ILLINOIS HOUSING DEVELOPMENT AUTHORITY

A Component Unit of the State of Illinois

FINANCIAL STATEMENTS

JUNE 30, 2023

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

Performed as Special Assistant

Auditors for the Auditor General - State of Illinois

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A COMPONENT UNIT OF THE STATE OF ILLINOIS
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The Uniform Guidance Single Audit Report will be issued under a separate cover.

INTRODUCTORY SECTION

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
BOARD OFFICERS AND AGENCY OFFICIALS
YEAR ENDED JUNE 30, 2023

BOARD MEMBERS

Chairman (07/11/16 – Present)	Mr. King Harris
Vice Chair (03/13/17 – Present)	Ms. Luz Ramirez
Treasurer (02/25/13 – Present)	Mr. Salvatore Tornatore
Secretary (09/14/2021 – Present)	Mr. Tommy Arbuckle
Member (11/18/19 – Present)	Mr. Thomas Morsch
Member (12/16/22 – Present)	Mr. Daniel Hayes
Member (12/16/22 – Present)	Mr. Brice Hutchcraft
Member (10/21/19 - 01/09/23)	Ms. Sonia Berg
Member (01/10/20 - 12/31/22)	Ms. Aarti Kotak

AGENCY OFFICIALS

Executive Director	Ms. Kristin Faust
Assist. Executive Director/Chief of Staff	Mr. Lawrence Grisham
Deputy Executive Director	Ms. Karen Davis
General Counsel	Ms. Maureen G. Ohle
Chief Financial Officer (03/31/20 - 09/15/23)	Mr. Edward Gin
Chief Information Officer/Interim Chief Financial Officer (09/18/23)	Mr. Keith Evans
Deputy Chief Financial Officer/Assistant Treasurer	Ms. Tracy Grimm
Controller	Mr. Timothy J. Hicks
Chief Internal Auditor	Ms. Christina Lopez

Agency Officials are located at:
111 E. Wacker Drive, Suite 1000
Chicago, Illinois 60601

Summary

The audit of the accompanying financial statements of the Illinois Housing Development Authority (the Authority) was performed by CliftonLarsonAllen LLP.

Based on their audit, the auditors expressed unmodified opinions on the Authority's basic financial statements.

Summary of Findings

Number of	**Current Report**	**Prior Report(s)**
Findings	2	2
Repeated Findings	1	1
Prior Recommendations Implemented or Not Repeated	0	0

Schedule of Current Findings

Item No.	Page	Last/First Reported	Description	Finding Type
2023-001	100	2022/2022	Inadequate Controls over Service Providers	Material Weakness
2023-002	103	New	Inadequate Controls over Reconciliations	Material Weakness

Prior Findings Not Repeated

A	102	2022/2021	Inadequate controls over Investments	Significant Deficiency

Exit Conference

The Authority waived an exit conference in email correspondence from Tim Hicks, Deputy CFO, on December 7, 2023. The responses to the recommendations were provided via email correspondence by Muhammad Jalaluddin, Controller, on November 9, 2023, and on December 7, 2023.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino, Auditor General of the State of Illinois
and Board of Directors
Illinois Housing Development Authority

Report on the Audit of the Financial Statements

Opinions

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Illinois Housing Development Authority (the Authority), a component unit of the State of Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Honorable Frank J. Mautino, Auditor General, State of Illinois
and Board of Directors
Illinois Housing Development Authority

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 supplementary information, such as the combining and individual nonmajor governmental funds, mortgage loan program fund, and single family program fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023, on our consideration of the Illinois Housing Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Signed original on file

CliftonLarsonAllen LLP

Oak Brook, Illinois
December 8, 2023

This Section of the Illinois Housing Development Authority's (the Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the Authority's financial statements, which follow this section.

Financial Highlights

- The Authority's overall net position increased by $22.5 million, to $1,289.0 million as of June 30, 2023, from an increase in the Authority's governmental activities of $40.3 million and a decrease in business-type activities $17.7 million.

- The Authority's net position from governmental activities increased by $40.3 million to $460.2 million during the year. The increase is primarily due to state and federal program revenues of $69.7 million for Build Illinois Bond Program Fund (BIBP) and $21.6 million for HOME Program Fund offset by $36.1 million and $15.9 million of grant disbursements and general and administrative expenses, respectively. In fiscal year 2023, the Authority drew down an appropriation of $67.9 million from the Build Illinois Bond Program and received $19.4 million in federal and state assistance from Housing Urban Development for the HOME Program.

- The Authority's net position from business-type activities decreased by $17.7 million to $828.8 million during the current year primarily due to a net decrease in fair value of investments from Single Family Program Fund of $67.9 million, offset by an increase in interest and other investment income of $50.5 million due to higher short-term interest rates resulting in higher earnings. Continued increase of bond issuance also resulted in higher investments and related earnings offset by interest expense.

- The Authority's gross debt issuances during the fiscal year ended June 30, 2023, totaled $939.9 million. The Authority's debt outstanding (net of discounts and premiums) totaled $2.7 billion as of June 30, 2023, which was $788.2 million more than the amount outstanding as of June 30,2022.

- The Authority issued six (6) new series of fixed rate, tax-exempt Revenue Bonds, totaling $630.0 million, to fund its homeownership loan program. The bonds are secured by Government National Mortgage Association (GNMA) certificates, Fannie Mae (FNMA) mortgage-backed securities, and Freddie Mac (FHLMC) mortgage-backed securities.

- The Authority issued two (2) new series of fixed rate, taxable Revenue Bonds, totaling $124.1 million, to fund its homeownership loan program. The bonds are secured by GNMA certificates, FNMA mortgage-backed securities, and FHLMC mortgage-backed securities.

- The Authority issued one (1) new series of variable rate, tax-exempt Revenue Bonds, totaling $50.0 million, to fund its homeownership loan program. The bonds are secured by GNMA certificates, FNMA mortgage-backed securities, and FHLMC mortgage-backed securities.

- The Authority issued two (2) new series of variable rate, taxable Revenue Bonds, totaling $80.8 million, to fund its homeownership loan program. The bonds are secured by GNMA certificates, FNMA mortgage-backed securities, and FHLMC mortgage-backed securities.

- The Authority issued one (1) series of fixed rate, tax-exempt Multi-Family Revenue Bonds and one (1) series of variable rate, tax-exempt Multi-Family Revenue Bonds totaling $17.1 million and $11.7 million respectively, to finance a portion of the acquisition, rehabilitation, and equipping by the Series 2023 B and 2023 C borrower of a 210-unit multi-family residential housing development known as ”Autumn Ridge” located in Carol Stream.

- The Authority issued one (1) series of fixed rate, tax-exempt Multi-Family Revenue Bonds totaling $8.6 million, to finance the refunding of one (1) prior series of Conduit Bonds which previously financed the rehabilitation of a 156-unit multi-family development known as “Major Jenkins,” located in Chicago, Illinois.

- During the majority of fiscal year 2023, tax-exempt bond rates were favorable for new issuance, which provided the Authority an opportunity to issue tax-exempt fixed/variable rate long-term bonds in the amount of $680.0 million, and taxable fixed rate/variable rate long-term bonds in the amount of $204.9 million in the Single Family Program. The Authority correspondingly issued tax-exempt fixed rate/variable rate long-term bonds in support of its Multi-Family Program in the amount of $37.4 million.

- Program loan originations for fiscal year 2023 totaled $19.3 million and $93.4 million in the Authority's governmental and business-type activities, respectively, compared to fiscal year 2022 loan originations of $68.2 million and $116.5 million, respectively.

- During the fiscal year, the Authority continued to offer its ACCESS down payment assistance (DPA) programs. The ACCESS Program is available statewide, and offers an affordable, fixed interest rate, and up to $10,000 to assist eligible borrowers with their down payment and closing costs for the purchase of a new or existing home. Based on program structure and anticipated demand, the Authority's Administrative Fund and excess revenues held under various Authority bond funds are used to fund the ACCESS program. There are 3 Access DPA programs available that are 1) either forgiven monthly over 10 years, 2) repayable with zero percent interest due at maturity when the mortgage is paid in full, the property is sold or refinanced, whichever occurs first, and 3) repayable over 10 years with zero percent interest. The Opening Doors program, funded by BIBP also provides $6,000 in assistance for down payment and/or closing costs for first-time and non first-time homebuyers. The Opening Doors DPA program is forgiven monthly over 5 years. The Authority also launched the Illinois HFA1 down payment assistance program which provides $10,000 for down payment assistance and/or closing costs. Illinois HFA1 DPA is repaid with zero percent interest due at maturity, when the mortgage is paid in full, the property is sold or refinanced, whichever occurs first, and repayable over 10 years with zero percent interest. All down payment assistance programs are in the 2nd lien position.

- The Consolidated Appropriations Act (2021) appropriated Emergency Rental Assistance (ERA-1) to the State of Illinois to assist households that are unable to pay rent and utilities due to the COVID-19 pandemic. The Illinois Department of Commerce and Economic Opportunity (DCEO) granted the Authority $493.4 million to administer and manage the ERA-1 program. The Authority expended $2.8 million through grants and $2.1 million in general and administrative expenses.

- The American Rescue Plan Act (2021) appropriated funding to the State of Illinois for COVID-19 Emergency Rental Assistance (ERA-2), COVID-19 Homeowner Assistance Fund (HAF), and COVID-19 State and Local Fiscal Recovery Program Fund (SLFRF) which includes COVID-19 Affordable Housing Grant Program (CAHGP), a nonmajor fund in fiscal year 2022. ERA-2 assists households that are unable to pay rent and utilities. HAF assists homeowners who are unable to pay mortgages, utilities, and real estate taxes due to the COVID-19 pandemic. CAHGP provides vital funding for housing developments that have been awarded federal Low-Income Housing Tax Credits to overcome increased costs related to the pandemic. In partnership with the Illinois Emergency Management Agency (IEMA) and the Illinois Department of Human Services (IDHS), the Authority administers and manages the ERA-2 program. The Authority was appropriated $368.7 million (ERA-2), $387.0 million (HAF), and $171.4 million (CAHGP), with $42.1 million, $214.3 million, and $69.5 million expended through grants, and $7.0 million, $21.5 million and $1.3 million in general and administrative expenses, respectively.

- The Authority also partnered with DuPage, Will, Kane and Cook counties to administer and manage their ERA-1 & ERA-2 Programs and SLFRF, which includes Cook County Mortgage Foreclosure Medication Program (CCMFMP), Funds. The Authority expended a combined total $3.5 million in grants and $2.2 million and $0.3 million in general and administrative expenses, respectively.

Overview of the Financial Statements

The financial statements consist of three parts – management's discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two types of statements that present different views of the Authority:

- The first two statements are government-wide financial statements that provide information about the Authority's overall financial position and operations. These statements, which are presented on the accrual basis, consist of the statement of net position and the statement of activities.

- The remaining statements are fund financial statements of the Authority's twenty governmental funds, for which activities are funded from State appropriation (grants), U.S. Department of Housing & Urban Development (HUD), and U.S. Treasury Programs, and for which the Authority follows the modified accrual basis of accounting, and three proprietary funds, which operate similar to business activities and for which the Authority follows the accrual basis of accounting.

- The basic financial statements include notes to the financial statements that explain some of the information in the government-wide and fund financial statements, and provide more detailed data.

The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of these statements. The prior year results referred to throughout this section for comparison purposes are as previously reported.

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. Most of the Authority's activities are business-type and are reported in its proprietary funds. The fund financial statements provide more detailed information about the Authority's most significant funds but not the Authority as a whole.

The Authority manages two types of funds:

Governmental funds – The Authority is the administrator of twenty governmental funds, of which the revenues are appropriated annually to the Illinois Department of Revenue (IDOR) or received directly from HUD. The Authority also received funding directly from DCEO and the following counties: Will County, DuPage County, and Kane County. These fund statements focus on how cash and other assets flowing into the funds have been used.

Proprietary funds – The Authority's primary activities are in its three enterprise funds for which activities are accounted in a manner similar to businesses operating in the private sector. Funding has primarily arisen through the issuances of both tax-exempt and taxable bonds, the proceeds of which are primarily used to provide various types of loans to finance low and moderate-income housing. The net position of these funds represents accumulated earnings since their inception and is generally restricted for program purposes.

Land Bank Capacity Fund was transferred to Nonmajor Governmental Funds from Administrative Fund in FY 2023 – see Note 4 Interfund Balances and Transfers for further details.

Financial Analysis of the Authority as a Whole

Net Position

The combined net position of the Authority increased by $22.5 million, or 1.8%, from July 1, 2022, through June 30, 2023. The following table shows a summary of changes from prior year amounts:

Condensed Statements of Net Position

Illinois Housing Development Authority's Net Position
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Increase/(Decrease)	
	2023	2022	2023	2022	2023	2022	Amount	Percentage
Current Assets:								
Cash and Investments – Unrestricted	$ 595.6	$ 415.8	$ 741.9	$ 831.8	$ 1,337.5	$ 1,247.6	$ 89.9	7.2 %
Investments - Restricted	37.0	48.3	344.9	195.6	381.9	243.9	138.0	56.6 %
Program Loans Receivable	45.3	35.5	18.5	16.4	63.8	51.9	11.9	22.9 %
Other Current Assets	39.1	39.4	17.9	31.1	57.0	70.5	(13.5)	(19.1)%
Total Current Assets	717.0	539.0	1,123.2	1,074.9	1,840.2	1,613.9	226.3	14.0 %
Noncurrent Assets:								
Investments	-	—	193.2	72.1	193.2	72.1	121.1	168.0 %
Investments – Restricted	7.8	—	1,850.7	1,262.4	1,858.5	1,262.4	596.1	47.2 %
Net Program Loans Receivable	669.9	652.6	555.3	524.6	1,225.2	1,177.2	48.0	4.1 %
Capital Assets, Net	—	—	32.7	30.8	32.7	30.8	1.9	6.2 %
Other Assets	0.1	0.2	56.5	44.8	56.6	45.0	11.6	25.8 %
Total Noncurrent Assets	677.8	652.8	2,688.4	1,934.7	3,366.2	2,587.5	778.7	30.1 %
Total Assets	$ 1,394.8	$ 1,191.8	$ 3,811.6	$ 3,009.6	$ 5,206.4	$ 4,201.4	$ 1,005.0	23.9 %
Deferred Outflow of Resources:								
Accumulated Decrease in Fair Value of Hedge Derivatives	$ —	$ —	$ 0.3	$ 0.5	$ 0.3	$ 0.5	$ (0.2)	(40.0)%
Current Liabilities:								
Due to Grantees	$ 68.1	$ 71.0	$ —	$ —	$ 68.1	$ 71.0	$ (2.9)	(4.1)%
Due to State of Illinois	149.2	122.3	—	—	149.2	122.3	26.9	22.0 %
Bonds and Notes Payable	—	—	138.9	56.1	138.9	56.1	82.8	147.6 %
Deposits Held in Escrow	—	—	153.9	149.2	153.9	149.2	4.7	3.2 %
Other Current Liabilities	399.6	278.0	56.5	50.4	456.1	328.4	127.7	38.9 %
Total Current Liabilities	616.9	471.3	349.3	255.7	966.2	727.0	239.2	32.9 %
Noncurrent Liabilities:								
Due to State of Illinois	317.7	300.5	—	—	317.7	300.5	17.2	0.1
Bonds and Notes Payable	—	—	2,597.1	1,891.7	2,597.1	1,891.7	705.4	0.4
Other Liabilities	—	—	7.1	8.0	7.1	8.0	(0.9)	(0.1)
Total Noncurrent Liabilities	317.7	300.5	2,604.2	1,899.7	2,921.9	2,200.2	721.7	0.3
Total Liabilities	$ 934.6	$ 771.8	$ 2,953.5	$ 2,155.4	$ 3,888.1	$ 2,927.2	$ 960.9	32.8 %

Condensed Statements of Net Position (Continued)

Illinois Housing Development Authority's Net Position
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Increase/(Decrease)	
	2023	2022	2023	2022	2023	2022	Amount	Percentage
Deferred Inflow of Resources:								
Accumulated Increase in Fair Value of Hedging Derivatives	$ —	$ —	$ 29.7	$ 8.2	$ 29.7	$ 8.2	$ 21.5	262.2 %
Net Position:								
Net Investment in Capital Assets	$ —	$ —	$ 11.5	$ 8.6	$ 11.5	$ 8.6	$ 2.9	33.5 %
Restricted	460.2	419.9	554.2	535.3	1,014.4	955.2	59.2	6.2 %
Unrestricted	—	—	263.1	302.6	263.1	302.6	(39.5)	(13.1)%
Total Net Position	$ 460.2	$ 419.9	$ 828.8	$ 846.5	$ 1,289.0	$ 1,266.4	$ 22.5	1.8 %

Governmental Activities

Net position of the Authority's governmental activities increased by $40.3 million, or 9.6%, to $460.2 million, primarily due to state and federal program revenues of $67.9 million for BIBP and $19.4 million for HOME Program Fund offset by $36.1 million and $9.0 million of grant disbursements for BIBP and HOME and $3.7 million of general and administrative expenses for HOME. The increase from fiscal year 2022 activity was due to an increase in federal and state assistance in the HOME Program and a drawdown of funds from the Build Illinois Bond Program. There is no net position for five of the Authority's major governmental funds. The net position of the Illinois Affordable Housing Trust Fund is recorded as Due to the State of Illinois. Revenues from the Rental Housing Support Program Fund, COVID-19 Emergency Rental Assistance Fund, COVID-19 Homeowner Assistance Fund and COVID-19 State and Local Fiscal Recovery Fund are disbursed as grant or administrative expenses, and therefore have no net position.

Total net program loans receivable (current and noncurrent), increased by $27.2 million, or 4.1%, to $715.3 million, mainly attributable to increased developments closing in fiscal year 2023 in the HOME and Illinois Affordable Housing Trust Fund programs. Development activity had been stalled during the pandemic, creating a backlog; therefore, picked up in late 2022 into 2023. Cash and Investments increased by $176.3 million mainly attributable to BIBP drawdowns of $67.9 million of appropriations, higher funding received for COVID-19 Emergency Rental Assistance Program Fund, COVID-19 State and Local Fiscal Recovery Program Fund and decreased grant activity in Rental Housing Support Program Fund and Nonmajor Governmental Funds.

The Authority's liabilities (current and noncurrent) increased by $162.8 million, mainly due to increased unearned revenue & other liabilities for the COVID-19 Emergency Rental Assistance Fund, COVID-19 State and Local Fiscal Recovery Fund, and Nonmajor Governmental Funds by $173.4 million, offset by a decrease in the COVID-19 Homeowner Assistance Fund of $54.3 million. Amounts due to the State of Illinois (current and noncurrent) increased by $44.1 million. This item reflects a liability for the State of Illinois interest in the net position of the Affordable Housing Trust Fund as the Authority acts only as the administrator of the Housing Program and accounts for the interest in the net position to be that of the State of Illinois.

Business-Type Activities

The Authority's net position from business-type activities decreased by $17.7 million, or 2.1%, to $828.8 million.

Net program loans receivable (current and noncurrent) increased by $32.8 million, or 6.1%, to $573.8 million, mainly from the increase in the Mortgage Loan Program Fund $31.6 million due to loan originations exceeding loan repayments, and the increase in the Administrative Fund $9.1 million, offset by a decrease in the Single Family Program Fund $7.9 million.

Cash and investments (current and noncurrent) increased by $768.8 million, or 32.6%, mainly due to increases in Administrative Fund ($11.1 million) and the Single Family Program Fund ($764.2 million) offset by the decrease in Mortgage Loan Program Fund ($6.4 million). The increase in Single Family Program Fund is primarily due to bond proceeds net of related issuance costs.

Total bonds and notes payable (current and noncurrent) increased by $788.2 million, or 40.5%, due to increases in the Mortgage Loan Program Fund $20.3 million and in the Single Family Program Fund $769.7 million due to continued bond issuances net of principal payments, offset by a decrease in the Administrative Fund of $1.9 million.

The restricted net position of the Authority's business-type activities increased by $18.9 million, or 3.5%, mostly due to the increase in the Mortgage Loan Program Fund $19.3 million, and the Administrative Fund $0.3 million, offset by a decrease in the Single Family Program Fund $0.7 million. The net position of the Authority's Bond Funds (Mortgage Loan Program Fund and the Single Family Program Fund) is classified as restricted, except for $9.7 million net position invested in capital assets within the Mortgage Loan Program Fund. The negative unrestricted net position for Single Family Program Fund is primarily due to ($67.9) million net decrease in fair value of investments in the current fiscal year.

Statement of Activities

The statement of activities shows the sources and uses of the Authority's changes in net position as they arise through its various programs and functions.

The governmental activities consist of programs recorded in seven major governmental funds: Illinois Affordable Housing Trust Fund, HOME Program Fund, Rental Housing Support Program Fund, Build Illinois Bond Program Fund, COVID-19 Emergency Rental Assistance Program Fund, COVID-19 Homeowner Assistance Fund, and COVID-19 State and Local Fiscal Recovery Program Fund. Other programs are recorded in Nonmajor Governmental Funds.

The business-type activities consist of two housing lending programs, the results of which are primarily recorded within the funds comprising the two major bond funds (the Mortgage Loan Program Fund and the Single Family Program Fund). Federal assistance activities, which involve the allocation of various federal subsidy funds directly to certain of the Authority's borrowers, the tax credit authorization and monitoring, and Financial Adjustment Factor (FAF) lending programs, both of which activities are recorded in the Authority Administrative Fund.

A condensed summary of changes in net position for the fiscal year ended June 30, 2023, is shown in the following table.

Changes in Net Position
(In millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue:						
Program Revenues:						
Charges for Services	$ 22.2	$ 4.8	$ 73.6	$ 70.0	$ 95.8	$ 74.8
Operating/Grant/Federal Revenues	506.5	803.3	10.7	19.3	517.2	822.6
General Revenues:						
Investment Income	—	—	30.7	(39.0)	30.7	(39.0)
Total Revenues	528.7	808.1	115.0	50.3	643.7	858.4
Expenses:						
Direct	431.7	799.5	122.1	91.5	553.8	891.0
Administrative	56.6	59.9	10.7	19.9	67.3	79.8
Total Expenses	488.3	859.4	132.8	111.4	621.1	970.8
General Revenues, Capital Contributions and Transfers:						
Transfers In/Out	(0.2)	—	0.2	—	—	—
Total General Revenues, Capital Contributions, and Transfers	(0.2)	—	0.2	—	—	—
Increase (Decrease) in Net Position	40.2	(51.3)	(17.6)	(61.1)	22.6	(112.4)
Net Position at Beginning of the Year	419.9	471.2	846.5	903.5	1,266.4	1,374.7
Change in Accounting Principle	—	—	—	4.1	—	4.1
Net Position at Beginning of Year, as Restated	419.9	471.2	846.5	907.6	1,266.4	1,378.8
Net Position at End of the Year	$ 460.1	$ 419.9	$ 828.9	$ 846.5	$ 1,289.0	$ 1,266.4

Governmental Activities

Revenues of the Authority's governmental activities, decreased by $279.4 million from the prior year, due to decreases in the COVID-19 Emergency Rental Assistance Fund (ERA) $643.4 million and the Rental Housing Support Program (RHSP) $6.2 million in grant activities. The decrease was partially offset by increases in grant activities in the COVID-19 Homeowner Assistance Fund (HAF) $232.4 million, Build Illinois Bond Program (BIBP) $65.6 million, COVID-19 State and Local Fiscal Recovery Fund (CAHGP) $50.9 million and Illinois Affordable Housing Trust Fund (IAHTF) $20.4 million. The key driver of the increases is that the HAF and CAHGP programs were started in fiscal year 2022 and were fully active all of fiscal year 2023. The revenue increase is due to the Authority drawing down $67.9 million of the BIBP appropriation and $19.4 million of HUD assistance for HOME. The decrease in ERA is due to ERA1 closing in fiscal year 2023.

Direct expenses of the Authority's governmental activities decreased by $367.8 million from the prior year, due to decreases in the COVID-19 Emergency Rental Assistance Fund from ERA1 and DuPage, Kane and Will counties ERA1 programs closing out in fiscal year 2023 which amounted to $643.4 million and lower grants issued for Build Illinois Bond Program $10.0 million, offset by increases in the COVID-19 Homeowner Assistance Fund $232.4 million, and COVID-19 State and Local Fiscal Recovery Fund $50.9 million due to HAF and SLFRF fully active all fiscal year 2023.

Business-Type Activities

Revenues of the Authority's business-type activities increased by $64.7 million from the prior year, due to increases in investment income $69.7 million, and an increase in charges for services $3.6 million, offset by a decrease in operating/grant/federal revenues $8.6 million.

Direct expenses of the Authority's business-type activities increased by $30.6 million, primarily due to an increase in interest expense of $29.0 million on the Authority debt incurred to fund its various lending programs. There is an increase in program grants of $6.1 million, an increase in salaries and benefits $3.6 million, an increase in financing costs of $3.4 million, and an increase in provision for estimated losses on real estate held for sale of $0.3 million offset by decrease in other general and administrative of $2.5 million, a decrease in provision for (reversal of) estimated losses on program loans receivable of $6.4 million, a decrease in change in accrual for estimated losses on mortgage participation certificate program of $0.4 million, and decrease in professional fees of $3.7 million.

Program revenues of the Mortgage Loan Program exceeded direct expenses by $22.0 million (see Statement of Revenue, Expenses and Change in Fund Net Position - Proprietary Funds). The Authority's business-type activities had $30.7 million of restricted/unrestricted net investment gain (see the Statement of Activities).

Proprietary Fund Results

The net position of the Authority's proprietary funds decreased by $17.7 million to $828.8 million from June 30, 2022 to June 30, 2023. The following table summarizes the revenues, expenses, and changes in fund net position of the Authority's proprietary funds:

Changes in Net Position/Proprietary Funds
(In millions of dollars)

	Administrative Fund		Mortgage Loan Program Fund		Single Family Program Fund	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Operating Revenues:						
Interest Earned on Program Loans	$ 0.8	$ 0.6	$ 16.4	$ 15.3	$ 4.0	$ 4.8
Interest and Other Investment Income	24.8	20.2	11.9	1.3	64.7	29.4
Service Fees	13.5	11.3	—	—	—	—
Development Fees	7.6	8.5	—	—	—	—
HUD Savings	0.3	0.7	—	—	—	—
Tax Credit Reservation and Monitoring Fees	11.4	9.4	—	—	—	—
Other Income	6.4	6.3	13.3	12.3	—	—
Total Operating Revenues	64.8	57.0	41.6	28.9	68.7	34.2
Operating Expenses:						
Interest Expense	2.4	0.6	12.8	9.5	49.5	25.6
Salaries and Benefits	27.8	24.2	—	—	—	—
Professional Fees	1.6	5.3	—	—	—	—
Amortization Expense - Lease	1.4	1.3	—	—	—	—
Amortization Expense - SBITA	1.1	—	—	—	—	—
Other General and Administrative	2.0	3.0	6.6	8.1	0.3	0.3
Financing Costs	2.6	1.4	0.1	0.2	6.8	4.5
Program Grants	4.1	3.2	—	—	5.2	—
Change in Accrual for Estimated Losses on Mortgage Participation Certificate Program	0.5	0.9	—	—	—	—
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(2.6)	3.5	0.1	(0 2)	(0.9)	(0.3)
Provision for Estimated Losses on Real Estate Held for Sale	—	—	—	—	0.6	0.3
Total Operating Expenses	40.9	43.4	19.6	17.6	61.5	30.4
Operating Income	23.9	13.6	22.0	11.3	7.2	3.8
Nonoperating Revenues and Expenses						
Gain/Loss on Investment Sale Revenues	(1.3)	49.4	—	—	0.9	(0.2)
Net Increase (Decrease) in Fair Value of Investments	(1.9)	(7.9)	(0.5)	(2 0)	(67.9)	(129.3)
State Assistance Revenues	—	0.7	—	—	—	—
State Assistance Expenses	—	(0.7)	—	—	—	—
Federal Assistance Programs Revenues	10.7	19.3	—	—	—	—
Federal Assistance Programs Expenses	(10.7)	(19 3)	—	—	—	—
Nonoperating Income	(3.2)	41.5	(0.5)	(2 0)	(67.0)	(129.5)
Capital contribution	—	0.1	—	—	—	—
Transfers	(0.3)	(12 9)	—	0.1	0.4	12.8
Change in Net Position	20.4	42.3	21.5	9.4	(59.4)	(112.9)
Net Position at Beginning of Year	371.0	324.6	368.5	359.1	107.0	219.9
Change in Accounting Principle	—	4.1	—	—	—	—
Net Position at Beginning of the Year, as Restated	371.0	328.7	—	—	—	—
Net Position at End of Year	$ 391.4	$ 371 0	$ 390.0	$ 368.5	$ 47.6	$ 107.0

The net position of the Administrative Fund increased by $20.4 million compared to prior year increase of $42.3 million. Administrative Fund operating income was $23.9 million, an increase of $10.3 million compared to prior year operating income of $13.6 million, and net transfers out were $0.3 million, compared to $12.9 million in the prior year. The increase in fiscal year 2023 operating income was primarily due to the increases in: service fees $2.2 million, tax credit reservation and monitoring fees $2.0 million, interest and other investment income $4.6 million and lower professional fees $3.7 million and other general and administrative $1.0 million offset by a decrease in development fees $0.9 million, higher salaries and benefits of $3.6 million, higher interest expense $1.8 million, and higher financing cost $1.2 million.

The net position of the Mortgage Loan Program Fund increased by $21.5 million, compared to the prior year's increase of $9.4 million. Operating income was $22.0 million, an increase of $10.7 million from prior year, mainly due to an increase in interest earned on program loans $1.1 million, an increase in interest and other income $10.6 million, other income $1.0 million and lower other general and administrative $1.5 million, offset by higher interest expense $3.3 million.

The net position of the Single Family Program Fund decreased by $59.4 million, compared to the prior year's decrease of $112.9 million. The decrease in current year is primarily due to net decrease in fair value of investments $67.9 million. Operating income was $7.2 million, an increase of $3.4 million compared to prior year operating income mainly due to an increase in interest and other income $35.3 million, offset by a decrease in interest earned on program loans $0.8 million, increase in financing cost $2.3 million, program grants $5.2 million and interest expense $23.9 million.

The increase in interest and other income in the Proprietary Funds was due to higher short-term interest rates resulting in higher earnings. Continued increase of bond issuance in Mortgage Loan Program Fund and Single Family Program Fund also resulted in higher investments and related earnings offset by interest expense.

Non-operating Revenues and Expenses

Total fiscal year 2023 non-operating revenues and expenses increased by $19.3 million to $70.7 million, compared to fiscal year 2022 of $90.0 million. The increase was primarily due to $68.9 million improvement in fair value of investments, offset by a $49.6 million decline in gain on investment sale revenue.

Authority Debt

Authority gross debt issuances during the fiscal year 2023 totaled $3,087.3 million with the issuance of Revenue Bonds ($884.9 million) and premium on Revenue Bonds ($17.6 million) within the Single Family Program Fund, Multi-Family Revenue Bonds ($37.4 million), and Federal Home Loan Bank Advances ($2,147.4 million). Debt retirements within the Mortgage Loan Program, Single Family Program, and Administrative Funds were $17.1 million, $128.4 million, and $2,149.3 million, respectively. Net premium and discount on debt retirements that were fully amortized amounted to $4.4 million. Total bonds and notes payable increased by $788.2 million. For additional information, see Note 8 – Bonds and Notes Payable in the Notes to the Financial Statements.

Pursuant to the IHDA Act, the Authority has the power to hold up to $7.2 billion of general and special limited obligation bonds and notes outstanding, excluding those issued to refund outstanding bonds and notes. As of June 30, 2023, amounts outstanding against this limitation were approximately $4.6 billion.

As of June 30, 2023, the Authority's Issuer Credit Ratings were A1 (Stable) by Moody's Investors Service, AA (Stable) by Standard and Poor's (S&P) and AA (Stable) by Fitch Ratings. The rating on all General Obligation ("GO") debt was upgraded by both S&P and Fitch to AA from AA-.

Economic Factors and Outlook

During the majority of fiscal year 2023, tax-exempt bond rates were favorable for new issuance, which provided the Authority an opportunity to issue tax-exempt fixed/variable rate long-term bonds in the amount of $680.0 million, and taxable fixed/variable rate long-term bonds in the amount of $204.9 million in the Single Family Program. The Authority correspondingly issued tax-exempt fixed rate/variable rate long-term bonds in support of its Multi-Family Program in the amount of $37.4 million.

During fiscal year 2023, the Authority also financed a portion of its activity relating to homeownership in the State of Illinois through the sale of mortgage-backed securities to the secondary market. The Authority uses forward commitments to lock in the price of securities related to secondary market sales.

As a result of the global outbreak of COVID-19, the Authority administers new programs, with federal funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) which established the COVID-19 Coronavirus Relief Fund (CRF) program and may be asked to administer additional programs in the future in response to the pandemic.

The Consolidated Appropriations Act (2021) established the COVID-19 Emergency Rental Assistance (ERA1) to assist eligible households with financial assistance and housing stability services.

The American Rescue Plan Act (2021) established the COVID-19 Emergency Rental Assistance (ERA2), COVID-19 Homeowner Assistance Fund (HAF) and State and Local Fiscal Recovery Fund (SLFRF) programs. COVID-19 Affordable Housing Grant program (CAHGP) was appropriated as part of the State of Illinois' SLFRF program. ERA2 assists households that are unable to pay rent and utilities. HAF assists homeowners who are unable to pay mortgages, utilities, and real estate taxes due to the COVID-19 pandemic. CAHGP provides vital funding for housing developments that have been awarded federal Low-Income Housing Tax Credits to overcome increased costs related to the pandemic. In partnership with the Illinois Department of Human Services (IDHS), the Authority administers and manages the ERA2 program.

As the Authority moves into fiscal year 2024 and into the future, the Authority will continue to explore new methods to expand its Single Family and Multi-Family lending activities that are consistent with the State's housing needs. The Authority will collaboratively work with other housing entities and stakeholders to provide effective and efficient housing solutions. The Authority will continue to explore solutions to prevent foreclosures by providing assistance to eligible homeowners who have and may still be experiencing significant financial hardship.

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.

Capital Asset Activity

The Authority had no significant capital asset activity in fiscal year 2023. More details on capital asset activity can be found in Note 7 – Capital Asset in the Notes to the Financial Statements.

Contacting the Authority's Financial Management

This financial report is designed to provide the citizens of Illinois, our constituents, and investors with a general overview of the Authority's finances and to demonstrate the Authority's financial accountability over its resources. If you have questions about this report or need additional financial information, contact the Controller at the Illinois Housing Development Authority, 111 E. Wacker Drive, Suite 1000, Chicago, IL 60601, or visit our web site at: www.ihda.org.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATEMENT OF NET POSITION (DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2023

Assets	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash and Cash Equivalents	$ —	$ 93,463	$ 93,463
Cash and Cash Equivalents - Restricted	595,578	622,760	1,218,338
Total Cash and Cash Equivalents	595,578	716,223	1,311,801
Investments	—	25,628	25,628
Investments - Restricted	37,009	344,944	381,953
Investment Income Receivable	—	1,567	1,567
Investment Income Receivable - Restricted	92	9,906	9,998
Program Loans Receivable	45,265	18,486	63,751
Grant Receivable	32,002	—	32,002
Amount Due From Brokers Sec Matured	—	—	—
Interest Receivable on Program Loans	257	1,941	2,198
Other	792	10,496	11,288
Internal Balances	6,037	(6,037)	—
Total Current Assets	717,032	1,123,154	1,840,186
Noncurrent Assets:			
Investments	—	193,235	193,235
Investments – Restricted	7,781	1,850,694	1,858,475
Program Loans Receivable, Net of Current Portion	777,656	566,721	1,344,377
Less Allowance for Estimated Losses	(107,755)	(11,373)	(119,128)
Net Program Loans Receivable	669,901	555,348	1,225,249
Real Estate Held for Sale	—	513	513
Less Allowance for Estimated Losses	—	(411)	(411)
Net Real Estate Held for Sale	—	102	102
Due from Fannie Mae	—	29,386	29,386
Due from Freddie Mac	—	4,305	4,305
Capital Assets, Net	—	32,747	32,747
Derivative Instrument Asset	—	21,182	21,182
Other	29	1,571	1,600
Total Noncurrent Assets	677,711	2,688,570	3,366,281
Total Assets	1,394,743	3,811,724	5,206,467
Deferred Outflows of Resources			
Accumulated Decrease in Fair Value of Hedging Derivatives	—	291	291
Total Deferred Outflows of Resources	$ —	$ 291	$ 291

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATEMENT OF NET POSITION (DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2023

Liabilities	Governmental Activities	Business-Type Activities	Total
Current Liabilities:			
Due to Grantees	$ 68,097	$ —	$ 68,097
Due to State of Illinois	149,205	—	149,205
Bonds and Notes payable	—	138,885	138,885
Accrued Interest Payable	—	23,510	23,510
Unearned Revenue	399,511	815	400,326
Deposits Held in Escrow	—	153,923	153,923
Lease Liability	—	1,365	1,365
Subscription Liability	—	840	840
Accrued Liabilities and Other	49	30,029	30,078
Total Current Liabilities	616,862	349,367	966,229
Noncurrent Liabilities:			
Due to State of Illinois	317,726	—	317,726
Bonds and Notes Payable, Net of Current Portion	—	2,597,060	2,597,060
Unearned Revenue	—	1,585	1,585
Lease Liability, Net of Current Portion	—	3,008	3,008
Subscription Liability, Net of Current Portion	—	2,205	2,205
Derivative Instrument Liability	—	291	291
Total Noncurrent Liabilities	317,726	2,604,149	2,921,875
Total Liabilities	934,588	2,953,516	3,888,104
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	—	21,182	21,182
Unearned Revenue	—	8,470	8,470
Total Deferred Inflows of Resources	—	29,652	29,652
Net Position			
Net Investment in Capital Assets	—	11,544	11,544
Restricted for Bond Resolution Purposes	—	507,702	507,702
Restricted for Loan and Grant Programs	460,155	46,483	506,638
Unrestricted	—	263,118	263,118
Total Net Position	$ 460,155	$ 828,847	$ 1,289,002

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATEMENT OF ACTIVITIES (DOLLARS IN THOUSANDS)
YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services and Interest Income	Grant/Federal Revenues	Capital Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Illinois Affordable Housing Trust Program	$ 30,113	$ 2,716	$ 27,397	$ —	$ —	$ —	$ —
HOME Program	15,863	2,186	19,419	—	5,742	—	5,742
Rental Housing Support Program	13,194	1,917	11,277	—	—	—	—
Building Ilinois Bond Program Fund	36,073	1,759	67,925	—	33,611	—	33,611
COVID-19 Emergency Rental Assistance Fund	65,216	2,876	62,340	—	—	—	—
COVID-19 Homeowner Assistance Fund	239,451	5,859	233,592	—	—	—	—
COVID-19 State and Local Fiscal Recovery Fund	74,857	3,707	71,150	—	—	—	—
Other Programs	13,508	1,143	13,433	—	1,068	—	1,068
Total Governmental Activities	488,275	22,163	506,533	—	40,421	—	40,421
Business-type activities:							
Administrative Programs	51,553	39,966	10,661	—	—	(926)	(926)
Mortgage Loan Programs	19,713	29,689	—	—	—	9,976	9,976
Single Family Mortgage Loan Programs	61,535	3,980	—	—	—	(57,555)	(57,555)
Total Business-Type Activities	132,801	73,635	10,661	—	—	(48,505)	(48,505)
Total Authority	$ 621,076	$ 95,798	$ 517,194	$ —	40,421	(48,505)	(8,084)
General Revenues and Transfers:							
Net Investment Gain					—	30,684	30,684
Capital Contributions					—	—	—
Transfers In/Out					(174)	174	—
Total General Revenues and Transfers					(174)	30,858	30,684
Change in Net Position					40,247	(17,647)	22,600
Net Position at Beginning of Year					419,908	846,494	1,266,402
Net Position at End of June 30, 2023					$ 460,155	$ 828,847	$ 1,289,002

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
BALANCE SHEET – GOVERNMENTAL FUNDS (DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2023

	Major Funds								
Assets	Illinois Affordable Housing Trust Fund	HOME Program Fund	Rental Housing Support Program Fund	Build Illinois Bond Program Fund	COVID-19 Emergency Rental Assistance Program Fund	COVID-19 Homeowner Assistance Grant Program Fund	COVID-19 State and Local Fiscal Recovery Program Fund	Nonmajor Governmental Funds	Total
Current Assets:									
Cash and Cash Equivalents - Restricted	$ 105,524	$ 10,535	$ 13,820	$ 61,275	$ 108,782	$ 150,009	$ 134,779	$ 10,854	$ 595,578
Investments - Restricted	—	—	37,009	—	—	—	—	—	37009
Investment Income Receivable - Restricted	—	—	92	—	—	—	—	—	92
Program Loans Receivable	21,299	23,601	—	26	—	—	—	339	45,265
Grant Receivable	22,577	—	9,425	—	—	—	—		32,002
Interest Receivable on Program Loans	103	141	—	—	—	—	—	13	257
Other	—	—	—	—	792	—	—	—	792
Due from Other Funds	2,190	1,836	—	—	1,350	1,857	—	17	7,250
Total Current Assets	151,693	36,113	60,346	61,301	110,924	151,866	134,779	11,223	718,245
Noncurrent Assets:									
Investments, restricted	—	—	7,781	—	—	—	—	—	7,781
Program Loans Receivable, Net of Current Portion	366,497	307,121	—	10,640	—	—	—	93,398	777,656
Less Allowance for Estimated Losses	(51,259)	(34,943)	—	(3,815)	—	—	—	(17,738)	(107,755)
Net Program Loans Receivable	315,238	272,178	—	6,825	—	—	—	75,660	669,901
Other	—	—	—	—	28	—	—	1	29
Total Noncurrent Assets	315,238	272,178	7,781	6,825	28	—	—	75,661	677,711
Total Assets	$ 466 931	$ 308 291	$ 68 127	$ 68 126	$ 110 952	$ 151 866	$ 134 779	$ 86 884	$ 1 395 956
Liabilities and Fund Balances									
Current liabilities:									
Due to Grantees	$ —	$ —	$ 68,097	—	$ —	$ —	$ —	$ —	$ 68,097
Due to State of Illinois	149,205	—	—	—	—	—	—	—	149,205
Unearned Revenue	—	141	—	—	110,926	151,849	134,025	2,724	399,665
Accrued Liabilities and Other	—	—	—	—	26	17	—	6	49
Due to Other Funds	—	—	30	139	—	—	754	290	1,213
Total Current Liabilities	149,205	141	68,127	139	110,952	151,866	134,779	3,020	618,229
Noncurrent Liabilities:									
Due to State of Illinois	317,726	—	—	—	—	—	—	—	317,726
Total Liabilities	466,931	141	68,127	139	110,952	151,866	134,779	3,020	935,376
Fund Balances:									
Restricted	—	308,150	—	67,987	—	—	—	83,864	460,001
Total Fund Balances	—	308,150	—	67,987	—	—	—	83,864	460,001
Total Liabilities and Fund Balances	$ 466,931	$ 308,291	$ 68,127	$ 68,126	$ 110,952	$ 151,866	$ 134,779	$ 86,884	$ 1,395,956

Amounts reported for Governmental Activities is the Statement of Net Position are different due to:	
Unearned Interest Receivable on Certain Program Loans Receivable	$ 154
Net Position of Governmental Activities	$ 460 155

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
(DOLLARS IN THOUSANDS)
YEAR ENDED JUNE 30, 2023

	Major Funds								
	Illinois Affordable Housing Trust Fund	HOME Program Fund	Rental Housing Support Program Fund	Build Illinois Bond Program Fund	COVID-19 Emergency Rental Assistance Program Fund	COVID-19 Homeowner Assistance Fund	State and Local Fiscal Recovery Program Fund	Nonmajor Governmental Funds	Total
Revenues:									
Grant from State of Illinois	$ 27,397	$ —	$ 11,277	$ 67,925	$ —	$ —	$ —	$ 851	$ 107,450
Federal Funds	—	19,419	—	—	62,340	233,592	71,150	12,582	399,083
Interest and Other Investment Income	2,716	2,192	1,985	1,759	2,876	5,858	3,707	226	21,319
Net Inc/Dec Fair Value Investment	—	—	(68)	—	—	—	—	—	(68)
Other Income	—	1	—	—	—	1	—	928	930
Total Revenues	30,113	21,612	13,194	69,684	65,216	239,451	74,857	14,587	528,714
Expenditures:									
Debt Service:									
Principal	—	—	—	—	316	585	—	—	901
Interest	—	—	—	—	11	20	—	—	31
General and Administrative	14,898	3,678	474	1	13,576	20,875	1,642	1,473	56,617
Grants	12,499	8,998	12,720	36,087	48,302	212,071	69,508	12,720	412,905
Financing Costs	—	1	—	—	135	42	—	1	179
Program Income Transferred to State of Illinois	2,716	—	—	—	2,876	5,858	3,707	55	15,212
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	—	3,186	—	(15)	—	—	—	(741)	2,430
Total Expenditures	30,113	15,863	13,194	36,073	65,216	239,451	74,857	13,508	488,275
Excess of Revenues Over Expenditures	—	5,749	—	33,611	—	—	—	1,079	40,439
Other Financing Sources (Uses):									
Transfer in	—	—	—	—	—	—	—	—	—
Transfer out	—	—	—	—	—	—	—	(174)	(174)
Total Other Financing Sources (Uses)	—	—	—	—	—	—	—	(174)	(174)
Net Change in Fund Balances	—	5,749	—	33,611	—	—	—	905	40,265
Fund Balances at Beginning of Year	—	302,401	—	34,376	—	—	—	82,959	419,736
Fund balances at end of year	$ —	$ 308,150	$ —	$ 67,987	$ —	$ —	$ —	$ 83,864	460,001
Amounts reported for Governmental Activities in the Statement of Activities are different due to:									
Unearned Interest Receivable on Certain Program Loans Receivable									
Depreciation on Capital Assets									(18)
Change in Net Position of Governmental Activities									$ 40,247

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2023

	Major Funds			
Assets	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Total
Current Assets:				
Cash and Cash Equivalents	$ 93,463	$ —	$ —	$ 93,463
Cash and Cash Equivalents - Restricted	187,281	298,510	136,969	622,760
Total Cash and Cash Equivalents	280,744	298,510	136,969	716,223
Investments	25,628	—	—	25,628
Investments - Restricted	36,096	32,050	276,798	344,944
Investment Income Receivable	1,567	—	—	1,567
Investment Income Receivable - Restricted	670	146	9,090	9,906
Program Loans Receivable	812	6,840	10,834	18,486
Interest Receivable on Program Loans	54	1,496	391	1,941
Due from Other Funds	29,970	45,803	—	75,773
Other Assets	10,496	—	—	10,496
Total Current Assets	386,037	384,845	434,082	1,204,964
Noncurrent Assets:				
Investments	193,235	—	—	193,235
Investments – Restricted	9,960	30,736	1,809,998	1,850,694
Program Loans Receivable, Net of Current Portion	61,516	424,824	80,381	566,721
Less Allowance for Estimated Losses	(6,558)	(3,450)	(1,365)	(11,373)
Net Program Loans Receivable	54,958	421,374	79,016	555,348
Real Estate Held for Sale	75	—	438	513
Less Allowance for Estimated Losses	—	—	(411)	(411)
Net Real Estate Held for Sale	75	—	27	102
Due from Fannie Mae	—	29,386	—	29,386
Due from Freddie Mac	—	4,305	—	4,305
Capital Assets, Net	9,259	23,488	—	32,747
Derivative Instrument Asset	193	3,133	17,856	21,182
Other non-current assets	1,339	232	—	1,571
Total Noncurrent Assets	269,019	512,654	1,906,897	2,688,570
Total Assets	655,056	897,499	2,340,979	3,893,534
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	115	—	176	291
Total Deferred Outflows of Resources	115	—	176	291

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
(DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2023

		Major Funds		
Liabilities	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Total
Current Liabilities:				
Bonds and Notes Payable	$ 1,768	$ 32,743	$ 104,374	$ 138,885
Accrued Interest Payable	—	5,348	18,162	23,510
Unearned Revenue	815	—	—	815
Deposits Held in Escrow	153,923	—	—	153,923
Lease Liability	1,365	—	—	1,365
SBITA Liability	840	—	—	840
Accrued Liabilities and Other	25,014	4,065	950	30,029
Due to Other Funds	53,053	1,034	27,723	81,810
Total Current Liabilities	236,778	43,190	151,209	431,177
Noncurrent Liabilities:				
Bonds and Notes Payable, Net of Current Portion	19,943	461,188	2,115,929	2,597,060
Unearned Revenue	1,585	—	—	1,585
Lease Liability, Net of Current Portion	3,008	—	—	3,008
SBITA Liability, Net of Current Portion	2,205	—	—	2,205
Derivative Instrument Liability	115	—	176	291
Total Noncurrent Liabilities	26,856	461,188	2,116,105	2,604,149
Total Liabilities	263,634	504,378	2,267,314	3,035,326
Deferred Inflows of Resources				
Accumulated Increase in Fair Value of Hedging Derivatives	193	3,133	17,856	21,182
Unearned Revenue	3	—	8,467	8,470
Total Deferred Inflows of Resources	196	3,133	26,323	29,652
Net Position				
Net Investment in Capital Assets	1,841	9,703	—	11,544
Restricted for Bond Resolution Purposes	—	380,285	127,417	507,702
Restricted for Loan and Grant Programs	46,483	—	—	46,483
Unrestricted	343,017	—	(79,899)	263,118
Total Net Position	$ 391,341	$ 389,988	$ 47,518	$ 828,847

See accompanying notes to the financial

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION – PROPRIETARY FUNDS
(DOLLARS IN THOUSANDS)
YEAR ENDED JUNE 30, 2023

	Major Funds			
	Administrative Fund	Mortage Loan Program Fund	Single Family Program Fund	Total
Operating Revenues:				
Interest and Other Investment Income	$ 24,808	$ 11,894	$ 64,725	$ 101,427
Interest Earned on Program Loans	759	16,393	3,980	21,132
Service Fees	13,518	—	—	13,518
Development fees	7,588	—	—	7,588
HUD savings	325	—	—	325
Tax Credit Reservation and Monitoring Fees	11,388	—	—	11,388
Other Income	6,388	13,296	—	19,684
Total Operating Revenues	64,774	41,583	68,705	175,062
Operating Expenses:				
Interest Expense	2,364	12,830	49,542	64,736
Salaries and Benefits	27,814	—	—	27,814
Professional Fees	1,624	—	—	1,624
Amortization Expense - Lease	1,377	—	—	1,377
Amortization Expense - SBITA	1,134	—	—	1,134
Other General and Administrative	2,019	6,624	313	8,956
Financing Costs	2,575	86	6,773	9,434
Program Grants	4,112	23	5,146	9,281
Change in Accrual for Estimated Losses on Mortgage Participation Certificate Program	450	—	—	450
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(2,577)	137	(856)	(3,296)
Provision for Estimated Losses on Real Estate Held for Sale	—	13	617	630
Total Operating Expenses	40,892	19,713	61,535	122,140
Total Operating Income (Loss)	23,882	21,870	7,170	52,922
NonOperating Revenues and Expenses				
Gain/Loss on Investment Sale Revenues	(1,273)	(5)	880	(398)
Net Increase (Decrease) In Fair Value of	(1,972)	(465)	(67,908)	(70,345)
Federal Assistance Programs Revenues	10,661	—	—	10,661
Federal Assistance Programs Expenses	(10,661)	—	—	(10,661)
Total Nonoperating Income (Loss)	(3,245)	(470)	(67,028)	(70,743)
Income Before Transfers	20,637	21,400	(59,858)	(17,821)
Transfers In	—	22,745	443	23,188
Transfers Out	(309)	(22,705)	—	(23,014)
Total Transfers	(309)	40	443	174
Change in Net Position	20,328	21,440	(59,415)	(17,647)
Net Position at Beginning of the Year	371,013	368,548	106,933	846,494
NET POSITION - June 30, 2023	$ 391,341	$ 389,988	$ 47,518	$ 828,847

See accompanying notes to the financial

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
(DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2023

	Major Funds			
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Total
Cash Flows From Operating Activities:				
Receipts for Program Loans, Interest, and Service Fees	$ 81,238	$ 33,261	$ 24,733	$ 139,232
Payments for Program Loans	(56,124)	(48,088)	(12,197)	(116,409)
Receipts for Credit Enhancements	—	776	—	776
Payments for Program Grants	(4,112)	(23)	(5,146)	(9,281)
Payments to Suppliers	(5,537)	(5,589)	(7,601)	(18,727)
Payments to Employees	(27,814)	—	—	(27,814)
Receipts for Tax Credit Reservations and Monitoring Fees	11,388	—	—	11,388
Other Receipts	6,713	13,296	8,466	28,475
Net Cash Provided (Used) by Operating Activities	5,752	(6,367)	8,255	7,640
Cash Flows from Noncapital Financing Activities:				
Interest paid on Revenue Bonds and Notes	(2,145)	(11,391)	(39,901)	(53,437)
Due to / from Other Funds	(6,312)	(19,344)	33,531	7,875
Proceeds from Sale of Bonds and Notes	2,147,430	37,440	902,459	3,087,329
Principal paid on Bonds and Notes	(2,149,275)	(17,065)	(132,804)	(2,299,144)
Transfers In	—	22,745	443	23,188
Transfers Out	(309)	(22,705)	—	(23,014)
Net Cash provided (Used) by		—		
Financing Activities	(10,611)	(10,320)	763,728	742,797
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(621)	(1,084)	—	(1,705)
Principal and Interest Paid on Lease	(1,449)	—	—	(1,449)
Principal and Interest Paid on SBITA	(2,067)	—	—	(2,067)
Net Cash provided (Used) by Capital Financing and Related Activities	(4,137)	(1,084)	—	(5,221)
Cash Flows from Investing Activities:				
Purchase of Investment Securities	(1,553,302)	(691,828)	(666,104)	(2,911,234)
Proceeds from Sales and Maturities of Investment Securities	905,793	694,008	610,542	2,210,343
Interest Received on Investments	17,611	4,010	56,559	78,180
Transfers In	—	(2,938)	(751,730)	(754,668)
Transfers Out	749,115	2,452	3,101	754,668
Net Cash Provided (Used) by Investing Activities	119,217	5,704	(747,632)	(622,711)
Net Increase (Decrease) in Cash and Cash Equivalents	110,221	(12,067)	24,351	122,505
Cash and Cash Equivalents, Beginning of the Year	170,523	310,577	112,618	593,718
Cash and Cash Equivalents, End of the Year	$ 280,744	$ 298,510	$ 136,969	$ 716,223

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
(DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2023

	Major Funds			
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Total
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating Income	$ 23,882	$ 21,870	$ 7,170	$ 52,922
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Investment income	(24,808)	(11,894)	(64,725)	(101,427)
Interest expense	2,364	12,830	49,542	64,736
Depreciation and amortization	3,192	1,182	—	4,374
Change in accrual for estimated losses on mortgage participation certificate program	450	—	—	450
Changes in provision for (reversal of) estimated losses on program loans receivable	(2,577)	137	(856)	(3,296)
Changes in provision for estimated losses real estate held for sale	—	9	617	626
Changes in assets and liabilities:				
Program loans receivable	(7,006)	(31,853)	8,811	(30,048)
Interest receivable on program loans	13	(80)	208	141
Other assets	12,480	(2,828)	(10,440)	(788)
Other liabilities	(2,368)	190	(339)	(2,517)
Due from Fannie Mae	—	775	—	775
Due from Freddie Mac	—	1	—	1
Changes in Deferred Outflow of Resources	(62)	470	(176)	232
Changes in Deferred Inflow of Resources	192	2,824	18,443	21,459
Total adjustments	(18,130)	(28,237)	1,085	(45,282)
Net cash provided by (used in) operating activities	$ 5,752	$ (6,367)	$ 8,255	$ 7,640
Noncash investing capital and financing activities:				
Transfer of foreclosed assets	$ —	$ 13	$ 1,074	$ 1,087
Increase (decrease) in the fair value of investments	$ (1,972)	$ (465)	$ (67,908)	$ (70,345)

See accompanying notes to the financial statements.

Notes to the Financial Statements

NOTE 1 AUTHORIZING LEGISLATION

The Illinois Housing Development Authority (the Authority) is a body politic and corporate of the State of Illinois (the State) created by the Illinois Housing Development Act, as amended (the Act), for the purposes of assisting in the financing of decent, safe, and sanitary housing for persons and families of low and moderate income in the State and assisting in the financing of residential mortgages in the State. To accomplish its purposes, the Authority is authorized by the Act to make mortgage or other loans to nonprofit corporations and limited profit entities for the acquisition, construction, or rehabilitation of dwelling accommodations and to acquire, and to contract and enter into advance commitments to acquire, residential mortgage loans from lending institutions. The Act also authorizes the Authority to issue its bonds and notes to fulfill corporate purposes, including the financing of mortgage and construction loans, the acquisition of residential mortgage loans, and the making of loans for housing related commercial facilities. The Authority has issued various bonds and notes to finance mortgage loans and construction loans, to purchase residential mortgage loans from lending institutions, and to make loans to private lending institutions for making new residential mortgage loans.

The bonds and notes outstanding as of June 30, 2023, as shown on the Authority's financial statements consist of both general and special limited obligations of the Authority (see Note 8). The full faith and credit of the Authority are pledged for payment of general obligation bonds and notes. The Authority has the power under the Act (20 ILCS 3805/22) to have up to $7.2 billion of general and special limited obligation bonds and notes outstanding, excluding those issued to refund outstanding bonds and notes. See reference footnote 8 F - Other Financings that impact the Authority debt authorization. At June 30, 2023, amounts outstanding against this limitation were approximately $4.6 billion.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As defined by U.S. generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

a. Appointment of a voting majority of the component unit's board, and either a) the ability of the primary government to impose its will, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

b. Fiscal dependency on the primary government.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

For financial reporting purposes, the Authority is a component unit of the State of Illinois. The Authority has one component unit, the IHDA Dispositions LLC (the LLC). The LLC had no activity for fiscal year 2023.

B. Basis of Presentation

Government-Wide Statements – The government-wide statement of net position and statement of activities reports the overall financial activity of the Authority. Eliminations have been made to help minimize the double-counting of internal activities of the Authority. These statements distinguish between the governmental and business-type activities of the Authority. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents information showing how the Authority's net position has changed during the recent fiscal year. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the Authority's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis on fund financial statements is on major and nonmajor governmental and proprietary (enterprise) funds, each displayed in a separate column.

As a quasi-governmental agency, the annual operating budget of the Authority is approved by the Board of Directors. Therefore, the Authority is not required to formally adopt budgets for each fund.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The Authority reports the following major governmental funds:

Illinois Affordable Housing Trust Fund

The Authority is designated administrator of the Illinois Affordable Housing Program (the Housing Program). The program is funded by the Illinois Affordable Housing Trust Fund with funds generated from a portion of the State real estate transfer tax collected by the Illinois Department of Revenue and held within the State Treasury. The funds are appropriated annually to the Illinois Department of Revenue by the General Assembly. In accordance with State statute, the Authority makes grants and low or no interest mortgages or other loans, some with deferred repayment terms, to acquire, construct, rehabilitate, develop, operate, insure, and retain affordable Single Family and Multi-Family housing for low and very low-income households.

As the administrator of the Housing Program, the Authority considers the interest in equity of the Housing Program to be that of the State of Illinois and the Authority records a liability to the State of Illinois for their equity share. Additionally, the Authority records amounts received to administer the Housing Program as grant revenue.

HOME Program Fund

The Authority is the designated program administrator and the Participating Jurisdiction for the federally funded HOME Investment Partnerships Program (the HOME Program) for the State of Illinois. HOME funds are utilized for a variety of housing activities, according to local housing needs. Eligible uses of funds include tenant-based rental assistance, housing rehabilitation; assistance to homebuyers; and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing.

Rental Housing Support Program Fund

The Authority is the designated administrator of the Rental Housing Support Program (RHSP). The program is funded by a surcharge for the recording of any real estate-related document. The funds are appropriated to the Illinois Department of Revenue by the General Assembly. The Authority awards funds to local administering agencies, which will contract with local landlords to make rental units affordable to households who earn less than 30% of the area median income.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Build Illinois Bond Program Fund

The Authority was appropriated a portion of the Build Illinois Bonds Program (BIBP). BIBP funds are utilized for a variety of housing activities, loans, and investments for low-income families, low-income senior citizens, low-income persons with disabilities and at-risk displaced veterans.

COVID-19 Emergency Rental Assistance Program Fund

The Authority administered the Emergency Rental Assistance (ERA) programs from funds received by the State, DuPage, Will, and Kane Counties, with funds received from Treasury's Emergency Rental Assistance Program, during fiscal year 2023. Eligible uses of funds include assisting households that were unable to pay rent and utilities due to the COVID-19 pandemic.

COVID-19 Homeowner Assistance Fund

The Authority administered the Homeowner Assistance Fund (HAF) Program. HAF funds were provided via State appropriation from U.S. Treasury's HAF program to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners experiencing financial hardship after January 21, 2020. Eligible uses of funds include assistance with mortgage payments, homeowner’s insurance, utility payments, and other specified purposes.

COVID-19 State and Local Fiscal Recovery Fund

SLFRF funds were provided by the State and County of Cook from Treasury's SLFRF program. The Authority administered the COVID-19 Affordable Housing Grant Program (CAHGP) program. The Authority provides grants, forgivable loans and administrative expenses associated with affordable housing developments eligible for COVID-19 Affordable Housing Grant Program (CAHGP) and housing counseling, and foreclosure mediation services for residents in Cook County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The Authority reports the following major proprietary funds:

Administrative Fund

Development and financing fee income related to Multi-Family mortgage loans, income from service fees, and operating expenses of the Authority are accounted for in the Administrative Fund.

In addition, the Administrative Fund has provided for supplemental financing of certain developments through residual income loans and below market financing for various developments through the Authority’s Housing Partnership Program (see Note 5), and its lending program in conjunction with a debt service savings sharing agreement (the FAF Savings Program) with the U.S. Department of Housing and Urban Development (HUD) (see Note 14). The Administrative Fund also includes Section 8 New Construction and Section 8 Mod Rehab.

Mortgage Loan Program Fund

The Mortgage Loan Program Fund accounts for the financing of low- and moderate-income housing developments from the proceeds of Housing Bonds, Multi-Family Initiative Bonds, Multi-Family Revenue Bonds, and Affordable Housing Program Trust Fund Bonds, and for the retirement of such obligations.

The Authority holds first mortgage liens on such developments. Affordable Housing Program Trust Fund Bond accounts include a transfer of funds from the Illinois Affordable Housing Trust Fund.

Single Family Program Fund

The Single Family Program Fund accounts for the proceeds of Homeowner Mortgage Revenue Bonds, Housing Revenue Bonds, and Revenue Bonds, issued to provide funds for the purchase from lending institutions of mortgage loans on owner-occupied, one-to-four-unit dwellings acquired by eligible buyers. In most instances, it has been the Authority's practice to pool loans into mortgage-backed securities and either sell them in the secondary market or retain and pledge them as collateral for bonds.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Unearned revenue includes fees earned from the buy down of homeowner mortgage interest rates to below market levels and amortized over the forgivable loan period of the down payment assistance provided.

The use of tax-exempt financing to provide eligible borrowers with affordable rate mortgage loans involves federal restrictions on expenses chargeable to the program. Unless described otherwise in the indenture, any expenses incurred in the program more than such maximum amounts are absorbed by the Administrative Fund.

C. Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and expenses resulting from exchange and exchange-like transactions are recognized when the exchange takes place, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Authority receives value without directly giving equal value in exchange, include federal and state grant revenue. Revenue from these sources is recognized in the fiscal year in which all eligibility requirements have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Separate fund financial statements are provided for governmental and proprietary funds. Major governmental and proprietary funds are reported as separate columns in the fund financial statements.

The accounting policies and financial reporting practices of the Authority conform to GAAP, as promulgated in the pronouncements of the Governmental Accounting Standards Board (GASB).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Impact of Future Accounting Pronouncements

In 2022, GASB issued Statement No. 99 *Omnibus 2022*. The primary objective of this Statement is to enhance comparability in accounting and financial reporting. GASB Statement No. 99 "Omnibus 22", is providing clarification on several recent statements, including GASB Statement No. 87 "Leases", and GASB Statement No. 96 "Subscription Based Information Technology Arrangements". The requirements of this statement are effective for the Authority's fiscal year ended June 30, 2024. The Authority is currently evaluating the future impact of this statement.

In 2022, GASB issued Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the Authority's fiscal year ended June 30, 2025. The Authority is currently evaluating the future impact of this statement.

E. Adoption of New Accounting Principles

As of July 1, 2022, the Authority implemented the requirements of GASB Statement No. 96, "*Subscription Based Information Technology Arrangements (SBITAs)*". GASB Statement No. 96 established uniform requirements for reporting SBITAs. Upon adoption of this Statement, the Authority recognized a subscription asset and subscription liability related to its right to use vendor software. The Authority is implementing Oracle as a subscription with a go-live date of July 1, 2024. The Authority paid $1,042,616 related to implementation costs for the subscription as of June 30, 2023 which are included as a prepaid asset. The implementation had no effect on beginning net position.

In 2019, the GASB issued Statement No. 91 *Conduit Debt Obligations.* The objective of Statement No. 91 is to improve financial reporting by addressing issues related to the method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement became effective for the Authority during fiscal year 2023 with no impact. The Authority has no additional or voluntary monetary commitments to make payments on its conduit debt obligations as of June 30, 2023 – see Note 8 Bonds and Notes Payable for further details.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Adoption of New Accounting Principles (Continued)

In 2020, GASB issued Statement No. 94 *Public-Private and Public-Public Partnerships and* Availability *Payment* Arrangements. The objectives of Statement No. 94 are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements, and to provide guidance for accounting and financial reporting for availability payment arrangements. This statement is effective for the Authority's fiscal year ended June 30, 2023. The provisions of this Statement became effective for the Authority during fiscal year 2023 with no impact.

In 2022, GASB issued Statement No. 100*, Accounting Changes and Error Corrections.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this Statement became effective for the Authority during fiscal year 2023 with no material impact.

F. Fund Balances

In the fund financial statements, governmental funds report fund balances in the following categories:

Nonspendable – This consists of amounts that cannot be spent because they are either a) not in spendable form, or b) legally or contractually required to be maintained intact.

Restricted – This consists of amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation.

Committed – This consists of amounts constrained by limitations that the Authority imposes upon itself through resolution by its board of directors. The commitment amount will be binding unless removed or amended in the same manner.

Assigned – This consists of net amounts that are constrained by the Authority's intent to be used for specific purposes, but that are neither restricted nor committed.

Unassigned – This consists of residual deficit fund balances.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Fund Balances (Continued)

In instances where restricted, committed, and assigned fund balances are available for use, the Authority's policy is to use restricted resources first, followed by committed resources, then assigned resources, as needed. Currently, all of the Authority's governmental funds fund balances are restricted.

G. Net Position

In the government-wide and proprietary fund financial statements, net position is displayed in the following components:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation/amortization and related debt, lease liabilities, and subscription liabilities.

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

All net position of the governmental activities column of the government-wide financial statements is restricted with respect to the use of cash, investments and loan amounts that are to be repaid to the Authority. (See Note 5 for schedules of aging for the loans made under these programs).

The use of assets of each of the proprietary fund program funds is restricted by the related bond and note resolutions of the Authority. Certain amounts in the above program funds are considered subject to the restriction that they be applied to the financing of housing for the respective program purposes or to the retirement of obligations issued for such purposes; these amounts may include certain investment earnings attributable to the respective fund net position. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net position that does not meet the criteria of the two preceding categories.

Designations of net position represent tentative plans by the Authority for financial resource utilization in a future period as documented in the minutes or budgeting process for a succeeding year. Such plans are subject to change from original authorizations and may never result in expenses.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Net Position (Continued)

A portion of the Authority's Administrative Fund unrestricted net position, as of the most recent fiscal year-end, is designated as follows, in thousands:

Homeownership Mortgage Loan Program	
Provide funds to support Single Family Homeownership in the State of Illinois through second lien position loans and/or grants	$ 65,000
Multifamily Mortgage Loan Program	20,000
To pay possible losses arising in the Multifamily Program attributable, but not limited to, delinquencies or defaults on uninsured or unsubsidized loans	
Homeownership Mortgage Loan Program	5,000
To pay possible losses arising in the Homeownership Program attributable, but not limited to, delinquencies or defaults on uninsured or unsubsidized loans	
Homeownership Mortgage Loan Program	130,000
Provide funds to purchase homeownership mortgage loans and/or mortgage-backed securities under the Program which may eventually be purchased with proceeds from future issuances of Authority debt or sold in the secondary market	
Multifamily Mortgage Loan Program	35,000
Provide funds to finance Multifamily loans originated under the Program	
Provide funds for the Authority's planned technology enhancements	15,000
	$ 270,000

The designations of the Administrative Fund unrestricted net position may be amended or rescinded by the board members of the Authority.

H. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, and expenditures during the reporting period. Actual results could differ from the estimates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources

A deferred inflow of resources is defined as an acquisition of net assets by the government that is applicable to a future reporting period and a deferred outflow of resources is defined as a consumption of net assets by the government that is applicable to a future reporting period. A deferred inflow of resources has a negative impact on net position like liabilities but is required to be reported within the statement of net position in a separate section following liabilities. A deferred outflow of resources has a positive effect on net position like assets but is required to be reported in the statement of net position in a separate section following assets.

Deferred outflows/inflows of resources include:

i. Unamortized losses/gains on bond refundings, which are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt.
ii. Amounts reported as accumulated decrease/increase in fair value of hedging derivatives, which represent the anticipated future utilization of the net position of interest rate swap agreements deemed to be effective hedging derivatives.

J. Risks and Uncertainties

The Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term. Such changes could materially affect the amounts reported in the financial statements.

The allowances for estimated losses on loans are reported based on certain assumptions pertaining to the Authority's periodic review and evaluation of the loan portfolio, which is subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would be material to the financial statements.

K. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all cash, certificates of deposit, time deposits, and short-term repurchase agreements with original maturity dates of three months or less from date of purchase to be cash equivalents.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Investments

Investments of the Authority are reported at fair value. Fair value is determined by reference to public market prices and quotations from a securities pricing service.

The Authority records investment transactions based on trade date.

The investment of funds is restricted by various bond and note resolutions of the Authority and the Act, generally, to direct obligations of the United States government; specific bank obligations, certain of which are fully secured as required by the bond and note resolutions; and obligations of other governmental entities that meet defined standards. The type of collateral instruments that secure the demand repurchase agreements held by the Authority are subject to the same restrictions described above. Generally, collateral instruments are held by third-party institutions.

M. Program Loans Receivable

Program loans receivable include mortgage loans receivable, advances receivable, and residual income loans receivable. Mortgage loans receivable include certain amounts of interest and fees that have been charged by the Authority and added to the loan balance. The due dates for advances and residual income loans receivable are dependent upon future events as specified in the related loan or advance agreements.

N. Capital Assets

Capital assets in the Administrative Fund consist of investments in furniture, fixtures, leased space and equipment; computer hardware; computer software; and right to use building, and right to use subscriptions, and are defined by the Authority as assets with an initial, individual historical cost of $5 thousand or more, except for computers, camera, and video equipment, which are capitalized at any cost. Depreciation and amortization are recorded on a straight-line basis over a period of three to five years, depending upon the nature of the asset. Right to use assets are amortized over the term of the lease or subscriptions.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Capital Assets (Continued)

The Authority records depreciation against Lakeshore Plaza on a straight-line basis over forty years. At June 30, 2023, the net carrying value was $23.5 million which is net of accumulated depreciation of $28.2 million. Depreciation expense for fiscal year 2023 was $1.2 million. Although the Authority does not regularly own and operate properties as part of its normal business operations, for the benefit of furthering its affordable housing mission, it is within its scope to do so. Since its acquisition Lakeshore Plaza has continued to be owned and operated by the Authority as part of its business operations and therefore is reported as a capital asset of the Mortgage Loan Program Fund. This property is collateral for Housing Bond 2008B. The Authority will continue to evaluate the operation of Lakeshore Plaza and its impact on operations accordingly.

O. Real Estate Held for Sale

Real estate held for sale arises from foreclosures or other mortgage default related actions on properties pledged as collateral on Administrative ($75,000), and Single Family ($27,000). See Note 6 for analysis of real estate for sale, net of allowance for estimated losses. Real estate held for sale is recorded at the unpaid principal balance plus accrued interest on the loans as of the date the loans become real estate owned, plus subsequent expenses incurred less any insurance or other loan related payments received. Since several loans covered by pool insurance have reached maximum reimbursements allowable for loss claims and other loans in the portfolio are uninsured, it is anticipated that proceeds arising from the sale of such property and certain insurance proceeds may not fully cover any losses experienced.

Therefore, the Authority has established a provision for estimated losses on real estate held for sale based on a periodic review of such conditions which considers factors such as interest costs, holding costs, sales proceeds, mortgage insurance, and pool insurance recoveries to estimate losses.

P. Bond Premium/Discount, Issuance Costs and Gain/Loss on Refunding

Premium/discount on bonds is netted with bonds payable and amortized using a method approximating the effective interest method over the life of the bonds. Debt issuance costs are recorded as an expense in the period incurred. Unamortized gains and losses on refunding are reported as deferred inflows and outflows of resources, respectively, and are amortized over the shorter of the life of the old or new debt as a component of interest expense.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Operations

Proprietary funds loan origination fee, development fee, and financing fee income are recognized as revenue in the period received. Fees earned on loans, which the Authority does not directly originate, such as loans financed through other financings (see Note 8E), are recognized as revenue in the Administrative Fund generally at the time of initial closing.

Proprietary funds annual service fees charged by the Authority to loan recipients, which are deposited in the respective program funds or added to program loans receivable, are recognized as revenue in the Administrative Fund through interfund transfers.

Proprietary funds operating revenues and expenses are activities classified as core business activities of the fund. Proprietary funds operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund including interest income, service fees, development fees, interest, and other investment income. Proprietary funds operating expenses include grant program expenses, general and administrative expenses of the Authority; salaries and benefits; costs and expenses incurred in connection with the amortization, issuance, and sale of certain bonds and notes; fees and expenses of trustees and depository and paying agents; and costs related to analyses, surveys, appraisals, and other matters pertaining to maintenance and evaluation of program loans receivable. Operating costs and expenses are recognized as incurred.

Proprietary funds nonoperating revenues and expenses include the reporting of Section 8 Moderate Rehabilitation, and Section 8 New Construction. Also included in this section are activities not classified as core business activities to the Proprietary Fund.

A portion of the Authority’s operating expenses of administering the Illinois Affordable Housing Trust Fund, HOME Program, Rental Housing Support Program, Build Illinois Bond Fund, COVID-19 Coronavirus Relief Fund, COVID-19 Emergency Rental Assistance Program Fund, and Nonmajor Governmental Funds are recorded within these governmental funds. Similarly, other related special assistance programs and resolutions of various bond programs allow for these program accounts to record a certain level of operating expenses. Expenses in excess of the allowable ceilings set forth in the resolutions are charged to the Administrative Fund.

Expenses are shown in the statement of activities by identifiable programs.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Compensated Absences

The Authority grants vacation and sick leave to all employees and accrues for unused compensated absences. Vacations are allotted on a calendar year basis and are intended to be taken during that year. Unused sick leave allowance is carried forward and accumulated. In the event of termination, employees are paid for all earned but unused vacation time, and of unused accumulated sick leave earned, to a maximum of 30 days at one-half of hourly pay rate. The Authority has no other post-employment benefits (OPEB).

The following is the activity for the compensated absences recorded as accrued liabilities and other and liquidated from the Administrative Fund, in thousands.

Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
$ 1,454	$ 2,432	$ (2,278)	$ 1,608	$ 1,608

S. Provision for Estimated Losses on Program Loans

The Authority provides for estimated losses on program loans in its proprietary and governmental funds based upon the periodic review and evaluation of the Multi-Family and developer loan portfolios and provides additional amounts, if it deems necessary, for estimated losses for individual loans in the funds. In making such a review and evaluation, the Authority considers current economic conditions, occupancy and rental level projections, financial statement analyses, on-site inspections, independent appraisals of certain developments, insurance coverage, and such other factors as it deems necessary. The estimated losses of the Single Family loan portfolio are based upon a periodic review and evaluation of the whole loan portfolio, including real estate owned properties and considers such factors as delinquencies, interest costs, holding costs, sales proceeds, mortgage insurance, and pool insurance recoveries for estimating losses. Although management uses the best available information to assess the adequacy of its provisions, adjustments may be required if the actual experience differs from the factors used in making those assessments.

T. Income Taxes

The Authority is a component unit of the State of Illinois and is generally exempt from federal, state, and local income taxes.

NOTE 3 CASH AND INVESTMENTS

The Authority's Financial Management Policy (the Policy) contains the following stated objectives:

- Safety of principal – Preservation and safety of principal is the foremost objective of the Authority's investments. Each investment transaction shall seek to ensure that capital losses within the investment portfolio are avoided, whether they are from securities defaults or erosion of fair value.

- Liquidity – The investments portfolio shall remain sufficiently flexible to enable the Authority to meet all operating requirements that may be reasonably anticipated in any fund. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demand.

- Maximum rate of return – The investment portfolio shall be designed with the purpose of regularly exceeding the average return of U.S. Treasury obligations of comparable maturities. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles.

A. Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. The Authority's policy does not limit the maturity of investments as a means of managing its exposure to fair value losses arising from an increasing rate environment.

As of June 30, 2023, the Authority had cash and cash equivalent totaling $1,312 million which consists of cash of $146 million and cash equivalents of $1,166 million.

The below table indicates the Authority's cash and cash equivalents held in investments as of June 30, 2023 (in thousands):

		Investment Maturities (in Days)			
Investments	Carrying Amount	Less Than 7	Less Than 30	Less Than 60	Less Than 90
Sweep Accounts - Money Market Fund Restricted	$ 1,153,206	$ 1,153,206	$ —	$ —	$ —
Fund	12,874	12,874	—	—	—
Total Cash Equivalents Held in Investments	$ 1,166,080	$ 1,166,080	$ —	$ —	$ —

Money market funds are collateralized by obligations of the U.S. Government (or its agencies), or direct investments of such obligations overnight and funds are available the next day.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

A. Interest Rate Risk (Continued)

As of June 30, 2023, the Authority had the following investments (in thousands):

		Investment Maturities (in Years)			
Investment	Carrying Amount	Less Than 1	1–5	6–10	More Than 10
Commercial Paper	$ 115,970	$ 115,970	$ —	$ —	$ —
Federal Home Loan Bank Bonds	20,083	8,995	10,660	428	—
Federal Farm Credit Bank Bonds	79,490	79,490	—	—	—
Federal Home Loan Mortgage Corp.	185,735	12,922	16,035	1,292	155,486
Federal Home Loan Discount Notes	42,707	42,707	—	—	—
Federal National Mortgage Association	791,264	995	10,079	1,561	778,629
Federal National Mortgage Assn. Benchmark Notes	1,366	—	1,366	—	—
Investment Agreements 30/360 days	100,000	100,000	—	—	—
Government National Mortgage Association	1,037,185	—	—	—	1,037,185
Municipal Bonds	42,881	29,783	13,098	—	—
U.S. Treasury Bills	11,817	11,817	—	—	—
U.S. Treasury Strips	1,485	—	881	525	79
U.S. Treasury Notes	29,308	4,902	24,406	—	—
Total	$ 2,459,291	$ 407,581	$ 76,525	$ 3,806	$ 1,971,379

B. Credit Risk

Credit risk is the risk the Authority will not recover its investments due to the inability of the counterparty to fulfill its obligation. Statutes of the State and resolutions of the Authority authorize the Authority to invest in obligations of the U.S. Government, agencies, and instrumentalities of the U.S. Government, demand repurchase agreements, and other banking arrangements. The Authority may also invest its funds in such investments as may be lawful for fiduciaries in the State. All funds are held outside of the State Treasury in various banks and financial institutions.

C. Custodial Credit Risk

The Authority's investments in U.S. Government and Agency Obligations are rated Aaa by Moody's and/or AA+ by Standard & Poor's.

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Custodial Credit Risk (Continued)

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The Authority's cash carrying value balance totaled $146 million at June 30, 2023. The June 30, 2023, cash bank balance for the Authority totaled $149 million. Also, $10.2 million was not covered by federal depository insurance or by collateral held by an agent in the Authority's name. The amount is further addressed in Note 15 – Subsequent Events. Additionally, the Authority's cash equivalents at June 30, 2023, consisted of sweep accounts, held in the Authority's name, with the funds in these accounts invested in money market funds that invest in U.S. Treasury securities, or were held in accounts that were either Federal Deposit Insurance Corporation FDIC insured or collateralized with U.S. government obligations. The Authority's investments at June 30, 2023, were held in the Authority's name in separate Authority custodial accounts. Collateral is pledged in the Authority's name and consists of U.S. Treasury obligations.

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. The Authority's policy does not limit the amounts the Authority may invest in any one issuer. The Authority is considered to have a concentration of credit risk if its investments in any one single issuer (other than securities explicitly guaranteed by the U.S. government) are greater than 5% of total investments.

Investments which comprise more than 5% of the Authority's investments as of June 30, 2023, are as follows, in thousands:

Investment		Fair Value
Governmental National Mortgage Association	$	1,037,185
Federal National Mortgage Association		792,630
Federal Home Loan (FHLBB, FHLMC, FHLDN)		248,525
Commercial Paper		115,970

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

E. Forward Commitments

The Authority sells forward commitments to deliver Government National Mortgage Association (GNMA) certificates, Fannie Mae (FNMA) and Freddie Mac (FHLMC) mortgage-backed securities (MBS). Commitments are sold as mortgage loan reservations, and are taken to hedge against market fluctuations prior to loan origination and securitization. The Authority is subject to fair value fluctuations in the event that mortgage loans are not originated as expected and the committed securities cannot be delivered. A net increase in fair value of $4.8 million on these forward commitments, classified as investment derivative instruments, has been recorded in investment income in the Administrative Fund for the year ended June 30, 2023. In addition, $3.5 million of forward commitments is recorded on the statement of net position as other current assets at June 30, 2023.

The Authority is subject to credit risk with respect to counterparties for the forward commitment contracts, summarized below with their credit ratings as of June 30, 2023, in thousands:

Counterparty	Rating (1)	Number of Contracts	Par Amount
Bank of New York Mellon	AA-/A-1+ Stable;		
	Aa1(cr)/P-1(cr) Stable	12	$ 43,200
Bank of Oklahoma	A-/A-2 Stable;		
	A1(cr)/P-1(cr) Stable	14	59,920
Citigroup Global Markets	A/A-1 Stable;		
	A2 / Stable	5	25,589
Fannie Mae	AA+u/A-1+u Stable;		
	AAA /WR Stable	4	6,786
Jefferies LLC	BBB/BBB Stable;		
	Baa2/Baa2 Stable	23	84,200
Morgan Stanley	A-/A-2 Stable;		
	A1/ P-1 Stable	1	2,000
Piper Sandler	A-/A-2 Stable;		
	A1/ P-1 Stable	39	128,200
Raymond James	A-/Stable;		
	A3/Stable	29	94,100
Stifel	BBB -/BBB-POS	28	97,100
Wells Fargo Securities, LLC	A+/A-1 Stable;		
	Aa1(cr)/P-1(cr) Stable	13	65,600
Total Forward Commitments		168	$ 606,695

(1) S&P; Moody's

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

F. Fair Value Measurements

GASB Statement No. 72 explains that the government could determine the market price of an asset in one of three ways:

1) Actual market transactions for identical or similar items (market approach);
2) The current cost to replace the service capacity of an asset (cost approach); or
3) Discounting the current value of future cash flows (income approach).

It also establishes a three-tier hierarchy of input quality as follows:

Level 1 – inputs are quoted prices in active markets for identical items;
Level 2 – inputs are all inputs that are directly or indirectly observable, but not on Level 1; and
Level 3 – inputs are all inputs that are unobservable.

The statement directs governments to maximize their use of observable inputs and to minimize the use of unobservable inputs.

Fair value is most frequently applied to investments which GASB Statement No. 72 defines as a security or other asset that: A government holds primarily for the purpose of income or profit and has a present service capacity based solely on its ability to generate cash or to be sold to generate cash.

The Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a description of the valuation methods and assumptions used by the Authority to estimate the fair value of its financial instruments. There have been no changes to the methods or assumptions used at June 30, 2023. The Authority management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Agency securities classified in Level 2 of the fair value hierarchy are valued using prices quoted in active markets for similar securities.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

F. Fair Value Measurements (Continued)

Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates.

Investments and derivative instruments measured at fair value as of June 30, 2023, are as follows (in thousands):

		Fair Value Measurements Using		
	AT June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable (Level 3)
Investments				
Commercial Paper	$ 115,970	$ —	$ 115,970	$ —
Federal Home Loan Bank Bonds	20,083	—	20,083	—
Federal Farm Credit Bank Bonds	79,490	—	79,490	—
Federal Home Loan Mortgage Corp.	185,735	—	185,735	—
Federal National Mortgage Assn. Benchmark Notes	1,366	—	1,366	—
Federal Home Loan Bank Discount Notes	42,707	—	42,707	—
Government National Mortgage Association	1,037,185	—	1,037,185	—
Federal National Mortgage Assn.	791,264	—	791,264	—
Investment Agreements	100,000	100,000	—	—
Municipal Bonds	42,881	—	42,881	—
U.S. Treasury Bills	11,817	11,817	—	—
U.S. Treasury Strips	1,485	1,485	—	—
U.S. Treasury Bonds	—	—	—	—
U.S. Treasury Notes	29,308	29,308	—	—
	$ 2 459 291	$ 142 610	$ 2 316 681	$ —
Derivative Instrument				
Interest Rate Caps	$ 631	$ —	$ 631	$ —
Interest Rate Swaps	20,259	—	20,259	—
Forward Commitments	3,479	—	3,479	—
	$ 24,369	$ —	$ 24,369	$ —

NOTE 4 INTERFUND BALANCES AND TRANSFERS

A. Interfund Balances

The Authority reports interfund balances among its funds. These balances generally consist of accruals for various revenues or expenditures due to a fund, but received or paid to another, and subsidy transfers between funds. These amounts are generally paid or received within the subsequent fiscal year. Interfund accounts receivable (payable) balances at June 30, 2023, consisted of the following, in thousands:

	Payable From											
	Governmental Funds								Proprietary Funds			
Receivable to	Illinois Affordable Housing Trust Fund	HOME Program Fund	Rental Housing Program Fund	Building Illinois Bond Program Fund	COVID-19 Emergency Rental Assistance Program Fund	COVID-19 Homeowner Assistance Fund	AHP Affordable Housing Program Fund	Nonmajor Governmental Funds	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Total
Governmental Funds:												
Illinois Affordable Housing Trust Fd	$ —	$ —	$ —	$ —	—	$ —	$ —	$ —	$ 2,190	$ —	$ —	$ 2,190
HOME Program Fund	—	—	—	—	—	—	—	—	1,836	—	—	1,836
COVID-19 Emergency Rental Assistance Fund	—	—	—	—	—	—	—	—	1,350	—	—	1,350
COVID-19 Homeowner Assistance Fund ARP	—	—	—	—	—	—	—	—	1,857	—	—	1,857
Nonmajor Governmental Funds	—	—	—	—	—	—	—	—	17	—	—	17
Proprietary Funds:												
Administrative Fund	—	—	30	139	—	—	754	290	—	1,034	27,723	29,970
Mortgage Loan Program Fund	—	—	—	—	—	—	—	—	45,803	—	—	45,803
Single Family Program Fund	—	—	—	—		—	—	—	—	—	—	—
	$ —	$ —	$ 30	$ 139	$ —	$ —	$ 754	$ 290	$ 53,053	$ 1,034	$ 27,723	$ 83,023

The interfund accounts receivable (payable) between the Mortgage Loan Program Fund and the Administrative Fund primarily consist of Housing Bonds transfer for funding access 4% Down Payment Assistance program and Multi-Family Revenue Bond special program fund and Affordable Housing Trust Fund transfer for funding Single Family loan origination and securitization programs in fiscal year 2023. It also includes the fiscal year 2000 operating transfer of $10.4 million to Multi-Family Housing Revenue Bond Accounts made from the Administrative Fund in conjunction with the issuance of the Multi-Family Housing Revenue Bonds, Series 2000A, subsequently refunded with the Housing Bond 2008B, (Lakeshore Plaza Development) and the corresponding transfer of the carrying value of the real estate investment, partially reversed by a $5.4 million fiscal year 2006 transfer to the Administrative Fund. The Authority intends to reverse the remaining amounts of the transfers upon the disposition of Lakeshore Plaza.

Other interfund payables from the Administrative Fund to governmental and proprietary funds primarily consist of deposits of loan debt service payments that will be transferred subsequent to the fiscal year end. Funds are transferred from one fund to support expenditures of other funds, including operating activities, bond issuances, and bond redemptions in accordance with authority established for the individual fund. Interfund balances result from timing differences between the date a disbursement is made by the Proprietary Funds and Governmental Funds and the date the Proprietary Funds and Governmental Funds receives reimbursement from other funds.

NOTE 4 INTERFUND BALANCES, AND TRANSFERS (CONTINUED)

B. Transfers

The Authority records transfers between program funds for various purposes including fund closings, earnings transfers, program subsidies, and advances for the initial financing of the Authority's programs.

Transfers (in thousands) for the year ended June 30, 2023, consisted of the following:

Balance as of June 30, 2023

	Proprietary Funds - Transfer Out	Proprietary Funds - Transfer In		Government Funds - Transfer In
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Nonmajor Funds
Proprietary Funds:				
Administrative Fund	$ —	$ —	$ —	$ —
Mortgage Loan Program Fund	40 (A)	(40) (A)	—	—
Single Family Program Fund	443 (B)	—	(443) (B)	—
Government Programs:				
Nonmajor Governmental Funds	(174) (C)	—	—	174
	$ 309	$ (40)	$ (443)	$ 174 (C)

(A) Transfer totaling $40 thousand from the Administrative Fund to Mortgage Loan Program Fund funded costs related to issuance of Multifamily Revenue Bonds ($40 thousand - MFRB2023C).

(B) Transfer totaling $443 thousand from the Administrative Fund to Single Family Program Fund funded costs related to issuance of Revenue Bonds ($443 thousand - RB2023BC).

(C) Transfer Land Bank Capacity Fund balance out of Administrative Fund and into Nonmajor Governmental Funds.

NOTE 5 PROGRAM LOANS RECEIVABLE

The following summarizes program loans receivable, net of allowance for estimated losses, activity for the Authority for the year ended June 30, 2023, in thousands:

	Net Program Loan Receivables June 30, 2022	Loan Disbursements	Loan Repayments	Loan Transfer In/(Out)	(Increase)/ Decrease in Loan Loss Allowance	Net Program Loan Receivables June 30, 2023
Governmental Funds:						
Illinois Affordable Housing Trust Fund	$ 318,645	$ 30,077	$ (10,378)	$ —	$ (1,807)	$ 336,537
HOME Program Fund	287,016	19,166	(7,266)	—	(3,137)	295,779
Build Illinois Bond Program	6,883	—	(47)	—	15	6,851
ARRA Program	58,550	1	(305)	—	(67)	58,179
NSP	2,629	1	(2)	—	—	2,628
CDBG	5,359	—	—	—	(259)	5,100
National Housing Trust Fund	9,028	20	(23)	—	1,067	10,092
Non-Major Governmental Funds	75,566	22	(330)	—	741	75,999
Total Governmental Funds	$ 688,110	$ 49,265	$ (18,021)	$ —	$ (4,188)	$ 715,166
Proprietary Fund:						
Administrative Fund	$ 46,637	$ 57,578	$ (51,056)	$ —	$ 2,611	$ 55,770
Mortgage Loan Program Fund:						
Housing Bonds	105,911	6,194	(5,804)	—	(263)	106,038
Multifamily Initiative Bonds	14,776	—	(455)	—	(56)	14,265
Affordable Housing Program Trust Fund Bonds	5,264	297	(550)	—	31	5,042
Multifamily Revenue Bonds	270,547	42,318	(10,194)	—	198	302,869
Total Mortgage Loan Program Fund	396,498	48,809	(17,003)	—	(90)	428,214
Single Family Program Fund:						
Homeowner Mortgage Revenue Bonds	97,694	12,197	(20,968)	—	855	89,778
Revenue Bonds	111	—	(40)	—	1	72
Total Single Family Program Fund	97,805	12,197	(21,008)	—	856	89,850
Total Proprietary Funds	$ 540,940	$ 118,584	$ (89,067)	$ —	$ 3,377	$ 573,834

Loans receivable in the Mortgage Loan Program Fund are secured by first mortgage liens on the related developments. Each development is subject to a regulatory agreement under which the Authority has certain powers relating to rents, profits, occupancy, management, and operations. Monies are required to be deposited in reserve accounts monthly by all mortgagors for real estate tax reserves and by substantially all mortgagors for insurance and replacement reserves. See Note 9 regarding these reserves and other deposits held in escrow.

NOTE 5 PROGRAM LOANS RECEIVABLE (CONTINUED)

The ability of the mortgagors to make required payments on the mortgage loans receivable depends principally upon the related developments achieving and sustaining sufficient occupancy and rental levels to support such payments. With respect to most developments financed from proceeds of the Mortgage Loan Program Funds, the Authority, HUD, and the owners of the developments have entered into agreements whereby HUD will make, under its Section 8 Program, housing assistance payments for the developments. Such federal subsidies, together with the rents to be paid by the tenants, are estimated by the Authority prior to its issuing an initial mortgage loan commitment, to provide sufficient funds to pay the costs of operation, maintenance, administration, mortgage payments, and Authority fees with respect to each of the developments.

For certain past delinquencies, the related developments have not been able to generate net rental income sufficient to pay scheduled debt service and reserve deposits in full. In the opinion of the Authority, these deficiencies of net rental income have arisen for various reasons including (i) the existence of physical defects in the development which have caused operational problems, (ii) higher than anticipated operating expenses of the development, and (iii) depressed rental market conditions in the development’s local area.

In certain cases, cash deficiencies of developments, including certain developments as to which the related mortgage loans are not delinquent as to scheduled debt service payments or required reserve deposits, have been funded in part by advances from the owners of the respective developments. However, there generally can be no assurance that the owners will make additional advances for this purpose. For certain mortgage loans, the Authority holds reserve deposits and letters of credit that may be applied toward delinquencies.

At June 30, 2023, for loans financed under the Mortgage Loan Program Fund, one loan was in arrears in amounts equal to more than three months debt service payments or required deposits to tax and insurance and/or replacement reserves, totaling $140.5 thousand and $2.0 million, respectively.

The Authority has pursued actions available under the mortgage and regulatory agreements to cure certain delinquencies. With respect to some developments, the need for capital improvements, repairs, marketing campaigns and other expenditures may be indicated. Where necessary and appropriate, the Authority has committed and/or advanced residual income loans from the Administrative Fund or mortgage loan increases from the related program account to finance these expenditures. In certain instances, the Authority has initiated actions to effect necessary changes in the management of the developments. In addition, the Authority has, in some cases, filed suit against the applicable general contractors and/or bonding companies seeking corrections of the development’s physical defects and has instituted foreclosure proceedings for certain developments.

NOTE 5 PROGRAM LOANS RECEIVABLE (CONTINUED)

The Authority's policy for converting mortgage loans, except for loans financed under the Single-Family Mortgage Loan Program, to non-accrual status is to discontinue the accrual of interest when a loan becomes 90 days past due. In addition, the Authority does not accrue interest income on loans in which payments are to be made from residual receipts of the development. Payments on such loans are recognized only as received. For loans receivable within the Single-Family Mortgage Loan Program, the Authority accrues interest income on all loans unless they become real estate owned properties, at which time the accrual is suspended.

The Authority does not accrue interest income on approximately $3.8 million of mortgage loans recorded in the Administrative Fund. Payments made on such loans, which generally are payable from residual receipts, if any, of the affected development funds, are recognized only as received. The annual amount of interest on these loans is approximately $78.6 thousand.

In fiscal year 2016, the Authority entered into a new financing agreement with the Federal Financing Bank (FFB), an arm of the United States Department of Treasury, for selling beneficial ownership interests in mortgage loans originated by housing finance agencies and insured under the FHA-HFA Risk Sharing Program. The Authority sells beneficial ownership interest in its mortgages under this program to FFB. Beneficial ownership interest in mortgage loans that the Authority sells to the FFB will be evidenced by certificates of participation from the Authority. The monthly mortgage payments from the borrower will be used to repay the interest to the FFB and principal payments will reflect the scheduled mortgage principal payments. Through fiscal year 2023, the Authority sold beneficial ownership interests in loans for 17 affordable Multi-Family developments totaling $117.9 million to the FFB.

The Authority, as of June 30, 2023, has 59 outstanding Risk Sharing Loans totaling $535.7 million and elected that HUD assume 10% to 90% of the loss with respect to those loans as a result of the existing Risk Sharing agreement. Five of these loans totaling $17.9 million were financed through the issuance of the Authority's Housing Bonds, one loan totaling $14.7 million was financed through the issuance of the Authority's Multi-Family Initiative Bonds, one loan totaling $2.0 million were financed through the issuance of the Administrative Fund, and 26 loans totaling $336.4 million were financed through the issuance of the Authority's Multi-Family Revenue Bonds. The remaining 26 loans totaling $164.7 million are not included in the Authority's financial statements as the Authority sold 10% to 90% participation interests in the loans to outside parties.

At June 30, 2023, for loans financed under the FHA-HFA Risk Sharing Program where the Authority sold 100% participation interest in the loans to outside parties, there were no amounts in arrears equal to more than two months debt service payments or required deposits to tax and insurance and/or replacement reserves.

NOTE 5 PROGRAM LOANS RECEIVABLE (CONTINUED)

At June 30, 2023, for loans financed under the Mortgage Participation Certificate Program, where the Authority has sold 100% participation interests in the loans to outside parties, there were no amounts in arrears equal to more than three months of debt service payments or required deposits to tax and insurance and/or replacement reserves. The loss reserve for loans financed under this program, totaling $2.3 million as of June 30, 2023, is recorded in accrued liabilities (and other) in the Administrative Fund.

As of June 30, 2023, for mortgage loans insured with Ambac Assurance Corporation (Ambac) on Multi-Family housing developments under the Authority's Mortgage Participation Certificate Program, the Authority has outstanding three Ambac loans totaling $5.3 million. These loans are not included in the Authority's financial statements as the Authority sold 100% participation interests in the loans to outside parties. Ambac has guaranteed repayment of principal and interest due on a timely or accelerated basis in accordance with the agreement between the Authority and Ambac. The agreement allows (or provides) the Authority to share its risk with Ambac on the aggregate loan portfolio after the satisfaction of certain requirements and thresholds.

At June 30, 2023, for loans financed under Ambac Assurance Corporation (Ambac), one loan was in arrears an amount equals to more than three months debt service payments or required deposits to tax and insurance and/or replacement reserves, totaling $23.2 thousand and $1.0 million, respectively.

NOTE 5 PROGRAM LOANS RECEIVABLE (CONTINUED)

The following summarizes the changes in the allowance for estimated losses on program loans receivable during the year ended June 30, 2023, follows in, thousands:

	Allowance for estimated losses June 30, 2022	Provision for/(reversal of) estimated losses	Write-offs of uncollectible losses, net of recoveries	Allowance for estimated losses June 30, 2023
Governmental Funds:				
Illinois Affordable Housing Trust Fund	$ 49,452	$ 1,874	$ (67)	$ 51,259
HOME Program Fund	31,806	3,186	(49)	34,943
Build Illinois Bond Program	3,830	(15)	—	3,815
American Recovery and Reinvestment	16,277	67	—	16,344
Neighborhood Stabilization Program	73	—	—	73
Community Development Block Grant	875	259	—	1,134
National Housing Trust Fund	1,254	(1,067)	—	187
Nonmajor Governmental Funds	18,479	(741)	—	17,738
Total Governmental Funds	$ 103,567	$ 4,304	$ (116)	$ 107,755
Proprietary Funds:				
Administrative Fund	$ 9,169	$ (2,577)	$ (34)	$ 6,558
Housing Bonds	2,104	309	(46)	2,367
Multifamily Initiative Bonds	400	56	—	456
Affordable Housing Program Trust Fund	115	(31)	—	84
Multifamily Revenue Bonds	741	(197)	(1)	543
Mortgage Loan Program Fund	3,360	137	(47)	3,450
Homeowner Mortgage Revenue Bonds	2,216	(855)	—	1,361
Revenue Bonds	5	(1)	—	4
Single Family Program Fund	2,221	(856)	—	1,365
Total Proprietary Funds	$ 14,750	$ (3,296)	$ (81)	$ 11,373

The provision for estimated losses for the Illinois Affordable Housing Trust Fund is recorded as a reduction to the amount due to the State of Illinois to reflect the State of Illinois net position interest in the program.

State statute (30 ILCS 205/2) requires that all uncollected receivables due that exceed $1,000 be submitted to the Illinois Attorney General to be certified as uncollectible before the Authority can delete such receivables from its records. As of June 30, 2023, the Authority has 11 loans certifications outstanding, totaling $213.7 thousand. Certification requests are anticipated to be filed as loss amounts are determined following the conclusion of foreclosure or other loss mitigation activities. The Authority has established provisions for estimated losses against such loans requested and to be requested for such certifications in amounts equal to the outstanding principal balances of the loans.

NOTE 5 PROGRAM LOANS RECEIVABLE (CONTINUED)

Scheduled receipts of principal on gross program loans receivable in certain governmental funds and proprietary funds in the five years subsequent to June 30, 2023, and thereafter are as follows (in thousands):

Governmental Funds:

	Illinois Affordable Housing Trust Fund	HOME Program Fund	American Recovery and Reinvestment Act Fund	Build Illinois Bond Program Fund
2024	$ 21,299	$ 23,601	$ 273	$ 26
2025	9,945	8,983	238	49
2026	11,344	15,852	248	26
2027	9,886	10,311	3,100	26
2028	9,375	11,147	9,258	26
After 2028	325,947	260,828	61,406	10,513
	$ 387,796	$ 330,722	$ 74,523	$ 10,666

Proprietary Funds:

	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund
2024	$ 812	$ 6,840	$ 10,834
2025	1,006	8,893	10,815
2026	8,219	8,518	10,797
2027	52,291	8,650	10,783
2028	—	8,967	10,783
After 2028	—	389,796	37,203
	$ 62,328	$ 431,664	$ 91,215

Amounts recorded as due from FNMA (Fannie Mae) and the Federal Home Loan Mortgage Corporation (FHLMC/Freddie Mac) in the Mortgage Loan Program Fund represent the disbursed bond proceeds and accrued interest on certain bond issues which are secured by credit enhancements provided by FNMA and FHLMC. Under these obligations, the bond trustee may draw funds directly from FNMA and FHLMC when needed and in amounts sufficient to make timely payments of principal and interest on the bond issues when due and payable.

NOTE 6 REAL ESTATE HELD FOR SALE

An analysis of real estate for sale, net of allowance for estimated losses, as of June 30, 2023, is shown below (in thousands):

Proprietary Funds:	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Total
Balance at June 30, 2022	$ 75	$ —	$ 181	$ 256
Transfers of loans	—	13	1,074	1,087
Proceeds received/write-offs	—	(13)	(955)	(968)
Change in REO loan loss allowance	—	—	(273)	(273)
Balance at June 30, 2023	$ 75	$ —	$ 27	$ 102

NOTE 7 CAPITAL ASSETS

Capital asset activity for year ended June 30, 2023, for governmental activities, was zero and capital asset activity for the fiscal year ended June 30, 2023, for business-type activities, was as follows (in thousands):

	Balance June 30, 2022 Restated	Additions	Deletions	Balance June 30, 2023
Capital assets being depreciated				
Administrative Fund				
Furniture and equipment	$ 7,178	$ 621	$ (84)	$ 7,715
Leased equipment	—	118	—	118
Leased space	7,264	—	(530)	6,734
Right to Use SBITA	5,051	—	—	5,051
Mortgage Loan Program Fund				
Real estate	50,557	1,084	—	51,641
Total capital assets being depreciated	70,050	1,823	(614)	71,259
Total capital assets	70,050	1,823	(614)	71,259
Accumulated depreciation and amortization				
Administrative Fund				
Furniture and equipment	5,910	681	(84)	6,507
Leased equipment	—	36	—	36
Leased space	1,341	1,341	—	2,682
Right to Use SBITA	—	1,134	—	1,134
Mortgage Loan Program Fund				
Real estate	26,971	1,182	—	28,153
Total accumulated depreciation and amortization	34,222	4,374	(84)	38,512
Capital assets, net of depreciation and amortization	$ 35,828	$ (2,551)	$ (530)	$ 32,747

NOTE 8 BONDS AND NOTES PAYABLE

The following summarizes the debt activity for the Authority's proprietary funds for the fiscal year ended June 30, 2023, (in thousands):

	June 30, 2022	Additions	Deductions	June 30, 2023	Amount due within one year
Administrative Fund:					
Direct Borrowing					
Federal Home Loan Bank Advances	$ 23,556	$ 2,147,430	$ (2,149,275)	$ 21,711	$ 1,768
Total Administrative Fund	23,556	2,147,430	(2,149,275)	21,711	1,768
Mortgage Loan Program Fund:					
Direct Placement					
Multifamily Initiative Bonds	50,020	—	(1,240)	48,780	1,220
Multifamily Revenue Bonds	147,155	8,640	(850)	154,945	985
Other Debt					
Housing Bonds	86,575	—	(7,520)	79,055	28,445
Multifamily Revenue Bonds	189,806	28,800	(7,455)	211,151	2,093
Total Mortgage Loan Program Fund	473,556	37,440	(17,065)	493,931	32,743
Single Family Program Fund:					
Other Debt					
Homeowner Mortgage Revenue Bonds	202,250	—	(24,405)	177,845	67,020
Premium on Homeowner Mortgage Revenue Bonds	2,601	—	(265)	2,336	—
Housing Revenue Bonds	45,257	—	(4,460)	40,797	1,364
Premium on Housing Revenue Bonds	4	—	(1)	3	—
Discount on Housing Revenue Bonds	(654)	—	98	(556)	—
Revenue Bonds	1,166,020	884,870	(99,546)	1,951,344	35,990
Premium on Revenue Bonds	35,170	17,589	(4,225)	48,534	—
Total Single Family Program Fund	1,450,648	902,459	(132,804)	2,220,303	104,374
Total Proprietary Funds	$ 1,947,760	$ 3,087,329	$ (2,299,144)	$ 2,735,945	$ 138,885

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

Bonds and notes outstanding are general obligations (G.O.) of the Authority with the exception of Homeowner Mortgage Revenue Bonds, Housing Revenue Bonds, Revenue Bonds, Multi-Family Initiative Bonds and Multi-Family Revenue Bonds, which are special limited obligations (S.L.O.) of the Authority. S.L.O. bonds, other than Housing Revenue Bonds, Revenue Bonds, and specific series of Homeowner Mortgage Revenue Bonds are payable from pledged property as defined in their respective general resolutions. Housing Revenue Bonds, Revenue Bonds, and specific series of Homeowner Mortgage Revenue Bonds are payable from pledged mortgage-backed securities. Certain issues of Multi-Family Initiative Bonds are credit enhanced by FNMA and FHLMC. The Authority has also pledged its general obligations to a limited extent and amounts, of which there are no bonds or obligations outstanding as of June 30, 2023. Per GASB Statement No. 88 disclosure requirements, the Authority is required to disclose direct borrowings, direct placement of debt, as well as other debt that it may hold. As seen in the table above, the Authority currently holds $21.7 million in direct borrowings of debt, all within the Administrative Fund. The Authority also holds $203.7 million in direct placements of debt, all within the Mortgage Loan Program fund. The remainder of debt held by the Authority is classified as Other Debt, and is located within the Mortgage Loan Program Fund, totaling $290.2 million, and the Single Family Program Fund, totaling $2.2 billion, and for an Other Debt totaling of $2.5 billion.

The Authority has pledged future mortgage loan and mortgage-backed security revenues, net of specified operating expenses, to repay outstanding principal $2.6 billion of S.L.O. bonds as noted in the following schedules for the Mortgage Loan Program Fund and Single Family Program Fund. The total principal and interest remaining to be paid on the S.L.O. Bonds is $4.3 billion. For S.L.O. bonds payable from pledged property, interest paid for the fiscal year ended June 30, 2023, was $49.6 million, and total related mortgage loan principal and interest received were $19.4 million and $15.9 million, respectively.

The Authority's outstanding obligations from direct borrowing relating to business-type activities contain provisions declaring events of default based on nonpayment on monies owed, failure to meet certain conditions under the governing documents, the Authority ceasing to be eligible as a housing associate under the Act, and other defined provisions within the applicable agreements. The lenders under each of the agreements have rights of principal acceleration under the governing documents based on aforementioned events of default. Subject to the provisions outlined within the respective agreements, additional remedies and enforcement exist.

Bonds and notes outstanding at June 30, 2023, are as follows. Listed maturity dates are indicated as calendar years. The June 30, 2022, amounts are shown for comparative purposes only.

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

A. Mortgage Loan Program Fund

Bonds outstanding of the Mortgage Loan Program Fund are as follows (in thousands):

	Maturity Dates	Interest Rate Range %	Debt Class	Amount June 30, 2023	Amount June 30, 2022
Housing Bonds:					
2008 Series A (1)	2023-2027	Variable	G.O.	$ 9,130	$ 9,490
2008 Series B (1)	2023-2027	Variable	G.O.	13,785	16,085
2008 Series C (1)	2023-2041	Variable	G.O.	4,085	4,220
2013 Series B (Taxable)	2023-2024	3.35-3.605	G.O.	2,175	4,000
2015 Series A-1	2023–2027	2.85-3.40	G.O.	1,815	2,190
2015 Series A-3 (Taxable) (1)	2045	Variable	G.O.	18,065	20,415
2017 Series A-1 (Taxable)	2022	2.907	G.O.	—	175
2017 Series A-2 (Taxable) (1)	2027-2048	Variable	G.O.	30,000	30,000
Total Housing Bonds				$ 79,055	$ 86,575

(1) In accordance with the indenture, interest rates on the bonds are determined weekly and are paid monthly at a rate established by the remarketing agents on each rate determination date. The variable rates paid on the subject bonds ranged from 3.95% to 5 25% at June 30, 2023. Pursuant to the liquidity agreements, the bonds are subject for purchase by liquidity providers in the event of a tender by bondholders (Bank Bonds). Subject to other provisions within the liquidity agreements, the Bank Bonds will bear interest at a rate specified within the agreements and continue to be subject for remarketing-by-remarketing agents. In the event the remarketing agents are unable to remarket the Bank Bonds over a certain period of time, the Bank Bonds are subject to a put whereby the Authority is required to purchase and redeem the Bank Bonds over a period stated within the agreements. The Authority has a take-out agreement with the liquidity providers to convert the bonds to an installment loan payable over a three-to-five-year period. The interest rate that is to be paid during the put periods is SOFR plus 175 basis points. The current liquidity agreements for 2008 Series A, B, and C expire on April 24, 2024. The current agreements for 2015 Series A-3 and 2017 Series A-2 expire on December 30, 2024, and November 3, 2026, respectively.

The Bonds and Bank Bonds are general obligations of the Authority and the timely payment of principal and interest on the Bonds and Bank Bonds are subject to credit enhancement agreements with credit enhancement providers. The Authority has a general obligation to reimburse the liquidity providers and credit enhancement providers for any such payments made.

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

A. Mortgage Loan Program Fund (Continued)

Bonds outstanding of the Mortgage Loan Program Fund are as follows (in thousands):

	Maturity Dates	Interest Rate Range %	Debt Class	Amount June 30, 2023	Amount June 30, 2022
Multi-Family Initiative Bonds:					
Series 2009 E	2023–2042	2.32	S.L.O.	$ 3,940	$ 4,030
Series 2009 F	2023–2041	2.32	S.L.O.	4,720	4,830
Series 2009 G	2023–2041	2.32	S.L.O.	7,070	7,240
Series 2009 H	2023–2041	2.32	S.L.O.	9,400	9,620
Series 2009 I	2023–2051	2.32	S.L.O.	8,350	8,530
Series 2009 J	2023–2043	3.84	S.L.O.	15,300	15,770
Total Multi-Family Initiative Bonds				48,780	50,020
Multi-Family Revenue Bonds:					
2016 Series A (Taxable)	2023–2048	2.63	S.L.O.	7,753	13,283
2017 Series A	2023–2059	4.05	S.L.O.	25,057	25,297
2017 Series B	2023–2043	3.21	S.L.O.	9,550	9,785
2019 Series A	2023-2063	1.50-3.40	S.L.O.	29,051	29,050
2020 Series A	2023-2060	1.85-3.85	S.L.O.	5,655	5,705
2020 Series B	2023-2062	2.40-4.15	S.L.O.	2,910	2,930
2020 Series C	2023-2062	2.45-4.10	S.L.O.	1,625	1,645
2020 Series D (Taxable)	2023-2062	3.40-4.65	S.L.O.	1,685	1,695
2021 Series A	2024-2041	2.07	S.L.O.	84,895	84,895
2021 Series B	2023-2042	0.40-2.06	S.L.O.	27,925	28,475
2021 Series C	2025-2065	0.60-3.05	S.L.O.	77,005	78,005
2022 Series A	2023-2062	2.65	S.L.O.	21,610	21,810
2022 Series B	2023-2062	2.35-4.45	S.L.O.	10,760	10,815
2022 Series C	2023-2052	Variable	S.L.O.	23,175	23,571
2023 Series A	2023-2064	1.1-2.9	S.L.O.	8,640	—
2023 Series B	2023-2042	2.85-4.35	S.L.O.	17,070	—
2023 Series C	2023-2065	4.02	S.L.O.	11,730	—
Total Multi-Family Revenue Bonds				366,096	336,961
Total Mortgage Loan Program Fund				$ 493,931	$ 473,556

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

B. Single Family Program Fund

Bonds outstanding of the Single Family Program Fund are as follows (in thousands):

	Maturity Dates	Interest Rate Range%	Debt Class	Amount June 30, 2023	Amount June 30, 2022
Homeowner Mortgage Revenue Bonds:					
2002 Series B (Taxable) (1)	2023-2023	Variable	S.L.O.	$ —	$ 75
2004 Series C-3 (2)	2025–2034	Variable	S.L.O.	8,895	9,305
2014 Series A	2023-2024	3.25-3.40	S.L.O.	1,860	6,705
2014 Series A-4 (Taxable) (2)	2026-2034	Variable	S.L.O.	10,130	10,675
2014 Series A-5 (Taxable) (2)	2025-2035	Variable	S.L.O.	19,005	20,000
2014 Series B	2023-2024	3.25-3.40	S.L.O.	530	945
2016 Series A (Taxable)	2023-2034	4.00	S.L.O.	3,205	5,265
2016 Series B	2035-2046	3.00	S.L.O.	4,915	5,750
2016 Series C	2023-2046	1.90-3.50	S.L.O.	60,595	65,665
2018 Series A-1	2026-2048	2.95-4.00	S.L.O.	32,650	35,785
2018 Series A-2 (2)	2031-2038	Variable	S.L.O.	30,000	30,000
2018 Series A-3	2023-2026	3.00-3.35	S.L.O.	6,060	12,080
				177,845	202,250
Plus Unamortized Premium Thereon				2,336	2,601
Total Homeowner Mortgage Revenue Bonds				$ 180,181	$ 204,851

(1) In accordance with the indenture, interest rates on the 2002 Series B bonds are determined and paid semi-annually based upon an index of the one-month LIBOR rate plus 0.415%. There are no longer any bonds outstanding at June 30, 2023.

(2) In accordance with the indenture, interest rates on the bonds are determined weekly and are paid monthly at a rate established by the remarketing agents on each rate determination date. The variable rates paid on the subject bonds ranged from 3 200% to 5.130% at June 30, 2023. Pursuant to the liquidity agreements, the bonds are subject for purchase by liquidity providers in the event of a tender by bondholders ("Bank Bonds"). Subject to other provisions within the liquidity agreements, the Bank Bonds will bear interest at a rate specified within the agreements and continue to be subject for remarketing by remarketing agents. In the event the remarketing agents are unable to remarket the Bank Bonds over a certain period of time, the Bank Bonds are subject to a put whereby the Authority is required to purchase and redeem the Bank Bonds over a period stated within the agreements. The Authority has a take-out agreement with the liquidity providers to convert the bonds to an installment loan payable over a three-to-five-year period. The interest rate that is to be paid during the put periods is SOFR plus 175 basis points. The liquidity agreement for 2004 Series C-3 expires on July 13, 2025. The liquidity agreements for 2014 Series A-4 and 2014 Series A-5 expire on March 15, 2024, and March 10, 2024, respectively, and the liquidity agreements for 2018 Series A-2 expire on July 11, 2028.

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

B. Single Family Program Fund (Continued)

Bonds outstanding of the Single Family Program Fund are as follows (in thousands):

	Maturity Dates	Interest Rate Range %	Debt Class	Amount June 30, 2023	Amount June 30, 2022
Housing Revenue Bonds:					
Series 2011-1A	2023–2041	3.285 %	S.L.O.	$ 2,040	$ 2,297
Series 2011-1C	2023–2041	3.285	S.L.O.	5,785	6,512
Series 2012A (Taxable)	2023–2042	2.625	S.L.O.	7,470	8,273
Series 2013A	2023–2043	2.450	S.L.O.	16,800	18,373
Series 2013B (Taxable)	2023–2043	2.750	S.L.O.	4,751	5,395
Series 2013C	2023–2043	3.875	S.L.O.	3,951	4,407
				40,797	45,257
Plus Unamortized Premium Thereon				3	4
Less Unamortized Discount Thereon				(556)	(654)
Total Housing Revenue Bonds				$ 40 244	$ 44 607

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

B. Single Family Program Fund (Continued)

Bonds outstanding of the Single Family Program Fund are as follows (in thousands):

	Maturity Dates	Interest Rate Range %	Debt Class	Amount June 30, 2023	Amount June 30, 2022
Revenue Bonds:					
2016 Series A	2023-2046	2.05-4.00%	S.L.O.	$ 13,875	$ 18,485
2017 Series A	2023–2047	3.13	S.L.O.	21,803	23,909
2017 Series B	2023–2048	2.30-4.00	S.L.O.	39,290	48,425
2018 Series A	2023–2048	2.70-4.50	S.L.O.	33,305	40,370
2019 Series A	2023–2049	4.25	S.L.O.	18,780	21,510
2019 Series B (1)	2042	variable	S.L.O.	30,000	30,000
2019 Series C	2023–2049	1.70-4.00	S.L.O.	44,205	51,130
2019 Series D	2023-2050	1.50-3.75	S.L.O.	66,960	76,800
2020 Series A	2023-2050	1.00-3.75	S.L.O.	82,185	91,220
2020 Series B	2023-2050	0.45-3.00	S.L.O.	55,115	64,045
2020 Series C (1)	2042	variable	S.L.O.	40,000	40,000
2021 Series A	2023-2051	0.30-3.00	S.L.O.	78,525	85,150
2021 Series B	2023-2051	0.35-3.00	S.L.O.	110,300	120,245
2021 Series C (taxable)	2023-2031	0.353-2.228	S.L.O.	16,960	18,650
2021 Series D	2023-2051	0.25-3.00	S.L.O.	113,575	122,915
2021 Series E (taxable)	2023-2031	0.42-2.08	S.L.O.	16,385	18,165
2022 Series A	2023-2052	1.85-3.50	S.L.O.	119,745	125,000
2022 Series B (taxable)	2023-2032	2.60-4.03	S.L.O.	19,115	20,000
2022 Series C	2023-2052	2.30-4.50	S.L.O.	87,770	90,140
2022 Series D	2045	variable	S.L.O.	59,861	59,861
2022 Series E	2023-2052	2.35-5.25	S.L.O.	98,735	—
2022 Series F	2045	variable	S.L.O.	50,000	—
2022 Series G	2023-2052	5.5-6.25	S.L.O.	149,985	—
2022 Series H	2053	3.47	S.L.O.	100,000	—
2023 Series A	2023-2053	3.20-5.25	S.L.O.	120,000	—
2023 Series B (taxable)	2023-2053	4.895-5.628	S.L.O.	37,500	—
2023 Series C (taxable)	2046	variable	S.L.O.	37,500	—
2023 Series D	2029-2053	3.20-5.50	S.L.O.	100,000	—
2023 Series E (taxable)	2024-2053	4.528-5.75	S.L.O.	86,580	—
2023 Series F (taxable)	2046	variable	S.L.O.	43,290	—
2023 Series G	2054	3.50	S.L.O.	60,000	—
				1,951,344	1,166,020
Plus Unamortized Premium Thereon				48,534	35,170
Total Revenue Bonds				1,999,878	1,201,190
Total Single Family Program Fund				$ 2 220 303	$ 1 450 648

(1) In accordance with the indenture, interest rates on the bonds are determined weekly and are paid monthly at a rate established by the remarketing agents on each rate determination date. The variable rates paid on the subject bonds ranged from 3.95% to 5.08% at June 30, 2023, Pursuant to the liquidity agreements, the bonds are subject for purchase by liquidity providers in the event of a tender by bondholders (Bank Bonds). Subject to other provisions within the liquidity agreements, the Bank Bonds will bear interest at a rate specified within the agreements and continue to be subject for remarketing by remarketing agents. In the event the remarketing agents are unable to remarket the Bank Bonds over a certain period of time, the Bank Bonds are subject to a put whereby the Authority is required to purchase and redeem the Bank Bonds over a period stated within the agreements. The Authority has a take-out agreement with the liquidity providers to convert the bonds to an installment loan payable over a three-to-five-year period. The interest rate that is to be paid during the put periods is SOFR plus 175 basis points for all bonds issued prior to 2023; the interest rate that will be paid during the put periods on the Series 2023 C and Series 2023 F is SOFR plus 275 basis points. The liquidity agreement for 2019 Series B expires on March 7, 2024, the liquidity agreement for 2020 Series C expires on October 15, 2025, the liquidity agreement for 2022 Series D expires on May 18, 2027, the liquidity agreement for 2022 Series F expires on September 21, 2027, the liquidity agreement for 2023 C expires on March 29, 2028, and the liquidity agreement for 2023 F expires on June 1, 2028.

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

C. Administrative Fund

Outstanding debt of the Administrative Fund is as follows (in thousands):

	Maturity Date	Interest Rate (1)	Debt Class	June 30, 2023	June 30, 2022
Direct Borrowing:					
Federal Home Loan Bank Advances:					
	2022	1.37	Loan	$ —	$ 12,556
	2023	5.23	Loan	11,060	—
	2024	2.35	Loan	1,406	1,406
	2027	2.37	Loan	657	808
	2027	2.70	Loan	8,588	8,786
				$ 21,711	$ 23,556

(1) Interest rate on the loan(s) may be fixed or variable, and is determined by type, length, and use of proceeds.

D. Current Refundings of Debt

On March 29, 2023, the Authority issued three (3) series of fixed rate and variable rate, tax-exempt and taxable Single Family Revenue Bonds designated as Revenue Bonds Series 2023 ABC ("Bonds"), totaling $195 million to: (i) finance Mortgage-Backed Securities and down payment assistance loans or refinancing existing Mortgage Loans, (ii) refund at or in advance of maturity all or a portion of a number of series of the Authority's outstanding bonds or other obligations, and (iii) various other purposes as described in the corresponding Series Indenture. Within ninety (90) days of issuance, $35.76 million of proceeds from the Bonds were used to redeem and/or refund prior series of Revenue Bonds and or obligation(s) ("Refunded Obligations"). Following the refunding of the Refunded Obligations, an approximate amount of $35.76 million currently allocated to the Refunded Obligations were reallocated to the Bonds to purchase participation interest in Mortgage-Backed Securities. Due to the nature of this replacement refunding there is no economic gain.

On September 22, 2022, the Authority issued two (2) series of fixed rate and variable rate, tax-exempt Single Family Revenue Bonds designated as Revenue Bonds Series 2022 EF ("Bonds"), totaling $150 million to: (i) finance Mortgage-Backed Securities and down payment assistance loans or refinancing existing Mortgage Loans, (ii) refund at or in advance of maturity all or a portion of a number of series of the Authority's outstanding bonds or other obligations, and (iii) various other purposes as described in the corresponding Series Indenture. Within ninety (90) days of issuance, $16.39 million of proceeds from the Bonds were used to redeem and/or refund prior series of Revenue Bonds and or obligation(s) ("Refunded Obligations").

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

D. Current Refundings of Debt (Continued)

Following the refunding of the Refunded Obligations, an approximate amount of $16.39 million currently allocated to the Refunded Obligations will be reallocated to the Bonds to purchase participation interest in Mortgage-Backed Securities. Due to the nature of this replacement refunding there is no economic gain.

E. Other Financings

From time to time, the Authority has issued conduit obligations with a claim for repayment solely from payments received with respect to the mortgage loans. The bonds are not general obligations of the Authority, and they are not a debt of the State of Illinois; neither is liable to pay interest and principal on the bonds. Accordingly, the bonds and the related mortgage loans are not included in the Authority's financial statements. The bonds do, however, apply toward the Authority's authorized debt limitation.

As of June 30, 2023, there were 130 series of such bonds or notes outstanding, with an aggregate principal amount payable of $1,892 million.

F. Assets Restricted for Capital and Debt Service Reserves

Pursuant to the Act and various resolutions of the Authority, certain assets (principally investments) are maintained in capital and debt service reserve funds and may be used only for the payment of principal and interest on certain bonds. The reserve funds must be maintained at an amount at least equal to the following:

Bonds	Requirement
Housing Bonds	The amount established by each series resolution, currently six months of maximum principal and interest payments.
Multifamily Initiative Bonds	The maximum amount of principal and interest due on any interest payment date excluding the final interest payment date.
Multifamily Revenue Bonds	One-half of the maximum amount of principal and interest due for the then-current or any future calendar year.
Homeowner Mortgage Revenue Bonds	The sum of all amounts established by each series resolution, but such amount cannot be less than 2% for the Homeowner Mortgage Revenue Bonds of the sum of (i) the outstanding principal balance of related mortgage loans and (ii) the amount on deposit to the credit of series program accounts of the program fund.

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

F. Assets Restricted for Capital and Debt Service Reserves

The amounts of such reserves, for measurement purposes against the various bond resolution reserve requirements, are valued at book value or par, or, if purchased at less than par, at their cost to the Authority. At June 30, 2023, these reserve amounts, which were not less than the amounts required are as follows, in thousands:

Housing Bonds	$	3,611
Multifamily Initiative Bonds		561
Multifamily Revenue Bonds		9,092
Homeowner Mortgage Revenue Bonds		1,962
	$	15,226

G. Debt Service Requirements

Debt service requirements dollars in millions through 2028 and five year increments thereafter to maturity for the Authority's proprietary fund are as follows (in million):

	Administrative Fund Direct Borrowing:		Single Family Program Fund Other Debt:	
	Principal	Interest	Principal	Interest
YEAR ENDING JUNE 30:				
2024	$ 1.8	$ 1.4	$ 104.4	$ 81.0
2025	11.4	1.9	50.5	77.9
2026	0.4	1.3	50.1	76.7
2027	0.4	1.3	55.4	75.3
2028	7.7	0.6	56.9	73.8
FIVE YEAR ENDED JUNE 30:				
2029-2033	—	—	293.8	342.4
2034-2038	—	—	258.2	295.9
2039-2043	—	—	384.1	243.8
2044-2048	—	—	418.9	157.2
2049-2053	—	—	337.1	67.0
2054-2058	—	—	160.7	4.9
	$ 21.7	$ 6.5	$ 2,170.1	1,495.9

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

G. Debt Service Requirements (Continued)

	Mortgage Loan Program Fund					
	Direct Placement of Debt:		Other Debt:		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
YEAR ENDING JUNE 30:						
2024	$ 2.2	$ 4.9	$ 30.5	$ 9.7	$ 32.7	$ 14.6
2025	4.5	4.9	3.5	9.2	8.0	14.0
2026	4.1	4.8	16.8	9.1	20.9	13.9
2027	4.2	4.7	16.9	8.6	21.1	13.3
2028	4.4	4.6	5.6	8.4	9.9	13.0
FIVE YEAR ENDED JUNE 30:						
2029-2033	23.7	21.1	29.3	38.9	53.0	60.1
2034-2038	27.3	18.0	32.0	33.0	59.4	51.0
2039-2043	102.4	12.1	29.6	27.1	132.1	39.2
2044-2048	8.0	4.1	43.9	18.8	51.9	22.9
2049-2053	8.1	2.9	25.2	12.3	33.2	15.2
2054-2058	7.3	1.8	26.0	7.8	33.3	9.5
2059-2063	7.2	0.6	23.2	3.4	30.4	4.0
2064-2068	0.3	0.0	7.7	0.4	8.0	0.4
	$ 203.7	$ 84.4	$ 290.2	$ 186.7	$ 493.9	$ 271.1

The Authority's outstanding obligations from direct borrowing relating to business-type activities contain provisions declaring events of default based on nonpayment on monies owed, failure to meet certain conditions under the governing documents, the Authority ceasing to be eligible as a housing associate under the Act and other defined provisions within the applicable agreements. The lenders under each of the agreements have rights of principal acceleration under the governing documents based on aforementioned events of default. Subject to the provisions outlined within the respective agreements, additional remedies and enforcement exist.

The Authority has a line of credit in the Administrative Fund for cash advances with the Federal Home Loan Bank of Chicago up to $250 million. The current undrawn portion of the Authority's authorized amount is $228 million. The drawn amount of $22 million is included in Bonds and Notes Payable.

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

H. Derivative Instruments

The incurring of obligations by the Authority involves a variety of interest rate payments and other risks, for which a variety of financial instruments are available to offset, hedge, or reduce these payments and risks. It is the policy of the Authority to utilize risk management agreements to better manage its assets and liabilities. The Authority may execute risk management agreements if the transaction can be expected to result in at least one of, but not limited to the following:

a) The achievement of savings over alternative products existing in the capital markets;
b) The management of the Authority's exposure to floating and fixed interest rates;
c) Ability to access the capital markets more rapidly than may be possible with conventional debt instruments;
d) The management of the Authority's exposure to the risk of changes in the legal and regulatory treatment of tax-exempt bonds; and
e) The ability of the Authority to increase income, lower costs, or strengthen the Authority's financial position.

As of June 30, 2023, the Authority has active swap and interest rate cap contracts. Details are shown in the following tables, in thousands.

	Changes in Fair Value		Fair Value at June 30, 2023		
	Classification	Amount	Classification	Amount	Notional
Business-Type Activities					
Cash Flow Hedges:					
Pay-Fixed/Receive Variable,					
Interest Rate Swaps:					
HMRB	Deferred Inflow	$ 1,558	**	$ 1,663	$ 30,000
RB	Deferred Inflow	$ 8,420	**	$ 16,193	$ 223,150
RB 2023 C	Deferred Outflow	$ (176)	*	$ (176)	$ 37,500
MFRB Maywood	Deferred Inflow	$ 2,330	**	$ 2,133	$ 24,995
MFRB Burnham Manor	Deferred Inflow	$ 384	**	$ 111	$ 12,725
MFRB Autumn Ridge	Deferred Inflow	$ 258	**	$ 258	$ 11,730
General Obligation	Deferred Inflow	$ 246	**	$ 193	$ 9,065
General Obligation Otto	Deferred Outflow	$ (49)	*	$ (49)	$ 4,835
General Obligation Beach Street	Deferred Outflow	$ (66)	*	$ (66)	$ 3,480
Rate Caps					
HB	Deferred Inflow	$ (41)	**	$ 43	$ 15,080
MFRB	Deferred Inflow	$ 364	**	$ 588	$ 23,175

* The fair value is classified as derivative instrument liability and a deferred outflow of resources.
** The fair value is classified as derivative instrument asset and a deferred inflow of resources.

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

H. Derivative Instruments (Continued)

The fair value of the interest rate swaps was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps. The fair value of the interest rate swap and rate caps were estimated by the Authority using data provided by the Authority's swap advisor.

June 30, 2023 (Dollars in Thousands)

Associated Bond Issue	Notional Amounts	Effective Date	Fixed Rate Paid (3)	Variable Rate Received	Fair Values (1)	Termination Date	Counter-Party Credit Rating (2)
Active Swap Contracts							
Single Family Program Fund							
HMRB**							
HMRB 2018 A-2	$ 30,000	8/1/2018	2.3940	70% LIBOR	$ 1,663	2/1/2038	Aa1 / AA- / AA-
RB***							
RB 2019B	30,000	3/7/2019	2.4310	100% SIFMA -> 70% LIBOR	2,044	4/1/2042	Aa2/ A+/ AA
RB 2020C	40,000	10/15/2020	1.0565	100% SIFMA -> 70% LIBOR	7,610	4/1/2042	Aa1 / AA- / AA-
RB 2022D	59,860	5/19/2022	2.4320	70% SOFR + .08%	3,488	4/1/2045	Aa2/ A+/ AA
RB 2022F	50,000	9/22/2022	2.5980	70% SOFR +.10%	2,096	4/1/2045	Aa1/ AA-/ AA-
RB 2023C	37,500	3/29/2023	4.4950	100% SOFR +0.15%	(176)	10/1/2046	Aa2/ A+ /AA
RB 2023F	43,290	10/1/2046	4.0650	100% SOFR + .15%	955	10/1/2046	Aa1 / AA- / AA
	$ 260,650				$ 16,017		
Active Swap Contracts							
Mortgage Loan Program Fund							
MFRB****							
MFRB Maywood	$ 24,995	7/1/2024	2.1470	70% SOFR + 0.08% -> 70% LIBOR	$ 2,133	7/1/2064	Aa2/ A+/ AA
MFRB Burnham Manor	12,725	1/1/2025	2.7755	70% SOFR + 0.08%	111	1/1/2065	Aa2/ A+/ AA
MFRB Autumn Ridge	11,730	2/9/2023	2.9750	70% SOFR + 0.10%	258	7/1/2065	Aa1/ AA-/ AA-
	$ 49,450				$ 2,502		
Active Swap Contracts							
General Obligation							
GO Otto Veteran	$ 4,835	3/1/2026	3.2730	100% SOFR	$ (49)	10/1/2053	A1/ AA+
GO Poplar Place	3,495	5/1/2026	3.1080	100% SOFR	85	11/1/2053	A1/ A /A+
GO 835 Wilson	3,365	6/1/2025	2.9630	100% SOFR	85	11/1/2052	A1 / A / A+
GO Millbrook	2,205	7/1/2025	2.8286	100% SOFR	22	12/1/2052	A1 / A / A+
GO Beech Street Senior Lofts	3,480	6/1/2026	3.5200	100% USD-SOFR-COMPUND	(66)	12/1/2053	A1 / A+ / A+
	$ 17,380				$ 77		
Active Interest Rate Caps							
Mortgage Loan Program Fund							
HB*****							
Series 2008 A	$ 10,930	1/1/2018	6.0000	100% SIFMA	$ 15	1/1/2027	A1 / A / A+
Series 2008 C	4,150	5/9/2022	4.0000	70% USD-SOFR-COMPOUND + 0.18%	28	7/1/2027	A1 / A / A+
MFRB****							
Series 2022 C	23,175	5/12/2022	4.0000	100% USD-SOFR-COMPOUND + 0.11%	588	7/1/2025	Aa2/ A+/ AA
	$ 38,255				$ 631		

** Homeowner Mortgage Revenue Bonds
*** Revenue Bonds
**** Housing Bonds
(1) Includes accrued interest.
(2) S&P/Moody's
(3) Represents rate for swap and cap rate for interest rate caps.

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

H. Derivative Instruments (Continued)

To protect against the potential of rising interest rates, the Authority has entered into pay fixed, receive variable, interest rate swap agreements. The objective of these agreements is to achieve a synthetic fixed interest rate on the underlying bonds at a cost anticipated to be less than the amounts paid had the Authority issued fixed rate debt. In addition, the Authority has entered into interest rate caps agreement, the objective of which is to establish a maximum debt service which may be paid over the life of the underlying bonds.

The terms, fair values, and credit ratings of the outstanding agreements as of June 30, 2023, are shown in the above table. The notional amount of the swap and caps match the principal amount of the associated debt except in the case of Series 2008 A where early redemption of bonds has reduced the outstanding bond amount leaving the notional amount of the interest rate cap at its original scheduled value.

The Authority's swap and cap agreements in most cases contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or an anticipated reduction in the associated bonds payable category.

Because interest rates have increased since the execution of the swap agreements in the Single-Family Program Fund, they have positive fair values as of June 30, 2023. The positive fair value may be countered by increases in total interest payments required under the variable-rate bonds, creating higher synthetic interest rates. Because the coupons on the Authority's variable rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value changes.

As of June 30, 2023, the Authority was not exposed to credit risk for the swaps that had negative fair value of $291 thousand. As interest rates change and the fair value becomes positive, the Authority is exposed to credit risk in the amount of the swap's or cap's fair value. The Authority is exposed to credit risk on the caps and swaps with positive fair value. The aggregate fair value of hedging derivative instruments with positive fair value on June 30, 2023, was $21.2 million. This represents the maximum loss that would be recognized at the reporting date if all counter-parties failed to perform as contracted. Fair value is a factor only upon termination.

Basis risk on a swap occurs when the variable payment received is based on an index other than the index on the underlying bonds. The Authority believes its swap agreements have been structured to minimize or eliminate this risk.

NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)

H. Derivative Instruments (Continued)

The Authority or the counterparty may terminate the swap agreements if the other party fails to perform under the terms of the agreements. If a swap is insured, a termination event occurs if the insurer fails to meet its obligations under the agreement.

The Authority is not exposed to rollover risk on its swap agreements. The Authority is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, the Authority will be re-exposed to the risks being hedged by the hedging derivative instrument. The Authority is exposed to rollover risk on the caps which have termination dates that occur prior to the final maturity of the related bonds.

As of June 30, 2023, debt service requirements of the Authority's outstanding variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term are as follows, in thousands:

	Variable-Rate Bonds		Interest Rate	
	Principal	Interest	Swap, Net	Total
YEAR ENDING JUNE 30:				
2,024	$ 1,205	$ 14,758	$ (5,275)	$ 10,688
2,025	1,240	14,704	(5,275)	10,669
2,026	1,280	14,648	(5,275)	10,653
2,027	9,015	14,590	(5,274)	18,331
2,028	1,000	14,227	(5,274)	9,953
	13,740	72,927	(26,373)	60,294
FIVE YEAR ENDED JUNE 30:				
2033	19,335	70,094	(26,931)	62,498
2038	108,135	57,650	(22,580)	143,205
2043	126,590	31,126	(14,072)	143,644
2048	58,440	7,503	(16,460)	49,483
2053	5,130	2,089	(3,942)	3,277
2058	2,600	1,259	(3,149)	710
2063	3,070	696	(181)	3,585
2068	1,730	106	(27)	1,809
	325,030	170,523	(87,342)	408,211
Total	$ 338,770	$ 243,450	$ (113,715)	$ 468,505

As rates vary, variable rate bond interest payments and net swap payments will vary.

NOTE 9 DEPOSITS HELD IN ESCROW

Deposits from developers, which are held in escrow in the Administrative Fund, may be used when necessary to pay principal and interest payments and fund construction cost overruns, change orders, tax and insurance payments, and capital improvements (see Note 5). In addition, on certain developments, letters of credit and assignments of syndication proceeds are held by the Authority for similar purposes and to fund potential operating deficits of the related developments. Investment income earned on deposited funds is credited to the respective developer's escrow accounts.

NOTE 10 LEASES

The Authority has entered into a lease for office facilities and leases for office equipment with remaining lease terms ranging from five to ten years. If renewal is reasonably assured, leases by the Authority are considered noncancelable leases for financial reporting purposes. Periods covered by renewal and termination options are not included in the right-to-use asset or lease liability balance until they are reasonably certain of exercise.

Lease payments (dollars in thousands) through 2027 and five year increments to maturity for the Authority's administrative fund are as follows:

Year Ending	Principal	Interest
2024	$ 1,243	$ 146
2025	1,254	109
2026	1,312	54
2027	564	6
2028	—	—
Total lease payments	$ 4,373	$ 315

NOTE 11 SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Authority has entered into Subscription Based Information Technology Arrangements (SBITA's) with remaining subscription terms ranging from one to five years. Periods covered by renewal and termination options are not included in the right-to-use asset or subscriptions liability balance until they are reasonably certain of exercise.

NOTE 11 SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

Subscriptions payments through 2028 in the Authority's administrative and governmental funds are as follows (in thousands):

Fiscal Year Ended	Government Principal	Government Interest	Proprietary Principal	Proprietary Interest
June 30, 2024	$ 494	$ 73	$ 346	$ 16
June 30, 2025	284	51	487	85
June 30, 2026	296	39	—	—
June 30, 2027	308	27	509	44
June 30, 2028	321	14	—	—
Total	1,703	204	1,342	145

NOTE 12 RISK MANAGEMENT

The bonds issued by the Authority after 1980 are subject to a variety of Internal Revenue Service (IRS) regulations that limit the amount of income that may be earned with nonpurpose investments to an amount not greater than the amount that would have been earned had the funds been invested at the yield on the bonds as defined by the IRS. Excess earnings must be rebated annually, or every five years, depending on the date and type of bond issue. It has been determined that there is an estimated rebate liability of $1.0 million as of June 30, 2023. The rebate liability are included in Accrued Liabilities and Other in the Authority's financial statement in the Single Family Program Fund.

In connection with various federal and state grant programs, the Authority is obligated to administer related programs and spend the grant funding in accordance with regulatory restrictions and is subject to audits by the grantor agencies. In the opinion of Authority management, any grant expenditures that may be disallowed by the grantor agency, if any, would not result in a material liability to the Authority.

The Authority carries commercial insurance for directors and officer’s liability, general liability, employee health, workers’ compensation, cyber liability, crime, property, and automobile ownership and usage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Insurance coverage has not changed significantly since the prior year.

NOTE 13 RETIREMENT PLAN

The Authority provides a voluntary defined contribution retirement plan for the benefit of its employees through an agreement with Vanguard Investments. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Full time employees are eligible to participate in and are fully vested in the plan from the date of employment. All plan assets and investments are administered by a trustee, which maintains an individual account for each participant. The Authority contributes 6% of its employees' salaries and employees, at their option, may contribute up to 100% (within a maximum dollar limit) of their salaries to the plan. In addition, the Authority, under the provisions of the Economic Growth and Tax Relief Act of 2001, permits additional contributions each calendar year for those employees who attain age 50 (or higher) during the calendar year. The plan may be amended or terminated by the Authority at any time and for any reason in the future, but no such action can deprive employees of their vested interests.

The Authority's total payroll for the fiscal year 2023 was $32.9 million. The Authority's contributions were calculated using the base salary amount of $32.6 million. The Authority contributed $1.9 million, or 6.00% of the base salary amount, in fiscal year 2023. Employee contributions amounted to $2.7 million, in fiscal year 2023, or approximately 8.36% of the base salary amount.

NOTE 14 COMMITMENTS AND CONTINGENCIES

A. Loans

At June 30, 2023, the Authority had authorized loans and grants totaling $37.6 million for the Illinois Affordable Housing Trust Fund.

Under the HOME Program, $582.0 million and $18.6 million for federal fiscal years 1992 through 2022 and 2023, respectively, have been allocated to the State by HUD, to be administered by the Authority, under the HOME Program provisions of the 1990 National Affordable Housing Act. At June 30, 2023, the Authority had authorized loans and grants totaling $11.4 million for the HOME Program.

In accordance with an agreement (the FAF Agreement) entered into by the Authority in 1982, annual Section 8 contributions payable to HUD with respect to the developments financed by certain of the Authority's Multi-Family Housing Bonds, would be reduced to the extent of the debt service savings resulting from the early redemption of these bonds. These redemptions were accomplished through subsequent issuance of Multi-Family Housing Bonds.

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

A. Loans (Continued)

In November 2006, the Authority entered into a new agreement (the FAF Refunding Agreement) with HUD at the time of delivery of the Authority's Housing Bonds, 2006 Series G to refund the Multi-Family Housing Bond refunding bonds. Pursuant to federal legislation and a written agreement with the Authority, HUD has agreed to share a portion of such savings (the FAF Savings Program) with the Authority in order to create and maintain affordable housing opportunities for individuals of "very low income" (as such term is defined in the 1937 Housing Act) in the State. These savings, which are to be used solely for the purposes stated above, are recorded as other income of the Administrative Fund. At June 30, 2023, loans receivable under this program were approximately $41.8 million.

Due to the ongoing COVID-19 pandemic the Authority has been appropriated further funds to assist with rental (ERA2) and mortgage (HAF) assistance grants in the approximate amount of $150.0 million and $241.0 million, respectively. Additionally, the Authority has been appropriated funds to provide grants and forgivable loans for development of affordable housing, permanent supportive housing, and down payment assistance (SLFRF) in the approximate amount of $201.0 million.

B. Issuances

A Summary of the Authority's outstanding issuances as of June 30, 2023, is as follows (in thousands):

Series	Date of Commitment	Estimated Delivery Date	Amount Not to Exceed
Multifamily Revenue Bonds:			
Southbridge 4% - As part of a 2023 non-taxable refunding issuance	5/17/2019	9/15/2023	$ 9,000
Southbridge 9% - As part of a 2023 taxable refunding issuance	5/17/2019	9/15/2023	7,000
Barwell Manor - As part of a 2023 refunding issuance	10/18/2019	7/27/2023	13,500
Hebron Apartments - As part of a 2023 refunding issuance	12/22/2020	7/25/2023	5,300
Maywood SLF - As part of a 2024 refunding issuance	6/18/2021	12/1/2023	24,995
Taft Homes 4% - As part of a 2024 non-taxable refunding issuance	5/21/2021	9/17/2024	6,000
Armory Terrace - As part of a 2024 non-taxable refunding issuance	11/24/2021	11/24/2024	9,000
Burnham Manor - As part of a 2025 refunding issuance	3/18/2022	6/29/2024	12,725

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

C. Legal

The Authority is a defendant in various legal actions arising from normal business activities. Management believes, after consultation with legal counsel, that the ultimate liability, if any, resulting from these legal actions, will not materially affect the Authority's financial position or results of operations.

NOTE 15 SUBSEQUENT EVENTS

On June 30, 2023, the Authority entered into an Intergovernmental Agreement with the City of Chicago, through its Department of Housing, to administer the city's court based rental assistance program to eligible households within the City of Chicago. The City of Chicago will allocate between $7 million and $10 million.

On July 3, 2023, the $10.2 million of the Authority's bank balances that were not covered by federal depository insurance, or collateral held by an agent – as described in Note 3 - were fully collateralized by additional securities provided by the banking institution.

On July 21, 2023, the Authority authorized the approval of the issuance of 2023 Multifamily Housing Revenue Bonds not to exceed $31,320,000 (6900 Crandon), proceeds of which will be used for the acquisition and rehabilitation of a 151-unit multifamily senior development located in Chicago. The project has an estimated closing date of October 25, 2023.

On July 21, 2023, the Authority authorized the approval of the issuance of 2023 Multifamily Housing Revenue Bonds not to exceed $30,000,000 (South Shore HHDC), proceeds of which will be used for the acquisition and rehabilitation of a 126-unit multifamily development located in Chicago. The project has an estimated closing date of October 25, 2023.

On July 21, 2023, the Authority authorized the approval of the issuance of 2023 Multifamily Housing Revenue Notes and Bonds not to exceed $59,000,000 (Greenwood Senior Living), proceeds of which will be used for the acquisition and rehabilitation four (4) multifamily senior developments consisting of 217-units located in Chicago. The project has an estimated closing date of September 7, 2023.

On July 21, 2023, the Authority authorized the approval of the issuance of 2023 Multifamily Housing Revenue Bonds not to exceed $510,000,000 (400 Lake Shore Drive), proceeds of which will be used for the new construction of a 635-unit multifamily development located in Chicago. The project has an estimated closing date of December 14, 2023.

NOTE 15 SUBSEQUENT EVENTS (CONTINUED)

On July 21, 2023, the Authority authorized the approval of the issuance of Revenue Bonds, 2023 Series L, M, N, and O, in the aggregate principal amount not to exceed $300 million. Proceeds of the Series 2023 L, M, N, and O Bonds together with other funds of the Authority are expected to be used to: (a) purchase, and/or reimburse the Authority for its prior purchase of mortgage-backed securities guaranteed as to timely payment of principal and interest by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation (or participation interests in such mortgage-backed securities), and (b) pay/reimburse the Authority for certain costs incurred in connection with the issuance of the Series 2023 L, M, N, and O Bonds. The bonds have an estimated closing date of October 25, 2023.

On September 6, 2023, the Authority issued Multifamily Housing Revenue Notes Series 2023 A & B in the aggregate principal amount of $19,400,000 (Buena Vista Townhomes), proceeds of which will be used for the acquisition and rehabilitation of a multifamily development consisting of 120-units located in Elgin.

On September 7, 2023, the Authority issued Multifamily Housing Revenue Notes Series 2023 A & B in the aggregate principal amount of $50,167,000 (Greenwood Senior Living), proceeds of which will be used for the acquisition and rehabilitation of four (4) multifamily senior developments consisting of 217-units located in Chicago.

On September 28, 2023, the Authority issued taxable Multifamily Revenue Bonds (Refunding Bonds) in an aggregate amount of $6.60 million to refund a taxable Construction Note, the proceeds of which were used to finance the acquisition, construction and equipping of a 103-unit multifamily rental housing development located in Chicago, Illinois. The Authority placed the Refunding Bonds with Citibank, N.A. pursuant to a forward bond purchase agreement by and between the Authority and Citibank, the Bonds were issued on September 28, 2023 to refund the taxable Construction Note issued on January 17, 2020 in an amount of $6.60 million.

On October 12, 2023, Moody's Investors Service has upgraded the issuer rating of the Illinois Housing Development Authority to Aa3 from A1. No outstanding debt is affected by this rating upgrade.

On October 20,2023, the Authority authorized the approval of the issuance of Revenue Bonds, 2023 Series P, Q, R, and S, in the aggregate principal amount not to exceed $300,000,000. Proceeds of the Series 2023 P, Q, R, and S Bonds together with other funds of the Authority are expected to be used to: (a) purchase, and/or reimburse the Authority for its prior purchase of mortgage-backed securities guaranteed as to timely payment of principal and interest by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation (or participation interests in such mortgage-backed securities), (b) pay/reimburse the Authority for certain costs incurred in connection with the issuance of the Series 2023 P, Q, R, and S Bonds, and (c) refund previously issued series of bonds under the Revenue Bonds Indenture. The bonds have an estimated closing date of November 30, 2023.

On October 20, 2023, the Authority authorized the approval of the issuance of 2023 Multifamily Revenue Bonds not to exceed $24,995,000 (Maywood SLF), proceeds of which will be used to refund a previously issued conduit note and finance a permanent Risk-Share Mortgage for a 100-unit senior supportive living facility located in Maywood. The project has an estimated closing date of November 30, 2023.

On November 9, 2023, the Authority issued Multifamily Housing Revenue Notes Series 2023 in an aggregate principal amount of $19,370,000 (Round Barn Manor), proceeds of which will be used for the acquisition and rehabilitation of a 156-unit multifamily senior development located in Champaign.

On November 15, 2023, the Authority issued Multifamily Housing Revenue Note Series 2023 in an aggregate principal amount of $24,500,000 (South Park Plaza), proceeds of which will be used for the acquisition and rehabilitation of a 134-unit multifamily development located in Chicago.

On November 16, 2023, the Authority issued Multifamily Housing Revenue Note Series 2023 A & B in the aggregate principal amount of $41,200,000 (Huntington Towers), proceeds of which will be used for the acquisition and rehabilitation of a 214-unit multifamily senior development located in Mouth Prospect.

On November 30, 2023, the Authority issued its Revenue Bonds, 2023 Series N, O, and P, in the aggregate principal amount of $289.53 million. Proceeds of the Series 2023 N, O, and P Bonds together with other funds of the Authority are expected to be used to: (a) purchase, and/or reimburse the Authority for its prior purchase of mortgage-back securities guaranteed as to timely payment of principal and interest by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation (or participation interests in such mortgage-backed securities), and (b) pay/reimburse the Authority for certain costs incurred in connection with the issuance of the Series 2023 N, O, and P Bonds, and (c) refund previously issued series of bonds under the Revenue Bonds Indenture.

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

SUPPLEMENTARY INFORMATION

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
(DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2023
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

Assets	American Recovery and Reinvestment Act Fund	Neighborhood Stabilization Program Fund	Foreclosure Prevention Program Fund	Community Development Block Grant Fund	Abandoned Property Program Fund	Section 811 Project Rental Assistance Demonstration Program Fund	National Housing Trust Fund	Foreclosure Prevention Graduated Program Fund	Land Bank Capacity Program Fund	COVD 19 - Coronavirus Relief Fund	Housing Stability Counseling Program Fund	Housing Counseling Resource Program Fund
Current Assets:												
Cash and Cash Equivalents - Restricted	$ 1,189	$ 17	$ 435	$ —	$ 6,092	$ 43	$ 206	$ 112	$ 165	$ 319	$ 915	$ 1,308
Program Loans Receivable	273	3	—	—	—	—	63	—	—	—	—	—
Interest Receivable on Program Loans	13	—	—	—	—	—	—	—	—	—	—	—
Due from Other Funds	—	—	—	—	—	—	—	—	3	14	—	—
Total Current Assets	1,475	20	435	—	6,092	43	269	112	168	333	915	1,308
Noncurrent Assets:												
Program Loans Receivable, Net of Current Portion	74,250	2,698	—	6,234	—	—	10,216	—	—	—	—	—
Less Allowance for Estimated Losses	(16,344)	(73)	—	(1,134)	—	—	(187)	—	—	—	—	—
Net program Loans Receivable	57,906	2,625	—	5,100	—	—	10,029	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	1	—	—
Total Noncurrent Assets	57,906	2,625	—	5,100	—	—	10,029	—	—	1	—	—
Total Assets	$ 59,381	$ 2,645	$ 435	$ 5,100	$ 6,092	$ 43	$ 10,298	$ 112	$ 168	$ 334	$ 915	$ 1,308
Liabilities and Fund Balances												
Current Liabilities:												
Unearned Revenue	13	—	—	—	—	—	—	—	168	334	915	1,294
Accrued Liabilities and Other	—	—	—	—	—	6	—	—	—	—	—	—
Due to Other Funds	—	17	—	—	—	37	169	—	—	—	—	14
Total Current Liabilities	13	17	—	—	—	43	169	—	168	334	915	1,308
Fund Balances:												
Restricted	59,368	2,628	435	5,100	6,092	—	10,129	112	—	—	—	—
Unassigned	—	—	—	—	—	—	—	—	—	—	—	—
Total Fund Balances	59,368	2,628	435	5,100	6,092	—	10,129	112	—	—	—	—
Total Liabilities and Fund Balances	$ 59 381	$ 2 645	$ 435	$ 5 100	$ 6 092	$ 43	$ 10 298	$ 112	$ 168	$ 334	$ 915	$ 1 308

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
(DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2023
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

Assets	National Council of State Housing Agencies Grant Fund	Total
Current Assets:		
Cash and Cash Equivalents - Restricted	$ 53	$ 10,854
Program Loans Receivable	—	339
Interest Receivable on Program Loans	—	13
Due from Other Funds	—	17
Total Current Assets	53	11,223
Noncurrent Assets:		
Program Loans Receivable, Net of Current Portion	—	93,398
Less Allowance for Estimated Losses	—	(17,738)
Net program Loans Receivable	—	75,660
Others	—	1
Total Noncurrent Assets	—	75,661
Total Assets	$ 53	$ 86 884
Liabilities and Fund Balances		
Current Liabilities:		
Unearned Revenue	—	2,724
Accrued Liabilities and Other	—	6
Due to Other Funds	53	290
Total Current Liabilities	53	3,020
Fund Balances:		
Restricted	—	83,864
Unassigned	—	—
Total Fund Balances	—	83,864
Total Liabilities and Fund Balances	$ 53	$ 86,884

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (DOLLARS IN THOUSANDS)
YEAR ENDED JUNE 30, 2023
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	American Recovery and Reinvestment Act Fund	Neighborhood Stabilization Program Fund	Foreclosure Prevention Program Fund	Community Development Block Grant Fund	Abandoned Property Program Fund	Section 811 Project Rental Assistance Demonstration Program Fund	National Housing Trust Fund	Foreclosure Prevention Graduated Program Fund	Land Bank Capacity Program	COVID-19 Emergency Rental Assistance Fund	Housing Stability Counseling Program Fund	Housing Counseling Resource Grant Program Fund	National Council of State Housing Agencies Grant Fund
Revenues:													
Grant from State of Illinois	$ —	$ —	$ —	$ —	$ 1	$ —	$ —	$ —	$ 850	$ —	$ —	$ —	$ —
Federal Funds	—	178	—	—	—	1,862	8,639	—	—	—	1,903	—	—
Interest and Other Investment Income	157	14	—	—	—	—	—	—	—	29	—	26	—
Other Income	—	1	—	—	—	—	—	—	—	—	—	807	120
Total Revenues	157	193	—	—	1	1,862	8,639	—	850	29	1,903	833	120
Expenditures:													
General and Administrative	1	17	—	—	1	98	1,024	—	6	—	145	61	120
Grants	—	178	—	—	—	1,764	7,605	—	670	—	1,757	746	—
Financing Costs	—	—	—	—	—	—	—	—	—	—	1	—	—
Program Income Transferred to State of Illinois	—	—	—	—	—	—	—	—	—	29	—	26	—
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	67	—	—	259	—	—	(1,067)	—	—	—	—	—	—
Total Expenditures	68	195	—	259	1	1,862	7,562	—	676	29	1,903	833	120
Other Financing Sources (Uses):													
Transfer in	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer out	—	—	—	—	—	—	—	—	(174)	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	—	—	—	—	—	(174)	—	—	—	—
Net Change in Fund Balances	89	(2)	—	(259)	—	—	1,077	—	—	—	—	—	—
Fund Balances at Beginning of the Year	59,279	2,630	435	5,359	6,092	—	9,052	112	—	—	—	—	—
Fund Balances at End of the Year	$ 59,368	$ 2,628	$ 435	$ 5,100	$ 6,092	$ —	$ 10,129	$ 112	$ —	$ —	$ —	$ —	$ —

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
(DOLLARS IN THOUSANDS)
YEAR ENDED JUNE 30, 2023
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	National Council of State Housing Agencies Grant Fund	Total
Revenues:		
Grant from State of Illinois	$ —	$ 851
Federal Funds	—	12,582
Interest and Other Investment Income	—	226
Other Income	120	928
Total Revenues	120	14,587
Expenditures:		
General and Administrative	120	1,473
Grants	—	12,720
Financing Costs	—	1
Program Income Transferred to State of Illinois	—	55
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	—	(741)
Total Expenditures	120	13,508
Other Financing Sources (Uses):		
Transfer in	—	—
Transfer out	—	(174)
Total Other Financing Sources (Uses)	—	(174)
Net Change in Fund Balances	—	905
Fund Balances at Beginning of the Year	—	82,959
Fund Balances at End of the Year	$ —	$ 83,864

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING SCHEDULE OF NET POSITION – MORTGAGE LOAN PROGRAM FUND
(DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2023
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Housing Bonds	Multifamily Initiative Bonds	Multifamily Revenue Bonds	Affordable Housing Program Trust Fund Bonds	Total
Assets:					
Current Assets:					
Cash and Cash Equivalents - Restricted	$ 246,826	$ 2,011	$ 48,489	$ 1,184	$ 298,510
Investments - Restricted	4,665	—	5,736	21,649	32,050
Investment Income Receivable - Restricted	25	—	98	23	146
Program Loans Receivable	2,743	475	3,086	536	6,840
Interest Receivable on Program Loans	335	53	1,094	14	1,496
Due from Other Funds	34,005	1,891	—	9,907	45,803
Total Current Assets	288,599	4,430	58,503	33,313	384,845
Noncurrent Assets:					
Investments – Restricted	3,235	—	27,501	—	30,736
Program Loans Receivable, Net of Current Portion	105,662	14,246	300,326	4,590	424,824
Less Allowance for Estimated Losses	(2,367)	(456)	(543)	(84)	(3,450)
Net Program Loans Receivable	103,295	13,790	299,783	4,506	421,374
Due from Fannie Mae	—	29,386	—	—	29,386
Due from Freddie Mac	—	4,305	—	—	4,305
Capital Assets, Net	23,488	—	—	—	23,488
Others	232	—	—	—	232
Derivative Instrument Asset	43	—	3,090	—	3,133
Total Noncurrent Assets	130,293	47,481	330,374	4,506	512,654
Total Assets	418,892	51,911	388,877	37,819	897,499
Deferred Outflows of Resources:					
Accumulated Decrease in Fair Value of Hedging Derivatives	—	—	—	—	—
Total Deferred Outflows of Resources	—	—	—	—	—
Liabilities					
Current Liabilities:					
Bonds and Notes Payable	28,445	1,220	3,078	—	32,743
Accrued Interest Payable	534	455	4,359	—	5,348
Accrued Liabilities and Other	71	—	3,994	—	4,065
Due to Other Funds	—	—	1,034	—	1,034
Total Current Liabilities	29,050	1,675	12,465	—	43,190
Noncurrent Liabilities:					
Bonds and Notes Payable, Net of Current portion	50,610	47,560	363,018	—	461,188
Total Noncurrent Liabilities	50,610	47,560	363,018	—	461,188
Total Liabilities	79,660	49,235	375,483	—	504,378
Deferred Inflows of Resources:					
Accumulated Increase in Fair Value of Hedging Derivatives	43	—	3,090	—	3,133
Total Deferred Inflows of Resources	43	—	3,090	—	3,133
Net Position:					
Net Investment in Capital Assets	9,703	—	—	—	9,703
Restricted for Bond Resolution Purposes	329,486	2,676	10,304	37,819	380,285
Total Net Position	$ 339,189	$ 2,676	$ 10,304	$ 37,819	$ 389,988

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
MORTGAGE LOAN PROGRAM FUND
(DOLLARS IN THOUSANDS)
YEAR ENDED JUNE 30, 2023
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Housing Bonds	Multifamily Initiative Bonds	Multifamily Revenue Bonds	Affordable Housing Program Trust Fund Bonds	Total
Operating Revenues:					
Interest Income	$ 9,073	$ 50	$ 2,189	$ 582	$ 11,894
Interest Earned on Program Loans	4,611	642	11,022	118	16,393
Other Income	13,295	—	—	1	13,296
Total Operating Revenues	26,979	692	13,211	701	41,583
Operating Expenses:					
Interest Expense	2,925	595	9,310	—	12,830
Other General and Administrative	6,624	—	—	—	6,624
Financing Costs	—	46	40	—	86
Program Grants	—	—	—	23	23
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	309	56	(197)	(31)	137
Provision for Estimated Losses on Real Estate Held for Sale	4	—	—	9	13
Total Operating Expenses	9,862	697	9,153	1	19,713
Total Operating Income (Loss)	17,117	(5)	4,058	700	21,870
Nonoperating Revenues and Expenses					
Loss on Investment Sale Revenues	(5)	—	—	—	(5)
Net Increase (Decrease) in Fair Value of Investments	(174)	2	(239)	(54)	(465)
Total Nonoperating Income (Loss)	(179)	2	(239)	(54)	(470)
Income Before Transfers	16,938	(3)	3,819	646	21,400
Transfers In	—	—	22,745	—	22,745
Transfers Out	—	(22,705)	—	—	(22,705)
Total Transfers	—	(22,705)	22,745	—	40
Change in Net Position	16,938	(22,708)	26,564	646	21,440
Net Position - Beginning Of Year	322,251	25,384	(16,260)	37,173	368,548
Net Position- End Of Year	$ 339,189	$ 2,676	$ 10,304	$ 37,819	$ 389,988

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING SCHEDULE OF CASH FLOWS – MORTGAGE LOAN PROGRAM FUND
(DOLLARS IN THOUSANDS)
YEAR ENDED JUNE 30, 2023
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Housing Bonds	Multifamily Initiative Bonds	Multifamily Revenue Bonds	Affordable Housing Program Trust Fund Bonds	Total
Cash Flows From Operating Activities:					
Receipts for program loans, interest, and service fees	$ 10,375	$ 1,098	$ 21,125	$ 663	$ 33,261
Payments for program loans	(6,194)	—	(41,597)	(297)	(48,088)
Payments for program grants	—	—	—	(23)	(23)
Receipts for credit enhancements	—	776	—	—	776
Payments to suppliers	(5,503)	(46)	(40)	—	(5,589)
Other receipts (payments)	13,295	—	—	1	13,296
Net cash provided by (used in) operating activities	11,973	1,828	(20,512)	344	(6,367)
Cash flows from noncapital financial activities:					
Interest paid on revenue bonds and notes	(2,567)	(607)	(8,217)	—	(11,391)
Due to / from Other Funds	(194)	21,856	(41,039)	33	(19,344)
Proceeds from sale of housing bonds and notes	—	—	37,440	—	37,440
Principal paid on bonds and notes	(7,520)	(1,240)	(8,305)	—	(17,065)
Transfers in	—	—	22,745	—	22,745
Transfers out	—	(22,705)	—	—	(22,705)
Net cash provided by (used in) noncapital financing activities	(10,281)	(2,696)	2,624	33	(10,320)
Cash flows from capital financing and related activities:					
Acquisition of capital assets	(1,084)	—	—	—	(1,084)
Cash flows from investing activities:					
Purchase of investment securities	(627,910)	(3,617)	(55,672)	(4,629)	(691,828)
Proceeds from sales and maturities of investment securities	627,807	5,104	56,888	4,209	694,008
Interest received on investments	2,294	—	1,560	156	4,010
Transfers in	—	—	(2,938)	—	(2,938)
Transfers out	2,452	—	—	—	2,452
Net cash provided by (used) in investing activities	4,643	1,487	(162)	(264)	5,704
Net increase (decrease) in cash and cash equivalents	5,251	619	(18,050)	113	(12,067)
Cash and cash equivalents at beginning of year	241,575	1,392	66,539	1,071	310,577
Cash and cash equivalents at end of year	$ 246,826	$ 2,011	$ 48,489	$ 1,184	$ 298,510
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating Income (Loss)	$ 17,117	$ (5)	$ 4,058	$ 700	$ 21,870
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Investment income	(9,073)	(50)	(2,189)	(582)	(11,894)
Interest expense	2,925	595	9,310	—	12,830
Depreciation and amortization	1,182	—	—	—	1,182
Changes in provision for (reversal of) estimated losses on program loans receivable	309	56	(197)	(31)	137
Changes in Provision for Estimated Losses on Real Estate Held for Sale				9	9
Changes in assets and liabilities:					
Program loans receivable	(436)	455	(32,125)	253	(31,853)
Interest receivable on program loans	5	1	(90)	4	(80)
Other assets	46	—	(2,865)	(9)	(2,828)
Other liabilities	(61)	—	251	—	190
Due from Fannie Mae	—	775	—	—	775
Due from Freddie Mac	—	1	—	—	1
Changes in Deferred Outflow of Resources	—	—	470	—	470
Changes in Deferred Inflow of Resources	(41)	—	2,865	—	2,824
Total adjustments	(5,144)	1,833	(24,570)	(356)	(28,237)
Net cash provided by (used in) operating activities	$ 11,973	$ 1,828	$ (20,512)	$ 344	$ (6,367)
Noncash investing capital and financing activities:					
Transfer of foreclosed assets	$ 4	$ —	$ —	$ 9	$ 13
Increase (decrease) in the fair value of investments	$ (174)	$ 2	$ (239)	$ (54)	$ (465)

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING SCHEDULE OF NET POSITION – SINGLE FAMILY PROGRAM FUND
(DOLLARS IN THOUSANDS)
AS OF JUNE 30, 2023
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Homeowner Mortgage Revenue Bonds	Housing Revenue Bonds	Revenue Bonds	Inter-Account Eliminations	Total
Assets					
Current assets:					
Cash and Cash Equivalents - Restricted	$ 10,323	$ 7,693	$ 118,953	$ —	$ 136,969
Investments - Restricted	116,099	—	160,699	—	276,798
Investment Income Receivable - Restricted	768	124	8,198	—	9,090
Program Loans Receivable	10,803	—	31	—	10,834
Interest Receivable on Program Loans	391	—	—	—	391
Due from Other Funds	23,512	593	—	(24,105)	—
Total Current Assets	161,896	8,410	287,881	(24,105)	434,082
Noncurrent assets:					
Investments – Restricted	63,801	39,510	1,706,687	—	1,809,998
Program Loans Receivable, Net of Current Portion	80,336	—	45	—	80,381
Less Allowance for Estimated Losses	(1,361)	—	(4)	—	(1,365)
Net Program Loans Receivable	78,975	—	41	—	79,016
Real Estate Held for Sale	438	—	—	—	438
Less Allowance for Estimated Losses	(411)	—	—	—	(411)
Net Real Estate Held for Sale	27	—	—	—	27
Derivative Instrument Assets	1,663	—	16,193	—	17,856
Other Receivables	—	—	—	—	—
Total Noncurrent Assets	144,466	39,510	1,722,921	—	1,906,897
Total Assets	306,362	47,920	2,010,802	(24,105)	2,340,979
Deferred Outflow of Resources					
Accumulated Decrease in Fair Value of Hedging Derivatives	—	—	176	—	176
Total Deferred Outflows of Resources	—	—	176	—	176
Liabilities					
Current Liabilities:					
Bonds and Notes Payable	67,020	1,364	35,990	—	104,374
Accrued Interest Payable	2,147	96	15,919	—	18,162
Accrued Liabilities and Other	62	(1)	889	—	950
Due to Other Funds	—	2,473	49,355	(24,105)	27,723
Total Current Liabilities	69,229	3,932	102,153	(24,105)	151,209
Noncurrent Liabilities:					
Bonds and Notes Payable, Net of Current Portion	113,161	38,880	1,963,888	—	2,115,929
Derivative Instrument Liability	—	—	176	—	176
Total Noncurrent Liabilities	113,161	38,880	1,964,064	—	2,116,105
Total Liabilities	182,390	42,812	2,066,217	(24,105)	2,267,314
Deferred Inflow of Resources					
Accumlated Increase in Fair Value of Hedging Derivatives	1,663	—	16,193	—	17,856
Unearned Revenue	—	—	8,467	—	8,467
Total Deferred Inflows of Resources	1,663	—	24,660	—	26,323
Net Position					
Restricted for Bond Resolution Purposes	122,309	5,108	—	—	127,417
Unrestricted	—	—	(79,899)	—	(79,899)
Total Net Position	$ 122,309	$ 5,108	$ (79,899)	$ —	$ 47,518

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
SINGLE FAMILY PROGRAM FUND
(DOLLARS IN THOUSANDS)
YEAR ENDED JUNE 30, 2023
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Homeowner Mortgage Revenue Bonds	Housing Revenue Bonds	Revenue Bonds	Total
Operating Revenues:				
Investment Income	$ 6,934	$ 1,886	$ 55,905	$ 64,725
Interest Earned on Program Loans	3,980	—	—	3,980
Other Income	—	—	—	—
Total Operating Revenues	10,914	1,886	55,905	68,705
Operating Expenses:				
Interest Expense	6,041	1,298	42,203	49,542
Other General and Administrative	313	—	—	313
Financing Costs	937	168	5,668	6,773
Program Grants	—	—	5,146	5,146
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(855)	—	(1)	(856)
Provision for Estimated Losses on Real Estate Held for Sale	617	—	—	617
Total Operating Expenses	7,053	1,466	53,016	61,535
Total Operating Income	3,861	420	2,889	7,170
NonOperating Revenues and Expenses				
Gain/Loss on Investment Sale Revenues	248	87	545	880
Net Decrease in Fair Value of Investments	(3,286)	(1,994)	(62,628)	(67,908)
Total Nonoperating Loss	(3,038)	(1,907)	(62,083)	(67,028)
Income (Loss) Before Transfers	823	(1,487)	(59,194)	(59,858)
Transfers In	—	—	443	443
Transfers Out	—	—	—	—
Total Transfers	—	—	443	443
Change in Net Position	823	(1,487)	(58,751)	(59,415)
Net Position - Beginning Of Year	121,486	6,595	(21,148)	106,933
Net Position - End Of Year	$ 122,309	$ 5,108	$ (79,899)	$ 47,518

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
COMBINING SCHEDULE OF CASH FLOWS – SINGLE FAMILY PROGRAM FUND
(DOLLARS IN THOUSANDS)
YEAR ENDED JUNE 30, 2023
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Homeowner Mortgage Revenue Bonds	Housing Revenue Bonds	Revenue Bonds	Total
Cash Flows From Operating Activities:				
Receipts for Program Loans, Interest and Service Fees	$ 24,693	$ —	$ 40	$ 24,733
Payments for Loan Program Loans	(12,197)	—	—	(12,197)
Payments for program grants	—	—	(5,146)	(5,146)
Payments to Suppliers	(1,765)	(168)	(5,668)	(7,601)
Other Receipts	—	—	8,466	8,466
Net Cash Provided (Used) by Operating Activities	10,731	(168)	(2,308)	8,255
Cash Flows From Noncapital Financing Activities:				
Interest Paid on Revenue Bonds and Notes	(5,799)	(1,319)	(32,783)	(39,901)
Due To / From Other Funds	2,026	(287)	31,792	33,531
Proceeds From Sale of Revenue Bonds and Notes	—	—	902,459	902,459
Principal Paid on Revenue Bonds and Notes	(24,670)	(4,363)	(103,771)	(132,804)
Transfers In	—	—	443	443
Net Cash Provided (Used) by Noncapital Financing Activities	(28,443)	(5,969)	798,140	763,728
Cash Flows From Investing Activities:				
Purchase of Investment Securities	(306,470)	(13,574)	(346,060)	(666,104)
Proceeds From Sales and Maturities of Investment Securities	323,640	19,611	267,291	610,542
Interest Received on Investments	3,540	1,767	51,252	56,559
Transfers In	—	—	(751,730)	(751,730)
Transfers Out	3,101	—	—	3,101
Net Cash Provided (Used) by Investing Activities	23,811	7,804	(779,247)	(747,632)
Net Increase (Decrease) in Cash and Cash Equivalents	6,099	1,667	16,585	24,351
Cash and Cash Equivalents at Beginning of the Year	4,224	6,026	102,368	112,618
Cash and Cash Equivalents at End of the Year	$ 10,323	$ 7,693	$ 118,953	$ 136,969
Reconciliation of Operating Income (Loss) to Net Cash provided (Used) by Operating Activities:				
Operating Income	$ 3,861	$ 420	$ 2,889	$ 7,170
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Investment Income	(6,934)	(1,886)	(55,905)	(64,725)
Interest Expense	6,041	1,298	42,203	49,542
Changes in Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(855)	—	(1)	(856)
Changes in Provision for Estimated Losses on Real Estate Held for Sale	617	—	—	617
Changes in Assets and Liabilities:				
Program Loans Receivable	8,771	—	40	8,811
Interest Receivable on Program Loans	208	—	—	208
Other Assets	(2,020)	—	(8,420)	(10,440)
Other Liabilities	(515)	—	176	(339)
Changes in Deferred Outflow of Resources	—	—	(176)	(176)
Changes in Deferred Inflow of Resources	1,557	—	16,886	18,443
Total Adjustments	6,870	(588)	(5,197)	1,085
Net Cash Provided (Used) by Operating Activities	$ 10,731	$ (168)	$ (2,308)	$ 8,255
Noncash Investing Capital and Financing Activities:				
Transfer of Foreclosed Assets	$ 1 074	$ —	$ —	$ 1 074
Increase (Decrease) in the Fair Value of Investments	$ (3,286)	$ (1,994)	$ (62,628)	$ (67,908)

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Frank J. Mautino, Auditor General, State of Illinois
and Board of Directors
Illinois Housing Development Authority

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Illinois Housing Development Authority (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses as items 2023-001 and 2023-002, we identified certain deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Illinois Housing Development Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying Schedule of Finding and Response. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Signed original on file

CliftonLarsonAllen LLP

Oak Brook, Illinois
December 8, 2023

Finding 2023-001 – Inadequate Controls over Service Providers

The Illinois Housing Development Authority (Authority) did not maintain adequate controls over service providers.

During the audit, we requested the Authority's population of service providers utilized during the audit period. Although the Authority provided the population, they did not provide documentation demonstrating the population was complete and accurate. Due to this condition, we concluded the Authority's population was not sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 330, AU-C § 530, AT-C § 205).

Even given the population limitations noted above, we performed testing of three service providers, noting:

- The Authority had not documented the review of the service providers' System and Organization Control (SOC) reports to determine the impact of deviation or a modified opinion.
- The Authority had not documented the review of the Complementary User Entity Controls (CUECS) to ensure they had implemented adequate internal controls.
- The contracts with the service providers did not document roles and responsibilities, and controls over the security, integrity, availability, confidentiality, and privacy. In addition, the contracts did not require the service provider to undergo a SOC examination.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports to maintain accountability over the State's resources.

The Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Service Acquisition sections, requires entities outsourcing their information technology environment or operations to obtain assurance over the entities' internal controls related to the services provided. Such assurance may be obtained via System and Organization Control reports or independent reviews.

The Authority management stated system limitations prevented them from: (1) providing a list deemed acceptable under AICPA standards AU-C§330, AU-C§ 530 and, AT-C §205, and (2) acceptable evidence of having reviewed SOC reports.

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Authority does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2023-001, 2022-001)

Finding 2023-001 – Inadequate Controls over Service Providers (Continued)

RECOMMENDATION
We recommend the Authority perform procedures to ensure its listing of service providers utilized is complete and accurate. In addition, we recommend the Authority review SOC reports and review its contracts with service providers to ensure roles and responsibilities and security controls are documented and SOC examinations of the service providers' controls are carried out.

AUTHORITY RESPONSE

Finding	Management Response
- Insufficient detail in documentation for SOC Reports and Complementary End User Controls (CEUC).	- Documentation Enhancement: The Authority concurs with the finding. We will continue to enhance the level of detail in our documentation for SOC Reports and CEUC to meet the necessary standards.
- Lack of adequate detail in contracts with service providers	- Form of Contract/SOC Provisions: The Authority concurs with the finding. The Authority uses the state's mandated form contract for the purchase of procured goods and services. We have drafted additional provisions related to SOC reporting requirements that will be added to contracts with third-party service providers going forward. Existing contracts with current vendors will not be amended for this sole purpose but will be reassessed for edits during the renewal/extension period if applicable.
- Inadequate documentation detail, which undermines the overall accuracy and reliability of SOC reviews.	- Documentation Quality Assurance: The Authority concurs with the finding. A quality assurance process will be implemented to enhance documentation.
- Absence of a centralized point for end-to-end administration of service providers, including confirmation of population completeness.	- Centralized Administration: The Authority will explore establishing a centralized point for the comprehensive administration of service providers to enhance efficiency and oversight, including confirming accuracy of service provider populations.

Finding 2023-002 – Inadequate Controls over Reconciliations

The Illinois Housing Development Authority (Authority) did not properly reconcile a material lockbox deposit account retaining cash receipts at year-end.

We held discussions with the Authority regarding a lockbox deposit account with material cash receipts that had not been properly reconciled at year-end. These discussions identified lockbox cash receipts had not been applied to the proper period, accounts, or funds. On the last day of the year, this lockbox account within the Administrative Fund (Admin) received funds totaling $15,255,073 that were due to the Mortgage Loan Program Fund (MLP), Affordable Housing Trust Fund (HTF), and the HOME Program Fund for loan payments received, and to the Homeowners Assistance Fund (HAF) for grant disbursements returned. We determined these cash deposits should have been recorded in the Due from Other Funds account totaling $7,733,758 under MLP, $2,488,740 under HTF, $2,815,667 under HOME, and $2,216,908 under HAF. Conversely, these amounts should have been reflected in the Due to Other Funds account on the Admin Fund side instead of the Accrued Liabilities and Other account, as these deposits represent cash on hand that is payable to other funds. Lastly, receivable balances across proprietary and governmental funds were overstated by $13,038,165 due to these lockbox cash receipts not being applied as a reduction to receivables in the correct period. Unearned revenue under the HAF program was understated by $2,216,908 from funds not being properly returned back to the HAF. The Authority made the necessary corrections to their financial statements.

In addition, we determined the Authority did not accurately prepare the statement of net position and statement of activities. We proposed adjustments totaling $2,778,178 to the Admin Fund, $437,568 to the Emergency Rental Assistance Fund, and $536,379 to the Illinois Housing Trust Fund. These proposed adjustments relate to various liabilities and income statement items that were not recorded in the correct period, and to changes of the allowance for uncollectible accounts from the adjustments described in the preceding paragraph. These proposed adjustments were not corrected within the Authority's financial statements.

GASB codification Sec. 1300 para. 122 requires amounts due to one fund from other funds, as well as the amounts owed to other funds, should be reflected in the fund accounts and in fund financial statements. Interfund loans should be reported as interfund receivables in lender funds and interfund payables in borrower funds. Where money is owed from one fund to another fund and money is also owed from the latter to the former, the amounts receivable and payable should not be offset in the accounts.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports to maintain accountability over the State's resources. Effective internal control would ensure all lockbox accounts are reconciled and any necessary adjustments would be made to the financial statements.

The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations, and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles.

The Authority's management stated the misclassification of intercompany transactions as accrued liabilities in the Admin Fund was due to cash being received in the lockbox on the last business day of the fiscal year. In keeping with historical practices, the application of these cash transactions took place in the following month as the nature of the transactions including respective funds are not known until the next business day and such amounts have been immaterial. This delay in processing and recording the transactions in the subsequent month led to the misclassification of the respective balances in the Admin Fund, instead of in the appropriate funds, as of the fiscal year end.

Without a year-end reconciliation of lockbox accounts, the Authority is at risk of materially misstating various line items within the financial statements. (Finding Code No. 2023-002)

RECOMMENDATION
We recommend the Authority perform adequate and timely reconciliation procedures of all lockbox deposit accounts to ensure all amounts are accurately reported at year-end.

AUTHORITY RESPONSE

The Authority's management agreed with the finding. The Authority will enhance the lockbox monitoring process. Accounting will perform timely review of lockbox reconciliation completed by other departments as well as perform year over year analysis of account balances and apply cut-off procedures to ensure transactions are accurately recorded and classified in the appropriate period.

A. Inadequate Controls over Investments

During the prior year financial audit, the Illinois Housing Development Authority (Authority) failed to maintain adequate controls over its investments.

During the current financial audit, we noted no similar internal control weaknesses in the Authority's controls over investments and that the Authority had strengthened its controls over this area. (Finding Code No. 2022-002, 2021-002)

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