020, classified by type, and changes in the fair value of such derivative instruments as reported in the 2020 financial statements are as follows (dollars in thousands):

<u>Bond series</u>	<u>Type</u>	<u>2020 Fair Value Asset/(Liability)</u>	<u>Change in fair value</u>	<u>Fair value June 30 2019</u>
Hedging derivatives:				
SF 2015 B	Swap	\$ (212)	\$ (40)	\$ (172)
SF 2015 B	Swap	(1)	5	(6)
SF 2015 B	Swap	(848)	50	(898)
SF 2016 B	Swap	(113)	68	(181)
SF 2016 E	Swap	(318)	(211)	(107)
SF 2017 D	Swap	(621)	(368)	(253)
SF 2018 B	Swap	(1,287)	(629)	(658)
SF 2018 D	Swap	(1,189)	(596)	(593)
SF 2019 B	Swap	(1,970)	(1,253)	(717)
SF 2019 E	Swap	(547)	(547)	-
SF 2020 B	Swap	(887)	(887)	-
MF 2007 A	Cap	-	-	-
MF 2007 B	Cap	2	1	1
MF 2011 B1	Cap	-	-	-
MF 2008 A	Swap	(467)	(49)	(418)
Total hedging derivatives		<u>\$ (8,458)</u>	<u>\$ (4,456)</u>	<u>\$ (4,002)</u>
Investment derivatives:				
NONE	Swap	\$ (593)	\$ (9)	\$ (584)
NONE	Basis Swap	19	(12)	31
NONE	Swap	(12)	19	(31)
Forward MBS sales	Forward	8	93	(85)
MBS purchase commitments	Comittment	2,452	2,290	162
Total investment derivatives		<u>\$ 1,874</u>	<u>\$ 2,381</u>	<u>\$ (507)</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, 2020 was 82.5%.

(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, 2020, was \$21 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, 2020, the SIFMA swap index rate is 0.13% and US 1-month LIBOR is 0.16%.

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, 2020:

Assets Measured at Fair Value		Fair Value Measurements Using:			
(\$ in thousands)		2020	(Level 1)	(Level 2)	(Level 3)
Investments by fair value level					
U.S. Treasury securities					
Housing Agency Fund	\$ 1,278	\$ -	\$ 1,278	\$ -	
State Revolving Fund	32,618	-	32,618	-	
U.S. Government Agency securities					
Housing Agency Fund	501	-	501	-	
State Revolving Fund	22,298	-	22,298	-	
GNMA, FNMA and FHLMC Mortgage-Backed Securities					
Housing Agency Fund	789,222	-	789,222	-	
Municipal Bonds					
Housing Agency Fund	-	-	-	-	
State Revolving Fund	12,209	-	12,209	-	
Negotiable Certificates of Deposit					
Housing Agency Fund	110	-	110	-	
State Revolving Fund	2,917	-	2,917	-	
Total investments by fair value level	<u>\$ 861,153</u>	<u>\$ -</u>	<u>\$ 861,153</u>	<u>\$ -</u>	
Investments valued using cost-based measures					
Governmental Money Market Mutual Funds					
Housing Agency Fund	\$ 115,269				
State Revolving Fund	470,183				
Guaranteed Investment contracts					
Housing Agency Fund	36,319				
State of Iowa Treasurer Pooled Money Fund					
Housing Agency Fund	60,396				
Total investments valued using cost based measures	<u>682,167</u>				
Total investments	<u>\$ 1,543,320</u>				
Investment derivative instruments					
Basis swaps (SIFMA vs. LIBOR)	\$ 19	\$ -	\$ 19	\$ -	
Fixed-to-Floating Interest Rate Swaps (liability)	(605)	-	(605)	-	
MBS purchase commitments	2,452	-	-	2,452	
Forward MBS sales (liability)	8	-	8	-	
Total investment derivative instruments	<u>\$ 1,874</u>	<u>\$ -</u>	<u>\$ (578)</u>	<u>\$ 2,452</u>	
Hedging derivative instruments					
Fixed-to-Floating Interest Rate Swaps (liability)	\$ (8,460)	\$ -	\$ (8,460)	\$ -	
Interest rate caps	2	-	2	-	
Total hedging derivative instruments	<u>\$ (8,458)</u>	<u>\$ -</u>	<u>\$ (8,458)</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, 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.

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 2020 and 2019, 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, 2020, 2019, and 2018 were \$665, \$637, and \$653 thousand, respectively.

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

At June 30, 2020, the Authority reported a liability of \$5.3 million for its proportionate share of the net pension liability and is recorded within other liabilities in the statement of net position, of which \$4.9 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, 2019, 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, 2019, the Authority's collective proportion was 0.091764 percent, which was a decrease of 0.009981 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Authority recognized pension expense of \$736 thousand. At June 30, 2020, 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	\$ 14	\$ 176	\$ 1	\$ 16	\$ 15	\$ 192
Changes of assumptions	526	-	47	-	573	-
Net difference between projected and actual earnings on pension plan investments	-	554	-	49	-	603
Changes in proportion and differences between Authority contributions and proportionate share of contributions	82	489	7	43	89	532
Authority contributions subsequent to the measurement date	611	-	54	-	665	-
Total	\$ 1,233	\$ 1,219	\$ 109	\$ 108	\$ 1,342	\$ 1,327

\$665 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, 2021.

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,	
2021	\$ (2)
2022	(209)
2023	(178)
2024	(197)
2025	(64)
Total	\$ (650)

There were no non-employer contributing entities at IPERS.

(f) Actuarial Assumptions

The total pension liability in the June 30, 2019, 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, 2019, 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 %	5.60 %
Non-U.S. equity	15	6.08
Global smart beta equity	3	5.82
Core plus fixed income	27	1.71
Public credit	4	3.32
Public real estate	7	2.81
Cash	1	-0.21
Private equity	11	10.13
Private real assets	7	4.76
Private credit	3	3.01
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	\$ 9,499	\$ 5,349	\$ 1,869

(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.

(j) Payables to the Pension Plan

At June 30, 2020, 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 multifamily 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, 2020 is presented below (dollars in thousands):

	Single Family 1991 MB	Single Family 2009 MRB	Multi Family Housing Bonds
Condensed Statement of Net Position			
Current assets	\$ 122,166	\$ 6,173	\$ 57,735
Noncurrent assets	738,797	62,777	55,053
Total Assets	860,963	68,950	112,788
Deferred outflows of resources	11,082	-	467
Total Assets and Deferred Outflows	\$ 872,045	\$ 68,950	\$ 113,255
Current liabilities	\$ 22,929	\$ 775	\$ 9,463
Noncurrent liabilities	647,870	50,994	34,082
Deferred inflows of resources	1,921	-	2
Total Liabilities	672,720	51,769	43,547
Restricted Net Position	199,325	17,181	69,708
Total Liabilities and Net Position	\$ 872,045	\$ 68,950	\$ 113,255
Condensed Statement of Revenues, Expenses, and Change in Net Position			
Operating revenues	\$ 60,833	\$ 3,958	\$ 5,423
Operating expenses	19,145	1,672	1,352
Operating income	41,688	2,286	4,071
Non-operating expense	2,436	382	9,280
Change in net position	39,252	1,904	(5,209)
Beginning net position	160,073	15,277	74,917
Ending net position	\$ 199,325	\$ 17,181	\$ 69,708
Condensed Statement of Cash Flows			
Net cash provided (used) by:			
Operating activities	\$ (171,921)	\$ 15,440	\$ 2,416
Noncapital financing activities	123,913	(14,951)	(12,371)
Investing activities	3,239	27	4,605
Net change	(44,769)	516	(5,350)
Beginning cash and cash equivalents	131,278	3,618	60,057
Ending cash and cash equivalents	\$ 86,509	\$ 4,134	\$ 54,707

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, 2020, 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, 2020, is as follows (dollars in thousands):

Description			
Local housing trust fund grants	\$	9,180	
Homes for Iowans		960	
Project-based housing trust fund grants		50	
Shelter assistance fund grants		625	
Total	\$	10,815	

(b) State Revolving Fund Commitments

The Authority has signed loan agreements under the SRF for which \$338.9 million have not been disbursed as of June 30, 2020.

(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 2020, 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.

(e) Construction Commitments

In preparation for a new lessee, the Authority entered into agreements for the design, renovation, and construction management of the 1st floor of the Authority's facility at 1963 Bell Avenue, Des Moines, Iowa. On June 30, 2020, there was \$1.3 million remaining on these commitments.

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, 2020, 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

Note 12 - Subsequent Events

The Authority issued Single Family Mortgage Bonds on August 19, 2020, in the par amount of \$65.8 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 Wells Fargo Bank, N.A.

On August 26, 2020, the Governor authorized \$66 million of Coronavirus Aid, Relief, & Economic Security Act for the Authority to fund the Iowa Livestock Producer's Relief Fund (\$60m) and the Iowa Beginning Farmer Debt Relief Fund (\$6.0m).

Note 13 - Related Party Transactions

A member of the Authority's Board of Directors is a key employee of Hubbell Realty Company; the parent company of both HRC Bell Avenue, LLC (HRC); and Hubble Construction Services (HCS). The Authority purchased the 1963 Bell Avenue facility from HRC for \$7.59 million for the year ended June 30, 2020.

Another member of the Authority's Board of Directors is a key employee for the city of Dubuque, Iowa. The Authority has \$111.1 million in SRF 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.

(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, 2020, 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 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, 2020, the Authority recognized OPEB expense of \$45. At June 30, 2020, 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 proprtate 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,	
2021	\$ 7
2022	7
2023	7
2024	7
2025	7
2026+	11
Total	<u>\$ 46</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 (based on 20-year municipal bond yield)	3.44 percent (as of January 1, 2018) 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 (see Note 8). 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, 2020.
- 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) Changes in Total OPEB Liability (expressed in thousands)

	Increase (decrease)
Balance at June 30, 2019	\$ 848
Changes for the year:	
Service cost	58
Interest	31
Change in assumptions	5
Differences between expected and actual experience	(3)
Change in proportionate share	1
Recognition of beginning deferred outflows	4
Recognition of beginning deferred inflows	(1)
Recognition of beginning deferred outflows/(inflows) due to change in proportion differences between employer contributions and proportionate share	1
Employer contributions	(51)
Change in allocation of beginning deferred outflows/(inflows) due to change in and differences between employer contributions and proportionate share	1
New deferred outflows/(inflows)	14
New deferred outflows/(inflows) due to change in proportion and differences between employer contributions and proportionate share	5
Recognition of beginning deferred (outflows)/inflows	(3)
Recognition of beginning deferred (outflows)/inflows due to change in proportion differences between employer contributions and proportionate share	(1)
Net change	61
Balance at June 30, 2020	\$ 909

(g) 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%
Authority's proportionate share of the total OPEB liability	\$ 968	\$ 909	\$ 852

(h) 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	Healthcare Trend Rate	1% Increase
Authority's proportionate share of the total OPEB liability	\$ 812	\$ 909	\$ 1,025

(i) Payables to the OPEB Plan

The Authority makes no contributions to this plan; therefore, no payments are outstanding as of June 30, 2020.



Required Supplementary Information
June 30, 2020

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, 2020

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Authority's proportion of the net pension liability	0.091764%	0.101745%	0.101311%	0.098044%	0.102439%	0.105426%
Authority's proportionate share of the net pension liability	\$ 5,349	\$ 6,437	\$ 6,688	\$ 6,114	\$ 5,093	\$ 4,267
Authority's covered payroll	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	79.27%	88.03%	92.73%	90.54%	71.85%	60.39%
Plan fiduciary net position as a percentage of the total pension liability	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, 2020

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 665	\$ 637	\$ 653	\$ 644	\$ 603	\$ 633	\$ 631	\$ 600	\$ 534	\$ 451
Contributions in relation to the statutorily required contribution	\$ (665)	\$ (637)	\$ (653)	\$ (644)	\$ (603)	\$ (633)	\$ (631)	\$ (600)	\$ (534)	\$ (451)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 7,044	\$ 6,748	\$ 7,312	\$ 7,212	\$ 6,753	\$ 7,088	\$ 7,066	\$ 6,920	\$ 6,617	\$ 6,489
Contribution as a percentage of covered payroll	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%	6.95%

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, 2020

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Authority's proportion of the total OPEB liability	0.427%	0.424%	0.461%
Authority's proportionate share of the total OPEB liability	\$ 909	\$ 848	\$ 859
Authority's covered-employee payroll	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%	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.

The 2010 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 at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increased assumptions based on various service duration.

(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.



Other Supplementary Information
June 30, 2020

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, 2020

	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	Total Housing Agency	Clean Water Programs	Drinking Water Programs	Total SRF	Total IFA	
Assets													
Current assets (substantially restricted):													
Cash and cash equivalents	\$ 10,702	\$ 86,509	\$ 4,134	\$ 54,707	\$ 49,914	\$ 1,199	\$ 13,207	\$ -	\$ 220,372	\$ 361,207	\$ 151,828	\$ 513,035	\$ 733,407
Investments in mortgage-backed securities	87	15,957	1,849	-	-	-	-	-	17,893	-	-	-	17,893
Other investments	-	1,004	-	885	-	-	-	-	1,889	23,078	27,887	50,965	52,854
Loans to municipalities or water systems, net	-	-	-	-	-	-	-	-	-	88,732	42,229	130,961	130,961
Housing Agency loans, net	23	293	-	1,568	9,203	600	-	-	11,687	-	-	-	11,687
Line of credit receivable	800	16,174	-	-	-	-	-	(800)	16,174	-	-	-	16,174
Accrued interest receivable	7	2,061	190	905	62	18	-	-	3,243	2,480	921	3,401	6,644
Other current assets	1,384	168	-	(330)	45	55	656	-	1,978	591	494	1,085	3,063
Total current assets	13,003	122,166	6,173	57,735	59,224	1,872	13,863	(800)	273,236	476,088	223,359	699,447	972,683
Noncurrent assets (substantially restricted):													
Investments in mortgage-backed securities	801	708,570	61,958	-	-	-	-	-	771,329	-	-	-	771,329
Other investments	-	-	-	-	-	-	-	-	-	10,188	8,889	19,077	19,077
Loans to municipalities or water systems, net	-	-	-	-	-	-	-	-	-	1,438,200	445,272	1,883,472	1,883,472
Housing Agency loans, net	575	6,414	-	55,051	37,369	5,662	-	-	105,071	-	-	-	105,071
Capital assets, net	13,568	-	-	-	-	-	-	-	13,568	-	-	-	13,568
Other noncurrent assets	-	23,813	819	2	-	-	-	-	24,634	-	-	-	24,634
Total noncurrent assets	14,944	738,797	62,777	55,053	37,369	5,662	-	-	914,602	1,448,388	454,161	1,902,549	2,817,151
Total assets	27,947	860,963	68,950	112,788	96,593	7,534	13,863	(800)	1,187,838	1,924,476	677,520	2,601,996	3,789,834
Deferred Outflows of Resources													
Other post employment benefits	102	-	-	-	-	-	28	-	130	6	-	6	136
Pension plan	991	-	-	-	-	-	242	-	1,233	72	37	109	1,342
Accumulated decrease in fair value of hedging derivatives	-	7,781	-	467	-	-	-	-	8,248	-	-	-	8,248
Loss on bond refunding	-	3,301	-	-	-	-	-	-	3,301	6,755	3,155	9,910	13,211
Total deferred outflows	1,093	11,082	-	467	-	-	270	-	12,912	6,833	3,192	10,025	22,937
Total assets and deferred outflows	\$ 29,040	\$ 872,045	\$ 68,950	\$ 113,255	\$ 96,593	\$ 7,534	\$ 14,133	\$ (800)	\$ 1,200,750	\$ 1,931,309	\$ 680,712	\$ 2,612,021	\$ 3,812,771

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

June 30, 2020

	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
Liabilities													
Current liabilities:													
Bonds payable, net	\$ -	\$ 15,370	\$ 430	\$ 1,019	\$ -	\$ 800	\$ -	\$ (800)	\$ 16,819	\$ 43,550	\$ 20,590	\$ 64,140	\$ 80,959
Accrued interest payable	-	7,109	340	137	-	-	-	-	7,586	20,267	6,010	26,277	33,863
Escrow deposits	-	-	-	8,246	-	-	1,282	-	9,528	-	-	-	9,528
Unearned revenue	250	33	-	-	21,332	-	-	-	21,615	-	-	-	21,615
Accounts payable and other liabilities	2,219	417	5	61	-	9	2,215	-	4,926	878	634	1,512	6,438
Total current liabilities	2,469	22,929	775	9,463	21,332	809	3,497	(800)	60,474	64,695	27,234	91,929	152,403
Noncurrent liabilities:													
Bonds payable, net	-	639,271	50,994	33,615	-	-	-	-	723,880	1,186,751	337,065	1,523,816	2,247,696
Reserves for claims	-	-	-	-	464	-	1,408	-	1,872	-	-	-	1,872
Other liabilities	5,213	8,599	-	467	738	-	1,164	-	16,181	328	146	474	16,655
Total noncurrent liabilities	5,213	647,870	50,994	34,082	1,202	-	2,572	-	741,933	1,187,079	337,211	1,524,290	2,266,223
Total liabilities	7,682	670,799	51,769	43,545	22,534	809	6,069	(800)	802,407	1,251,774	364,445	1,616,219	2,418,626
Deferred Inflows of Resources													
Other post employment benefits	70	-	-	-	-	-	16	-	86	4	-	4	90
Pension plan	979	-	-	-	-	-	240	-	1,219	71	37	108	1,327
Accumulated increase in fair value of hedging derivatives	-	1,921	-	2	-	-	-	-	1,923	-	-	-	1,923
Total deferred inflows of resources	1,049	1,921	-	2	-	-	256	-	3,228	75	37	112	3,340
Net Position													
Net investment in capital assets	13,568	-	-	-	-	-	-	-	13,568	-	-	-	13,568
Restricted net position:													
Per bond resolutions	-	199,325	17,181	69,708	-	-	-	-	286,214	544,871	277,775	822,646	1,108,860
Per legislation	-	-	-	-	31,859	-	7,808	-	39,667	-	-	-	39,667
Per other agreements	-	-	-	-	42,200	6,725	-	-	48,925	134,589	38,455	173,044	221,969
Total restricted net position	-	199,325	17,181	69,708	74,059	6,725	7,808	-	374,806	679,460	316,230	995,690	1,370,496
Unrestricted net position	6,741	-	-	-	-	-	-	-	6,741	-	-	-	6,741
Total net position	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
Total liabilities, deferred inflows, and net position	\$ 29,040	\$ 872,045	\$ 68,950	\$ 113,255	\$ 96,593	\$ 7,534	\$ 14,133	\$ (800)	\$ 1,200,750	\$ 1,931,309	\$ 680,712	\$ 2,612,021	\$ 3,812,771

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, 2020

	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	\$ 53	\$ 21,938	\$ 2,516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,507	\$ -	\$ -	\$ -	\$ 24,507
Interest on loans	44	935	-	2,506	183	228	-	(14)	3,882	29,993	9,918	39,911	43,793
Interest on investments	116	1,232	27	2,934	464	16	-	-	4,789	2,646	2,135	4,781	9,570
Gain on sale of mortgage-backed securities	-	4,663	-	-	-	-	-	-	4,663	-	-	-	4,663
Net (decrease) increase in fair value of investments and mortgage-backed securities	8	31,477	1,415	(17)	-	-	-	-	32,883	243	264	507	33,390
Fee revenue	6,077	241	-	-	2	405	9,823	(1,825)	14,723	4,664	1,665	6,329	21,052
Other revenue	592	347	-	-	-	-	98	-	1,037	-	-	-	1,037
Total operating revenues	<u>6,890</u>	<u>60,833</u>	<u>3,958</u>	<u>5,423</u>	<u>649</u>	<u>649</u>	<u>9,921</u>	<u>(1,839)</u>	<u>86,484</u>	<u>37,546</u>	<u>13,982</u>	<u>51,528</u>	<u>138,012</u>
Operating expenses:													
Interest expense	-	17,098	1,459	1,216	-	14	-	(14)	19,773	34,104	10,019	44,123	63,896
General and administrative	9,636	2,049	213	181	1,494	465	6,556	(1,825)	18,769	4,611	4,408	9,019	27,788
Provision (recoveries) of losses	(2)	(2)	-	(45)	(217)	45	530	-	309	-	(25)	(25)	284
Total operating expenses	<u>9,634</u>	<u>19,145</u>	<u>1,672</u>	<u>1,352</u>	<u>1,277</u>	<u>524</u>	<u>7,086</u>	<u>(1,839)</u>	<u>38,851</u>	<u>38,715</u>	<u>14,402</u>	<u>53,117</u>	<u>91,968</u>
Net operating income (loss)	<u>(2,744)</u>	<u>41,688</u>	<u>2,286</u>	<u>4,071</u>	<u>(628)</u>	<u>125</u>	<u>2,835</u>	<u>-</u>	<u>47,633</u>	<u>(1,169)</u>	<u>(420)</u>	<u>(1,589)</u>	<u>46,044</u>
Non-operating revenue (expense):													
Grant income	66,906	1,413	-	-	23,192	-	-	-	91,511	28,613	16,329	44,942	136,453
Grants and aid	(66,852)	(3,934)	(382)	(280)	(21,592)	-	-	-	(93,040)	(2,940)	(1,724)	(4,664)	(97,704)
Inter-Agency transfers	10,500	85	-	(9,000)	165	-	(1,750)	-	-	(4,104)	4,104	-	-
Net non-operating revenue (expense)	<u>10,554</u>	<u>(2,436)</u>	<u>(382)</u>	<u>(9,280)</u>	<u>1,765</u>	<u>-</u>	<u>(1,750)</u>	<u>-</u>	<u>(1,529)</u>	<u>21,569</u>	<u>18,709</u>	<u>40,278</u>	<u>38,749</u>
Change in net position	<u>7,810</u>	<u>39,252</u>	<u>1,904</u>	<u>(5,209)</u>	<u>1,137</u>	<u>125</u>	<u>1,085</u>	<u>-</u>	<u>46,104</u>	<u>20,400</u>	<u>18,289</u>	<u>38,689</u>	<u>84,793</u>
Net position at June 30, 2019	<u>12,499</u>	<u>160,073</u>	<u>15,277</u>	<u>74,917</u>	<u>72,922</u>	<u>6,600</u>	<u>6,723</u>	<u>-</u>	<u>349,011</u>	<u>659,060</u>	<u>297,941</u>	<u>957,001</u>	<u>1,306,012</u>
Net position at June 30, 2020	<u>\$ 20,309</u>	<u>\$ 199,325</u>	<u>\$ 17,181</u>	<u>\$ 69,708</u>	<u>\$ 74,059</u>	<u>\$ 6,725</u>	<u>\$ 7,808</u>	<u>\$ -</u>	<u>\$ 395,115</u>	<u>\$ 679,460</u>	<u>\$ 316,230</u>	<u>\$ 995,690</u>	<u>\$ 1,390,805</u>

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 71-73)

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 74-76)

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

Debt Capacity (Page 77)

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 78-81)

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 82)

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, 2020

Iowa Finance Authority
Net Position by Component and Changes in Net Position
(dollars in thousands)

	Fiscal Year ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Housing Agency Fund										
Net investment in capital assets	\$ 848	\$ 3,053	\$ 2,906	\$ 2,946	\$ 2,791	\$ 2,685	\$ 2,431	\$ 2,332	\$ 4,664	\$ 13,568
Restricted	293,335	309,155	296,476	305,092	319,421	318,934	317,597	312,578	336,512	374,806
Unrestricted	12,569	13,953	14,414	12,968	5,149	4,491	4,520	5,348	7,835	6,741
Total Housing Agency net position	<u>\$ 306,752</u>	<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>
Change in net position	\$ 45,972	\$ 19,409	\$ (12,365)	\$ 7,210	\$ 6,355	\$ (1,251)	\$ (1,562)	\$ (4,290)	\$ 28,753	\$ 46,104
State Revolving Fund										
Net investment in capital assets	-	-	114	70	25	-	-	-	-	-
Restricted	685,646	742,179	775,688	808,705	824,631	868,407	891,142	920,057	957,001	995,690
Total State Revolving Fund net position	<u>\$ 685,646</u>	<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>
Change in net position	\$ 61,298	\$ 56,533	\$ 33,623	\$ 32,973	\$ 15,881	\$ 43,751	\$ 22,735	\$ 28,915	\$ 36,944	\$ 38,689
Iowa Finance Authority										
Net investment in capital assets	848	3,053	3,020	3,016	2,816	2,685	2,431	2,332	4,664	13,568
Restricted	978,981	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
Unrestricted	12,569	13,953	14,414	12,968	5,149	4,491	4,520	5,348	7,835	6,741
Total Iowa Finance Authority net position	<u>\$ 992,398</u>	<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>
Change in net position	\$ 107,270	\$ 75,942	\$ 21,258	\$ 40,183	\$ 22,236	\$ 42,500	\$ 21,173	\$ 24,625	\$ 65,697	\$ 84,793

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, 2020

		Iowa Finance Authority Expenses - Housing Agency Fund (dollars in thousands)									
		Fiscal Year ending June 30,									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating expense											
Interest expense	\$	43,083	\$ 35,633	\$ 26,418	\$ 17,240	\$ 13,106	\$ 12,046	\$ 12,391	\$ 13,830	\$ 16,143	\$ 19,773
Employee expense		8,064	8,734	8,897	9,356	9,372	9,593	10,747	10,403	9,327	9,417
Professional services		4,585	4,022	5,003	4,660	3,973	5,114	5,078	5,073	4,766	6,091
Claims & loss expense (recoveries)		(156)	(460)	1,170	327	(4,319)	4,908	240	394	(3,562)	309
Other general and administrative expenses		1,243	1,342	1,887	7,852	1,785	1,879	2,051	2,564	2,969	3,261
Total operating expense*		56,819	49,271	43,375	39,435	23,917	33,540	30,507	32,264	29,643	38,851
Non-operating expense - grant expense**		179,498	129,155	94,396	88,438	90,191	93,704	86,313	82,316	87,324	93,040
Other non-operating expense		-	-	-	-	-	-	-	-	4,167	-
Total expenses	\$	236,317	\$ 178,426	\$ 137,771	\$ 127,873	\$ 114,108	\$ 127,244	\$ 116,820	\$ 114,580	\$ 121,134	\$ 131,891

* 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, 2020

Iowa Finance Authority Operating Expense - State Revolving Fund (dollars in thousands)										
Fiscal Year ending June 30,										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating expense										
Interest expense	\$ 25,467	\$ 30,941	\$ 31,400	\$ 34,625	\$ 33,099	\$ 29,064	\$ 32,580	\$ 34,969	\$ 38,603	\$ 44,123
Loan loss expense (recoveries)	397	396	132	(25)	(5)	(25)	(25)	(25)	(25)	(25)
Iowa Finance Authority expense	1,243	1,165	1,237	1,120	1,167	1,169	1,224	1,474	1,466	1,640
Department of Natural Resources expense	7,122	7,526	8,312	8,090	7,860	7,214	8,694	7,580	8,568	7,379
Total operating expense	34,229	40,028	41,081	43,810	42,121	37,422	42,473	43,998	48,612	53,117
Non-operating expense - grant expense	11,477	1,679	4,977	5,662	6,157	8,100	7,364	4,643	3,794	4,664
Total expenses	\$ 45,706	\$ 41,707	\$ 46,058	\$ 49,472	\$ 48,278	\$ 45,522	\$ 49,837	\$ 48,641	\$ 52,406	\$ 57,781

Iowa Finance Authority
Statistical Section (unaudited)
Year Ended June 30, 2020

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

	Fiscal Year ending June 30,									
	2011*	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating revenue										
Interest revenue										
Mortgage-backed securities	\$ 44,372	\$ 37,601	\$ 29,490	\$ 22,690	\$ 18,474	\$ 16,430	\$ 15,942	\$ 17,207	\$ 19,563	\$ 24,507
Loans	3,757	4,009	3,704	3,830	3,589	3,466	3,952	3,865	4,016	3,882
Cash equivalents and investments	4,202	3,560	3,225	3,135	4,152	3,529	3,704	4,854	6,255	4,789
Gain on sale of MBS	2,510	7,319	1,946	3,407	4,746	4,294	5,551	2,817	2,948	4,663
Net (decrease) increase in FV of investments and MBS	(3,225)	(4,079)	(27,777)	(1,505)	(3,585)	1,119	(13,331)	(13,524)	17,603	32,883
Total interest revenue	51,616	48,410	10,588	31,557	27,376	28,838	15,818	15,219	50,385	70,724
Fee revenue										
Iowa Title Guaranty	6,350	5,999	8,246	6,457	5,434	7,265	8,084	7,628	6,600	9,823
Single family***	251	230	86	(512)	87	507	539	670	859	426
Section 8	2,806	2,387	2,337	2,406	2,437	2,500	2,606	2,669	2,728	2,735
LIHTC	3,704	1,876	1,648	1,874	1,606	1,848	1,822	1,927	2,084	1,115
Private activity bonds	273	306	924	252	114	239	408	394	312	169
Loans	139	161	164	84	117	115	11	116	79	50
Iowa Agricultural Development Division	-	-	-	273	358	572	513	540	477	405
Total fee revenue	13,523	10,959	13,405	10,834	10,153	13,046	13,983	13,944	13,139	14,723
Other revenue	157	457	738	340	252	266	353	290	396	1,037
Total operating revenue	65,296	59,826	24,731	42,731	37,781	42,150	30,154	29,453	63,920	86,484
Non-operating revenue										
Grant revenue										
Miscellaneous	425	3,483	320	180	104	72	91	-	-	-
State funds	93,178	63,942	34,688	20,628	17,413	10,365	11,069	10,478	11,529	13,419
Federal funds**	88,855	70,188	66,195	67,526	70,623	73,284	73,943	71,057	74,438	78,092
Total non-operating revenue	182,458	137,613	101,203	88,334	88,140	83,721	85,103	81,535	85,967	91,511
Total Housing Agency revenues	\$ 247,754	\$ 197,439	\$ 125,934	\$ 131,065	\$ 125,921	\$ 125,871	\$ 115,257	\$ 110,988	\$ 149,887	\$ 177,995

* Grant revenue reclassified to eliminate HOME program transfer

** reclassified to include Section 8 revenue in all periods

*** reclassified to net service release expense with service acquisition revenue

Iowa Finance Authority
Statistical Section (unaudited)
Year Ended June 30, 2020

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

	Fiscal Year ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating revenue										
Loan interest	\$ 28,882	\$ 34,948	\$ 37,043	\$ 37,106	\$ 37,001	\$ 36,919	\$ 36,944	\$ 38,052	\$ 39,151	\$ 39,911
Cash equivalents and investments interest	2,605	1,323	733	767	1,328	1,220	1,662	3,628	6,184	4,781
Net (decrease) increase in FV of investments	(26)	7	246	(357)	(86)	(582)	(789)	(519)	575	507
Fee revenue	3,705	4,110	4,150	3,916	4,255	4,526	4,913	5,578	5,868	6,329
Total operating revenue	35,166	40,388	42,172	41,432	42,498	42,083	42,730	46,739	51,778	51,528
Non-operating revenue										
EPA capitalization grants	71,786	57,865	38,001	31,675	21,893	46,026	29,843	30,846	37,572	44,942
Total State Revolving Fund revenues	\$ 106,952	\$ 98,253	\$ 80,173	\$ 73,107	\$ 64,391	\$ 88,109	\$ 72,573	\$ 77,585	\$ 89,350	\$ 96,470

Iowa Finance Authority
Largest SRF Borrowers
(dollars in thousands)

as of June 30, 2020		
Participant	Amount	% of Total
Wastewater Reclamation Authority	\$ 338,080	17%
City of Sioux City	132,524	7%
City of Dubuque	111,057	5%
City of Fort Dodge	104,108	5%
City of Clinton	65,391	3%
City of Ames	64,745	3%
City of North Liberty	44,342	2%
City Of Coralville	39,053	2%
City of Fort Madison	36,764	2%
City of Cedar Rapids	31,786	2%
Total Top 10	<u>\$ 967,850</u>	<u>48%</u>
Total Loans Outstanding	\$ 2,025,027	

as of June 30, 2011		
Participant	Amount	% of Total
City of Sioux City	\$ 122,601	10%
Wastewater Reclamation Authority	93,307	8%
City of Cedar Rapids	45,381	4%
City of Fort Dodge	40,963	3%
City of Clinton	39,479	3%
City of Dubuque	34,592	3%
Council Bluffs Water Works	26,833	2%
City of Mason City	22,351	2%
City of Ottumwa	20,623	2%
Polk County	17,501	1%
Total Top 10	<u>\$ 463,631</u>	<u>38%</u>
Total Loans Outstanding	\$ 1,241,798	

Iowa Finance Authority
Statistical Section (unaudited)
Year Ended June 30, 2020

		Iowa Finance Authority Outstanding Debt (dollars in thousands)									
		Fiscal Year ending June 30,									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Housing Agency Fund											
Single family mortgage bonds*	\$	637,947	470,975	304,391	209,551	152,977	196,886	287,488	396,061	513,520	654,641
Single family mortgage revenue bonds*		277,700	188,000	200,099	187,419	159,768	128,399	101,231	79,002	64,799	51,424
Multifamily housing bonds*		43,295	52,895	50,997	49,086	46,864	45,022	43,238	38,146	36,492	34,634
Other debt**		63,849	950	758	654	550	-	-	46	-	-
Total Housing Agency Debt		1,022,791	712,820	556,245	446,710	360,159	370,307	431,957	513,255	614,811	740,699
SRF revenue bonds*		734,944	952,373	885,434	983,648	1,002,761	942,612	1,079,407	1,192,350	1,413,502	1,587,956
Total Debt		\$ 1,757,735	\$ 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
* Revenue bonds		96.4%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
** General obligation debt		3.6%	0.1%	0.1%	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,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Population (in thousands) ⁽¹⁾	3,066	3,076	3,093	3,109	3,121	3,131	3,142	3,149	3,155	n/a
Personal income (in millions) ⁽²⁾	\$ 124,296	\$ 132,230	\$ 134,442	\$ 139,385	\$ 143,533	\$ 144,940	\$ 148,837	\$ 157,102	\$ 164,042	n/a
Per capita personal income	\$ 40,539	\$ 42,986	\$ 43,465	\$ 44,828	\$ 45,990	\$ 46,286	\$ 47,377	\$ 49,896	\$ 51,993	n/a
Labor force (in thousands) ⁽³⁾	1,660	1,651	1,676	1,702	1,696	1,691	1,674	1,688	1,735	1,639
Employment (in thousands) ⁽³⁾	1,568	1,568	1,595	1,630	1,633	1,629	1,621	1,645	1,688	1,508
Unemployed (in thousands) ⁽³⁾	92	83	80	72	64	62	53	43	47	131
Unemployment rate ⁽³⁾	5.5%	5.1%	4.8%	4.3%	3.7%	3.7%	3.2%	2.6%	2.7%	8.0%

⁽¹⁾ Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico: April 1, 2010 to July 1, 2019 (NST-EST2019-01)
Source: U.S. Census Bureau, Population Division; Release Date: December 2019 (for 2011-2019)

⁽²⁾ SQINC1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income by Quarter; Bureau of Economic Analysis

⁽³⁾ 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 2019

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

CALENDAR YEAR 2010

Rank	Employer	Type of Business
1	Hy-Vee Food Stores	Retail Food
2	Wal-Mart	Retail General Merchandise
3	Wells Fargo	Financial Activities
4	Rockwell Collins	Equipment Manufacturing
5	Deere and Company	Machinery Manufacturing
6	Principal Financial Group	Finance & Insurance
7	Tyson Fresh Meats	Food Manufacturing
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
Statistical Section (unaudited)
Year Ended June 30, 2020

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Land	\$ 716	\$ 716	\$ 716	\$ 716	\$ 716	\$ 716	\$ 716	\$ 716	\$ -	\$ 886
Construction in Progress	-	-	-	-	-	-	-	-	-	1,130
Real estate held for sale	-	-	-	-	-	-	-	-	1,800	-
Buildings and improvements	1,337	1,367	1,375	1,685	2,410	2,410	2,437	2,751	2,911	11,515
Land improvements	18	18	18	18	18	18	18	18	-	700
Machinery and equipment	2,388	2,644	2,883	2,893	2,316	2,368	2,150	608	248	248
Gross value of assets	4,459	4,745	4,992	5,312	5,460	5,512	5,321	4,093	4,959	14,479
Accumulated depreciation	1,468	1,692	1,972	2,296	2,644	2,827	2,890	1,809	295	911
Net Book Value	\$ 2,991	\$ 3,053	\$ 3,020	\$ 3,016	\$ 2,816	\$ 2,685	\$ 2,431	\$ 2,284	\$ 4,664	\$ 13,568

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

Iowa Finance Authority
Statistical Section (unaudited)
Year Ended June 30, 2020

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

	Fiscal Years Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Accounting and Finance	12.0	12.0	13.7	12.2	11.9	8.2	8.0	7.7	7.9	7.3
Administration, Marketing, and IT	13.0	12.8	13.4	11.8	11.5	10.6	13.6	14.8	10.9	8.9
Total Administration	25.0	24.8	27.1	24.0	23.4	18.8	21.6	22.5	18.8	16.2
Single Family Programs	7.5	7.7	6.8	6.2	6.8	7.8	8.0	7.2	7.9	8.2
MF Compliance	4.5	4.1	4.7	4.5	5.3	5.1	5.1	5.0	5.0	4.9
Section 8	14.5	14.2	13.5	12.3	11.3	11.1	11.2	10.1	10.1	10.0
Low Income Housing Tax Credit	6.2	7.0	7.1	7.4	7.4	7.1	7.1	6.7	6.7	6.2
Other Multifamily	2.7	3.0	3.1	3.2	3.1	2.9	3.1	3.0	2.4	2.4
Multifamily Programs	27.9	28.3	28.4	27.4	27.1	26.2	26.5	24.8	24.2	23.5
Homelessness programs	0.6	0.9	1.2	1.5	1.8	2.9	3.3	3.1	3.4	3.3
HOME program	7.5	7.8	6.8	7.1	6.4	6.3	6.0	5.5	4.8	3.2
Other Federal and State programs	3.0	1.2	0.8	0.6	0.4	2.2	2.4	2.2	2.2	2.7
Federal and State Programs	11.1	9.9	8.8	9.2	8.6	11.4	11.7	10.8	10.4	9.2
Agricultural Development Division	-	-	-	2.2	2.3	2.6	3.0	2.4	2.4	2.4
Residential	12.0	12.3	14.8	16.2	16.5	14.5	15.5	16.5	13.0	12.7
Commercial	2.7	3.1	2.5	3.2	3.0	3.3	3.8	3.5	3.1	3.6
Iowa Title Guranty Division	14.7	15.4	17.3	19.4	19.5	17.8	19.3	20.0	16.1	16.3
Clean water programs	4.8	4.4	4.1	3.8	3.9	3.7	3.9	3.8	4.0	3.9
Drinking water programs	1.9	1.8	1.7	1.5	1.5	1.3	1.5	1.4	1.5	1.6
State Revolving Fund	6.7	6.2	5.8	5.3	5.4	5.0	5.4	5.2	5.5	5.5
Total Iowa Finance Authority	92.9	92.3	94.2	93.7	93.1	89.6	95.5	92.9	85.3	81.3

	Iowa Finance Authority Operating Indicators									
	Fiscal Year ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
State Revolving Loan Program										
Number of SRF loans originated	115	94	124	87	90	120	126	118	124	125
Single Family Program										
Number of single family homebuyers assisted	1,026	1,166	1,101	1,544	1,542	1,959	2,300	2,058	2,012	2,970
Low Income Housing Tax Credit Program										
Number of housing units created or preserved	2,006	923	719	722	595	708	1,117	1,105	600	0*
Compliance Monitoring										
Section 8 project based rental units	12,154	12,064	12,085	12,035	11,978	11,942	11,926	11,779	11,742	11,749
LIHTC & HOME program rental units	18,852	20,181	20,611	21,136	21,349	21,573	22,136	22,122	22,892	23,051
Loan Servicing										
SRF loans	990	957	951	961	974	1,042	1,089	1,131	1,167	1,203
Multi-family housing loans	415	407	403	406	413	388	377	363	347	337
Beginning farmer loans	-	-	-	21	26	31	45	57	72	68
Department of Soil Conservation loans	303	306	274	278	274	259	255	243	211	201
Iowa Title Guaranty										
Title guaranty certificates issued	N/A	N/A	N/A	75,309	63,881	77,639	86,074	83,913	80,076	96,349
HousingIowa Conference Attendance	303	468	464	445	572	551	706	709	811	674

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