



**Telephonic Board Meeting  
Tentative Agenda  
February 3 2016, 11:00 a.m.**

**Presentation Room  
2015 Grand Ave.  
Des Moines, Iowa**

**I. Consent Agenda**

- Approval of Minutes of the January 6, 2016, IFA Board Meeting
- December Financial Statement
- AG 16-001A, Daniel W. and Lauren B. Welter
- AG 16-002A, Michael J. and Renee C. Telfer
- AG 16-003A, Jeffrey A. and Darian Graff
- 04485M, Ramon J. and Heather Gilroy
- AG-LP 16-02, Loan Participation Program
- AG-TC 16-02, Beginning Farmer Tax Credit Program
- WQ 16-02, SRF Planning and Design Loans
- WQ 16-03, Loan for INHF, Butler County, O'Regan Property
- WQ 16-04, SRF Construction Loans

**II. Administration**

- **Accounting and Finance**
  - ◆ FIN 16-03, Adopting and Approving Series Resolutions and Authorizing the Issuance, Sale, and Delivery of Single Family Mortgage Bonds ("1991 Indenture"), 2016 Series A, B and C ("2016 Bonds")
  - ◆ SF 2016 ABC Budget Amendment

**III. Housing Iowa**

- HI 16-02, Request for Exception to Unit Cost Cap: Heartland Senior

**IV. Community Development**

- **Iowa Agriculture Development Division**
  - ◆ AG 16-001B, Daniel W. and Lauren B. Welter
  - ◆ AG 16-002B, Michael J. and Renee C. Telfer
  - ◆ AG 16-003B, Jeffrey A. and Darian Graff

**V. Miscellaneous Items**

- Receive Comments from General Public – 5 min./person: 30 min. total time

**VI. Adjournment**

*Items on the consent agenda may be removed from the consent agenda for separate consideration at the request of any Board member. Agenda items may be taken out of order at the discretion of the Board Chair.*



## **BOARD MEETING MINUTES**

**Iowa Finance Authority  
2015 Grand Ave  
Des Moines, Iowa  
January 6, 2016**

### **Board Members Present**

Ruth Randleman, Chair  
Darlys Baum  
Jane Bell  
Shaner Magalhães

Joan Johnson  
Jeff Heil  
Michel Nelson, Treasurer  
Eric Peterson

### **Board Members Absent**

David Greenspon

### **Staff Members Present**

David Jamison, Executive Director  
Jess Flaherty, Executive Assistant/  
Recording Secretary  
Lori Beary, Chief Community Development  
Officer  
Cindy Harris, Chief Financial Officer  
Steve Harvey, Accounting Director  
Deb Haugh, Director of Single Family Production  
Ashley Jared, Communications Director  
Derek Folden, Underwriter  
Gabrielle Rodriguez, Assistant to ITG Director  
Jerry LoRang, Underwriting Attorney

Carolann Jensen, Chief Programs Officer  
Katie Kulisky, LIHTC Administrative Assistant  
Tara Lawrence, Iowa Title Guaranty Director  
Wes Peterson, Director of Government Relations  
Terri Rosonke, HousingIowa Development  
Specialist  
Mark Thompson, General Counsel  
Dave Vaske, LIHTC Manager  
Amy Thompson, Assistant Communications  
Director  
Rhonda Kimble, Business Relations Manager

### **Others Present**

James Smith, Dorsey & Whitney  
Ron Lewis, Warren County Abstract

Jim Conlin, Conlin Properties

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### **Call to Order**

Chair Randleman called to order the January 6, 2016, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:02 a.m. Roll call was taken, and a quorum was established

with the following Board members present: Randleman, Baum, Heil, Johnson, Peterson, Magalhães, Bell, and Nelson.

### **Consent Agenda**

Chair Randleman introduced the consent agenda and asked if anyone wanted to request items be removed.

**MOTION:** There being no objections, Mr. Heil made a motion to approve the items on the consent agenda, which included the following:

- Approval of Minutes of the December 2, 2015, IFA Board Meeting
- ED 15-16, Fairview Village Apartments
- ED 15-17, Drake West Village Project
- WQ 16-01, SRF Construction Loans
- AG 15-093A, Nathan D. Sunderman
- AG 15-094A, Jason W. and Lindsie A. Sandifer
- AG 15-095A, Peter T. and Elizabeth L. Smith
- AG 15-096A, Barry and Kristen Spaans
- AG 15-097A, Jacob T. and Brandi M. Adams
- AG 15-098A, Seth W. Kloetzer
- AG 15-099A, Brent E. Rozendaal
- AG 15-100A, Garrett L. and Dawn Tingwald
- 04029M, Brandon L. Laubenthal
- AG-LP 16-01, Loan Participation Program
- AG-TC 16-01, Beginning Farmer Tax Credit Program

On a second by Mr. Magalhães, the Board unanimously approved the items on the consent agenda.

### **Administration**

#### **EXECUTIVE DIRECTOR'S REPORT**

Director Jamison gave a brief update about current job openings at the Iowa Finance Authority including the Chief Administration Officer. He stated that the Chief Administration Officer application period had closed and 56 applications were received. Director Jamison said that first round interviews were planned for the week of January 18<sup>th</sup>.

#### **ACCOUNTING AND FINANCE**

##### **November Financial Statement**

Mr. Harvey presented the October 2015 financial results. He said that as a housing agency, year-to-date net operating income before grants of \$5,024,023 is favorable to budget by \$2,657,939.

The State Revolving Fund year-to-date net operating income after grants of \$34,853,529 is favorable to budget by \$16,822,465.

**MOTION:** On a motion by Mr. Magalhães and a second by Ms. Baum, the Board unanimously approved the November Financial Statement.

#### **FIN 16-01, Authorizing Proceedings – Mortgage Credit Certificate Program**

Ms. Haugh reported that the resolution before the board was for approval of the 2016 Mortgage Credit Certificate Program, including the updated Take Credit Mortgage Credit Certificate Program Guide. Ms. Haugh requested approval of FIN 16-01.

**MOTION:** On a motion by Mr. Heil and a second by Mr. Magalhães, the Board unanimously approved FIN 16-01.

**FIN 16-02, Habitat for Humanity Loan Consolidation**

Mr. Folden introduced resolution FIN 16-02 and gave a brief background of the Habitat for Humanity Loans. Mr. Folden stated that staff recommended that the Board authorize staff to restructure the payments for the loans listed in the resolution by merging them into one loan payment at 2% interest. Mr. Folden requested approval of FIN 16-02.

**MOTION:** On a motion by Ms. Baum and a second by Mr. Magalhães, the Board unanimously approved FIN 16-02.

**LEGAL**

**TG 16-01, Adopted and Filed Chapter 9**

Chair Randleman stated that TG 16-01, Adopted and Filed Chapter 9, was being pulled from the agenda at the request of staff.

**COMMUNICATIONS**

Ms. Jared introduced Amy Thompson, Assistant Communications Director, to the Board. Ms. Thompson joined IFA in November. Ms. Jared continued her update by informing the board of several upcoming events, including the ITG Spring Settlement Conference and Lender Luncheon.

**HousingIowa**

**HI 16-01, Workforce Housing Loan Program Awards**

Ms. Rosonke stated that based upon review of all applications received, IFA staff was recommending Workforce Housing Loan Program awards totaling \$1,351,000 for the Board's approval according to the terms set forth in Exhibit A to the Resolution. IFA will enter into loan agreements with City of Forest City and City of Chariton, with draft contact documents to be sent to the approved borrowers within the next 30 days. The \$3,649,000 remaining available in the Workforce Housing Loan Program budget may be made available in a future funding round at IFA's discretion. Ms. Rosonke requested approval of HI 16-01.

**MOTION:** On a motion by Mr. Magalhães and a second by Mr. Peterson, the Board unanimously approved resolution HI 16-01.

**Community Development**

**IOWA AGRICULTURAL DEVELOPMENT DIVISION (IADD)**

**AG 15-093B, NATHAN D. SUNDERMAN**

**AG 15-094B, JASON W. AND LINDSIE A. SANDIFER**

**AG 15-095B, PETER T. AND ELIZABETH L. SMITH**

**AG 15-096B, BARRY AND KRISTEN SPAANS**

**AG 15-097B, JACOB T. AND BRANDI M. ADAMS**

**AG 15-098B, SETH W. KLOETZER**

**AG 15-099B, BRENT E. ROZENDAAL**

**AG 15-100B, GARRETT L. AND DAWN TINGWALD**

Ms. Beary introduced the resolutions for the IADD and asked for Board action.

**MOTION:** On a motion by Mr. Peterson and a second by Mr. Magalhães, the Board unanimously approved the resolutions.

### **Iowa Title Guaranty**

Ms. Lawrence introduced two new ITG employees: Rhonda Kimble, Business Relationship Manager and Gabrielle Rodriguez, Assistant to the ITG Director. She also reported that E-Payment will go live to all ITG customers on January 7<sup>th</sup>.

### **Miscellaneous**

#### **Receive Comments from General Public**

Chair Randleman opened the public comment period and asked if anyone in the audience would like to address the Board.

No members of the audience requested to speak. Chair Randleman closed the public comment period.

### **Adjournment**

On a motion by Mr. Peterson and a second by Mr. Magalhães, the January 6, 2016, regular monthly meeting of the IFA Board of Directors adjourned at 11:26 a.m.

Dated this 3<sup>rd</sup> day of February 2016.

Respectfully submitted:

Approved as to form:

David D. Jamison  
Executive Director/Board Secretary

Ruth Randleman, Chair  
Iowa Finance Authority

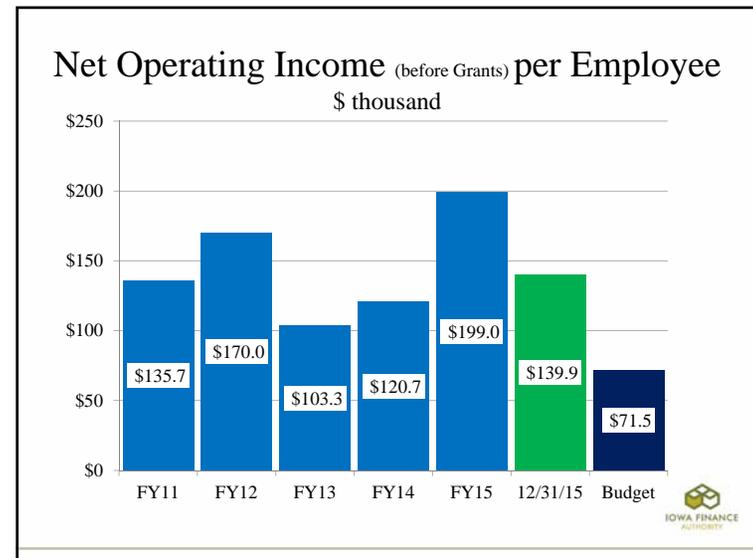
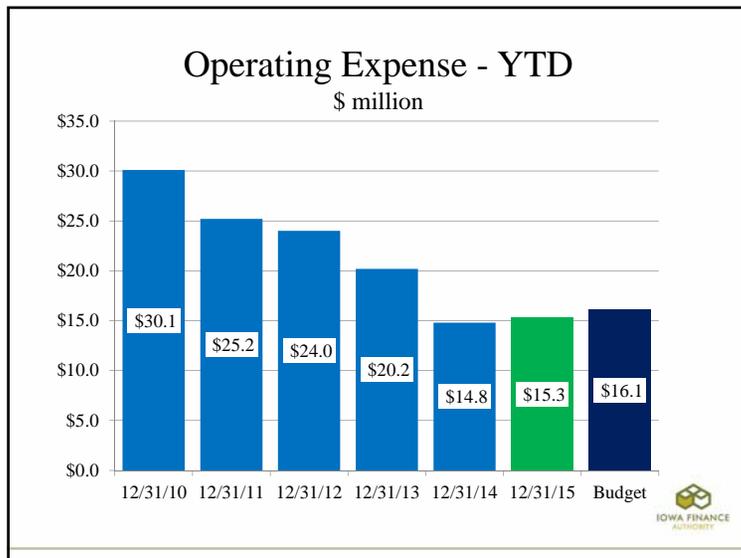
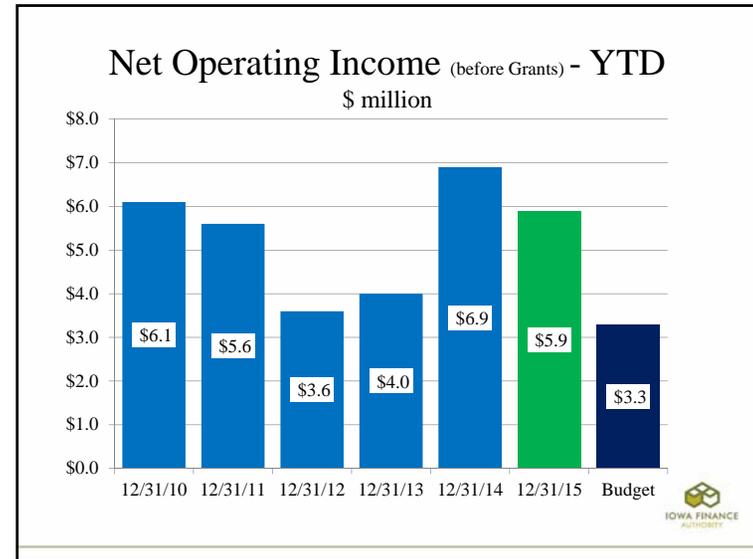
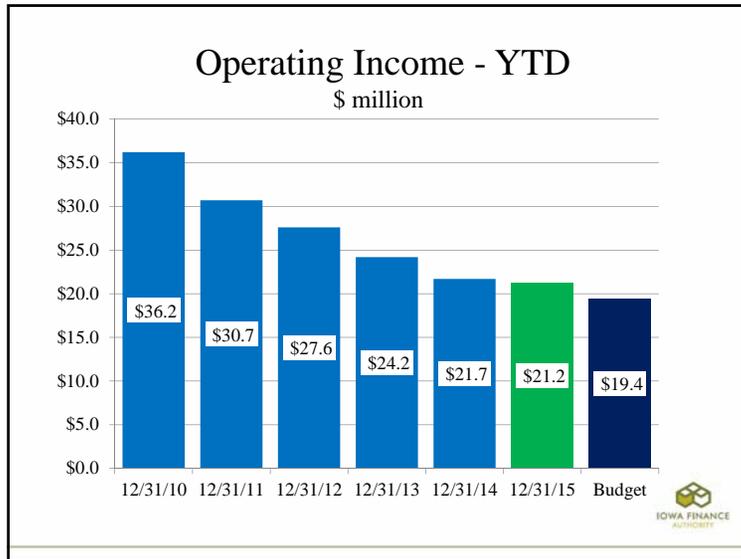


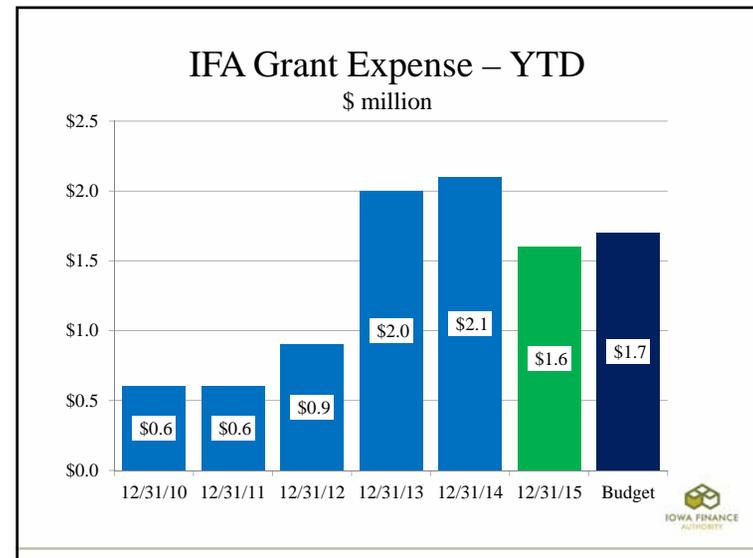
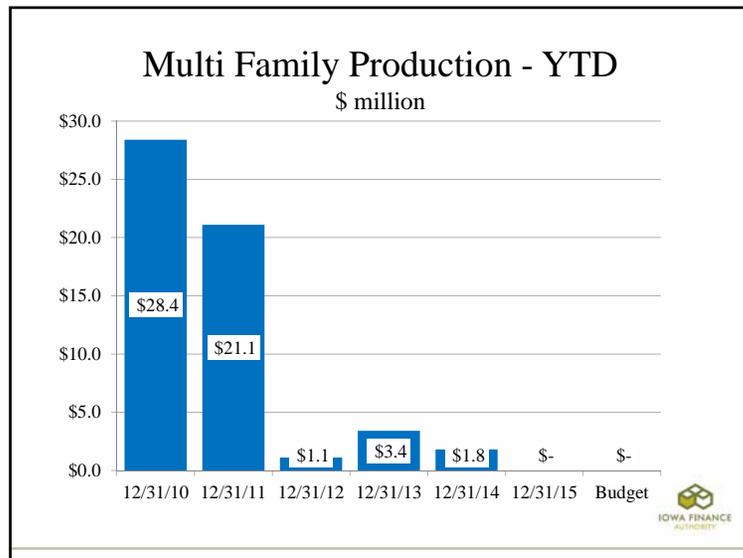
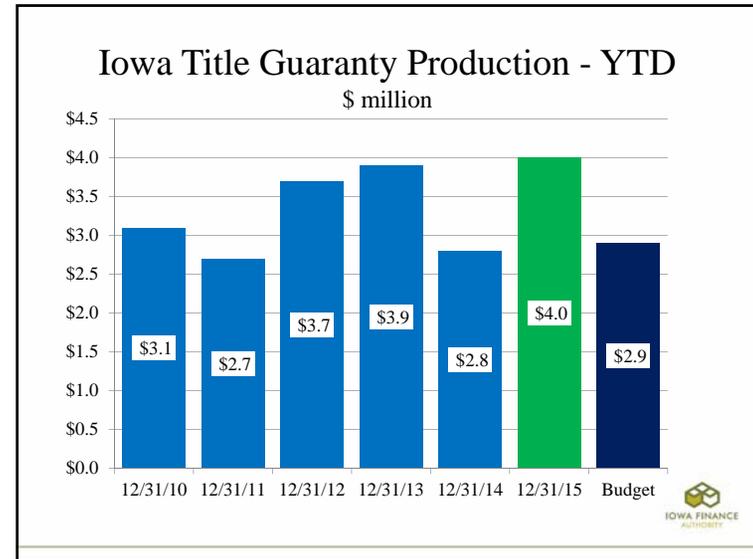
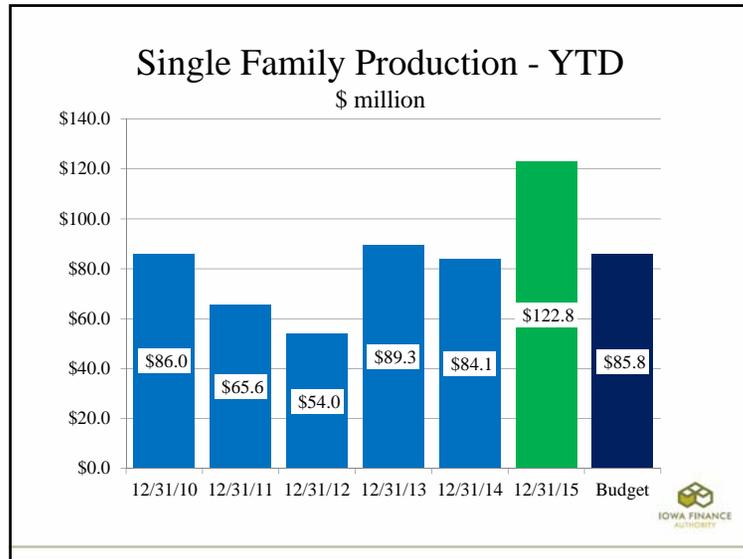
IOWA FINANCE  
AUTHORITY

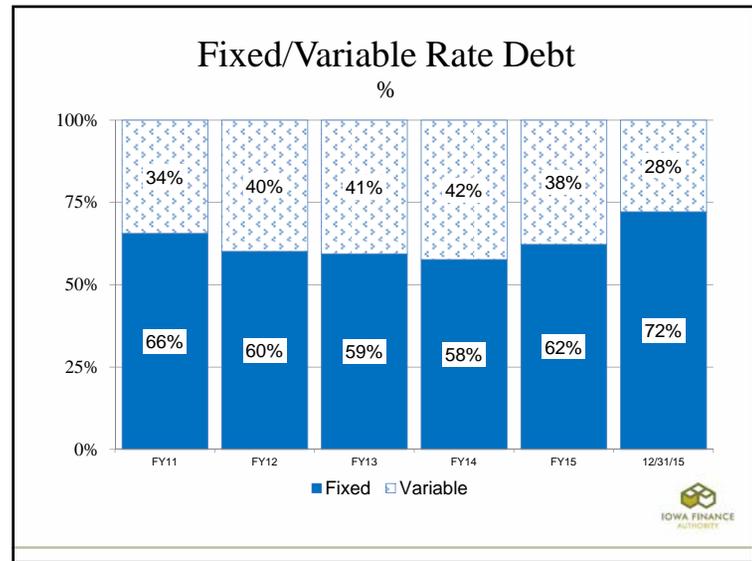
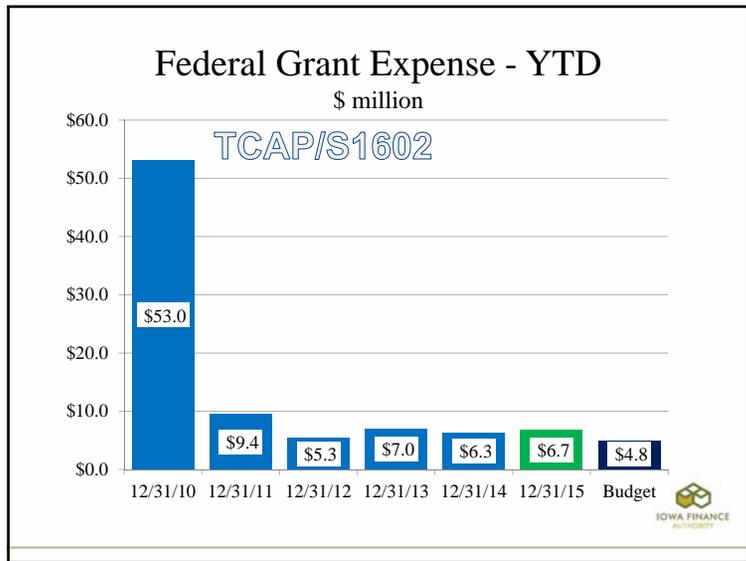
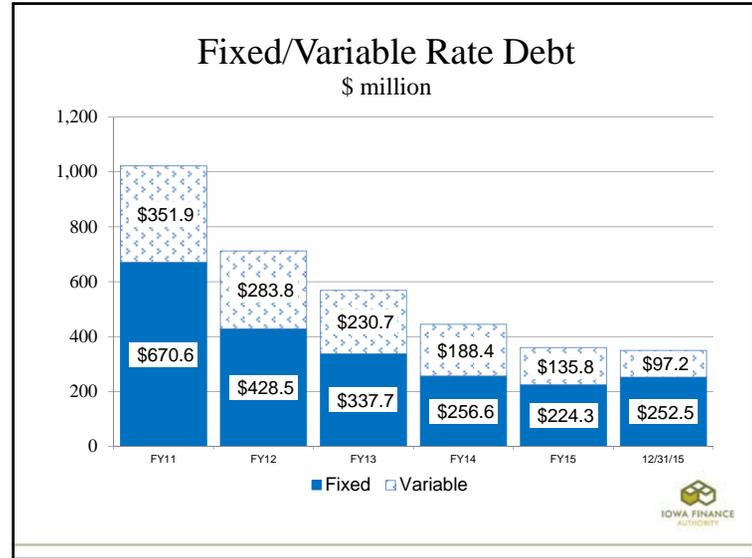
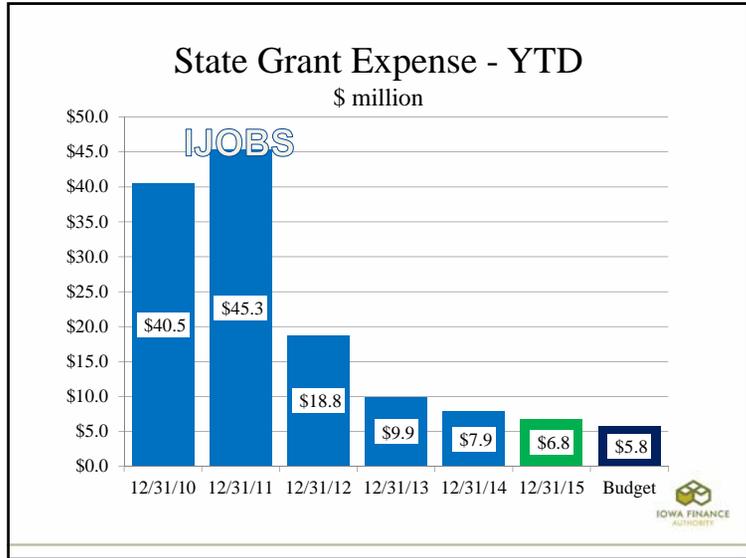
# Financial Dashboards

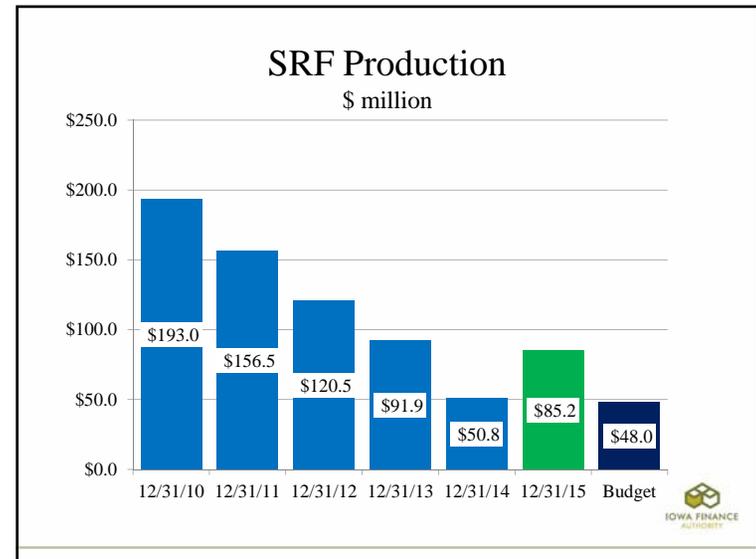
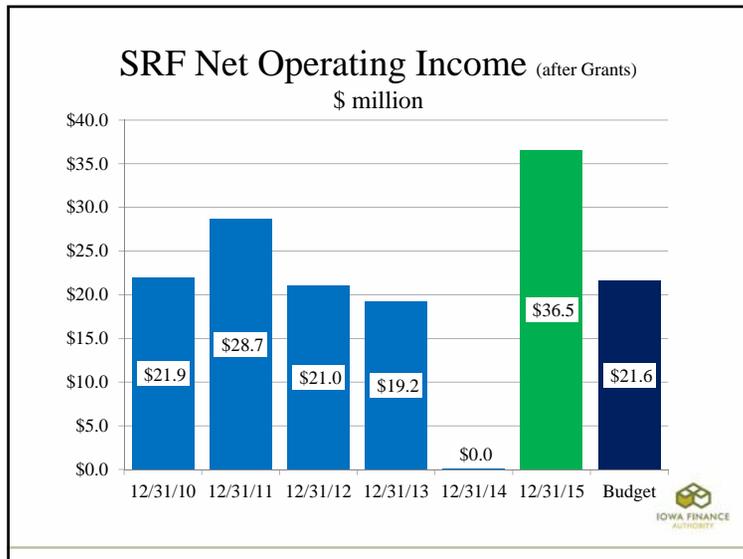
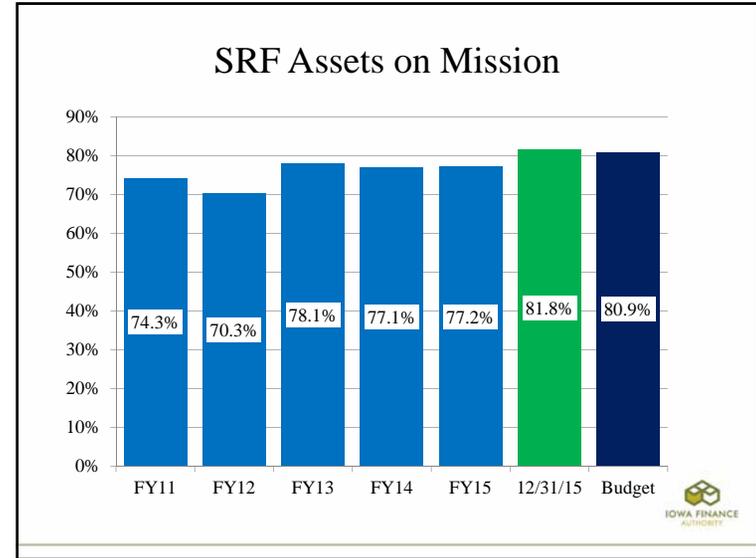
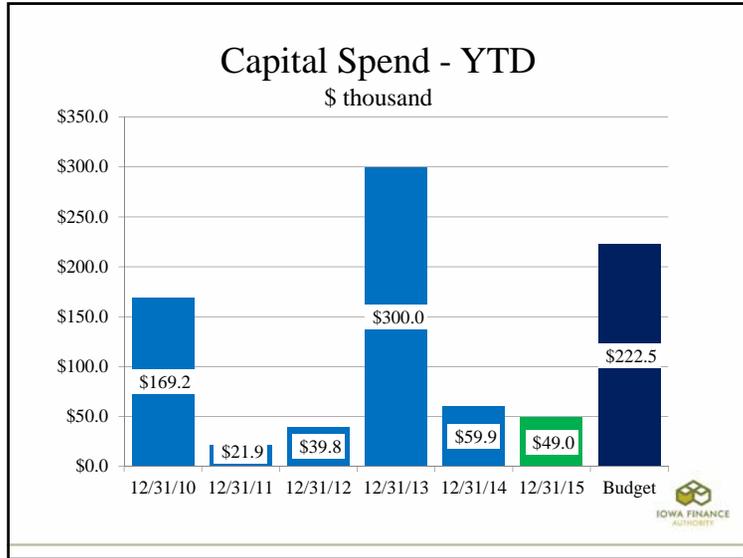
December, 2015

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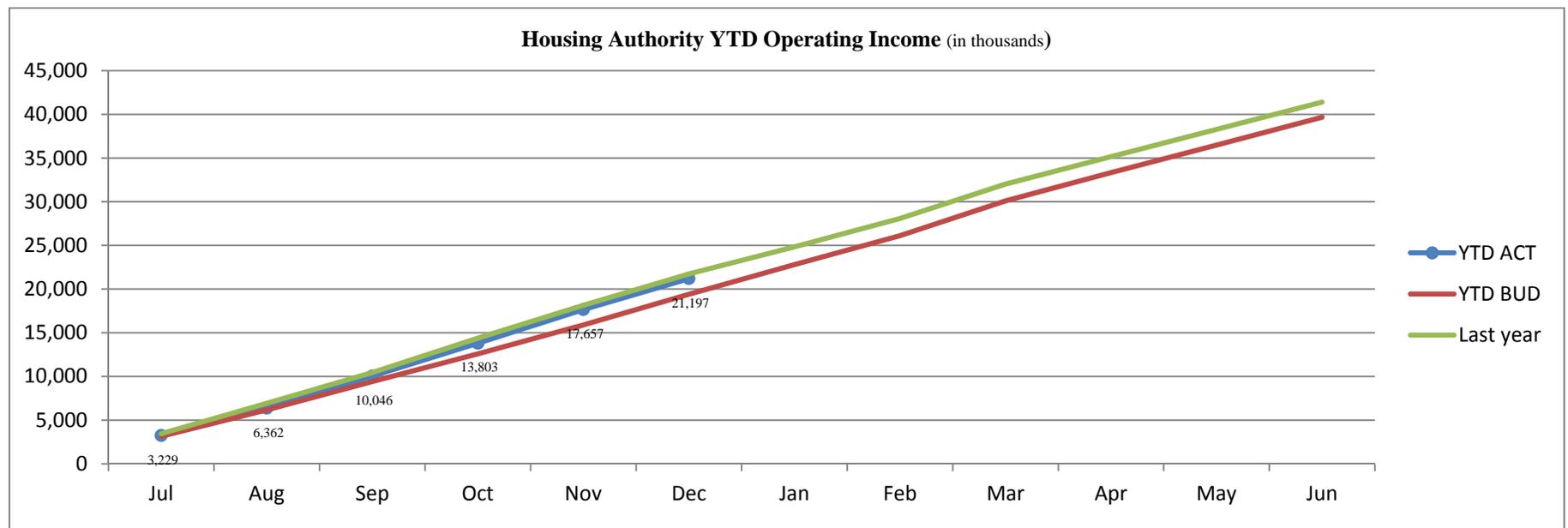
To: David D Jamison  
 From: Steven E Harvey  
 Date: January 20, 2015  
 Re: December 2015 Financial Results



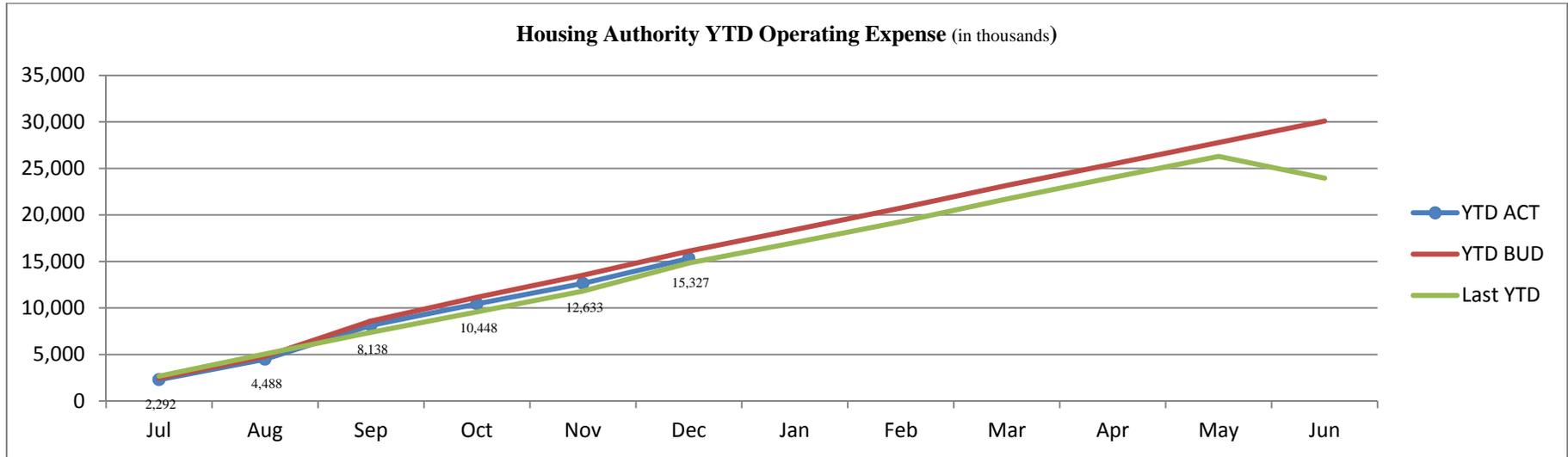
## Housing Authority Highlights

YTD December results for the Housing Authority were favorable to budget.

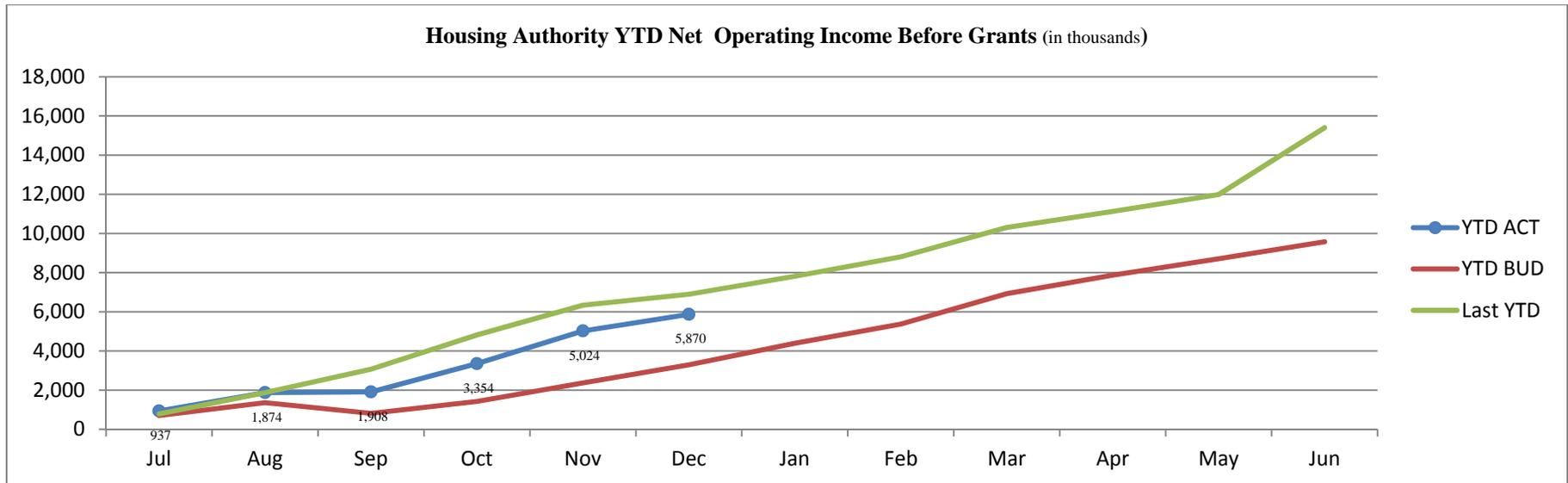
- ITG continues to exceed Operating Income budget by \$1,002,205 or 33.5%.
- Interest Income exceeds budget by \$342,232 due to higher than planned MBS sales.
- LIHTC Fees exceed budget by \$261,518 or 50.7%
- Ag Division fees exceed budget by \$79,517 or 38.1%
- Aggressive debt reduction continues to reduce interest expense, which is \$948,907 or 13.3% below budget.
- Staffing was below budget by 8 FTE's resulting in a reduction of employee expenses of \$341,136 or 6.5% below budget.
- Professional services were above budget by \$556,854 or 23.6% due mainly to ITG incentive payments to field issuers.
- Net Grant Expense of \$464,367 exceeded budget by \$484,961 due to disbursements occurring earlier in the year than expected.



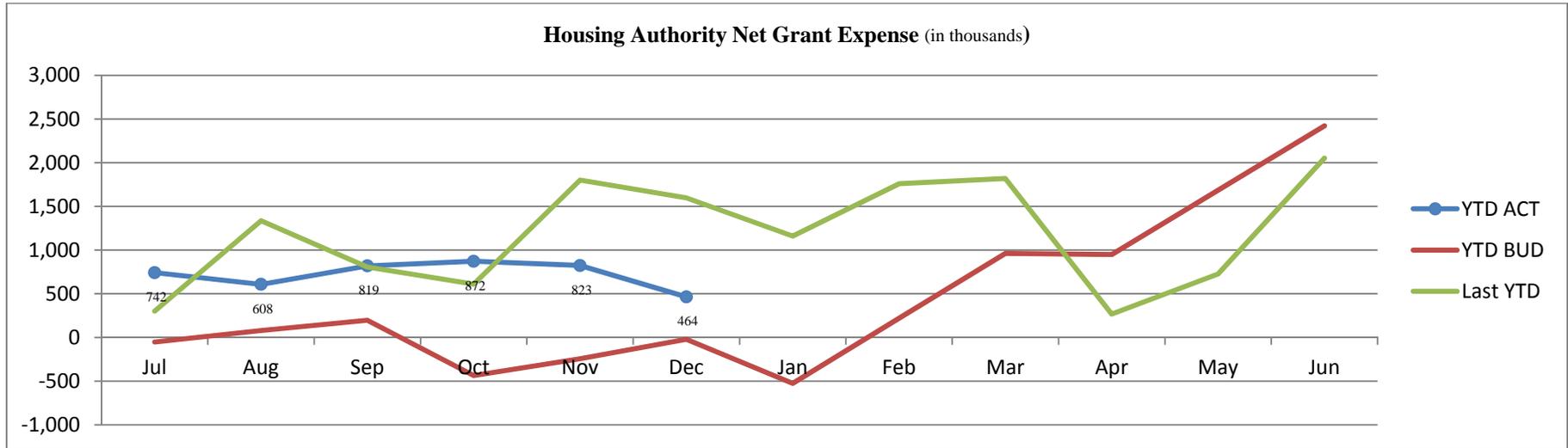
YTD Operating Income of \$21,196,925 was \$1,789,902 or 9.2% above budget but \$544,644 or 2.5% below last year.



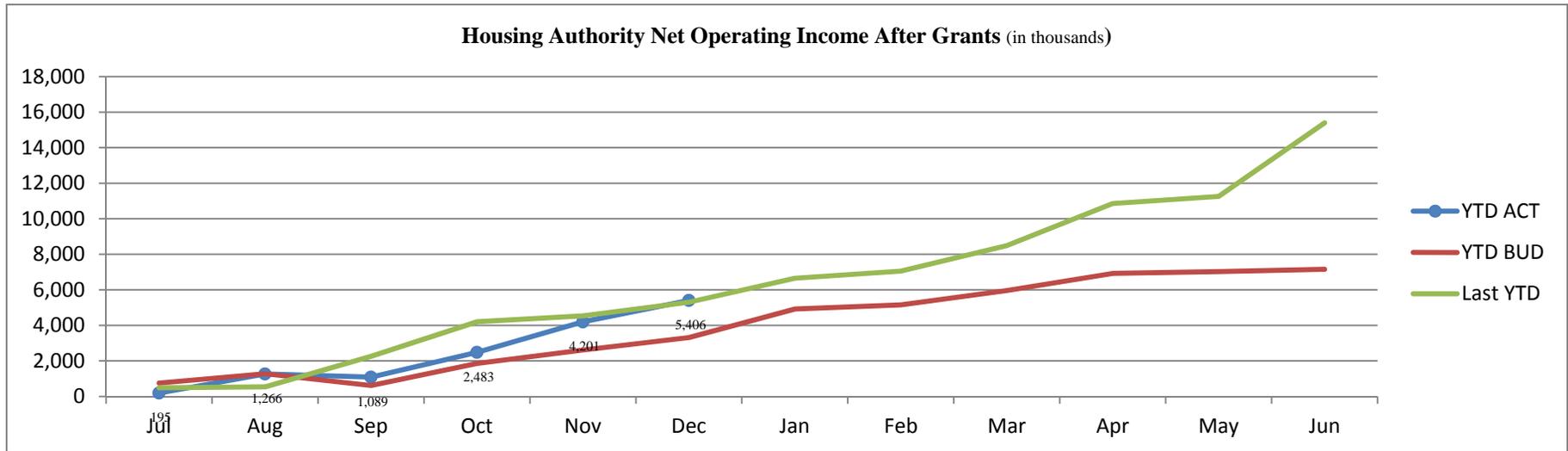
YTD Operating Expense of \$15,326,868 was \$789,496 or 4.9% below budget but \$485,630 or 3.3% above last year.



YTD Net Operating Income before Grants of \$5,870,057 was \$2,579,398 or 78.4% above budget but \$1,030,274 or 14.9% below last year.

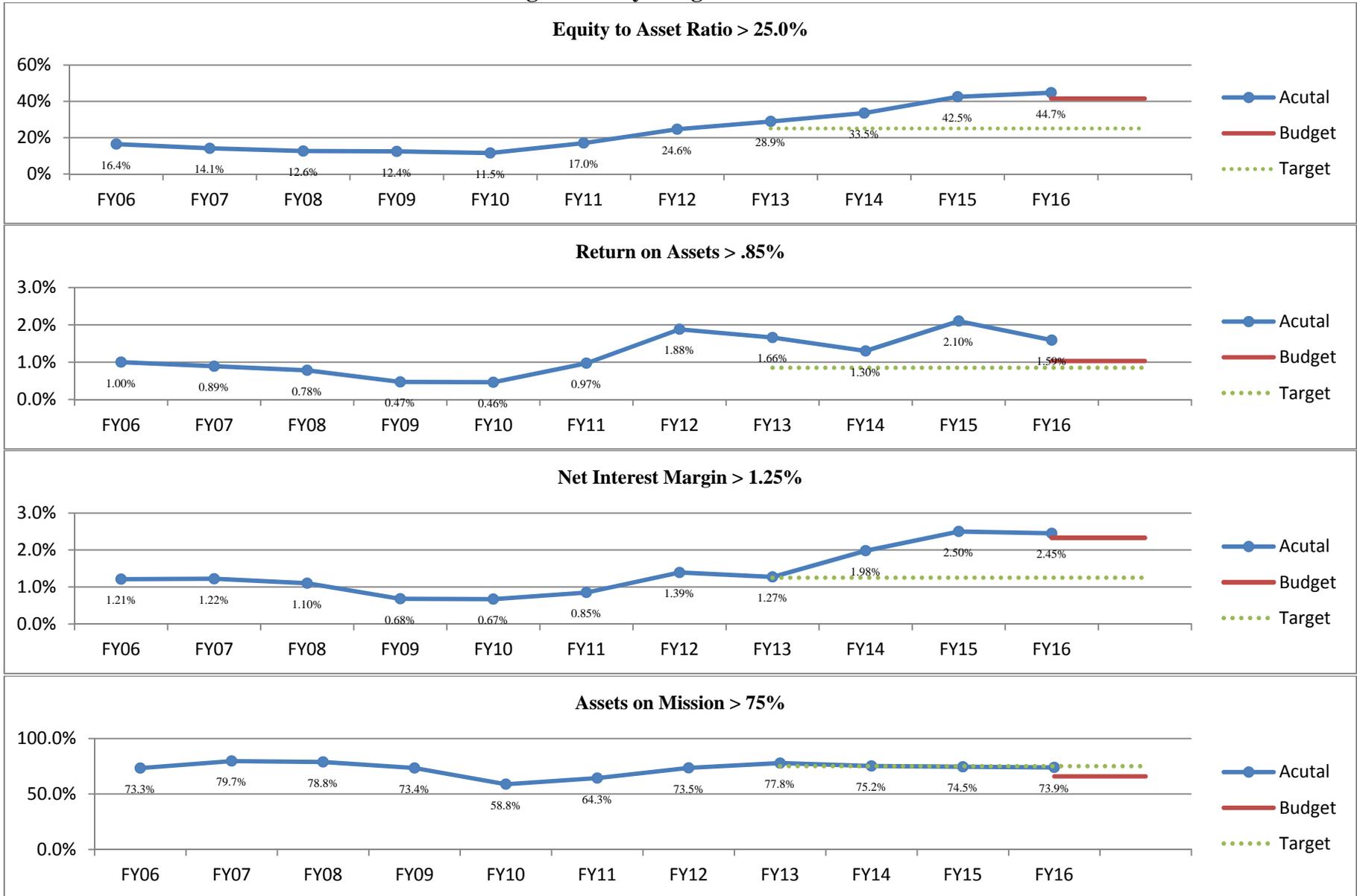


YTD Net Grant Expense of \$464,367 was \$484,961 or over 100% above budget but \$1,133,967 or 70.9% below last year



YTD Net Operating Income after Grants of \$5,405,690 was \$2,094,438 or 63.3% above budget and \$103,693 or 2.0% above last year.

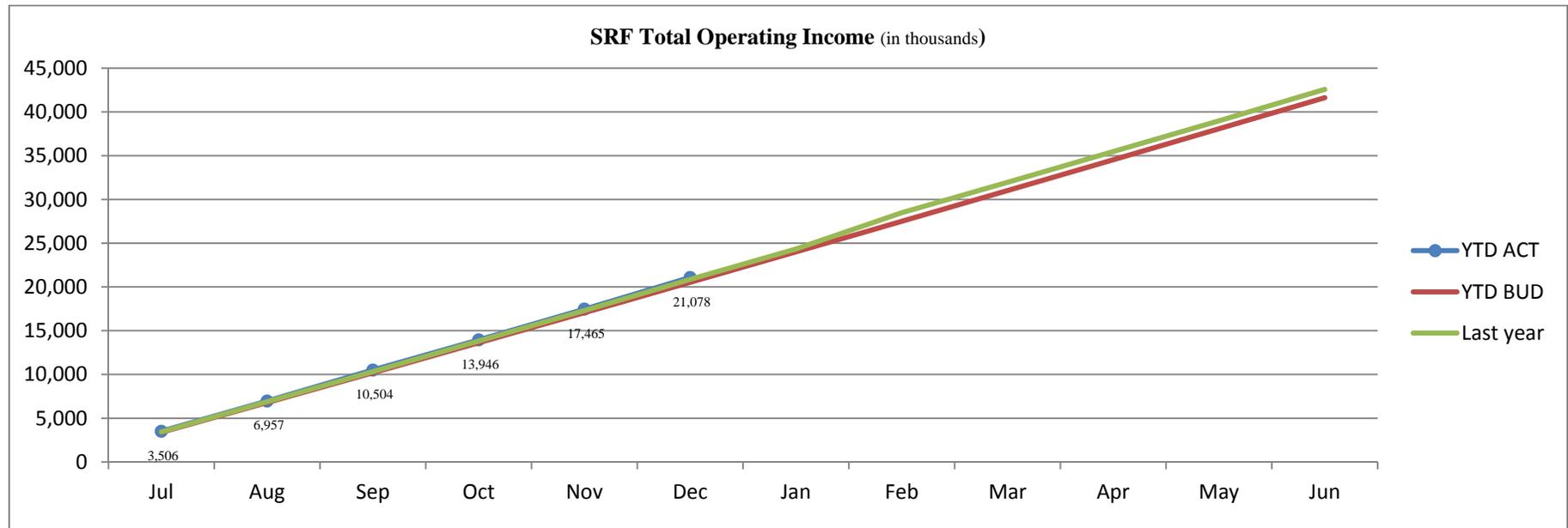
## Housing Authority Long-Term Measures



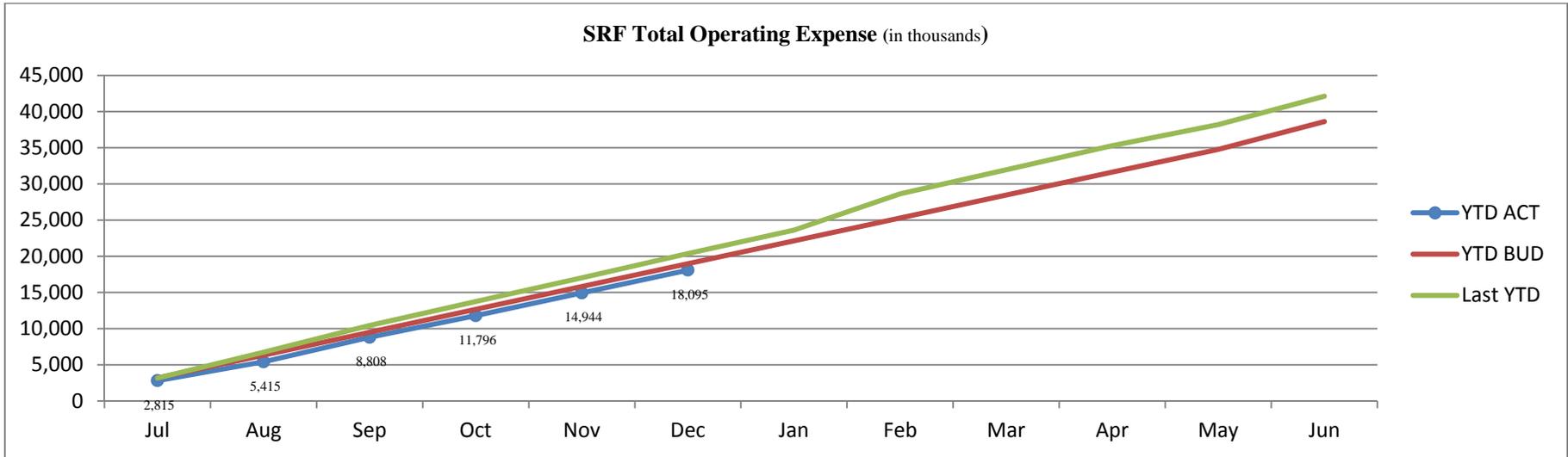
## State Revolving Fund Highlights

YTD December results for the SRF were favorable to budget.

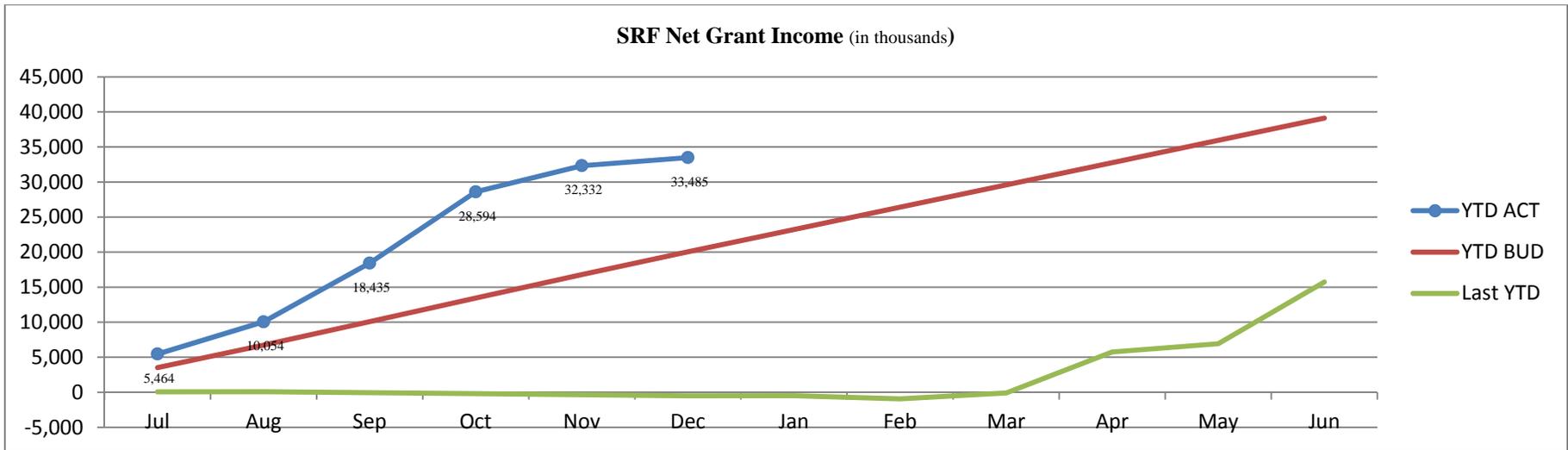
- SRF has \$168.0 million available to fund loan disbursements plus \$6.6 million of cap grants available to fund commitments of \$162 million.
- YTD the SRF has disbursed \$85.2 million in loan draws.
- Operating income and expense are both favorable to budget.



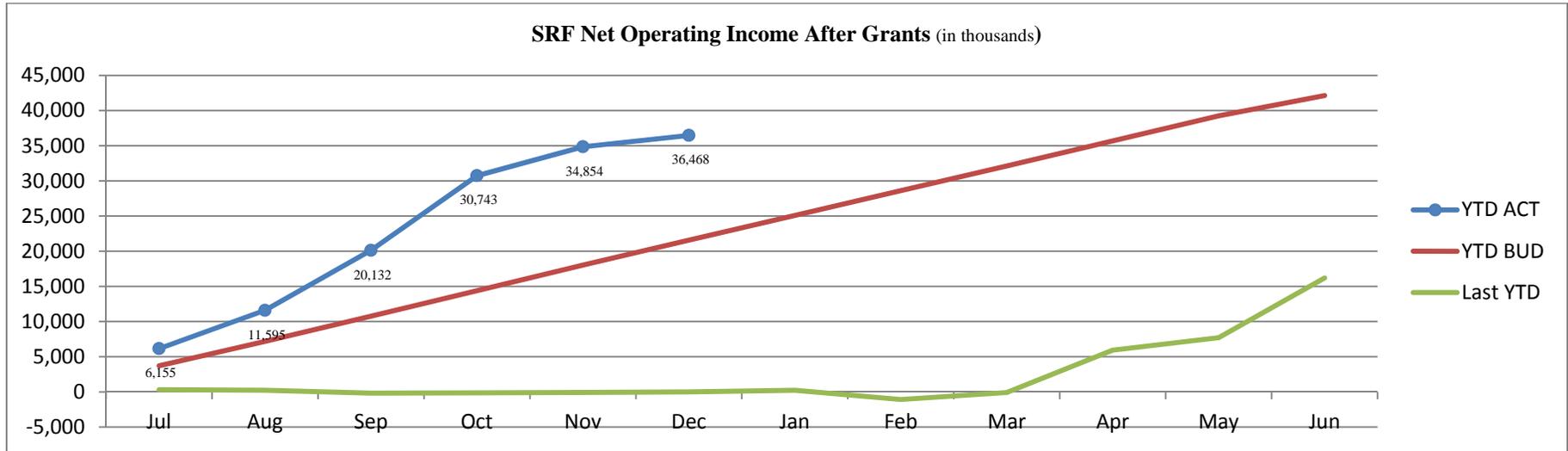
YTD Operating Income of \$21,078,440 was \$549,682 or 2.7% above budget and \$213,623 or 1.0% above last year.



YTD Operating Expenses of \$18,094,655 was \$890,023 or 4.7% below budget and \$2,277,684 below last year.



YTD Net Grant Income of \$33,484,694 was \$13,441,827 or 67.1% above budget and \$33,991,416 above last year.



YTD Net Operating Income after Grants of \$36,468,479 was \$14,881,532 or 68.9% above budget and \$36,482,723 above last year.

Income Statement	Housing Authority (Rollup)													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	2,272,073	2,446,197	(174,124)	-7.1	2,594,870	(322,797)	-12.4	14,363,944	14,021,713	342,232	2.4	16,707,183	(2,343,239)	-14.0
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	1,257,187	1,062,410	194,777	18.3	1,004,855	252,332	25.1	6,650,547	5,200,481	1,450,066	27.9	4,851,920	1,798,627	37.1
Other Income	10,745	4,855	5,890	121.3	(4,196)	14,941	-356.1	182,434	184,830	(2,396)	-1.3	182,466	(32)	0.0
<b>Total Operating Income</b>	<b>3,540,005</b>	<b>3,513,462</b>	<b>26,543</b>	<b>0.8</b>	<b>3,595,529</b>	<b>(55,523)</b>	<b>-1.5</b>	<b>21,196,925</b>	<b>19,407,023</b>	<b>1,789,902</b>	<b>9.2</b>	<b>21,741,569</b>	<b>(544,644)</b>	<b>-2.5</b>
Operating Expense														
Interest Expense	951,001	1,038,819	(87,818)	-8.5	1,226,720	(275,719)	-22.5	6,195,343	7,144,249	(948,907)	-13.3	7,063,250	(867,908)	-12.3
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	874,335	909,119	(34,784)	-3.8	889,488	(15,154)	-1.7	4,925,044	5,266,179	(341,136)	-6.5	4,843,033	82,011	1.7
Operating Expenses	94,993	102,511	(7,518)	-7.3	101,607	(6,614)	-6.5	626,973	635,072	(8,098)	-1.3	635,723	(8,750)	-1.4
Marketing Expense	965	10,348	(9,382)	-90.7	39,563	(38,598)	-97.6	330,496	475,414	(144,917)	-30.5	318,081	12,415	3.9
Professional Services	637,531	484,698	152,833	31.5	408,431	229,100	56.1	2,920,258	2,363,404	556,854	23.6	2,004,715	915,543	45.7
Claim and Loss Expenses	124,786	34,308	90,478	263.7	364,256	(239,470)	-65.7	293,157	177,396	115,761	65.3	(27,179)	320,336	-1178.6
Service Release Premium	8,968	11,147	(2,179)	-19.6	2,100	6,867	327.0	42,544	59,383	(16,840)	-28.4	6,921	35,623	514.7
Miscellaneous Operating Expense	11,521	4,963	6,557	132.1	5,049	6,471	128.2	38,074	35,478	2,596	7.3	32,766	5,307	16.2
Overhead Allocation	(10,127)	(7,024)	(3,103)	44.2	(5,644)	(4,483)	79.4	(45,020)	(40,211)	(4,809)	12.0	(36,072)	(8,948)	24.8
<b>Total Operating Expense</b>	<b>2,693,972</b>	<b>2,588,888</b>	<b>105,083</b>	<b>4.1</b>	<b>3,031,571</b>	<b>(337,599)</b>	<b>-11.1</b>	<b>15,326,868</b>	<b>16,116,364</b>	<b>(789,496)</b>	<b>-4.9</b>	<b>14,841,238</b>	<b>485,630</b>	<b>3.3</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>846,034</b>	<b>924,574</b>	<b>(78,540)</b>	<b>-8.5</b>	<b>563,957</b>	<b>282,076</b>	<b>50.0</b>	<b>5,870,057</b>	<b>3,290,659</b>	<b>2,579,398</b>	<b>78.4</b>	<b>6,900,331</b>	<b>(1,030,274)</b>	<b>-14.9</b>
Net Grant (Income) Expense														
Grant Income	(3,274,271)	(1,878,527)	(1,395,744)	74.3	(2,989,066)	(285,205)	9.5	(14,631,168)	(12,271,163)	(2,360,005)	19.2	(14,661,984)	30,816	-0.2
Grant Expense	2,915,572	2,102,077	813,495	38.7	2,786,410	129,161	4.6	15,095,534	12,250,569	2,844,965	23.2	16,260,318	(1,164,784)	-7.2
<b>Total Net Grant (Income) Expense</b>	<b>(358,699)</b>	<b>223,550</b>	<b>(582,249)</b>	<b>-260.5</b>	<b>(202,656)</b>	<b>(156,044)</b>	<b>77.0</b>	<b>464,367</b>	<b>(20,594)</b>	<b>484,961</b>	<b>-2354.9</b>	<b>1,598,334</b>	<b>(1,133,967)</b>	<b>-70.9</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>1,204,733</b>	<b>701,024</b>	<b>503,709</b>	<b>71.9</b>	<b>766,613</b>	<b>438,120</b>	<b>57.2</b>	<b>5,405,690</b>	<b>3,311,252</b>	<b>2,094,438</b>	<b>63.3</b>	<b>5,301,997</b>	<b>103,693</b>	<b>2.0</b>
Non-Operating (Income) Expense	1,649,840	-	1,649,840	0.0	1,242,113	407,727	32.8	5,541,402	-	5,541,402	0.0	429,914	5,111,488	1189.0
<b>Net Income (Loss)</b>	<b>(445,107)</b>	<b>701,024</b>	<b>(1,146,131)</b>	<b>-163.5</b>	<b>(475,500)</b>	<b>30,393</b>	<b>-6.4</b>	<b>(135,712)</b>	<b>3,311,252</b>	<b>(3,446,965)</b>	<b>-104.1</b>	<b>4,872,083</b>	<b>(5,007,795)</b>	<b>-102.8</b>
Home Dept Staff Count	83	92	(9)	-9.8	87	(4)	-4.6	82	92	(10)	-10.5	87	(5)	-5.4
FTE Staff Count	83	92	(9)	-9.8	87	(4)	-4.0	84	92	(8)	-9.0	89	(5)	-5.6

Balance Sheet	Housing Authority (Rollup)						
	Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	149,833,865	183,205,236	(33,371,371)	-18.2	175,819,944	(25,986,080)	-14.8
Investments	19,972,667	23,111,855	(3,139,187)	-13.6	23,240,418	(3,267,751)	-14.1
Mortgage Backed Securities	391,795,512	384,184,055	7,611,457	2.0	422,283,035	(30,487,523)	-7.2
Loans - net of reserve for losses	129,749,619	136,397,038	(6,647,418)	-4.9	148,578,837	(18,829,217)	-12.7
Capital Assets (net of accumulated depreciation)	2,697,344	2,869,465	(172,121)	-6.0	2,861,124	(163,780)	-5.7
Other Assets	12,792,000	39,211,805	(26,419,804)	-67.4	39,030,727	(26,238,727)	-67.2
Deferred Outflows	4,286,570	6,822,866	(2,536,296)	-37.2	5,969,336	(1,682,766)	-28.2
<b>Total Assets and Deferred Outflows</b>	<b>711,127,578</b>	<b>775,802,319</b>	<b>(64,674,741)</b>	<b>-8.3</b>	<b>817,783,421</b>	<b>(106,655,843)</b>	<b>-13.0</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	349,761,607	377,078,128	(27,316,521)	-7.2	414,608,550	(64,846,943)	-15.6
Interest Payable	4,014,739	5,036,774	(1,022,034)	-20.3	5,088,568	(1,073,829)	-21.1
Unearned Income	4,475,508	4,055,629	419,880	10.4	4,783,817	(308,308)	-6.4
Escrow Deposits	8,845,193	7,196,146	1,649,047	22.9	9,626,990	(781,798)	-8.1
Reserves for Claims	962,015	5,462,527	(4,500,512)	-82.4	5,290,576	(4,328,561)	-81.8
Accounts Payable & Accrued Liabilities	3,587,967	3,790,787	(202,819)	-5.4	15,264,842	(11,676,874)	-76.5
Other liabilities	10,731,608	37,241,055	(26,509,447)	-71.2	37,241,055	(26,509,447)	-71.2
Deferred Inflows	1,524,352	-	1,524,352	0.0	-	1,524,352	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>383,902,990</b>	<b>439,861,044</b>	<b>(55,958,054)</b>	<b>-12.7</b>	<b>491,904,398</b>	<b>(108,001,409)</b>	<b>-22.0</b>
<b>Equity</b>							
YTD Earnings(Loss)	(135,712)	3,311,252	(3,446,965)	-104.1	4,872,083	(5,007,795)	-102.8
Prior Years Earnings	327,360,300	332,630,023	(5,269,722)	-1.6	321,006,940	6,353,360	2.0
Transfers	0	(0)	0		0	(0)	
<b>Total Equity</b>	<b>327,224,588</b>	<b>335,941,275</b>	<b>(8,716,687)</b>	<b>-2.6</b>	<b>325,879,023</b>	<b>1,345,565</b>	<b>0.4</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>711,127,578</b>	<b>775,802,319</b>	<b>(64,674,741)</b>	<b>-8.3</b>	<b>817,783,421</b>	<b>(106,655,843)</b>	<b>-13.0</b>

Income Statement	State Revolving Fund (Rollup)													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	3,217,599	3,123,201	94,398	3.0	3,126,543	91,056	2.9	18,955,190	18,509,408	445,782	2.4	18,850,415	104,776	0.6
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	395,665	340,417	55,248	16.2	442,408	(46,743)	-10.6	2,123,250	2,019,350	103,900	5.1	2,014,403	108,847	5.4
Other Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	0	(0)	-100.0
<b>Total Operating Income</b>	<b>3,613,264</b>	<b>3,463,618</b>	<b>149,646</b>	<b>4.3</b>	<b>3,568,952</b>	<b>44,312</b>	<b>1.2</b>	<b>21,078,440</b>	<b>20,528,759</b>	<b>549,682</b>	<b>2.7</b>	<b>20,864,817</b>	<b>213,623</b>	<b>1.0</b>
Operating Expense														
Interest Expense	2,439,589	2,446,095	(6,506)	-0.3	2,686,725	(247,136)	-9.2	14,440,573	14,696,009	(255,437)	-1.7	16,375,762	(1,935,190)	-11.8
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	59,487	60,637	(1,150)	-1.9	59,937	(450)	-0.8	338,374	347,379	(9,005)	-2.6	323,484	14,890	4.6
Operating Expenses	7,497	8,258	(761)	-9.2	6,157	1,340	21.8	51,557	49,269	2,288	4.6	39,431	12,126	30.8
Marketing Expense	1,169	2,200	(1,031)	-46.9	1,116	53	4.7	5,138	13,200	(8,062)	-61.1	13,622	(8,484)	-62.3
Professional Services	57,610	35,708	21,902	61.3	58,659	(1,049)	-1.8	162,874	158,609	4,265	2.7	214,087	(51,213)	-23.9
Claim and Loss Expenses	-	(10,000)	10,000	-100.0	(5,000)	5,000	-100.0	-	(10,000)	10,000	-100.0	(5,000)	5,000	-100.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	575,544	615,000	(39,456)	-6.4	532,953	42,591	8.0	3,051,118	3,690,000	(638,882)	-17.3	3,374,879	(323,761)	-9.6
Overhead Allocation	10,127	7,024	3,103	44.2	5,644	4,483	79.4	45,020	40,211	4,809	12.0	36,072	8,948	24.8
<b>Total Operating Expense</b>	<b>3,151,023</b>	<b>3,164,922</b>	<b>(13,898)</b>	<b>-0.4</b>	<b>3,346,191</b>	<b>(195,168)</b>	<b>-5.8</b>	<b>18,094,655</b>	<b>18,984,678</b>	<b>(890,023)</b>	<b>-4.7</b>	<b>20,372,339</b>	<b>(2,277,684)</b>	<b>-11.2</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>462,241</b>	<b>298,696</b>	<b>163,545</b>	<b>54.8</b>	<b>222,761</b>	<b>239,480</b>	<b>107.5</b>	<b>2,983,785</b>	<b>1,544,081</b>	<b>1,439,704</b>	<b>93.2</b>	<b>492,479</b>	<b>2,491,307</b>	<b>505.9</b>
Net Grant (Income) Expense														
Grant Income	(2,904,180)	(3,757,187)	853,007	-22.7	(223,725)	(2,680,454)	1198.1	(38,029,649)	(23,042,866)	(14,986,782)	65.0	(1,701,877)	(36,327,771)	2134.6
Grant Expense	1,751,470	500,000	1,251,470	250.3	369,604	1,381,866	373.9	4,544,955	3,000,000	1,544,955	51.5	2,208,599	2,336,356	105.8
<b>Total Net Grant (Income) Expense</b>	<b>(1,152,709)</b>	<b>(3,257,187)</b>	<b>2,104,478</b>	<b>-64.6</b>	<b>145,879</b>	<b>(1,298,588)</b>	<b>-890.2</b>	<b>(33,484,694)</b>	<b>(20,042,866)</b>	<b>(13,441,827)</b>	<b>67.1</b>	<b>506,722</b>	<b>(33,991,416)</b>	<b>-6708.1</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>1,614,950</b>	<b>3,555,883</b>	<b>(1,940,933)</b>	<b>-54.6</b>	<b>76,882</b>	<b>1,538,068</b>	<b>2000.6</b>	<b>36,468,479</b>	<b>21,586,947</b>	<b>14,881,532</b>	<b>68.9</b>	<b>(14,244)</b>	<b>36,482,723</b>	<b>#####</b>
Non-Operating (Income) Expense	123,401	-	123,401	0.0	296,506	(173,106)	-58.4	202,018	-	202,018	0.0	54,695	147,323	269.4
<b>Net Income (Loss)</b>	<b>1,491,549</b>	<b>3,555,883</b>	<b>(2,064,334)</b>	<b>-58.1</b>	<b>(219,624)</b>	<b>1,711,174</b>	<b>-779.1</b>	<b>36,266,461</b>	<b>21,586,947</b>	<b>14,679,514</b>	<b>68.0</b>	<b>(68,938)</b>	<b>36,335,399</b>	<b>#####</b>
Home Dept Staff Count	4	4	-	0.0	4	-	0.0	4	4	-	0.0	4	-	0.0
FTE Staff Count	5	6	(1)	-14.9	5	(1)	-9.9	5	6	(1)	-11.9	5	(0)	-6.5

Balance Sheet	State Revolving Fund (Rollup)						
	Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	191,542,775	222,320,867	(30,778,092)	-13.8	231,347,243	(39,804,468)	-17.2
Investments	111,446,324	92,504,143	18,942,182	20.5	85,864,591	25,581,733	29.8
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	1,493,055,272	1,462,665,051	30,390,221	2.1	1,437,825,025	55,230,247	3.8
Capital Assets (net of accumulated depreciation)	3,680	3,680	(0)	0.0	47,847	(44,167)	-92.3
Other Assets	5,410,054	5,787,553	(377,498)	-6.5	5,421,866	(11,812)	-0.2
Deferred Outflows	24,685,957	24,648,569	37,388	0.2	2,814,874	21,871,083	777.0
<b>Total Assets and Deferred Outflows</b>	<b>1,826,144,063</b>	<b>1,807,929,863</b>	<b>18,214,200</b>	<b>1.0</b>	<b>1,763,321,446</b>	<b>62,822,617</b>	<b>3.6</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	948,580,820	948,580,820	-	0.0	937,960,296	10,620,523	1.1
Interest Payable	15,509,105	15,509,105	(0)	0.0	16,020,368	(511,263)	-3.2
Unearned Income	-	-	-	0.0	-	-	0.0
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	766,774	714,026	52,748	7.4	634,994	131,780	20.8
Other liabilities	269,655	-	269,655	0.0	-	269,655	0.0
Deferred Inflows	102,838	-	102,838	0.0	-	102,838	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>965,229,192</b>	<b>964,803,951</b>	<b>425,241</b>	<b>0.0</b>	<b>954,615,659</b>	<b>10,613,533</b>	<b>1.1</b>
<b>Equity</b>							
YTD Earnings(Loss)	36,266,461	21,586,947	14,679,514	68.0	(68,938)	36,335,399	#####
Prior Years Earnings	824,656,460	821,538,965	3,117,496	0.4	808,774,726	15,881,734	2.0
Transfers	(8,050)	0	(8,050)		0	(8,050)	
<b>Total Equity</b>	<b>860,914,871</b>	<b>843,125,912</b>	<b>17,788,959</b>	<b>2.1</b>	<b>808,705,787</b>	<b>52,209,084</b>	<b>6.5</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>1,826,144,063</b>	<b>1,807,929,863</b>	<b>18,214,200</b>	<b>1.0</b>	<b>1,763,321,446</b>	<b>62,822,617</b>	<b>3.6</b>

IOWA FINANCE AUTHORITY  
RESERVE FOR LOAN LOSS ANALYSIS

Board Rpt

December 31, 2015

Series	Description	Principal	Reserve %	Reserve \$
	Performing first mortgage loans	799,949		-
	Performing less than first mortgage loans	-	5%	-
	Impaired Loans:			
	(None)	-	100%	-
001-010	General Fund	799,949		-
	Performing first mortgage loans	3,676,895		-
	Performing less than first mortgage loans	180,468	5%	9,023
	Impaired Loans:			
	(None)	-		-
100-053	Single Family	3,857,363		9,000
	Performing first mortgage loans	59,265,656		-
	Impaired first mortgage loans:			
	MF-07-001 - Humility of Mary Shelter	781,600	30%	234,480
	MF-03-005 - Postville Partners	193,938	10%	19,394
	MF-03-006 - Perry Partners	309,847	10%	30,985
	MF-08-003 - Welch Hotel	438,296	10%	43,830
	MF-08-005 - Maquoketa Housing	224,708	10%	22,471
	Performing less than first mortgage loans	1,069,936	5%	53,497
	Impaired Loans less than first:			
	HA-97-016 - Perry Partners	16,821	25%	4,205
	HA-97-020 - Postville Partners	30,257	25%	7,564
	Cash Flow Loans:			
	MF-02-003B - West Cap Santa Clara, LLC	149,178	25%	37,294
	HA-94-008 - Area XV Multi-County Housing Agency	41,516	100%	41,516
	HA-98-022 - Pella Housing Partners	107,533	100%	107,533
	HA-98-024 - Grinnell Housing Partners	117,467	100%	117,467
200-005	Multi Family	62,746,753		720,000
	Performing first mortgage loans	927,900	0%	-
	Impaired first mortgage loans:			
	#MF-02-001 - Winfield Village, L.P.	153,719	50%	76,859
	#MF-02-002 - Davenport Manor	1,480,117	25%	370,029
	Performing less than first mortgage loans	1,929,321	5%	96,466
	Impaired Loans:			
	#MF-08-004 - Welch Hotel	207,063	25%	51,766
	#MF-08-006 - Maquoketa Housing	106,529	25%	26,632
	#IHC-95-034 - Countryside Assoc of Manchester	53,784	100%	53,784
	Cash Flow Loans:			
	#MF-15-004 - Twin Oaks Manor	229,877	50%	114,938
	#HA-98-020 - Area XV Multi-County Housing Agency	46,129	100%	46,129
	#HA-98-021 - Newton Housing Partners, LLC	142,266	100%	142,266
	#HA-98-023 - Kellogg Housing Partners, LLC	131,687	100%	131,687
	#HA-98-025 - Monroe Housing Partners, LLC	131,687	100%	131,687
	#IHC-03-001 - Stout Place	114,176	100%	114,176
	#IHC-92-010N - Bishop's Block	157,494	100%	157,494
500-047	State Housing Trust Fund	5,811,747		1,514,000
	Performing first mortgage loans	2,924,063	0%	-
	Performing less than first mortgage loans	3,082,888	5%	154,144
500-049	Senior Living Trust Fund	6,006,951		154,000
	Performing first mortgage loans	1,204,697	0%	-
	Performing less than first mortgage loans	123,585	5%	6,179
	Impaired loans:			
	#HC-08-001 - Mahaska County Agency on Aging	116,364	10%	11,636
500-050	Home and Community Based Trust	1,444,646		18,000
	Performing first mortgage loans	1,085,417	0%	-
	Performing less than first mortgage loans	1,544,564	5%	77,228
500-051	Transitional Housing Trust	2,629,981		77,000
500-057	Tax Credit Assistance Proram (TCAP)	18,978,542	100%	18,978,542
500-058	HOME	128,216,663	63%	81,415,086
	Performing first mortgage loans	129,985	0%	-
	Forgivable Loans			
	#CH-14-002B Hope Haven Development Ctr.	141,223	100%	141,223
500-062	Community Housing and Services	271,208		141,000
600-174	Ag Development	2,064,180	1%	20,642
Total IFA Loans		232,827,982		103,047,270
			Net Loans	129,780,712

**Iowa Finance Authority  
Housing Agency Grant Commitments**

Grant Program	Grant #	Original Commitment	Balance 06/30/2015	FY16 Additions (Red)	FY16 Payments				Commitment Balance
					12/1/2015	12/18/2015	12/28/2015	Total	
<b>Local Housing Trust Fund Grant (FY13) - \$5,469,749</b>									
Floyd County Housing Trust Fund	13-04	\$46,303	0	0				0	\$0
NIACOG Housing Trust Fund Inc	13-05	\$74,151	0	0				0	\$0
Northwest Iowa Regional Housing Trust Fund Inc	13-06	\$271,707	31,262	0				(31,262)	\$0
Southern Iowa COG Housing Trust Fund	13-07	\$244,115	0	0				0	\$0
Northeast Iowa Regional Housing Trust Fund	13-08	\$238,081	0	0				0	\$0
Region 6 Housing Trust Fund	13-09	\$269,863	0	0				0	\$0
Fayette County Local Housing Trust Fund	13-10	\$50,880	0	0				0	\$0
Iowa Northland Regional Housing Council LHTF	13-11	\$283,417	0	0				0	\$0
Southwest Iowa Housing Trust Fund Inc	13-13	\$296,151	0	0				0	\$0
Homeward Housing Trust Fund	13-14	\$291,249	0	0				0	\$0
Scott County Housing Council	13-15	\$382,969	0	0				0	\$0
Clay County Local Housing Trust Fund Inc	13-16	\$46,667	11,273	0				(11,273)	\$0
City of Dubuque Housing Trust Fund	13-17	\$147,637	0	0				0	\$0
Polk County Housing Trust Fund	13-18	\$550,640	0	0				0	\$0
AHEAD Regional Housing Trust Fund	13-19	\$165,600	0	0				0	\$0
COG Housing Inc	13-20	\$249,671	0	0				0	\$0
Great River Housing Inc	13-21	\$282,719	29,144	0				(29,144)	\$0
Council Bluffs Housing Trust Fund Inc	13-22	\$152,230	10,000	0				(10,000)	\$0
East Central Iowa Housing Trust Fund	13-23	\$259,773	0	0				0	\$0
Housing Trust Fund of Johnson County	13-24	\$250,882	0	0				0	\$0
Housing Fund for Linn County	13-25	\$331,226	0	0				0	\$0
Dallas County Local Housing Trust Fund Inc	13-26	\$152,036	0	0				0	\$0
Sioux City Housing Trust Fund Inc	13-27	\$172,684	0	0				0	\$0
Chariton Valley Regional Housing Trust Fund Inc	13-28	\$212,431	49,019	0				(49,019)	\$0
<b>Subtotal</b>		<b>\$5,423,082</b>	<b>\$130,698</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$130,698)</b>	<b>\$0</b>
<b>Local Housing Trust Fund Grant (FY14) \$7,514,816</b>									
Sioux City Housing Trust Fund Inc	14-04	\$234,697	\$44,994	0				(44,994)	\$0
City of Dubuque Housing Trust Fund	14-05	\$190,865	142,976	0				(67,000)	\$75,976
Northwest Iowa Regional Housing Trust Fund Inc	14-06	\$344,237	259,249	0				(130,114)	\$129,135
Floyd County Housing Trust Fund	14-07	\$58,530	0	0				0	\$0
Southwest Iowa Housing Trust Fund Inc	14-08	\$387,014	199,442	0				(61,124)	\$138,318
Region 6 Housing Trust Fund	14-09	\$341,010	102,992	0				(102,992)	\$0
AHEAD Regional Housing Trust Fund	14-10	\$176,235	0	0				0	\$0
Southern Iowa COG Housing Trust Fund	14-11	\$295,951	204,858	0				(204,858)	\$0
Homeward Housing Trust Fund	14-12	\$378,436	0	0				0	\$0
COG Housing Inc	14-13	\$305,674	0	0				0	\$0
Scott County Housing Council	14-14	\$538,946	49,541	0	(1,632)		(4,554)	(39,573)	\$9,968
NIACOG Housing Trust Fund Inc	14-15	\$107,264	0	0				0	\$0
Northeast Iowa Regional Housing Trust Fund	14-16	\$285,392	169,618	0				(42,432)	\$127,186
Council Bluffs Housing Trust Fund Inc	14-17	\$198,903	130,955	0				(50,000)	\$80,955
Fayette County Local Housing Trust Fund	14-18	\$66,540	13,280	0				(13,280)	\$0
Iowa Northland Regional Housing Council LHTF	14-19	\$364,730	109,186	0				(109,186)	\$0
Western Iowa Community Improvement Regional Housing Trust Fund	14-20	\$302,537	119,361	0		(34,202)		(79,474)	\$39,887
Polk County Housing Trust Fund	14-21	\$867,333	152,876	0				(152,876)	\$0
Clay County Local Housing Trust Funds Inc	14-22	\$59,167	52,707	0				(15,533)	\$37,174
Great River Housing Inc	14-23	\$363,508	290,761	0			(59,925)	(171,451)	\$119,310
Waterloo Housing Trust Fund	14-24	\$90,000	10,198	0				(10,198)	\$0
Housing Trust Fund of Johnson County	14-25	\$349,044	231,763	0		(3,873)		(148,868)	\$85,895
East Central Iowa Housing Trust Fund	14-26	\$323,353	90,696	0		(4,045)		(81,781)	\$8,915
Housing Fund for Linn County	14-27	\$489,646	417,955	0				(76,046)	\$341,909
Dallas County Local Housing Trust Fund Inc	14-28	\$155,300	0	0				0	\$0
Chariton Valley Regional Housing Trust Fund Inc	14-29	\$240,504	123,810	0		(1,900)		(31,171)	\$92,639
<b>Subtotal</b>		<b>\$7,514,816</b>	<b>\$2,917,219</b>	<b>\$0</b>	<b>(\$1,632)</b>	<b>(\$44,020)</b>	<b>(\$64,479)</b>	<b>(\$1,629,951)</b>	<b>\$1,287,269</b>
<b>Local Housing Trust Fund Grant (FY15) \$7,372,535</b>									
Northwest Iowa Regional Housing Trust Fund Inc	15-03	\$339,392	\$339,392	0		(37,316)		(90,381)	\$249,011
NIACOG Housing Trust Fund Inc	15-04	\$94,019	\$27,191	0				(27,191)	\$0
Floyd County Housing Trust Fund	15-05	\$53,639	\$0	0				0	\$0
AHEAD Regional Housing Trust Fund	15-06	\$322,440	\$131,826	0				(93,537)	\$38,289
Sioux City Housing Trust Fund Inc	15-07	\$209,892	\$209,892	0				(173,080)	\$36,812
Southern Iowa COG Housing Trust Fund	15-08	\$275,217	\$275,217	0				(171,946)	\$103,271
Waterloo Housing Trust Fund	15-09	\$108,135	\$97,322	0				(32,364)	\$64,958
Eastern Iowa Regional Housing Corporation Housing Trust Fund	15-10	\$379,802	\$306,684	0				(52,733)	\$253,951
City of Dubuque Housing Trust Fund	15-11	\$173,574	\$173,574	0				0	\$173,574
Region 6 Housing Trust Fund	15-12	\$312,551	\$281,296	0	(14,250)			(103,621)	\$177,675
Southwest Iowa Housing Trust Fund Inc	15-13	\$350,669	\$350,669	0				(98,309)	\$252,360
Fayette County Local Housing Trust Fund	15-14	\$60,276	\$60,276	0			(923)	(60,276)	\$0
Northeast Iowa Regional Housing Trust Fund	15-15	\$266,467	\$239,992	0			(14,698)	(70,131)	\$169,862
Homeward Housing Trust Fund	15-16	\$343,561	\$213,086	0		(28,239)		(136,341)	\$76,745
Clay County Local Housing Trust Fund Inc	15-17	\$54,167	\$54,167	0				0	\$54,167
Chariton Valley Regional Housing Trust Fund Inc	15-18	\$229,275	\$229,275	0		(2,166)		(2,166)	\$227,109
Scott County Housing Council	15-19	\$476,555	\$340,304	0	(9,777)		(10,308)	(186,764)	\$153,539
COG Housing Inc	15-20	\$283,273	\$218,367	0				(81,643)	\$136,724
Council Bluffs Housing Trust Fund Inc	15-21	\$180,234	\$180,234	0				0	\$180,234
Polk County Housing Trust Fund	15-22	\$797,159	\$797,159	0				(617,795)	\$179,364
Dallas County Local Housing Trust Fund Inc	15-23	\$84,189	\$84,189	0				(36,590)	\$47,599
Iowa Northland Regional Housing Council LHTF	15-24	\$332,205	\$289,185	0	(20,000)			(98,371)	\$190,814
East Central Iowa Housing Trust Fund	15-25	\$297,921	\$297,921	0				(31,464)	\$266,457
Housing Fund for Linn County	15-26	\$426,278	\$426,278	0				(44,279)	\$381,999
Housing Trust Fund of Johnson County	15-27	\$309,779	\$309,779	0				(30,977)	\$278,802
Western Iowa Community Improvement Regional Housing Trust Fund	15-28	\$280,673	\$280,673	0				0	\$280,673
Great River Housing Inc	15-29	\$331,193	\$331,193	0				0	\$331,193
<b>Subtotal</b>		<b>\$7,372,535</b>	<b>\$6,545,141</b>	<b>\$0</b>	<b>(\$44,027)</b>	<b>(\$67,721)</b>	<b>(\$25,930)</b>	<b>(\$2,239,958)</b>	<b>\$4,305,182</b>
<b>Project Based Grant (FY13) - \$350,000</b>									
Fort Dodge Housing Agency	13-01	\$50,000	0	0				0	\$0
Habitat for Humanity of Marion County Inc	13-02	\$50,000	0	0				0	\$0
Habitat for Humanity of Mitchell County	13-03	\$50,000	0	0				0	\$0
Habitat for Humanity of Central Iowa	13-30	\$50,000	0	0				0	\$0
Habitat for Humanity of North Central Iowa	13-31	\$50,000	25,000	0				(25,000)	\$0
Iowa Heartland Habitat for Humanity	13-34	\$50,000	0	0				0	\$0
<b>Subtotal</b>		<b>\$300,000</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$25,000)</b>	<b>\$0</b>
<b>Project Based Grant (FY15) - \$350,000</b>									
Habitat for Humanity of Boone and Greene Counties Inc	15-01	\$20,000	20,000	0				(20,000)	\$0
Habitat for Humanity of Marion County Inc	15-02	\$50,000	25,000	0				(25,000)	\$0
Northeast Iowa Community Action Corporation	15-30	\$50,000	50,000	0			(50,000)	(50,000)	\$0

**Iowa Finance Authority  
Housing Agency Grant Commitments**

Grant Program	Grant #	Original Commitment	Balance 06/30/2015	FY16 Additions (Red)	FY16 Payments				Commitment Balance
					12/11/2015	12/18/2015	12/28/2015	Total	
NeighborWorks Home Solutions	15-32	\$50,000	50,000	0				0	\$50,000
Hope Haven Inc	15-33	\$50,000	0	0				0	\$0
Heart of Iowa Habitat for Humanity	15-34	\$35,000	35,000	0				0	\$35,000
<b>Subtotal</b>		<b>\$255,000</b>	<b>\$180,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$50,000)</b>	<b>(\$95,000)</b>	<b>\$85,000</b>
<b>Shelter Assistance Fund (2015)</b>									
Beacon of Life		\$30,000	22,500	0				(15,000)	\$7,500
Catholic Council for Social Concern - Catholic Charities		\$37,500	18,724	0				(18,724)	\$0
Community Action Agency of Siouxland		\$34,121	28,615	0				(18,771)	\$9,844
Community Housing Initiatives Inc		\$14,000	8,440	0				(6,400)	\$2,040
Community Kitchen of North Iowa		\$29,250	19,335	0				(19,335)	\$0
Council on Sexual Assault & Domestic Violence		\$42,075	35,211	0				(23,239)	\$11,972
Crisis Intervention Services - NIAD Center for Human Development		\$45,000	21,568	0				(21,519)	\$49
Domestic/Sexual Assault Outreach Center		\$40,000	39,763	0	(5,187)			(38,260)	\$1,502
Dubuque Community YMCA/YWCA		\$42,500	31,337	0	(4,008)			(20,711)	\$10,626
Emergency Residence Project		\$29,959	29,959	0	(7,215)			(22,231)	\$7,728
Family Crisis Centers		\$47,500	27,644	0	(2,408)			(26,951)	\$693
Family Promise of Greater Des Moines		\$18,000	8,443	0				(7,974)	\$469
Fort Dodge Housing Agency		\$35,442	28,810	0	(12,739)			(18,604)	\$10,206
Foundation 2		\$37,438	20,462	0				(17,115)	\$3,347
Muscatine Center for Social Action		\$30,000	30,000	0				(30,000)	\$0
New Visions Homeless Services - The Christian Worship Center		\$37,500	15,189	0	(438)			(15,189)	\$0
Northern Lights Alliance for the Homeless		\$32,370	20,302	0	(7,749)			(20,302)	\$0
Opening Doors		\$40,000	40,000	0				(27,712)	\$12,288
Pathway Living Center		\$45,000	9,548	0				(9,548)	\$0
Shesler Hall		\$12,000	1,509	0				(1,509)	\$0
Table to Table Food Distribution Network		\$15,000	3,904	0				(3,904)	\$0
The Salvation Army - Waterloo/Cedar Falls		\$25,200	25,200	0				(25,200)	\$0
The Salvation Army of Siouxland		\$27,446	26,432	0				(665)	\$25,767
Willis Dady Emergency Shelter		\$39,600	10,309	0				(10,309)	\$0
Youth Emergency Services & Shelter		\$37,764	37,764	0	(3,324)			(21,426)	\$16,338
Institute for Community Alliances		\$46,800	24,382	0	(7,054)			(20,007)	\$4,735
<b>Subtotal</b>		<b>\$871,455</b>	<b>\$585,349</b>	<b>\$0</b>	<b>(\$50,121)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$460,604)</b>	<b>\$124,745</b>
<b>Emergency Solutions Grant Program (FFY 2014 in CY 2015)</b>									
Area Substance Abuse Council		\$82,350	40,340	0				(40,340)	\$0
Assault Care Center Extending Shelter and Support		\$69,372	51,647	0				(44,465)	\$7,181
Catherine McAuley Center		\$73,292	40,296	0		(3,462)		(36,614)	\$3,683
Cedar Valley Friends of the Family		\$132,793	121,765	0		(27,482)		(90,210)	\$31,555
Center for Siouxland		\$52,250	41,803	0		(3,266)		(41,803)	\$0
Central Iowa Shelter & Services		\$88,115	43,938	0				(43,938)	\$0
Children & Families of Iowa		\$79,797	55,010	0		(5,565)		(37,262)	\$17,748
City of Sioux City		\$79,762	79,762	0				(79,762)	\$0
Community Action of Southeast Iowa		\$41,175	7,255	0				(4,241)	\$3,015
Crisis Intervention & Advocacy Center		\$59,292	59,292	0				(20,526)	\$38,766
Crisis Intervention Services - NIAD Center for Human Development		\$92,500	74,317	0				(73,181)	\$1,135
Des Moines Area Religious Council		\$45,293	32,419	0				(32,419)	\$0
Domestic Violence Intervention Program		\$101,332	77,188	0				(49,541)	\$27,647
Family Resources		\$142,500	125,114	0		(26,559)		(100,171)	\$24,943
Hawkeye Area Community Action Program		\$150,000	129,000	0		(16,891)		(113,813)	\$15,188
Hawthorne Hill		\$31,500	16,246	0		(2,264)		(16,051)	\$196
Heartland Family Service		\$41,175	29,285	0		(15,044)		(27,594)	\$1,690
Humility of Mary Housing Inc		\$90,000	65,835	0		(7,333)		(49,492)	\$16,343
Humility of Mary Shelter Inc		\$133,000	90,906	0		(4,500)		(86,829)	\$4,077
Iowa Legal Aid		\$112,500	75,798	0				(64,128)	\$11,670
MICAH House		\$41,175	17,332	0				(17,332)	\$0
North Iowa Community Action Organization		\$123,525	84,521	0				(35,116)	\$49,404
Project Concern		\$48,022	30,125	0				(27,421)	\$2,704
Shelter House Community Shelter and Transition Services		\$150,000	112,037	0		(11,835)		(91,476)	\$20,562
The Salvation Army - Quad Cities		\$123,525	101,169	0		(45,414)		(76,101)	\$25,068
Upper Des Moines Opportunity Inc		\$123,538	76,675	0				(65,692)	\$10,983
Waypoint Services		\$123,525	83,060	0				(81,212)	\$1,849
Youth and Shelter Services Inc		\$110,020	86,313	0		(10,902)		(63,712)	\$22,601
YWCA Clinton		\$101,650	79,835	0		(17,009)		(79,835)	\$1
Iowa Institute for Community Alliances - HMIS		\$46,800	25,906	0		(1,117)		(24,543)	\$1,362
<b>Subtotal</b>		<b>\$2,689,778</b>	<b>\$1,954,188</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$210,253)</b>	<b>\$0</b>	<b>(\$1,614,819)</b>	<b>\$339,369</b>
<b>HOPWA (FFY 2014 IN CY 2015)</b>									
Cedar Valley Hospice		\$27,238	27,238	0		(2,784)		(22,947)	\$4,291
Primary Health Care Inc		\$165,387	137,263	0				(69,502)	\$67,761
Siouxland Community Health Center		\$51,341	34,595	0				(18,345)	\$16,250
The Project of the Quad Cities (AIDS Project Quad Cities)		\$62,510	57,930	0		(4,455)		(4,455)	\$53,475
University of Iowa		\$91,512	68,156	0		(7,142)		(32,456)	\$35,700
Iowa Institute for Community Alliances		\$11,409	6,801	0		(2,782)		(6,006)	\$794
<b>Subtotal</b>		<b>\$409,397</b>	<b>\$331,983</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$17,162)</b>	<b>\$0</b>	<b>(\$153,712)</b>	<b>\$178,271</b>
<b>HOME</b>									
East Central Intergovernmental Association	11-HM-112	\$399,990	185,113	0				0	\$185,113
Upper Explorerland Regional Planning Commission	12-HM-138	\$410,000	54,923	0				(612)	\$54,311
Upper Explorerland Regional Planning Commission	12-HM-141	\$410,000	214,627	0				0	\$214,627
Habitat for Humanity of Iowa	12-HM-144	\$423,500	297,000	0	(35,000)	(44,500)		(220,000)	\$77,000
Habitat for Humanity of Marion County Inc	12-HM-150	\$154,000	58,951	0				(38,390)	\$20,561
Family Housing Assistance - Anawim Housing	12-HM-510	\$212,258	1,119	0				(1,119)	\$0
<b>Subtotal</b>		<b>\$2,009,748</b>	<b>\$811,733</b>	<b>\$0</b>	<b>(\$35,000)</b>	<b>(\$44,500)</b>	<b>\$0</b>	<b>(\$260,121)</b>	<b>\$551,612</b>
<b>HOME (2013)</b>									
Affordable Housing Network Inc	13-HM-03CO	\$50,000	\$0	50,000				(50,000)	\$0
Northeast Iowa Community Action Corporation	13-HM-113	\$11,000	18,982	0				0	\$18,982
Greater Des Moines Habitat for Humanity Inc	13-HM-168	\$305,000	305,000	0				0	\$305,000
Upper Explorerland Regional Planning Commission	13-HM-169	\$395,000	114,033	0		(6,499)		(34,109)	\$79,924
Scott County Housing Council	13-HM-177	\$499,975	451,980	0				(22,244)	\$429,736
Siouxland Interstate Metropolitan Planning Council	13-HM-180	\$242,200	213,714	0				(8,609)	\$205,105
East Central Intergovernmental Association	13-HM-192	\$285,250	281,827	0				(98,538)	\$183,289
Habitat for Humanity of Marion County Inc	13-HM-197	\$154,000	154,000	0				(66,000)	\$88,000
Iowa Community Action Association	13-HM-563	\$1,099,960	205,426	0				(22,462)	\$182,964
Anawim Housing	13-HM-573	\$241,986	107,441	0				(34,558)	\$72,883
Fort Dodge Housing Agency	13-HM-575	\$241,670	16,157	0				(16,157)	\$0
Des Moines Municipal Housing Agency	13-HM-578	\$1,100,000	397,860	0		(16,471)		(118,639)	\$279,221
City of Clinton, Iowa Housing Authority	13AUG-HM-513	\$184,965	184,965	0				(28,656)	\$159,309
Mason City Housing Authority	13AUG-HM-520	\$194,832	139,492	0				(53,687)	\$83,805
Partners United for Supportive Housing - Affordable Housing Network	13AUG-HM-593	\$928,948	657,562	0	(17,803)			(129,604)	\$527,958

**Iowa Finance Authority  
Housing Agency Grant Commitments**

Grant Program	Grant #	Original Commitment	Balance 06/30/2015	FY16	FY16 Payments				Commitment Balance
				Additions (Red)	12/11/2015	12/18/2015	12/28/2015	Total	
Affordable Housing Network Inc	13AUG-HM-594	\$202,169	186,295	0	(10,965)			(65,559)	\$120,736
Capax Infniti Housing Inc	13AUG-HM-595	\$366,031	3,831	0				(3,831)	\$0
Children and Families of Iowa	13AUG-HM-597	\$123,420	110,120	0				(110,120)	\$0
<b>Subtotal</b>		\$6,626,406	\$3,548,685	\$50,000	(\$28,768)	(\$22,970)	\$0	(\$861,773)	\$2,736,912
<b>HOME (2014)</b>									
Home Opportunities Made Easy Inc	14-HM-159	\$231,000	231,000	0				0	\$231,000
Region XII Council of Governments Inc	14-HM-161	\$412,500	412,500	0				(18,019)	\$394,481
Upper Explorerland Regional Planning Commission	14-HM-163	\$395,000	379,985	0				(9,659)	\$370,326
Upper Explorerland Regional Planning Commission	14-HM-164	\$395,000	395,000	0				(17,715)	\$377,285
Upper Explorerland Regional Planning Commission	14-HM-165	\$276,000	276,000	0				0	\$276,000
Region 6 Planning Commission	14-HM-174	\$268,000	263,074	0		(50,799)		(132,076)	\$130,998
Region XII Council of Governments Inc	14-HM-177	\$412,500	273,348	0				(72,656)	\$200,692
Region XII Council of Governments Inc	14-HM-179	\$495,000	324,039	0				(56,404)	\$267,635
Capax Infniti Housing Inc	14-HM-503	\$630,958	271,097	0				(69,961)	\$201,136
Children and Families of Iowa	14-HM-556	\$156,674	155,999	0		(37,336)		(64,177)	\$91,822
Eastern Iowa Regional Housing Corporation	14-HM-566	\$998,064	504,642	0	(65,769)			(358,487)	\$146,155
Anawim Housing	14-HM-570	\$327,383	194,653	0				(69,380)	\$125,273
Mason City Housing Authority	14-HM-586	\$442,161	264,068	0				(98,212)	\$165,856
Iowa Community Action Association	14-HM-593	\$999,586	734,185	0				(428,632)	\$305,553
The Housing Fellowship	14JUL-HM-02CO	\$50,000	40,000	0				(40,000)	\$0
<b>Subtotal</b>		\$6,489,826	\$4,719,590	\$0	(\$65,769)	(\$88,135)	\$0	(\$1,435,378)	\$3,284,212
<b>HOME (2015)</b>									
Region XII Council of Governments	15-HM-102	\$224,400	\$0	224,400				0	\$224,400
Region XII Council of Governments	15-HM-103	\$192,500	\$0	192,500				0	\$192,500
Region XII Council of Governments	15-HM-109	\$412,500	\$0	412,500				0	\$412,500
Region XII Council of Governments	15-HM-116	\$206,250	\$0	206,250				0	\$206,250
Region XII Council of Governments	15-HM-118	\$206,250	\$0	206,250				0	\$206,250
Habitat for Humanity of Iowa Inc	15-HM-124	\$385,000	\$0	385,000				0	\$385,000
East Central Iowa Council of Governments	15-HM-186	\$540,000	\$0	540,000				0	\$540,000
Southeast Iowa Regional Planning Commission	15-HM-199	\$267,992	\$0	267,992				0	\$267,992
Eastern Iowa Regional Housing Corporation	15-HM-504	\$998,934	\$0	998,934				(200)	\$998,734
Fort Dodge Housing Agency	15-HM-507	\$111,100	\$0	111,100				0	\$111,100
United Neighbors Inc	15-HM-511	\$502,560	\$0	502,560				0	\$502,560
Anawim Housing	15-HM-585	\$310,440	\$0	310,440				(4,077)	\$306,363
Capax Infniti Housing	15-HM-589	\$821,815	\$0	821,815		(12,029)		(22,755)	\$799,060
Iowa Community Action Association	15-HM-591	\$999,760	0	999,760				(42,381)	\$957,379
<b>Subtotal</b>		\$6,179,501	\$0	\$6,179,501	\$0	(\$12,029)	\$0	(\$69,413)	\$6,110,088
<b>Total</b>		<b>\$46,141,544</b>	<b>\$21,749,587</b>	<b>\$6,229,501</b>	<b>(\$225,317)</b>	<b>(\$506,791)</b>	<b>(\$140,409)</b>	<b>(\$8,976,427)</b>	<b>\$19,002,661</b>

**GRANT COMMITMENT SUMMARY:**

STATE	5,802,196
FEDERAL	13,200,465
<b>TOTAL COMMITMENT BALANCE</b>	<b>19,002,661</b>

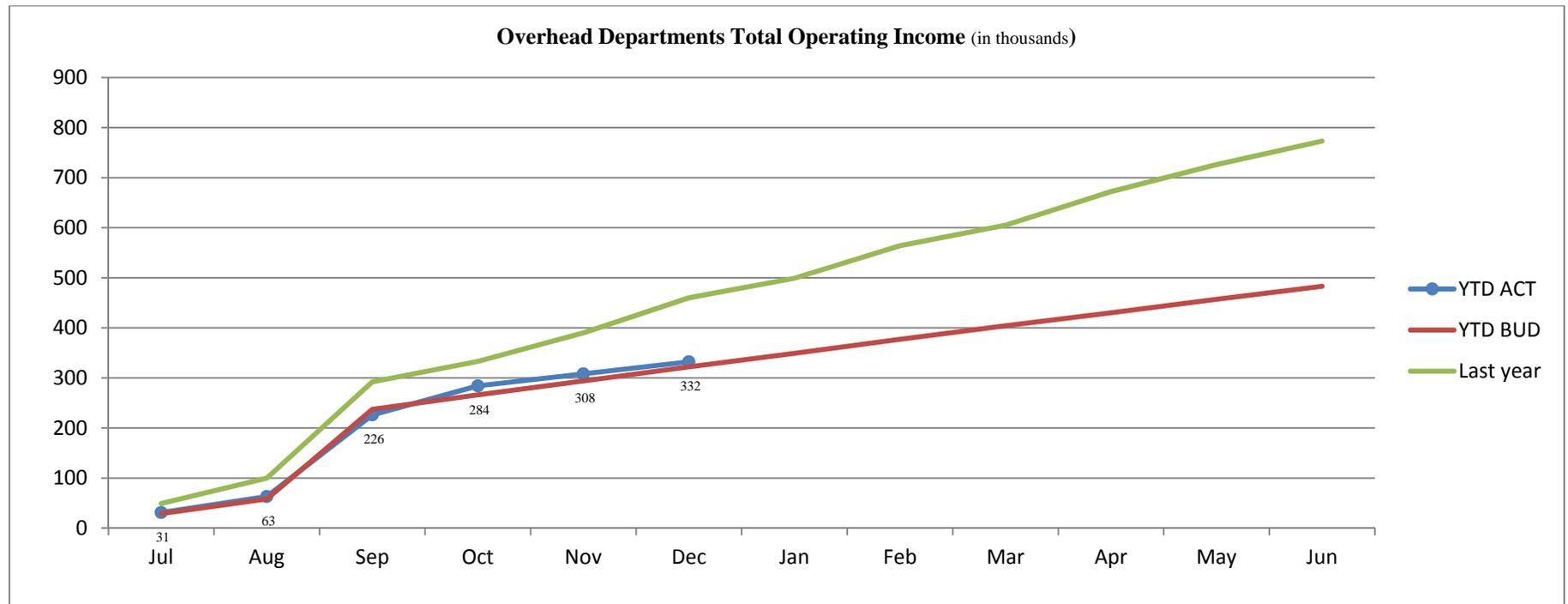
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To: IFA Board Members  
 From: Karen Klinkefus  
 Date: January 15, 2016  
 Re: December 2015 Overhead Financial Results

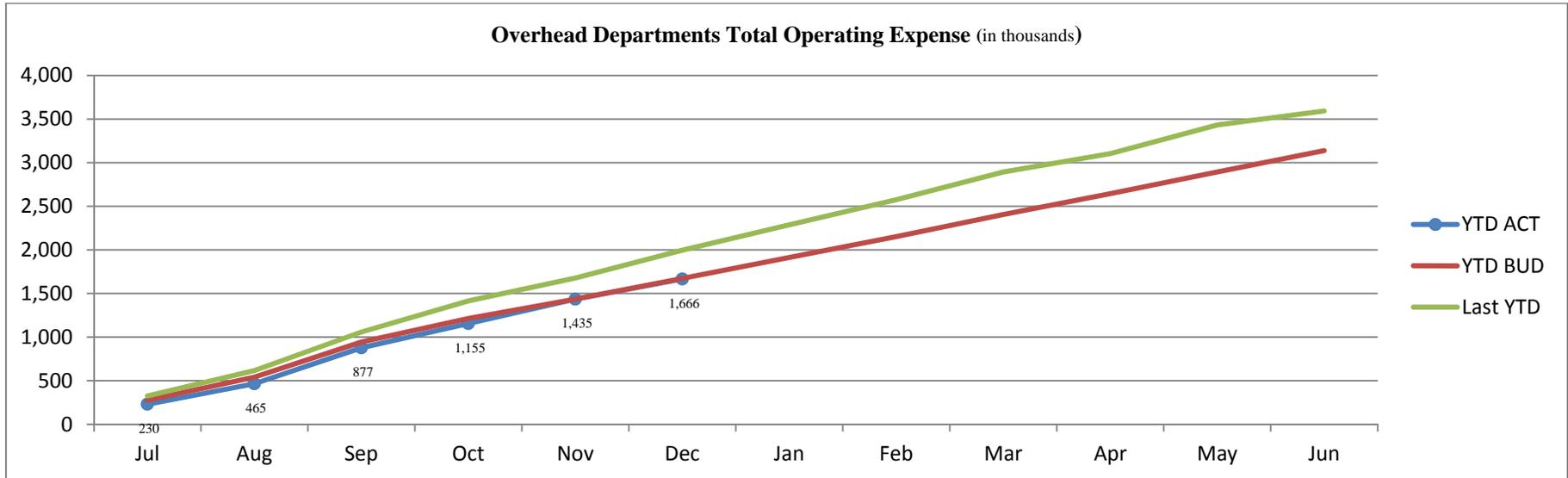


**YTD December Overhead Departments Highlights** (Administration, Accounting, Finance, IT, HR, Marketing)

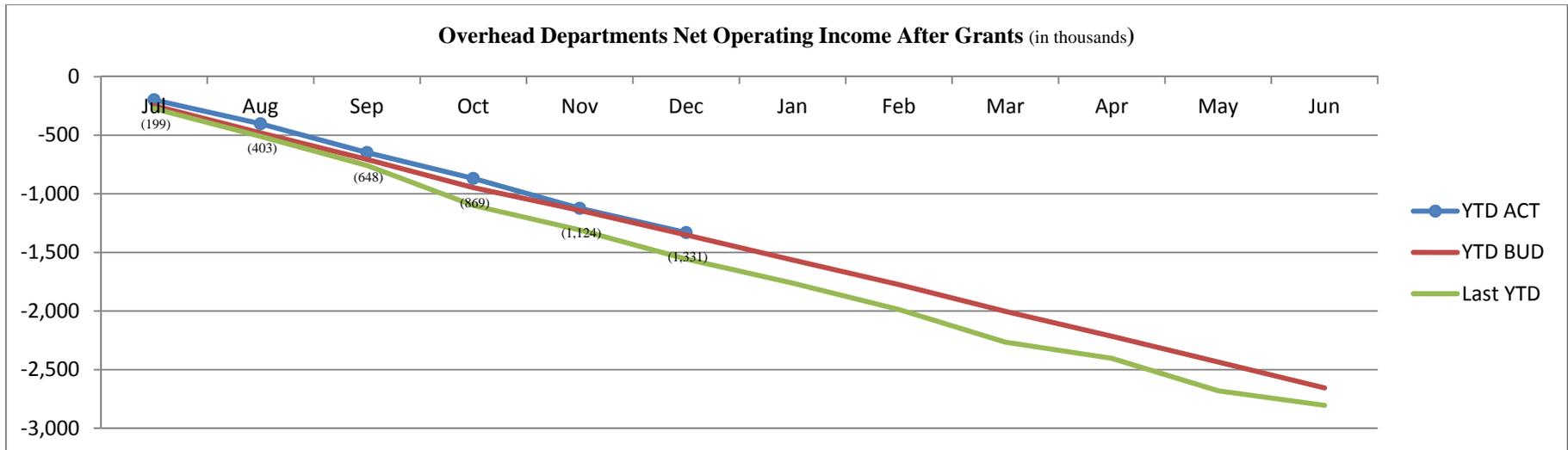
- Interest income is above budget due to a gain on sale of mortgage-backed securities of \$30,829.
- Other income is below budget due to Housing Conference income of \$15,728 lower than planned.
- Marketing expenses are below budget due to Housing Conference expenses of \$21,646 lower than planned.
- Professional Services are above budget due to an IT security analysis of \$23,650 and LightEdge consulting of \$10,500 not planned.



YTD Total Operating Income of \$332,153 was \$10,213 or 3.2% above budget and \$128,199 below last year.



YTD Operating Expense of \$1,666,337 is \$5,193 or 0.3% below budget and \$329,527 below last year.



YTD Net Operating Loss of \$1,331,259 is \$18,331 or 1.4% below budget and \$225,037 below last year.

Management has established a GF liquidity policy calling for Cash plus CE balances of greater than 3 months budgeted GF expenditures or \$2.3 million; and Cash plus CE plus Investment plus MBS balances of greater than 1 year budgeted GF expenses or \$9.2 million. On December 31, 2015, these balances were \$5.15 million and \$10.02 million respectively.

Income Statement	Overhead (Rollup)													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	23,107	27,869	(4,761)	-17.1	36,432	(13,325)	-36.6	193,395	171,940	21,455	12.5	219,282	(25,887)	-11.8
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	990	-	990	0.0	34,880	(33,890)	-97.2	4,236	-	4,236	0.0	92,777	(88,541)	-95.4
Other Income	250	-	250	0.0	(675)	925	-137.0	134,522	150,000	(15,478)	-10.3	148,293	(13,771)	-9.3
<b>Total Operating Income</b>	<b>24,347</b>	<b>27,869</b>	<b>(3,521)</b>	<b>-12.6</b>	<b>70,637</b>	<b>(46,290)</b>	<b>-65.5</b>	<b>332,153</b>	<b>321,940</b>	<b>10,213</b>	<b>3.2</b>	<b>460,352</b>	<b>(128,199)</b>	<b>-27.8</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	214,410	208,038	6,372	3.1	252,134	(37,723)	-15.0	1,227,492	1,243,037	(15,545)	-1.3	1,414,453	(186,961)	-13.2
Operating Expenses	31,204	32,230	(1,026)	-3.2	40,898	(9,694)	-23.7	206,105	194,272	11,834	6.1	270,397	(64,291)	-23.8
Marketing Expense	400	1,667	(1,267)	-76.0	5,997	(5,597)	-93.3	230,637	260,002	(29,365)	-11.3	227,526	3,111	1.4
Professional Services	17,702	19,943	(2,241)	-11.2	34,705	(17,002)	-49.0	148,268	119,658	28,609	23.9	161,050	(12,783)	-7.9
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	189	(189)	-100.0	(17)	-	(17)	0.0	(2,266)	2,249	-99.2
Overhead Allocation	(32,064)	(25,396)	(6,668)	26.3	(16,104)	(15,960)	99.1	(146,147)	(145,438)	(709)	0.5	(75,295)	(70,852)	94.1
<b>Total Operating Expense</b>	<b>231,652</b>	<b>236,483</b>	<b>(4,831)</b>	<b>-2.0</b>	<b>317,817</b>	<b>(86,165)</b>	<b>-27.1</b>	<b>1,666,337</b>	<b>1,671,531</b>	<b>(5,193)</b>	<b>-0.3</b>	<b>1,995,865</b>	<b>(329,527)</b>	<b>-16.5</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(207,305)</b>	<b>(208,614)</b>	<b>1,309</b>	<b>-0.6</b>	<b>(247,180)</b>	<b>39,875</b>	<b>-16.1</b>	<b>(1,334,184)</b>	<b>(1,349,590)</b>	<b>15,406</b>	<b>-1.1</b>	<b>(1,535,512)</b>	<b>201,328</b>	<b>-13.1</b>
Net Grant (Income) Expense														
Grant Income	-	-	-	0.0	(62,059)	62,059	-100.0	(2,925)	-	(2,925)	0.0	(376,275)	373,350	-99.2
Grant Expense	-	-	-	0.0	63,087	(63,087)	-100.0	-	-	-	0.0	397,059	(397,059)	-100.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>1,028</b>	<b>(1,028)</b>	<b>-100.0</b>	<b>(2,925)</b>	<b>-</b>	<b>(2,925)</b>	<b>0.0</b>	<b>20,784</b>	<b>(23,709)</b>	<b>-114.1</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>(207,305)</b>	<b>(208,614)</b>	<b>1,309</b>	<b>-0.6</b>	<b>(248,208)</b>	<b>40,903</b>	<b>-16.5</b>	<b>(1,331,259)</b>	<b>(1,349,590)</b>	<b>18,331</b>	<b>-1.4</b>	<b>(1,556,296)</b>	<b>225,037</b>	<b>-14.5</b>
Non-Operating (Income) Expense	46,441	-	46,441	0.0	10,804	35,638	329.9	109,148	-	109,148	0.0	(33,396)	142,544	-426.8
<b>Net Income (Loss)</b>	<b>(253,746)</b>	<b>(208,614)</b>	<b>(45,132)</b>	<b>21.6</b>	<b>(259,011)</b>	<b>5,265</b>	<b>-2.0</b>	<b>(1,440,407)</b>	<b>(1,349,590)</b>	<b>(90,817)</b>	<b>6.7</b>	<b>(1,522,901)</b>	<b>82,494</b>	<b>-5.4</b>
Home Dept Staff Count	23	29	(6)	-20.7	27	(4)	-14.8	23	29	(6)	-20.7	27	(4)	-13.8
FTE Staff Count	19	18	1	3.3	23	(4)	-18.5	18	18	(0)	-0.6	24	(6)	-24.2

Balance Sheet	Overhead (Rollup)						
	Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	5,153,603	828,724	4,324,879	521.9	3,496,781	1,656,822	47.4
Investments	1,642,571	2,113,441	(470,871)	-22.3	2,300,395	(657,824)	-28.6
Mortgage Backed Securities	3,220,293	5,626,725	(2,406,432)	-42.8	6,457,046	(3,236,753)	-50.1
Loans - net of reserve for losses	799,949	810,435	(10,486)	-1.3	849,639	(49,690)	-5.8
Capital Assets (net of accumulated depreciation)	2,694,199	2,869,465	(175,266)	-6.1	2,861,124	(166,925)	-5.8
Other Assets	1,180,969	1,630,724	(449,756)	-27.6	1,350,657	(169,688)	-12.6
Deferred Outflows	577,140	-	577,140	0.0	-	577,140	0.0
<b>Total Assets and Deferred Outflows</b>	<b>15,268,723</b>	<b>13,879,515</b>	<b>1,389,208</b>	<b>10.0</b>	<b>17,315,641</b>	<b>(2,046,918)</b>	<b>-11.8</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Income	2,233,337	2,211,641	21,696	1.0	2,556,396	(323,059)	-12.6
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	1,871,019	1,982,746	(111,727)	-5.6	1,659,890	211,129	12.7
Other liabilities	3,272,117	-	3,272,117	0.0	-	3,272,117	0.0
Deferred Inflows	1,247,892	-	1,247,892	0.0	-	1,247,892	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>8,624,364</b>	<b>4,194,387</b>	<b>4,429,978</b>	<b>105.6</b>	<b>4,216,286</b>	<b>4,408,078</b>	<b>104.5</b>
<b>Equity</b>							
YTD Earnings(Loss)	(1,440,407)	(1,349,590)	(90,817)	6.7	(1,522,901)	82,494	-5.4
Prior Years Earnings	7,410,790	12,306,215	(4,895,425)	-39.8	15,308,091	(7,897,301)	-51.6
Transfers	673,976	(1,271,496)	1,945,472		(685,836)	1,359,812	
<b>Total Equity</b>	<b>6,644,359</b>	<b>9,685,128</b>	<b>(3,040,770)</b>	<b>-31.4</b>	<b>13,099,355</b>	<b>(6,454,996)</b>	<b>-49.3</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>15,268,723</b>	<b>13,879,515</b>	<b>1,389,208</b>	<b>10.0</b>	<b>17,315,641</b>	<b>(2,046,918)</b>	<b>-11.8</b>

Income Statement	010 - Admin													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income (a)	23,107	27,869	(4,761)	-17.1	36,432	(13,325)	-36.6	193,395	171,940	21,455	12.5	219,282	(25,887)	-11.8
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	-	-	-	0.0	29,149	(29,149)	-100.0	-	-	-	0.0	86,431	(86,431)	-100.0
Other Income	250	-	250	0.0	-	250	0.0	250	-	250	0.0	-	250	0.0
<b>Total Operating Income</b>	<b>23,357</b>	<b>27,869</b>	<b>(4,511)</b>	<b>-16.2</b>	<b>65,581</b>	<b>(42,224)</b>	<b>-64.4</b>	<b>193,645</b>	<b>171,940</b>	<b>21,705</b>	<b>12.6</b>	<b>305,713</b>	<b>(112,068)</b>	<b>-36.7</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses (b)	60,529	90,050	(29,521)	-32.8	72,975	(12,446)	-17.1	362,343	518,896	(156,553)	-30.2	398,060	(35,717)	-9.0
Operating Expenses	11,084	10,516	569	5.4	9,920	1,164	11.7	71,640	62,321	9,319	15.0	72,020	(380)	-0.5
Marketing Expense	-	-	-	0.0	-	-	0.0	70	-	70	0.0	-	70	0.0
Professional Services	2,112	6,000	(3,888)	-64.8	10,506	(8,394)	-79.9	33,334	36,000	(2,666)	-7.4	35,423	(2,089)	-5.9
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	189	(189)	-100.0	(17)	-	(17)	0.0	(2,266)	2,249	-99.2
Overhead Allocation	(32,064)	(25,396)	(6,668)	26.3	(16,104)	(15,960)	99.1	(146,147)	(145,438)	(709)	0.5	(75,295)	(70,852)	94.1
<b>Total Operating Expense</b>	<b>41,661</b>	<b>81,170</b>	<b>(39,509)</b>	<b>-48.7</b>	<b>77,487</b>	<b>(35,825)</b>	<b>-46.2</b>	<b>321,223</b>	<b>471,779</b>	<b>(150,556)</b>	<b>-31.9</b>	<b>427,942</b>	<b>(106,719)</b>	<b>-24.9</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(18,304)</b>	<b>(53,301)</b>	<b>34,997</b>	<b>-65.7</b>	<b>(11,906)</b>	<b>(6,399)</b>	<b>53.7</b>	<b>(127,578)</b>	<b>(299,838)</b>	<b>172,261</b>	<b>-57.5</b>	<b>(122,229)</b>	<b>(5,349)</b>	<b>4.4</b>
Net Grant (Income) Expense														
Grant Income	-	-	-	0.0	(62,059)	62,059	-100.0	(2,925)	-	(2,925)	0.0	(376,275)	373,350	-99.2
Grant Expense	-	-	-	0.0	63,087	(63,087)	-100.0	-	-	-	0.0	397,059	(397,059)	-100.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>1,028</b>	<b>(1,028)</b>	<b>-100.0</b>	<b>(2,925)</b>	<b>-</b>	<b>(2,925)</b>	<b>0.0</b>	<b>20,784</b>	<b>(23,709)</b>	<b>-114.1</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>(18,304)</b>	<b>(53,301)</b>	<b>34,997</b>	<b>-65.7</b>	<b>(12,933)</b>	<b>(5,371)</b>	<b>41.5</b>	<b>(124,653)</b>	<b>(299,838)</b>	<b>175,186</b>	<b>-58.4</b>	<b>(143,013)</b>	<b>18,360</b>	<b>-12.8</b>
Non-Operating (Income) Expense	46,441	-	46,441	0.0	10,804	35,638	329.9	109,148	-	109,148	0.0	(33,396)	142,544	-426.8
<b>Net Income (Loss)</b>	<b>(64,746)</b>	<b>(53,301)</b>	<b>(11,444)</b>	<b>21.5</b>	<b>(23,737)</b>	<b>(41,009)</b>	<b>172.8</b>	<b>(233,801)</b>	<b>(299,838)</b>	<b>66,038</b>	<b>-22.0</b>	<b>(109,617)</b>	<b>(124,184)</b>	<b>113.3</b>
Home Dept Staff Count	6	8	(2)	-25.0	6	-	0.0	6	8	(2)	-25.0	6	-	0.0
FTE Staff Count	6	7	(1)	-19.4	6	(0)	-7.7	6	7	(1)	-19.5	6	(0)	-7.6

(a) Interest Income - MBS balances lower than planned

(b) Employee Expense - Open position; IT manager contract accrued in Dept. 14 planned here as salary

Income Statement	011 - Accounting													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Other Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	49,760	55,796	(6,037)	-10.8	72,186	(22,426)	-31.1	316,070	320,431	(4,361)	-1.4	432,995	(116,925)	-27.0
Operating Expenses	10,856	11,600	(744)	-6.4	13,874	(3,018)	-21.8	68,489	68,982	(493)	-0.7	89,487	(20,998)	-23.5
Marketing Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Professional Services	13,790	13,843	(53)	-0.4	15,807	(2,017)	-12.8	79,092	83,058	(3,966)	-4.8	82,143	(3,051)	-3.7
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Overhead Allocation	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Expense</b>	<b>74,405</b>	<b>81,239</b>	<b>(6,834)</b>	<b>-8.4</b>	<b>101,866</b>	<b>(27,461)</b>	<b>-27.0</b>	<b>463,651</b>	<b>472,472</b>	<b>(8,820)</b>	<b>-1.9</b>	<b>604,626</b>	<b>(140,975)</b>	<b>-23.3</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(74,405)</b>	<b>(81,239)</b>	<b>6,834</b>	<b>-8.4</b>	<b>(101,866)</b>	<b>27,461</b>	<b>-27.0</b>	<b>(463,651)</b>	<b>(472,472)</b>	<b>8,820</b>	<b>-1.9</b>	<b>(604,626)</b>	<b>140,975</b>	<b>-23.3</b>
Net Grant (Income) Expense														
Grant Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>(74,405)</b>	<b>(81,239)</b>	<b>6,834</b>	<b>-8.4</b>	<b>(101,866)</b>	<b>27,461</b>	<b>-27.0</b>	<b>(463,651)</b>	<b>(472,472)</b>	<b>8,820</b>	<b>-1.9</b>	<b>(604,626)</b>	<b>140,975</b>	<b>-23.3</b>
Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>(74,405)</b>	<b>(81,239)</b>	<b>6,834</b>	<b>-8.4</b>	<b>(101,866)</b>	<b>27,461</b>	<b>-27.0</b>	<b>(463,651)</b>	<b>(472,472)</b>	<b>8,820</b>	<b>-1.9</b>	<b>(604,626)</b>	<b>140,975</b>	<b>-23.3</b>
Home Dept Staff Count	7	10	(3)	-30.0	10	(3)	-30.0	8	10	(3)	-25.0	10	(3)	-25.0
FTE Staff Count	6	6	(0)	-0.9	7	(2)	-23.4	6	6	0	5.5	8	(2)	-26.8

Income Statement	012 - Finance													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income (a)	990	-	990	0.0	5,731	(4,741)	-82.7	4,236	-	4,236	0.0	6,346	(2,110)	-33.2
Other Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Income</b>	<b>990</b>	<b>-</b>	<b>990</b>	<b>0.0</b>	<b>5,731</b>	<b>(4,741)</b>	<b>-82.7</b>	<b>4,236</b>	<b>-</b>	<b>4,236</b>	<b>0.0</b>	<b>6,346</b>	<b>(2,110)</b>	<b>-33.2</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses (b)	22,180	15,248	6,931	45.5	55,604	(33,424)	-60.1	125,867	87,108	38,759	44.5	287,688	(161,821)	-56.2
Operating Expenses	4,616	4,696	(80)	-1.7	10,582	(5,966)	-56.4	31,510	30,934	576	1.9	63,941	(32,432)	-50.7
Marketing Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Professional Services	-	-	-	0.0	-	-	0.0	-	-	-	0.0	79	(79)	-100.0
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Overhead Allocation	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Expense</b>	<b>26,796</b>	<b>19,944</b>	<b>6,851</b>	<b>34.4</b>	<b>66,186</b>	<b>(39,390)</b>	<b>-59.5</b>	<b>157,377</b>	<b>118,042</b>	<b>39,335</b>	<b>33.3</b>	<b>351,708</b>	<b>(194,331)</b>	<b>-55.3</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(25,806)</b>	<b>(19,944)</b>	<b>(5,861)</b>	<b>29.4</b>	<b>(60,455)</b>	<b>34,649</b>	<b>-57.3</b>	<b>(153,141)</b>	<b>(118,042)</b>	<b>(35,099)</b>	<b>29.7</b>	<b>(345,362)</b>	<b>192,222</b>	<b>-55.7</b>
Net Grant (Income) Expense														
Grant Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>(25,806)</b>	<b>(19,944)</b>	<b>(5,861)</b>	<b>29.4</b>	<b>(60,455)</b>	<b>34,649</b>	<b>-57.3</b>	<b>(153,141)</b>	<b>(118,042)</b>	<b>(35,099)</b>	<b>29.7</b>	<b>(345,362)</b>	<b>192,222</b>	<b>-55.7</b>
Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>(25,806)</b>	<b>(19,944)</b>	<b>(5,861)</b>	<b>29.4</b>	<b>(60,455)</b>	<b>34,649</b>	<b>-57.3</b>	<b>(153,141)</b>	<b>(118,042)</b>	<b>(35,099)</b>	<b>29.7</b>	<b>(345,362)</b>	<b>192,222</b>	<b>-55.7</b>
Home Dept Staff Count	4	5	(1)	-20.0	5	(1)	-20.0	4	5	(1)	-20.0	5	(1)	-14.3
FTE Staff Count	2	1	1	117.1	5	(2)	-50.8	2	1	1	94.9	4	(2)	-53.0

(a) Fee Income - Loan servicing fees not planned

(b) Employee Expense - More hours expensed here rather than distributed to other areas

Income Statement	014 - Information Technology													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Other Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses (a)	31,712	20,186	11,526	57.1	15,749	15,963	101.4	173,096	118,587	54,509	46.0	104,851	68,245	65.1
Operating Expenses	828	1,253	(424)	-33.9	2,452	(1,624)	-66.2	7,763	7,426	337	4.5	18,022	(10,259)	-56.9
Marketing Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Professional Services (b)	1,800	-	1,800	0.0	8,000	(6,200)	-77.5	34,450	-	34,450	0.0	42,453	(8,003)	-18.9
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Overhead Allocation	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Expense</b>	<b>34,340</b>	<b>21,438</b>	<b>12,902</b>	<b>60.2</b>	<b>26,201</b>	<b>8,140</b>	<b>31.1</b>	<b>215,310</b>	<b>126,013</b>	<b>89,297</b>	<b>70.9</b>	<b>165,327</b>	<b>49,983</b>	<b>30.2</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(34,340)</b>	<b>(21,438)</b>	<b>(12,902)</b>	<b>60.2</b>	<b>(26,201)</b>	<b>(8,140)</b>	<b>31.1</b>	<b>(215,310)</b>	<b>(126,013)</b>	<b>(89,297)</b>	<b>70.9</b>	<b>(165,327)</b>	<b>(49,983)</b>	<b>30.2</b>
Net Grant (Income) Expense														
Grant Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>(34,340)</b>	<b>(21,438)</b>	<b>(12,902)</b>	<b>60.2</b>	<b>(26,201)</b>	<b>(8,140)</b>	<b>31.1</b>	<b>(215,310)</b>	<b>(126,013)</b>	<b>(89,297)</b>	<b>70.9</b>	<b>(165,327)</b>	<b>(49,983)</b>	<b>30.2</b>
Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>(34,340)</b>	<b>(21,438)</b>	<b>(12,902)</b>	<b>60.2</b>	<b>(26,201)</b>	<b>(8,140)</b>	<b>31.1</b>	<b>(215,310)</b>	<b>(126,013)</b>	<b>(89,297)</b>	<b>70.9</b>	<b>(165,327)</b>	<b>(49,983)</b>	<b>30.2</b>
Home Dept Staff Count	2	2	-	0.0	2	-	0.0	2	2	-	0.0	2	-	0.0
FTE Staff Count	1	1	0	24.4	1	0	43.7	1	1	0	15.9	1	0	8.4

(a) Employee Expenses - Accrual IT manager contract planned in Dept 10

(b) Professional Services - LightEdge consulting

Income Statement	015 - HR & Support													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Other Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	11,580	12,874	(1,294)	-10.1	14,314	(2,733)	-19.1	57,192	73,901	(16,709)	-22.6	73,343	(16,151)	-22.0
Operating Expenses	1,400	1,687	(287)	-17.0	1,285	115	9.0	9,108	9,892	(784)	-7.9	8,980	128	1.4
Marketing Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Professional Services	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Overhead Allocation	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Expense</b>	<b>12,980</b>	<b>14,561</b>	<b>(1,581)</b>	<b>-10.9</b>	<b>15,598</b>	<b>(2,618)</b>	<b>-16.8</b>	<b>66,299</b>	<b>83,793</b>	<b>(17,493)</b>	<b>-20.9</b>	<b>82,323</b>	<b>(16,023)</b>	<b>-19.5</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(12,980)</b>	<b>(14,561)</b>	<b>1,581</b>	<b>-10.9</b>	<b>(15,598)</b>	<b>2,618</b>	<b>-16.8</b>	<b>(66,299)</b>	<b>(83,793)</b>	<b>17,493</b>	<b>-20.9</b>	<b>(82,323)</b>	<b>16,023</b>	<b>-19.5</b>
Net Grant (Income) Expense														
Grant Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>(12,980)</b>	<b>(14,561)</b>	<b>1,581</b>	<b>-10.9</b>	<b>(15,598)</b>	<b>2,618</b>	<b>-16.8</b>	<b>(66,299)</b>	<b>(83,793)</b>	<b>17,493</b>	<b>-20.9</b>	<b>(82,323)</b>	<b>16,023</b>	<b>-19.5</b>
Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>(12,980)</b>	<b>(14,561)</b>	<b>1,581</b>	<b>-10.9</b>	<b>(15,598)</b>	<b>2,618</b>	<b>-16.8</b>	<b>(66,299)</b>	<b>(83,793)</b>	<b>17,493</b>	<b>-20.9</b>	<b>(82,323)</b>	<b>16,023</b>	<b>-19.5</b>
Home Dept Staff Count	2	2	-	0.0	2	-	0.0	2	2	-	0.0	2	-	0.0
FTE Staff Count	2	2	(0)	-13.2	2	(0)	-14.4	2	2	(0)	-19.0	2	(0)	-19.1

Income Statement	019 - Marketing													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Other Income	-	-	-	0.0	(675)	675	-100.0	134,272	150,000	(15,728)	-10.5	148,293	(14,021)	-9.5
<b>Total Operating Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>(675)</b>	<b>675</b>	<b>-100.0</b>	<b>134,272</b>	<b>150,000</b>	<b>(15,728)</b>	<b>-10.5</b>	<b>148,293</b>	<b>(14,021)</b>	<b>-9.5</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses (a)	38,649	13,884	24,766	178.4	21,307	17,342	81.4	192,924	124,114	68,810	55.4	117,516	75,409	64.2
Operating Expenses	2,420	2,479	(59)	-2.4	2,786	(366)	-13.1	17,595	14,717	2,879	19.6	17,946	(351)	-2.0
Marketing Expense	400	1,667	(1,267)	-76.0	5,997	(5,597)	-93.3	230,566	260,002	(29,436)	-11.3	227,526	3,041	1.3
Professional Services	-	100	(100)	-100.0	391	(391)	-100.0	1,391	600	791	131.9	952	439	46.2
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Overhead Allocation	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Expense</b>	<b>41,469</b>	<b>18,129</b>	<b>23,340</b>	<b>128.7</b>	<b>30,480</b>	<b>10,989</b>	<b>36.1</b>	<b>442,477</b>	<b>399,433</b>	<b>43,044</b>	<b>10.8</b>	<b>363,939</b>	<b>78,538</b>	<b>21.6</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(41,469)</b>	<b>(18,129)</b>	<b>(23,340)</b>	<b>128.7</b>	<b>(31,155)</b>	<b>(10,314)</b>	<b>33.1</b>	<b>(308,206)</b>	<b>(249,433)</b>	<b>(58,773)</b>	<b>23.6</b>	<b>(215,646)</b>	<b>(92,559)</b>	<b>42.9</b>
Net Grant (Income) Expense														
Grant Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>(41,469)</b>	<b>(18,129)</b>	<b>(23,340)</b>	<b>128.7</b>	<b>(31,155)</b>	<b>(10,314)</b>	<b>33.1</b>	<b>(308,206)</b>	<b>(249,433)</b>	<b>(58,773)</b>	<b>23.6</b>	<b>(215,646)</b>	<b>(92,559)</b>	<b>42.9</b>
Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>(41,469)</b>	<b>(18,129)</b>	<b>(23,340)</b>	<b>128.7</b>	<b>(31,155)</b>	<b>(10,314)</b>	<b>33.1</b>	<b>(308,206)</b>	<b>(249,433)</b>	<b>(58,773)</b>	<b>23.6</b>	<b>(215,646)</b>	<b>(92,559)</b>	<b>42.9</b>
Home Dept Staff Count	2	2	-	0.0	2	-	0.0	2	2	(1)	-25.0	2	(1)	-25.0
FTE Staff Count	2	1	1	61.1	2	0	14.3	2	1	0	16.6	2	(0)	-21.9

(a) Employee Expenses - Hours expensed here planned in other areas; temp staff \$14,763 not planned

To: IFA Board Members  
From: Mark P. Hutchison  
Date: January 14, 2016  
Re: December 2015 Financial Results – Single Family



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## General Information

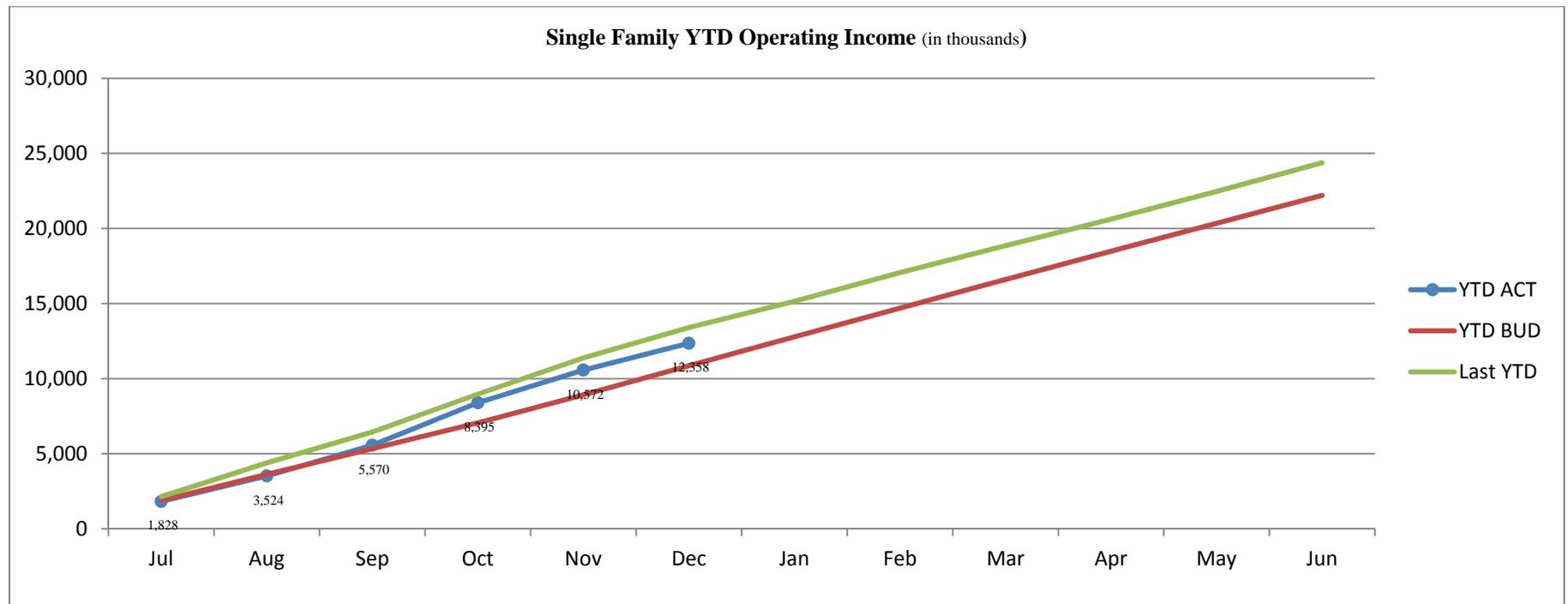
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**Performance Target:** FirstHome and Homes for Iowans purchases of about \$171,750,000 in mortgage backed securities with the intent to sell 100% into the secondary market.

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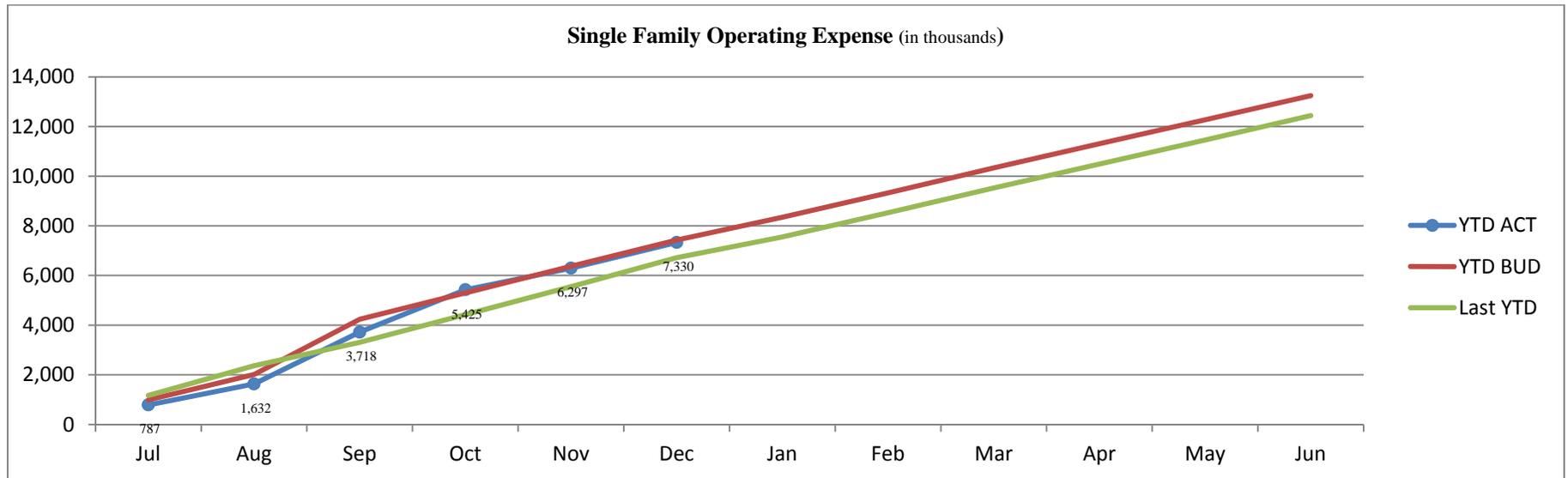
## December Financial Results

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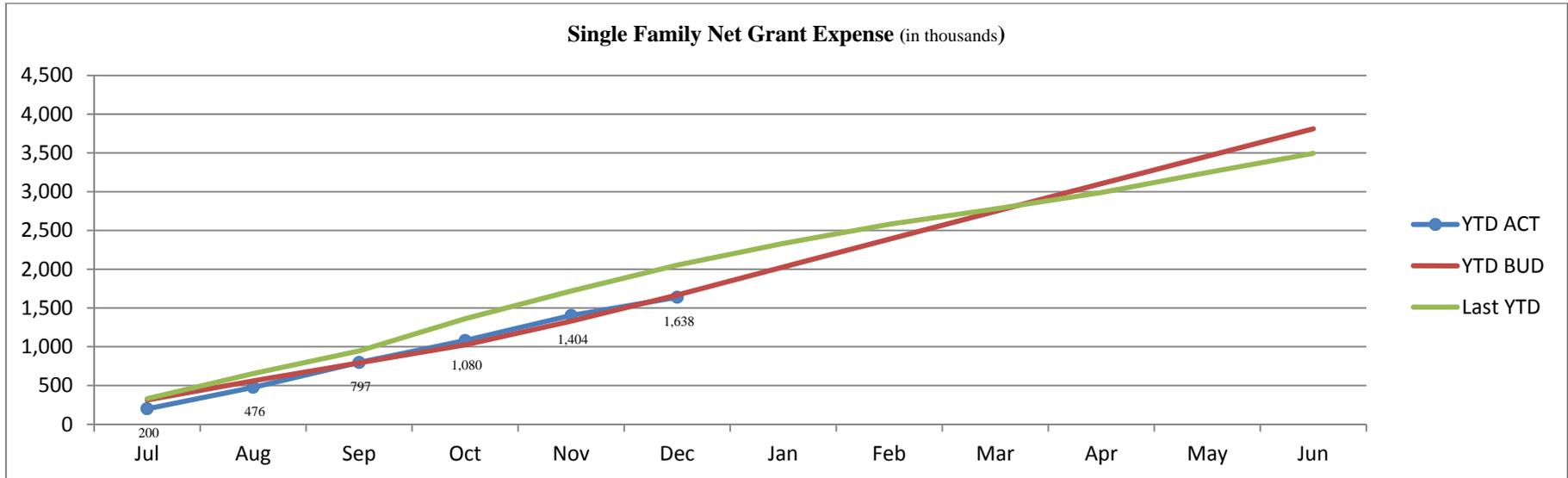
**YTD Total Operating Income of \$12,357,625** is \$1,513,339 or 14.0% above budget but \$1,052,755 below last year.

- Interest Income is \$515,519 favorable. See attached for further detail.
- Authority Fees is \$980,436 favorable because we did not budget for them. Offset by Authority Fee expense.
- Fee Income is \$6,606 favorable due to more MCC fees than expected.
- Other Income \$10,778 favorable because nothing was budgeted for Reprice Fees.

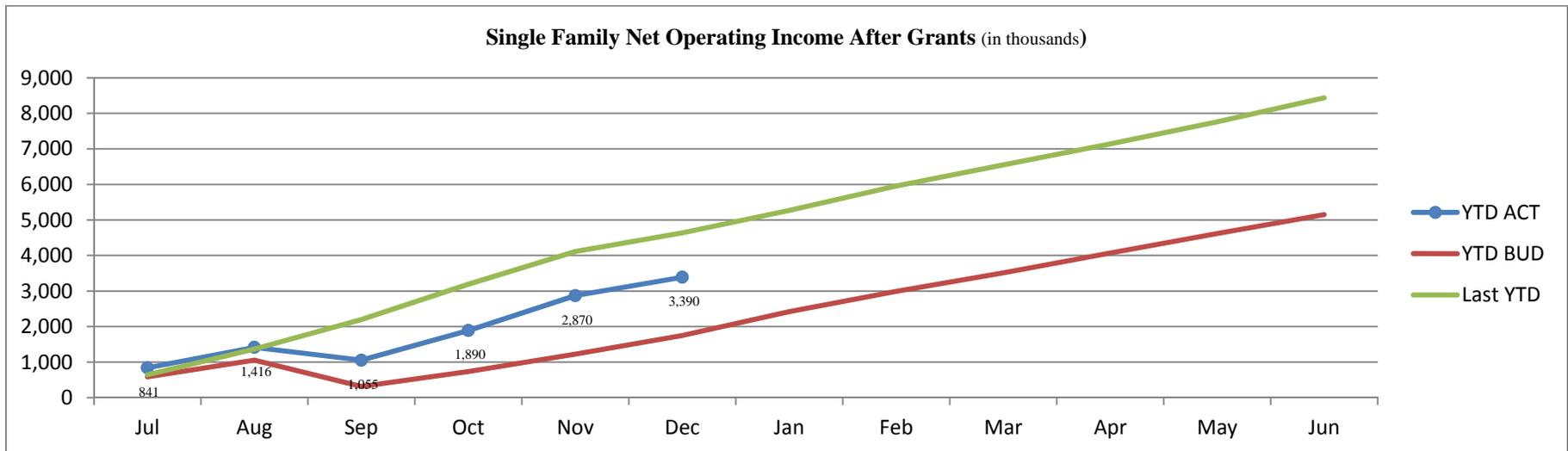


**YTD Total Operating Expense of \$7,329,846** is \$98,002 or 1.3% below budget but \$609,968 above last year.

- Interest Expense is \$947,122 favorable primarily due to redeeming over \$16M more debt than planned. See attached for further detail.
- Authority Fees is \$980,436 unfavorable because we did not budget for them. Offset by Authority Fee income.
- Employee Expenses are \$67,606 favorable because less time was allocated than budgeted.
- Operating expenses are \$17,190 unfavorable because of a one time payment of \$17,250 to DBC.
- Marketing Expense is \$107,003 favorable.
- Professional Services are \$43,257 unfavorable. This is a timing issue. A payments of \$125,000 to CFX was budgeted to be spread over the entire year.
- Service Release Premiums are \$16,840 favorable.

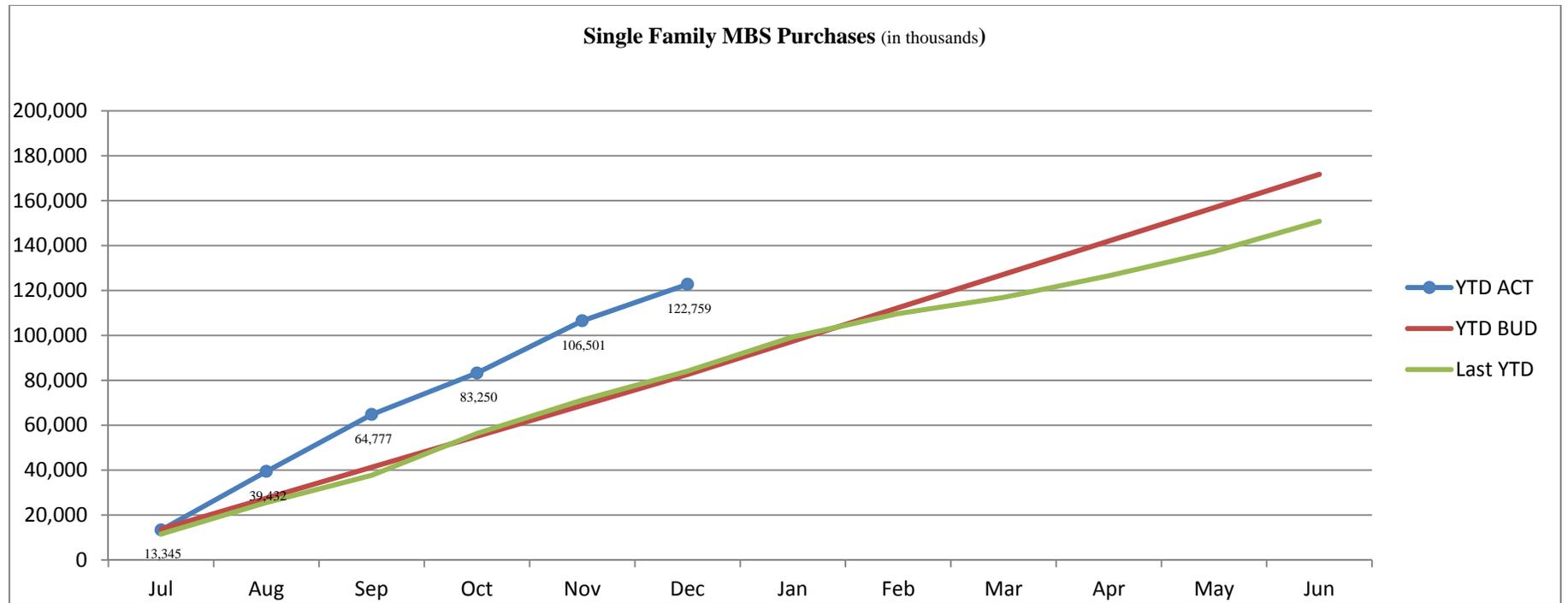


**YTD Net Grant Expense of \$1,637,919** is \$30,113 or 1.8% below budget and \$414,673 below last year.



**YTD Net Operating Income After Grants of \$3,389,860** is \$1,641,454 or 93.9% above budget but \$1,248,050 below last year.

## YTD MBS Activity

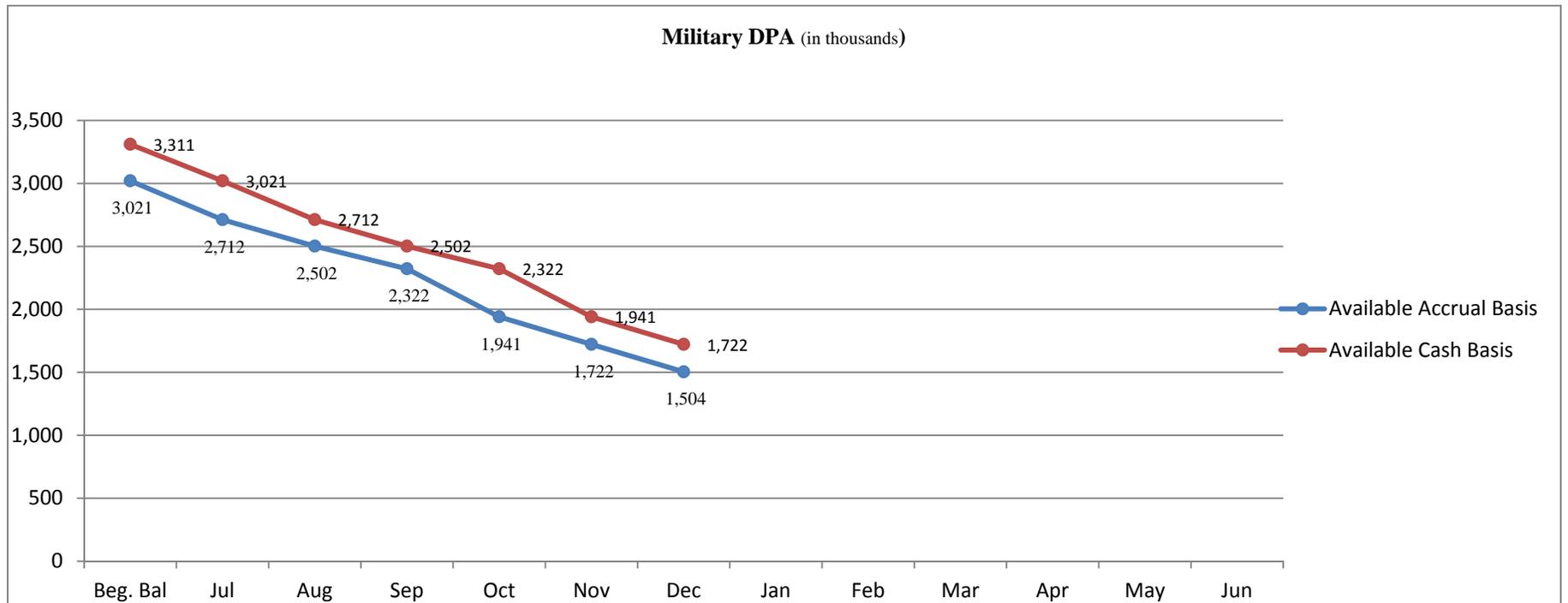


Series	Purchased	Sold	Net	Entry Cost Assistance	Funds Available
RHF Security	41,652,375	(17,653,556)	23,998,819	-	20,775,713
RHF Program	73,409,653	(63,791,932)	9,617,721	1,334,967	15,721,122
2015 ABC	7,697,466	-	7,697,466	-	-
<b>Total Single Family</b>	<b>122,759,494</b>	<b>(81,445,488)</b>	<b>41,314,006</b>	<b>1,334,967</b>	<b>36,496,835</b>
General Fund	-	-	-	-	-
<b>Grand Total</b>	<b>122,759,494</b>	<b>(81,445,488)</b>	<b>41,314,006</b>	<b>1,334,967</b>	<b>36,496,835</b>

## SF Portfolio Analysis

Description	June 30, 2015		Additions	Payments	December 31, 2015		
	#	Balance			Balance	Chg	#
Mortgage Backed Sec	6,662	363,760,330	41,314,006	(42,572,088)	362,502,248	0%	8,953
Other SF Loans	25	3,967,012	30,000	(147,649)	3,849,363	-3%	23
Subtotal		367,727,342	41,344,006	(42,719,737)	366,351,611	0%	
FMVA		31,728,093	0	(5,655,123)	26,072,971	-18%	
<b>Total Portfolio</b>	<b>6,687</b>	<b>399,455,436</b>	<b>41,344,006</b>	<b>(48,374,860)</b>	<b>392,424,582</b>	<b>-2%</b>	<b>8,976</b>

## Military DPA



## INTEREST INCOME

### Sales Volume Difference

Budgeted Sales	82,569,000	
Actual Sales	<u>81,445,488</u>	
Difference	(1,123,512)	
Budgeted 3.62%		(40,680)
Reduction of budgeted sales @ 3.2%	24,000,000	768,000

### Rate of Return Difference

3.62% of Actual Sales	2,948,819	
Actual Gain (3.47%)	<u>2,822,237</u>	(126,582)
		<u>600,738</u>
Pair Out Fees		64,533
BU/BD Fees		<u>75,135</u>
Difference Due to Gain on Sales		740,406
Difference Due to Investment Interest		(280,667)
Difference Due to MBS Interest		53,348
Difference Due to Other Loan Interest		<u>2,433</u>
Total Interest Income Variance		<u><u>515,520</u></u>

## INTEREST EXPENSE

Difference Due to Bond Interest	(291,283)
Difference Due to COI	20,000
Difference Due to Disc/Prem	(634,722)
Difference Due to Swap Interest	(25,020)
Difference Due to Remarketing Fees	(45,698)
Difference Due to Liquidity Fees	(28,277)
Difference Due to Redemption Premium	<u>57,879</u>
Total Interest Expense Variance	<u><u>(947,121)</u></u>

Income Statement	Single Family (Rollup)													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Operating Income</b>														
Interest Income	1,742,384	1,875,560	(133,176)	-7.1	2,013,460	(271,076)	-13.5	11,124,878	10,609,358	515,519	4.9	13,336,630	(2,211,753)	-16.6
Authority Income	-	-	-	0.0	-	-	0.0	980,436	-	980,436	0.0	-	980,436	0.0
Fee Income	41,971	43,774	(1,803)	-4.1	14,348	27,622	192.5	241,534	234,928	6,606	2.8	78,030	163,504	209.5
Other Income	1,735	-	1,735	0.0	-	1,735	0.0	10,778	-	10,778	0.0	(4,280)	15,057	-351.8
<b>Total Operating Income</b>	<b>1,786,090</b>	<b>1,919,334</b>	<b>(133,244)</b>	<b>-6.9</b>	<b>2,027,808</b>	<b>(241,718)</b>	<b>-11.9</b>	<b>12,357,625</b>	<b>10,844,286</b>	<b>1,513,339</b>	<b>14.0</b>	<b>13,410,380</b>	<b>(1,052,755)</b>	<b>-7.9</b>
<b>Operating Expense</b>														
Interest Expense	810,630	899,442	(88,812)	-9.9	1,079,890	(269,261)	-24.9	5,359,951	6,307,072	(947,122)	-15.0	6,179,373	(819,422)	-13.3
Authority Expense	-	-	-	0.0	-	-	0.0	980,436	-	980,436	0.0	-	980,436	0.0
Employee Expenses	62,975	90,059	(27,084)	-30.1	67,985	(5,010)	-7.4	447,563	515,169	(67,606)	-13.1	337,181	110,381	32.7
Operating Expenses	12,183	13,463	(1,280)	-9.5	7,113	5,070	71.3	98,249	81,059	17,190	21.2	45,847	52,402	114.3
Marketing Expense	34	2,222	(2,188)	-98.4	-	34	0.0	49,663	156,667	(107,003)	-68.3	-	49,663	0.0
Professional Services	136,779	42,470	94,309	222.1	11,987	124,793	1041.1	351,755	308,498	43,257	14.0	150,389	201,365	133.9
Claim and Loss Expenses	1,000	-	1,000	0.0	-	1,000	0.0	1,000	-	1,000	0.0	-	1,000	0.0
Service Release Premium	8,968	11,147	(2,179)	-19.6	2,100	6,867	327.0	42,544	59,383	(16,840)	-28.4	6,921	35,623	514.7
Miscellaneous Operating Expense	19	-	19	0.0	-	19	0.0	(1,315)	-	(1,315)	0.0	167	(1,481)	-889.5
<b>Total Operating Expense</b>	<b>1,032,587</b>	<b>1,058,804</b>	<b>(26,217)</b>	<b>-2.5</b>	<b>1,169,075</b>	<b>(136,488)</b>	<b>-11.7</b>	<b>7,329,846</b>	<b>7,427,847</b>	<b>(98,002)</b>	<b>-1.3</b>	<b>6,719,878</b>	<b>609,968</b>	<b>9.1</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>753,503</b>	<b>860,530</b>	<b>(107,027)</b>	<b>-12.4</b>	<b>858,733</b>	<b>(105,230)</b>	<b>-12.3</b>	<b>5,027,779</b>	<b>3,416,439</b>	<b>1,611,340</b>	<b>47.2</b>	<b>6,690,502</b>	<b>(1,662,723)</b>	<b>-24.9</b>
<b>Net Grant (Income) Expense</b>														
Grant Income	2,091	(208,333)	210,424	-101.0	(225,071)	227,162	-100.9	(1,516,919)	(1,249,998)	(266,921)	21.4	(1,222,707)	(294,212)	24.1
Grant Expense	231,783	546,654	(314,871)	-57.6	559,023	(327,241)	-58.5	3,154,838	2,918,030	236,808	8.1	3,275,299	(120,461)	-3.7
<b>Total Net Grant (Income) Expense</b>	<b>233,874</b>	<b>338,321</b>	<b>(104,447)</b>	<b>-30.9</b>	<b>333,952</b>	<b>(100,079)</b>	<b>-30.0</b>	<b>1,637,919</b>	<b>1,668,032</b>	<b>(30,113)</b>	<b>-1.8</b>	<b>2,052,592</b>	<b>(414,673)</b>	<b>-20.2</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>519,629</b>	<b>522,209</b>	<b>(2,581)</b>	<b>-0.5</b>	<b>524,780</b>	<b>(5,152)</b>	<b>-1.0</b>	<b>3,389,860</b>	<b>1,748,407</b>	<b>1,641,454</b>	<b>93.9</b>	<b>4,637,910</b>	<b>(1,248,050)</b>	<b>-26.9</b>
<b>Non-Operating (Income) Expense</b>														
Non-Operating (Income) Expense	1,563,147	-	1,563,147	0.0	1,165,577	397,571	34.1	5,223,523	-	5,223,523	0.0	280,596	4,942,928	1761.6
<b>Net Income (Loss)</b>	<b>(1,043,519)</b>	<b>522,209</b>	<b>(1,565,728)</b>	<b>-299.8</b>	<b>(640,796)</b>	<b>(402,723)</b>	<b>62.8</b>	<b>(1,833,663)</b>	<b>1,748,407</b>	<b>(3,582,070)</b>	<b>-204.9</b>	<b>4,357,315</b>	<b>(6,190,978)</b>	<b>-142.1</b>
<b>Home Dept Staff Count</b>	<b>5</b>	<b>6</b>	<b>(1)</b>	<b>-16.7</b>	<b>6</b>	<b>(1)</b>	<b>-16.7</b>	<b>6</b>	<b>6</b>	<b>(0)</b>	<b>-5.6</b>	<b>6</b>	<b>(0)</b>	<b>-5.6</b>
<b>FTE Staff Count</b>	<b>7</b>	<b>10</b>	<b>(3)</b>	<b>-31.7</b>	<b>7</b>	<b>(0)</b>	<b>-6.5</b>	<b>8</b>	<b>10</b>	<b>(2)</b>	<b>-18.0</b>	<b>7</b>	<b>1</b>	<b>17.1</b>

Balance Sheet	Single Family (Rollup)						
	Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	61,294,181	108,522,378	(47,228,197)	-43.5	99,662,236	(38,368,056)	-38.5
Investments	9,722,235	10,584,270	(862,035)	-8.1	10,521,247	(799,012)	-7.6
Mortgage Backed Securities	388,575,219	378,557,330	10,017,889	2.6	415,825,989	(27,250,770)	-6.6
Loans - net of reserve for losses	3,848,363	3,613,834	234,529	6.5	4,116,752	(268,390)	-6.5
Other Assets	10,861,204	36,355,695	(25,494,491)	-70.1	37,051,928	(26,190,725)	-70.7
Deferred Outflows	2,947,448	6,392,386	(3,444,938)	-53.9	5,538,856	(2,591,408)	-46.8
<b>Total Assets and Deferred Outflows</b>	<b>477,248,649</b>	<b>544,025,893</b>	<b>(66,777,244)</b>	<b>-12.3</b>	<b>572,717,010</b>	<b>(95,468,360)</b>	<b>-16.7</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	303,089,720	330,061,241	(26,971,521)	-8.2	365,367,818	(62,278,097)	-17.0
Interest Payable	3,609,551	4,116,136	(506,585)	-12.3	4,657,683	(1,048,132)	-22.5
Unearned Income	1,503,839	1,103,655	400,184	36.3	1,487,088	16,751	1.1
Accounts Payable & Accrued Liabilities	739,843	694,063	45,780	6.6	837,598	(97,755)	-11.7
Other liabilities	6,192,324	36,810,575	(30,618,251)	-83.2	36,810,575	(30,618,251)	-83.2
<b>Total Liabilities and Deferred Inflows</b>	<b>315,135,278</b>	<b>372,785,670</b>	<b>(57,650,392)</b>	<b>-15.5</b>	<b>409,160,762</b>	<b>(94,025,485)</b>	<b>-23.0</b>
<b>Equity</b>							
YTD Earnings(Loss)	(1,833,663)	1,748,407	(3,582,070)	-204.9	4,357,315	(6,190,978)	-142.1
Prior Years Earnings	164,381,410	168,664,792	(4,283,382)	-2.5	158,833,141	5,548,269	3.5
Transfers	(434,375)	827,025	(1,261,400)		365,791	(800,167)	
<b>Total Equity</b>	<b>162,113,372</b>	<b>171,240,223</b>	<b>(9,126,852)</b>	<b>-5.3</b>	<b>163,556,247</b>	<b>(1,442,876)</b>	<b>-0.9</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>477,248,649</b>	<b>544,025,893</b>	<b>(66,777,244)</b>	<b>-12.3</b>	<b>572,717,010</b>	<b>(95,468,360)</b>	<b>-16.7</b>

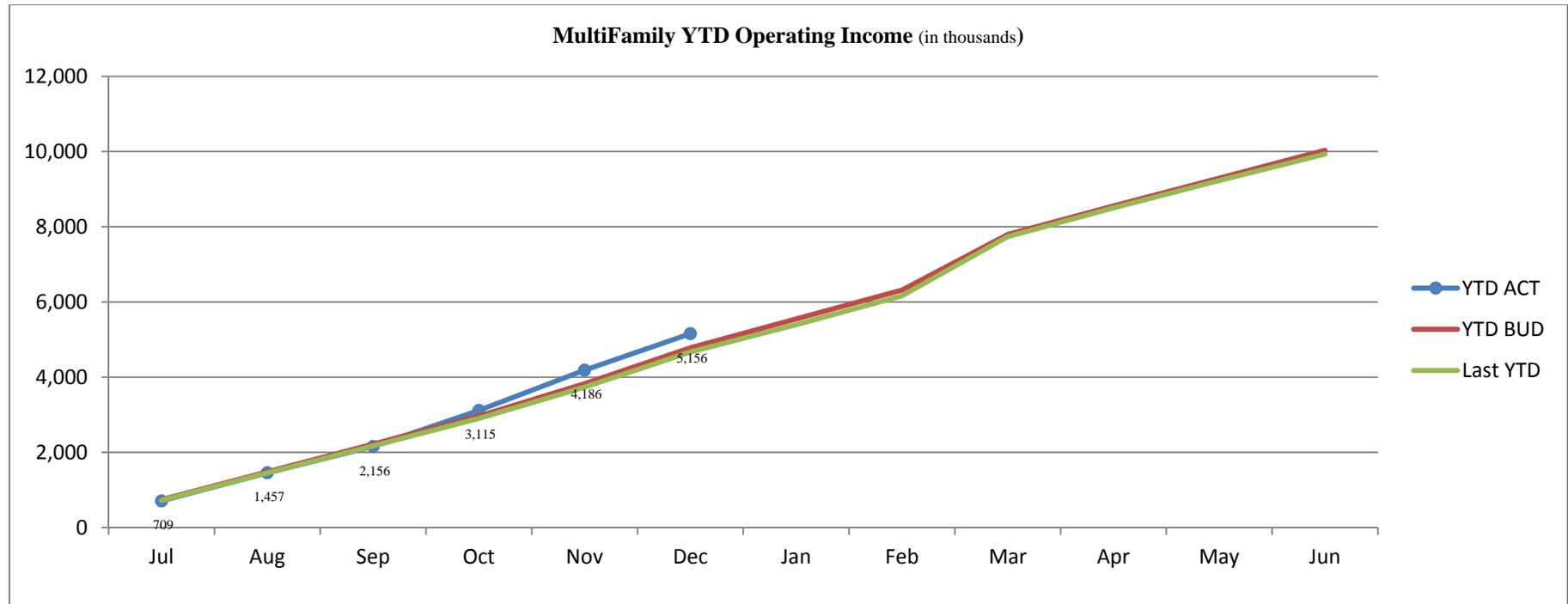
\* \* \* I N V E S T O R S U M M A R Y \* \* \*

Investor Pool	Count	Principal Balance	Escrow Balance	Suspense Balance	Late Fees
100034 CST SF Construction Loans	2	180,467.58	0.00	0.00	0.00
100034 EQT SF Equity Equivalent Loans	0	0.00	0.00	0.00	0.00
100034 HFH SF Habitat for Humanity	16	3,503,067.65	0.00	0.00	0.00
100034 REH SF Rehabilitation Revolving	5	173,827.52	0.00	0.00	0.00
Total For Segment 034	23	3,857,362.75	0.00	0.00	0.00
Total For Investor 100	23	3,857,362.75	0.00	0.00	0.00
* Totals *	23	3,857,362.75	0.00	0.00	0.00

To: IFA Board Members  
 From: Mark P. Hutchison  
 Date: January 14, 2016  
 Re: December 2015 Financial Results – Multifamily

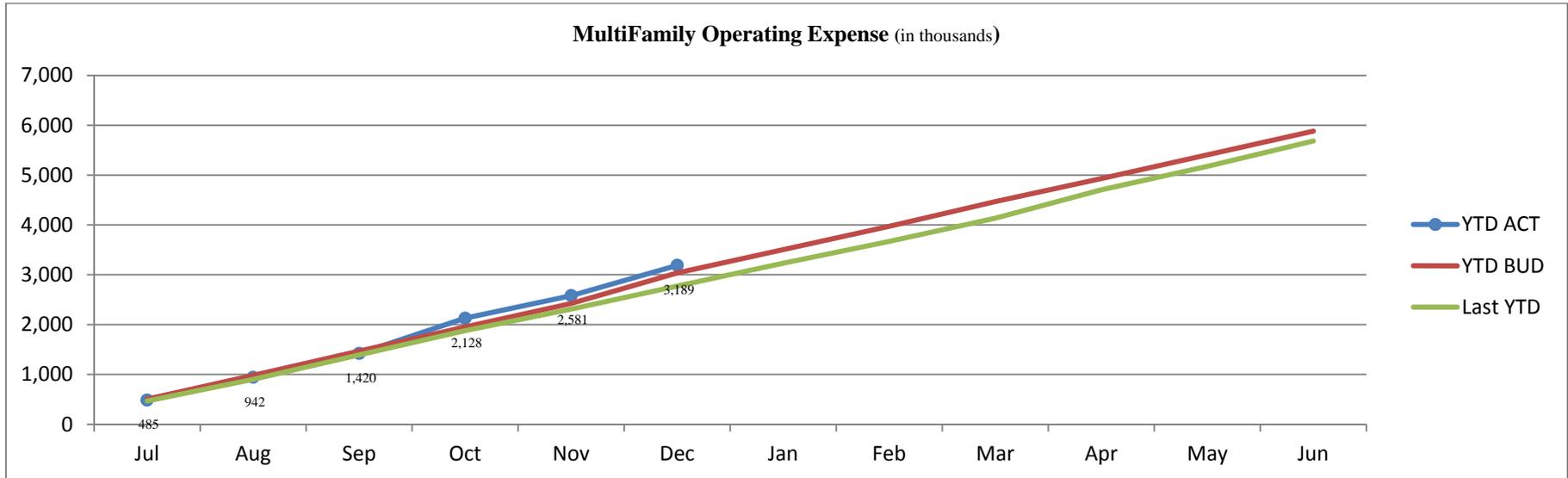


**December Financial Results**



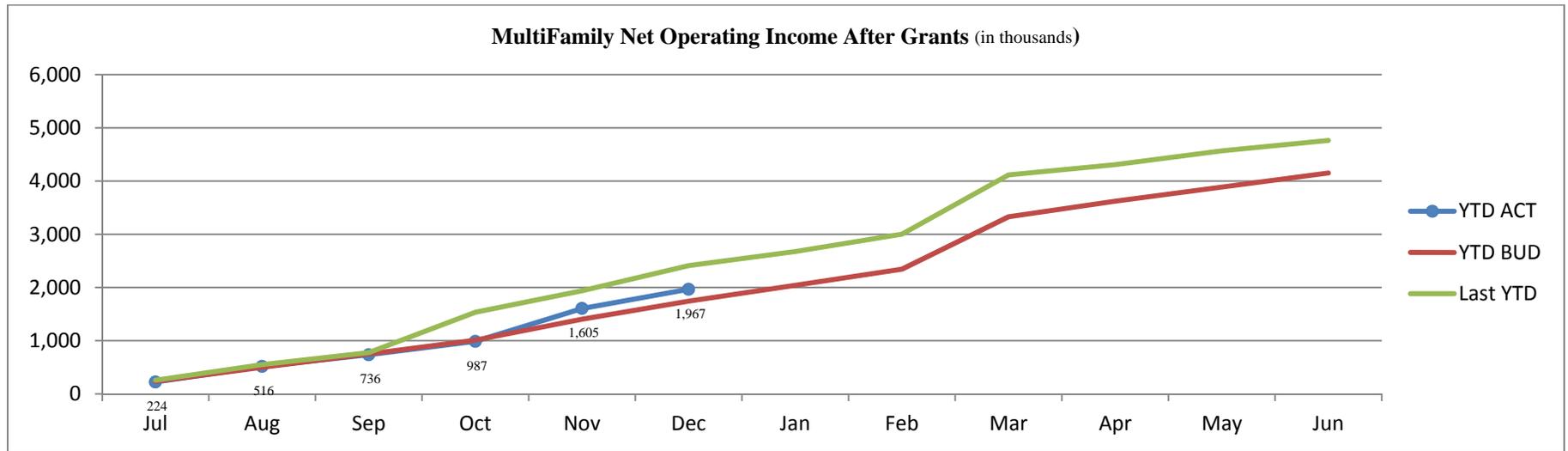
**YTD Total Operating Income of \$5,156,028** is \$376,983 or 7.9% above budget and \$484,121 above last year.

- Interest Income is \$208,315 unfavorable due to lower loan and investment balances than budgeted.
- Authority Fees is \$244,332 favorable because they were not budgeted. This is offset by Authority Fee expense.
- Fee Income is \$337,165 favorable due to LIHTC and Section 8 fees being \$274,880 higher than budget and \$62,285 in loan fees for MLK Crossing.



**YTD Total Operating Expense of \$3,189,188** is \$153,232 or 5.0% above budget and \$415,824 above last year.

- Authority Fees is \$244,332 unfavorable because they were not budgeted. This is offset by Authority Fee income.
- Employee Expenses are \$29,934 favorable because less time was allocated than budgeted.
- Professional Services are \$48,800 favorable. This is mostly due to lower than budgeted Compliance Expense (\$40,271) and Consultants Expense (\$24,200) and higher than budgeted LIHTC Market Study Expense (19,500).



**YTD Net Operating Income After Grants of \$1,957,840** is \$223,751 or 12.8% above budget but \$443,703 below last year.

### MF Portfolio Analysis

	#	6/30/2015	Additions	Reductions	End Bal	CHG	#
Multifamily Endowment Loans	54	22,833,503	0	(217,222)	22,616,281	-1%	54
Multifamily Real Estate Owned	0	0	0	0	0	N/A	0
Multifamily Loans	7	40,441,678	0	(311,206)	40,130,472	-1%	7
Loan Reserves		(729,000)	9,000		(720,000)	-1%	
<b>Total Portfolio</b>	<b>61</b>	<b>62,546,181</b>	<b>9,000</b>	<b>(528,428)</b>	<b>62,026,753</b>	<b>-1%</b>	<b>61</b>

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**MF Loan Commitments**

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	Original Commitment	Loan Balance as of 11/30/2015	Monthly Activity	Loan Balance 12/31/2015	Remaining Commitment
Construction Loans					
MF-15-xxx - MLK Crossing	6,000,000	0	0	0	6,000,000
Total Construction	6,000,000	0	0	0	6,000,000
Permanent Loans					
MF-15-xxx - MLK Crossing	800,000	0	0	0	800,000
MF-15-xxx - MLK Crossing	220,000	0	0	0	220,000
Total Permanent	1,020,000	0	0	0	1,020,000
Totals	7,020,000	0	0	0	7,020,000

Income Statement	Multi Family (Rollup)													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	479,366	509,952	(30,586)	-6.0	498,491	(19,125)	-3.8	2,834,405	3,042,720	(208,315)	-6.8	2,934,295	(99,890)	-3.4
Authority Income	-	-	-	0.0	-	-	0.0	244,332	-	244,332	0.0	-	244,332	0.0
Fee Income	490,457	442,359	48,098	10.9	436,340	54,117	12.4	2,073,491	1,736,326	337,165	19.4	1,732,962	340,529	19.7
Other Income	-	-	-	0.0	-	-	0.0	3,800	-	3,800	0.0	4,650	(850)	-18.3
<b>Total Operating Income</b>	<b>969,823</b>	<b>952,312</b>	<b>17,511</b>	<b>1.8</b>	<b>934,831</b>	<b>34,992</b>	<b>3.7</b>	<b>5,156,028</b>	<b>4,779,045</b>	<b>376,983</b>	<b>7.9</b>	<b>4,671,907</b>	<b>484,121</b>	<b>10.4</b>
Operating Expense														
Interest Expense	140,371	139,377	994	0.7	146,830	(6,459)	-4.4	835,392	837,177	(1,785)	-0.2	883,878	(48,486)	-5.5
Authority Expense	-	-	-	0.0	-	-	0.0	244,332	-	244,332	0.0	-	244,332	0.0
Employee Expenses	271,662	280,910	(9,247)	-3.3	293,569	(21,906)	-7.5	1,576,450	1,606,384	(29,934)	-1.9	1,528,758	47,692	3.1
Operating Expenses	21,246	24,176	(2,930)	-12.1	23,426	(2,180)	-9.3	137,774	140,550	(2,776)	-2.0	151,314	(13,540)	-8.9
Marketing Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	1,136	(1,136)	-100.0
Professional Services	173,104	156,563	16,542	10.6	136,748	36,356	26.6	335,411	384,210	(48,800)	-12.7	353,044	(17,633)	-5.0
Claim and Loss Expenses	(9,000)	-	(9,000)	0.0	(137,000)	128,000	-93.4	(9,000)	-	(9,000)	0.0	(145,000)	136,000	-93.8
Miscellaneous Operating Expense	29	-	29	0.0	62	(33)	-52.8	220	-	220	0.0	235	(15)	-6.2
Overhead Allocation	10,949	11,807	(858)	-7.3	-	10,949	0.0	68,610	67,635	975	1.4	-	68,610	0.0
<b>Total Operating Expense</b>	<b>608,362</b>	<b>612,832</b>	<b>(4,471)</b>	<b>-0.7</b>	<b>463,634</b>	<b>144,728</b>	<b>31.2</b>	<b>3,189,188</b>	<b>3,035,956</b>	<b>153,232</b>	<b>5.0</b>	<b>2,773,364</b>	<b>415,824</b>	<b>15.0</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>361,462</b>	<b>339,479</b>	<b>21,982</b>	<b>6.5</b>	<b>471,197</b>	<b>(109,736)</b>	<b>-23.3</b>	<b>1,966,840</b>	<b>1,743,089</b>	<b>223,751</b>	<b>12.8</b>	<b>1,898,543</b>	<b>68,297</b>	<b>3.6</b>
Net Grant (Income) Expense														
Grant Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	(512,000)	512,000	-100.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>(512,000)</b>	<b>512,000</b>	<b>-100.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>361,462</b>	<b>339,479</b>	<b>21,982</b>	<b>6.5</b>	<b>471,197</b>	<b>(109,736)</b>	<b>-23.3</b>	<b>1,966,840</b>	<b>1,743,089</b>	<b>223,751</b>	<b>12.8</b>	<b>2,410,543</b>	<b>(443,703)</b>	<b>-18.4</b>
Non-Operating (Income) Expense	40,251	-	40,251	0.0	65,376	(25,125)	-38.4	208,586	-	208,586	0.0	181,559	27,028	14.9
<b>Net Income (Loss)</b>	<b>321,210</b>	<b>339,479</b>	<b>(18,269)</b>	<b>-5.4</b>	<b>405,821</b>	<b>(84,611)</b>	<b>-20.8</b>	<b>1,758,254</b>	<b>1,743,089</b>	<b>15,164</b>	<b>0.9</b>	<b>2,228,984</b>	<b>(470,730)</b>	<b>-21.1</b>
Home Dept Staff Count	27	26	1	3.8	30	(3)	-10.0	27	26	1	3.8	30	(3)	-11.0
FTE Staff Count	26	27	(1)	-2.9	27	(0)	-1.7	26	27	(1)	-4.3	27	(1)	-4.5

Balance Sheet	Multi Family (Rollup)						
	Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	52,014,241	46,062,826	5,951,414	12.9	41,025,039	10,989,202	26.8
Investments	8,154,394	9,702,270	(1,547,877)	-16.0	9,705,594	(1,551,200)	-16.0
Loans - net of reserve for losses	62,026,753	67,421,416	(5,394,663)	-8.0	69,168,359	(7,141,606)	-10.3
Other Assets	932,439	1,268,756	(336,318)	-26.5	965,477	(33,038)	-3.4
Deferred Outflows	542,257	430,480	111,777	26.0	430,480	111,777	26.0
<b>Total Assets and Deferred Outflows</b>	<b>123,670,082</b>	<b>124,885,748</b>	<b>(1,215,666)</b>	<b>-1.0</b>	<b>121,294,948</b>	<b>2,375,134</b>	<b>2.0</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	46,671,887	47,016,887	(345,000)	-0.7	48,638,740	(1,966,853)	-4.0
Interest Payable	405,188	920,638	(515,450)	-56.0	430,885	(25,697)	-6.0
Escrow Deposits	6,626,020	5,998,718	627,302	10.5	5,804,140	821,880	14.2
Accounts Payable & Accrued Liabilities	87,473	307,973	(220,501)	-71.6	127,000	(39,528)	-31.1
Other liabilities	542,257	430,480	111,777	26.0	430,480	111,777	26.0
<b>Total Liabilities and Deferred Inflows</b>	<b>54,332,825</b>	<b>54,674,696</b>	<b>(341,871)</b>	<b>-0.6</b>	<b>55,431,245</b>	<b>(1,098,420)</b>	<b>-2.0</b>
<b>Equity</b>							
YTD Earnings(Loss)	1,758,254	1,743,089	15,164	0.9	2,228,984	(470,730)	-21.1
Prior Years Earnings	67,790,787	68,033,419	(242,633)	-0.4	63,367,237	4,423,549	7.0
Transfers	(211,783)	434,544	(646,326)		267,482	(479,264)	
<b>Total Equity</b>	<b>69,337,258</b>	<b>70,211,052</b>	<b>(873,795)</b>	<b>-1.2</b>	<b>65,863,703</b>	<b>3,473,555</b>	<b>5.3</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>123,670,082</b>	<b>124,885,748</b>	<b>(1,215,666)</b>	<b>-1.0</b>	<b>121,294,948</b>	<b>2,375,134</b>	<b>2.0</b>

\* \* \* I N V E S T O R S U M M A R Y \* \* \*

Investor Pool	Count	Principal Balance	Escrow Balance	Suspense Balance	Late Fees
200005 CF MF Cash Flow Loans	4	415,693.69	0.00	0.00	0.00
200005 CST MF Construction Loans	0	0.00	0.00	1,399.27-	0.00
200005 PDV Predevelopment Loans	0	0.00	0.00	0.00	0.00
200005 TM MF Term Loans	49	22,200,587.37	3,512,091.43	0.12	0.00
Total For Segment 005	53	22,616,281.06	3,512,091.43	1,399.15-	0.00
200006 TM MF Term Loans	2	5,116,351.75	1,416,588.36	0.00	0.00
Total For Segment 006	2	5,116,351.75	1,416,588.36	0.00	0.00
200007 TM MF Loans	2	20,614,185.94	157,862.21	0.00	0.00
Total For Segment 007	2	20,614,185.94	157,862.21	0.00	0.00
200009 MF Loan	1	3,503,049.56	221,480.59	0.00	0.00
Total For Segment 009	1	3,503,049.56	221,480.59	0.00	0.00
200011 MF FHLB B1	2	10,896,884.63	0.00	0.00	0.00
Total For Segment 011	2	10,896,884.63	0.00	0.00	0.00
Total For Investor 200	60	62,746,752.94	5,308,022.59	1,399.15-	0.00
* Totals *	60	62,746,752.94	5,308,022.59	1,399.15-	0.00

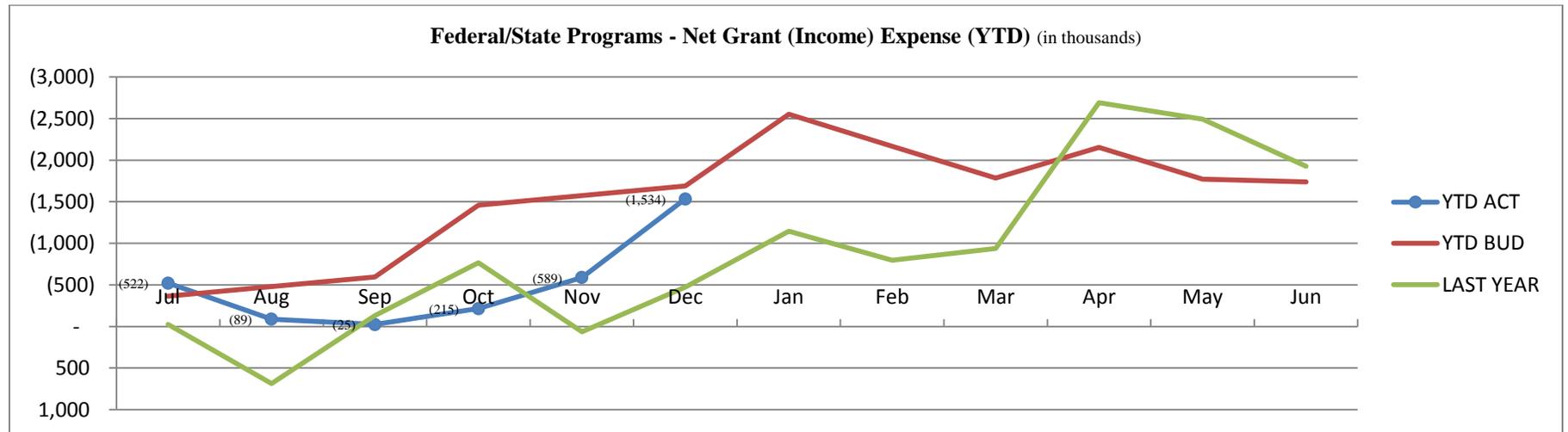
To: IFA Board Members  
 From: Michelle Thomas  
 Date: January 20, 2016  
 Re: Federal/State Programs – Narrative for December 2015



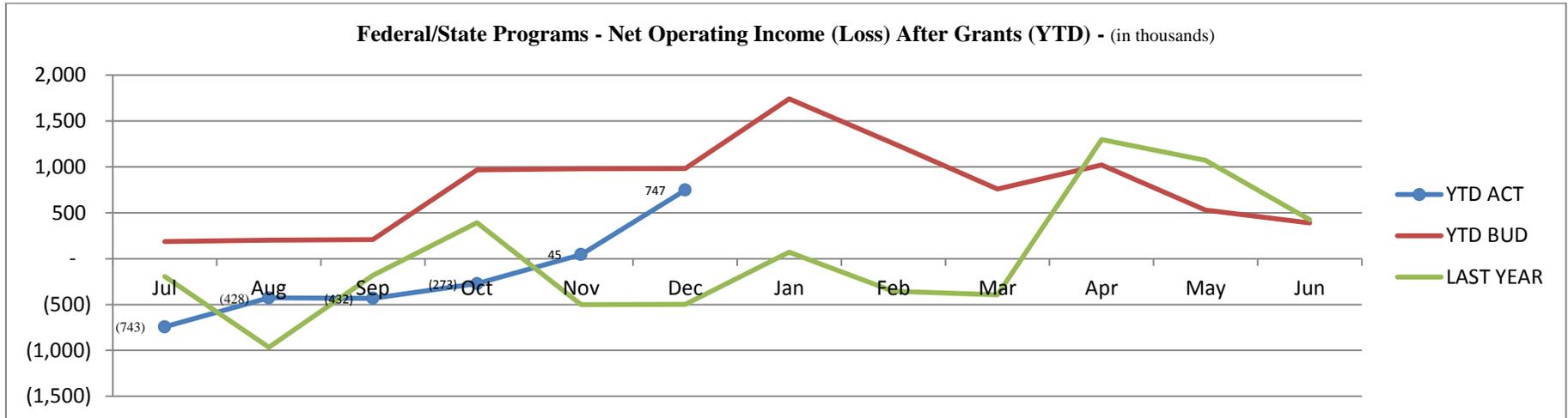
**Strategic Goals:** Utilize available funds to provide low cost financing to develop or preserve affordable housing and home and community based services.

**December 2015 Federal and State Programs Highlights**

- The State Housing Trust Fund Net Grant (Income) Expense moved toward the budget as expected.



**Net Grant (Income) Expense (YTD) of (\$1,534,495) was \$154,131 or 9.1% below budget but \$1,059,453 or 223.0% above last year.**



**Net Operating Income (Loss) After Grants (YTD) of \$747,256 was \$234,407 or 23.9% below budget but \$1,246,021 or 249.8% above last year.**

Performance Targets	6/30/2013	6/30/2014	6/30/2015	12/31/2015	YTD Increase
Increase FSP Loan Portfolio	157,608,559	164,582,596	178,513,874	163,328,644	-8.5%

FSP Loan Portfolio	June 30, 2015		Year to Date		December 31, 2015			
	#	Balance	Additions	Reductions	Balance	CHG	#	3 Mo Delq
500-047 SHTF - Lns	22	5,177,577	-	(319,145)	4,858,432	-6%	19	0
500-047 SHTF - Cash Flow Lns	6	714,834	238,480	-	953,315	33%	7	0
500-049 Senior Living Trust Lns	7	6,143,836	-	(136,885)	6,006,951	-2%	7	0
500-050 Home & Comm Tr Lns	5	1,498,821	-	(54,175)	1,444,646	-4%	5	0
500-051 Transitional Housing Lns	3	2,661,047	-	(62,159)	2,598,888	-2%	3	0
500-057 TCAP Lns	12	18,978,542	-	-	18,978,542	0%	12	1
500-058 HOME Lns	249	125,535,614	3,173,784	(492,735)	128,216,663	2%	250	4
500-060 OEI Lns	20	17,529,008	-	(17,529,008)	-	-100%	0	0
500-062 CHS Lns	3	274,594	-	(3,386)	271,208	-1%	3	0
Loan Reserves		(101,153,584)	-	(1,144,044)	(102,297,628)	1%		
<b>Total Portfolio</b>	<b>327</b>	<b>\$ 77,360,290</b>	<b>\$ 3,412,264</b>	<b>\$ (19,741,538)</b>	<b>\$ 61,031,016</b>	<b>-21.1%</b>	<b>306</b>	<b>5</b>

	State Housing Trust Fund	Senior Living Trust	Home and Community	Transitional Housing	Community Housing & Services
Funds Available (Cash, Cash Equiv & Invest)	10,812,374	605,824	877,285	544,782	2,568,411
Commitments					
2014 SHT Round	(1,287,269)				
2015 SHT Round	(4,390,182)				
Senior Living Revolving Loan Program		(605,000)	(877,000)	(544,000)	(255,095)
Net Funds Available	5,134,923	824	285	782	2,313,316

**Summary of FSP Loans 90 days delinquent**

Borrower	Indenture - Series	P&I Amount Delinquent	Loan Balance
Cedar View Apartments LP - Cashflow	500-057	149,357.80	2,240,367.00
Clinton Partners LLC	500-058	15,133.00	367,210.19
G & G Living Centers	500-058	270,000.00	270,000.00
Twin Oaks Manor LPI	500-058	15,000.00	408,428.32
Village Green Partners	500-058	6,518.01	45,795.96
		456,008.81	3,331,801.47

Income Statement	Federal and State Grant Programs (Rollup)													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	15,500	23,882	(8,382)	-35.1	32,642	(17,142)	-52.5	150,164	144,232	5,932	4.1	160,529	(10,365)	-6.5
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	28,171	11,000	17,171	156.1	-	28,171	0.0	100,709	68,000	32,709	48.1	2,000	98,709	4935.5
Other Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Income</b>	<b>43,671</b>	<b>34,882</b>	<b>8,789</b>	<b>25.2</b>	<b>32,642</b>	<b>11,029</b>	<b>33.8</b>	<b>250,873</b>	<b>212,232</b>	<b>38,641</b>	<b>18.2</b>	<b>162,529</b>	<b>88,344</b>	<b>54.4</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	147,532	114,603	32,929	28.7	73,750	73,782	100.0	696,867	655,487	41,380	6.3	467,551	229,316	49.0
Operating Expenses	9,573	10,210	(637)	-6.2	3,183	6,390	200.7	57,412	59,920	(2,508)	-4.2	20,428	36,983	181.0
Marketing Expense	790	2,000	(1,210)	-60.5	1,185	(395)	-33.3	2,961	12,000	(9,039)	-75.3	19,046	(16,085)	-84.5
Professional Services	7,214	8,205	(991)	-12.1	3,272	3,942	120.5	142,373	118,047	24,326	20.6	153,009	(10,636)	-7.0
Claim and Loss Expenses	110,000	6,000	104,000	1733.3	476,000	(366,000)	-76.9	105,000	36,000	69,000	191.7	436,790	(331,790)	-76.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	189	25	164	656.0	-	189	0.0	983	150	833	555.3	290	693	239.0
Overhead Allocation	10,989	6,565	4,423	67.4	10,460	528	5.1	32,517	37,592	(5,075)	-13.5	39,222	(6,705)	-17.1
<b>Total Operating Expense</b>	<b>286,287</b>	<b>147,609</b>	<b>138,678</b>	<b>93.9</b>	<b>567,851</b>	<b>(281,564)</b>	<b>-49.6</b>	<b>1,038,113</b>	<b>919,196</b>	<b>118,916</b>	<b>12.9</b>	<b>1,136,336</b>	<b>(98,224)</b>	<b>-8.6</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(242,615)</b>	<b>(112,727)</b>	<b>(129,889)</b>	<b>115.2</b>	<b>(535,209)</b>	<b>292,593</b>	<b>-54.7</b>	<b>(787,240)</b>	<b>(706,964)</b>	<b>(80,276)</b>	<b>11.4</b>	<b>(973,807)</b>	<b>186,568</b>	<b>-19.2</b>
Net Grant (Income) Expense														
Grant Income	(3,458,962)	(1,670,194)	(1,788,768)	107.1	(2,701,936)	(757,026)	28.0	(13,525,192)	(11,021,165)	(2,504,027)	22.7	(13,575,002)	49,811	-0.4
Grant Expense	2,513,639	1,555,423	958,216	61.6	2,164,300	349,339	16.1	11,990,696	9,332,538	2,658,158	28.5	13,099,960	(1,109,264)	-8.5
<b>Total Net Grant (Income) Expense</b>	<b>(945,323)</b>	<b>(114,771)</b>	<b>(830,552)</b>	<b>723.7</b>	<b>(537,636)</b>	<b>(407,688)</b>	<b>75.8</b>	<b>(1,534,495)</b>	<b>(1,688,626)</b>	<b>154,131</b>	<b>-9.1</b>	<b>(475,042)</b>	<b>(1,059,453)</b>	<b>223.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>702,708</b>	<b>2,044</b>	<b>700,664</b>	<b>34273.3</b>	<b>2,427</b>	<b>700,281</b>	<b>28852.8</b>	<b>747,256</b>	<b>981,663</b>	<b>(234,407)</b>	<b>-23.9</b>	<b>(498,765)</b>	<b>1,246,021</b>	<b>-249.8</b>
Non-Operating (Income) Expense	-	-	-	0.0	356	(356)	-100.0	144	-	144	0.0	1,155	(1,011)	-87.5
<b>Net Income (Loss)</b>	<b>702,708</b>	<b>2,044</b>	<b>700,664</b>	<b>34273.3</b>	<b>2,071</b>	<b>700,637</b>	<b>33834.8</b>	<b>747,111</b>	<b>981,663</b>	<b>(234,551)</b>	<b>-23.9</b>	<b>(499,921)</b>	<b>1,247,032</b>	<b>-249.4</b>
Home Dept Staff Count	9	9	-	0.0	4	5	125.0	9	9	-	0.0	4	5	125.0
FTE Staff Count	11	12	(2)	-12.5	8	2	28.6	12	12	(1)	-5.4	8	3	38.5

Balance Sheet	Federal and State Grant Programs (Rollup)						
	Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	17,835,806	15,983,401	1,852,405	11.6	16,838,362	997,444	5.9
Investments	-	508,405	(508,405)	-100.0	509,715	(509,715)	-100.0
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	61,031,016	62,076,550	(1,045,534)	-1.7	72,603,210	(11,572,195)	-15.9
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	124,335	(248)	124,583	-50265.3	(547,013)	671,347	-122.7
Deferred Outflows	-	-	-	0.0	-	-	0.0
<b>Total Assets and Deferred Outflows</b>	<b>78,991,156</b>	<b>78,568,108</b>	<b>423,048</b>	<b>0.5</b>	<b>89,404,274</b>	<b>(10,413,118)</b>	<b>-11.6</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	-	-	-	0.0	601,993	(601,993)	-100.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Income	738,333	740,333	(2,000)	-0.3	740,333	(2,000)	-0.3
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	463,824	463,824	-	0.0	463,824	-	0.0
Accounts Payable & Accrued Liabilities	326,514	8,550	317,964	3718.9	11,823,209	(11,496,694)	-97.2
Other liabilities	-	-	-	0.0	-	-	0.0
Deferred Inflows	-	-	-	0.0	-	-	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>1,528,670</b>	<b>1,212,706</b>	<b>315,964</b>	<b>26.1</b>	<b>13,629,357</b>	<b>(12,100,687)</b>	<b>-88.8</b>
<b>Equity</b>							
YTD Earnings(Loss)	747,111	981,663	(234,551)	-23.9	(499,921)	1,247,032	-249.4
Prior Years Earnings	76,743,192	76,363,811	379,381	0.5	76,222,275	520,917	0.7
Transfers	(27,818)	9,928	(37,746)		52,563	(80,381)	
<b>Total Equity</b>	<b>77,462,486</b>	<b>77,355,401</b>	<b>107,084</b>	<b>0.1</b>	<b>75,774,917</b>	<b>1,687,569</b>	<b>2.2</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>78,991,156</b>	<b>78,568,108</b>	<b>423,048</b>	<b>0.5</b>	<b>89,404,274</b>	<b>(10,413,118)</b>	<b>-11.6</b>

To: IFA  
 From: Michelle Thomas  
 Date: January 20, 2016  
 Re: December 2015 Financial Results



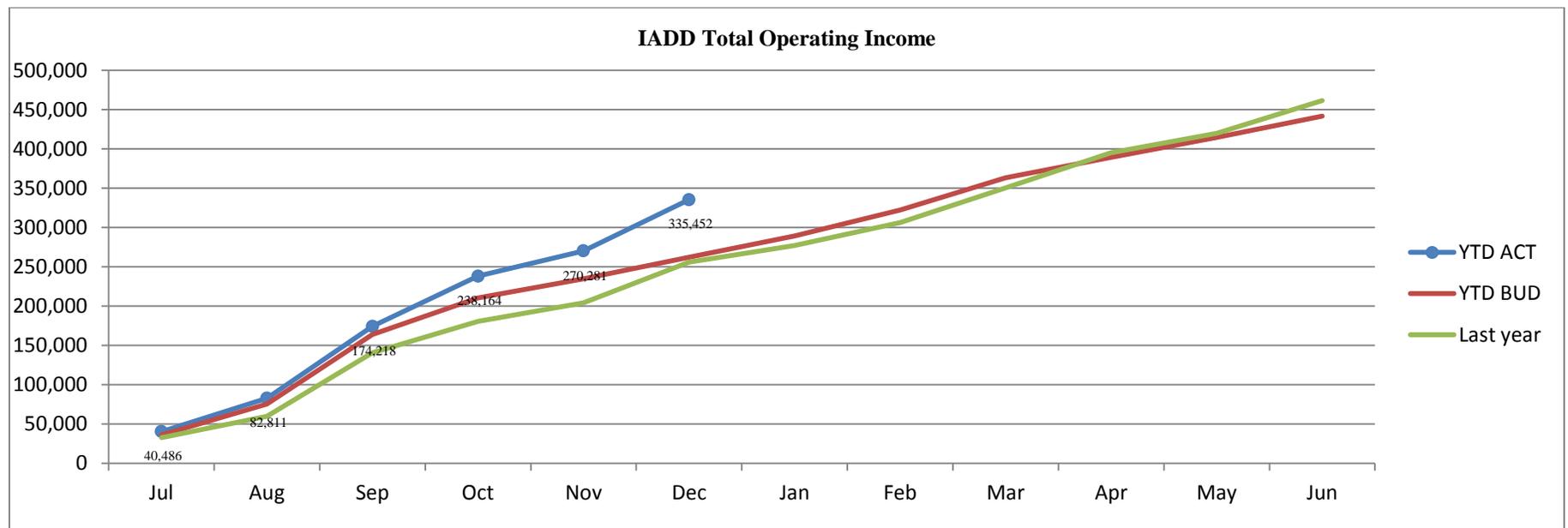
**General Information**

**Strategic Goal:** Provide financing opportunities for beginner farmers.

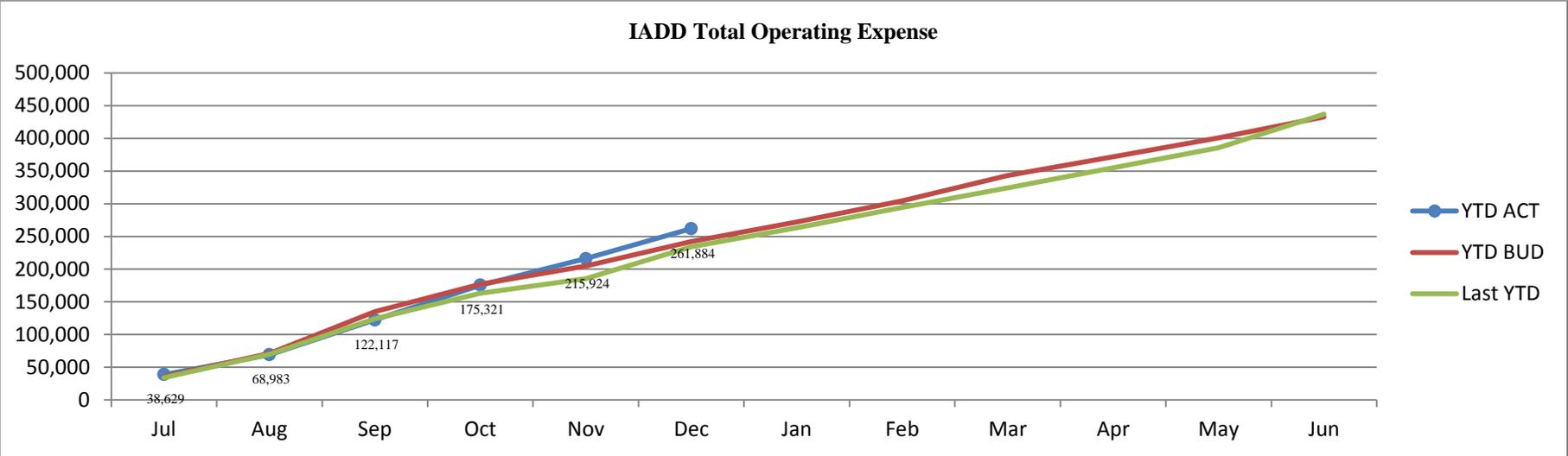
**Performance Target:** Look for growth opportunities in FY 2016.

**December Iowa Agricultural Development Division Highlights**

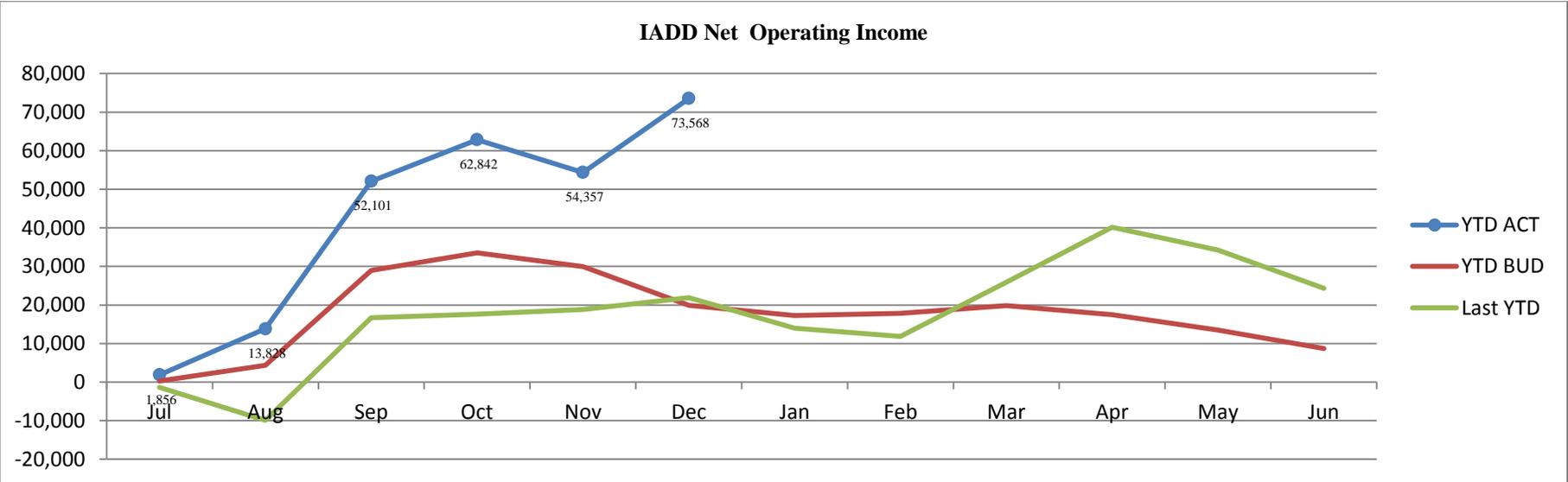
- As of December 31, 2015 there is \$391,817 of funds available for administrative expenses.
- Fee Income is \$79,517 above budget.
- Marketing Expense and Professional Services Expense are above budget in the amounts of \$9,347 and \$13,622 respectively.



Total Operating Income of \$335,452 is \$73,290 or 28.0% above budget and \$79,343 above last year.



Total Operating Expense of \$261,884 is \$19,640 or 8.1% above budget and \$27,693 above last year



Net Operating Income of \$73,568 is \$53,650 or 269.3% above budget and \$51,650 above last year

**Summary Financial Information:**

<b>Iowa Agricultural Development Division Summary Financial Information December 31, 2015</b>								
<b>Income Statement</b>	<b>Current Month</b>				<b>Year to Date</b>			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%
LPP Fees	3,388	1,875	1,513	80.7%	10,563	3,950	6,613	167.4%
BFLP Fees	49,869	12,000	37,869	315.6%	135,455	72,000	63,455	88.1%
BFTC Fees	550	4,125	(3,575)	-86.7%	137,800	130,150	7,650	5.9%
BFCH Tax Credits	2,400	600	1,800	300.0%	4,400	2,600	1,800	69.2%
Investment Interest Income	2,620	1,424	1,197	84.1%	12,626	8,609	4,017	46.7%
Loan Interest Income	6,344	7,510	(1,166)	-15.5%	34,609	44,853	(10,244)	-22.8%
<b>Total Operating Income</b>	<b>65,171</b>	<b>27,534</b>	<b>37,637</b>	<b>136.7%</b>	<b>335,452</b>	<b>262,162</b>	<b>73,290</b>	<b>28.0%</b>
Employee Expenses	22,269	19,750	2,519	12.8%	117,081	120,497	(3,416)	-2.8%
Operating Expenses	1,959	1,882	77	4.1%	13,088	12,539	549	4.4%
Marketing Expenses	2,313	2,083	229	11.0%	21,847	12,500	9,347	74.8%
Professional Service Expenses	18,212	12,593	5,619	44.6%	108,227	94,605	13,622	14.4%
Provision for Losses	1,208	1,282	(75)	-5.8%	1,640	2,102	(462)	-22.0%
<b>Total Operating Expense</b>	<b>45,960</b>	<b>37,590</b>	<b>8,370</b>	<b>22.3%</b>	<b>261,884</b>	<b>242,243</b>	<b>19,640</b>	<b>8.1%</b>
<b>Net Operating Income (Loss)</b>	<b>19,211</b>	<b>(10,056)</b>	<b>29,267</b>	<b>-291.0%</b>	<b>73,568</b>	<b>19,919</b>	<b>53,650</b>	<b>269.3%</b>
<b>Balance Sheet</b>					<b>Total</b>			
Cash - Admin					391,817			
Cash - RRT					737,122			
Cash - LPP					2,464,882			
Investments					453,468			
LPP Loans					2,043,539			
Interest Receivable					43,932			
<b>Total Assets</b>					<b>6,134,760</b>			
Accounts Payable					18,812			
Accrued Expense - MABSCO					3,540			
Owed to General Fund					49,726			
Fund Balance					5,989,114			
Current Year Earnings (Loss)					73,568			
<b>Total Liabilities and Equity</b>					<b>6,134,760</b>			
Note - minor rounding differences may occur.								

Income Statement	Agriculture Development Division (Rollup)													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	8,965	8,934	31	0.3	13,844	(4,879)	-35.2	47,235	53,462	(6,227)	-11.6	56,446	(9,212)	-16.3
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	56,206	18,600	37,606	202.2	37,997	18,209	47.9	288,217	208,700	79,517	38.1	199,663	88,554	44.4
Other Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Income</b>	<b>65,171</b>	<b>27,534</b>	<b>37,637</b>	<b>136.7</b>	<b>51,841</b>	<b>13,330</b>	<b>25.7</b>	<b>335,452</b>	<b>262,162</b>	<b>73,290</b>	<b>28.0</b>	<b>256,109</b>	<b>79,343</b>	<b>31.0</b>
Operating Expense														
Interest Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	22,269	19,750	2,519	12.8	20,306	1,963	9.7	117,081	120,497	(3,416)	-2.8	105,498	11,584	11.0
Operating Expenses	1,959	1,882	77	4.1	1,422	537	37.8	13,088	12,539	549	4.4	11,421	1,667	14.6
Marketing Expense	2,313	2,083	229	11.0	8,172	(5,859)	-71.7	21,847	12,500	9,347	74.8	17,462	4,385	25.1
Professional Services	18,212	12,593	5,619	44.6	18,872	(661)	-3.5	108,227	94,605	13,622	14.4	99,810	8,417	8.4
Claim and Loss Expenses	1,208	1,282	(75)	-5.8	-	1,208	0.0	1,640	2,102	(462)	-22.0	-	1,640	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Overhead Allocation	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Expense</b>	<b>45,960</b>	<b>37,590</b>	<b>8,370</b>	<b>22.3</b>	<b>48,772</b>	<b>(2,812)</b>	<b>-5.8</b>	<b>261,884</b>	<b>242,243</b>	<b>19,640</b>	<b>8.1</b>	<b>234,191</b>	<b>27,693</b>	<b>11.8</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>19,211</b>	<b>(10,056)</b>	<b>29,267</b>	<b>-291.0</b>	<b>3,069</b>	<b>16,142</b>	<b>525.9</b>	<b>73,568</b>	<b>19,919</b>	<b>53,650</b>	<b>269.3</b>	<b>21,918</b>	<b>51,650</b>	<b>235.6</b>
Net Grant (Income) Expense														
Grant Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Grant Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Net Grant (Income) Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>19,211</b>	<b>(10,056)</b>	<b>29,267</b>	<b>-291.0</b>	<b>3,069</b>	<b>16,142</b>	<b>525.9</b>	<b>73,568</b>	<b>19,919</b>	<b>53,650</b>	<b>269.3</b>	<b>21,918</b>	<b>51,650</b>	<b>235.6</b>
Non-Operating (Income) Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Net Income (Loss)</b>	<b>19,211</b>	<b>(10,056)</b>	<b>29,267</b>	<b>-291.0</b>	<b>3,069</b>	<b>16,142</b>	<b>525.9</b>	<b>73,568</b>	<b>19,919</b>	<b>53,650</b>	<b>269.3</b>	<b>21,918</b>	<b>51,650</b>	<b>235.6</b>
Home Dept Staff Count	2	2	-	0.0	2	-	0.0	2	2	-	0.0	2	-	0.0
FTE Staff Count	3	2	0	3.5	2	0	15.2	2	2	(0)	-4.2	2	(0)	-5.0

Balance Sheet	Agriculture Development Division (Rollup)						
	Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	3,593,821	3,338,731	255,089	7.6	3,946,189	(352,368)	-8.9
Investments	453,468	203,468	250,000	122.9	203,468	250,000	122.9
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	2,043,539	2,474,803	(431,264)	-17.4	1,840,877	202,662	11.0
Capital Assets (net of accumulated depreciation)	-	-	-	0.0	-	-	0.0
Other Assets	43,932	5,414	38,519	711.5	1,165	42,768	3671.5
Deferred Outflows	-	-	-	0.0	-	-	0.0
<b>Total Assets and Deferred Outflows</b>	<b>6,134,760</b>	<b>6,022,416</b>	<b>112,344</b>	<b>1.9</b>	<b>5,991,698</b>	<b>143,062</b>	<b>2.4</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	-	-	-	0.0	-	-	0.0
Interest Payable	-	-	-	0.0	-	-	0.0
Unearned Income	-	-	-	0.0	-	-	0.0
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	72,078	7,530	64,548	857.2	4,980	67,098	1347.3
Other liabilities	-	-	-	0.0	-	-	0.0
Deferred Inflows	-	-	-	0.0	-	-	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>72,078</b>	<b>7,530</b>	<b>64,548</b>	<b>857.2</b>	<b>4,980</b>	<b>67,098</b>	<b>1347.3</b>
<b>Equity</b>							
YTD Earnings(Loss)	73,568	19,919	53,650	269.3	21,918	51,650	235.6
Prior Years Earnings	5,989,114	5,994,967	(5,853)	-0.1	5,964,800	24,314	0.4
Transfers	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>6,062,682</b>	<b>6,014,886</b>	<b>47,796</b>	<b>0.8</b>	<b>5,986,718</b>	<b>75,964</b>	<b>1.3</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>6,134,760</b>	<b>6,022,416</b>	<b>112,344</b>	<b>1.9</b>	<b>5,991,698</b>	<b>143,062</b>	<b>2.4</b>



**Iowa Title Guaranty**  
**Monthly Reporting Package**  
**December 31, 2015**



## TITLE GUARANTY

To: ITG and IFA Board Members

From: Randy Ambrozic

Date: January 13, 2016

Subject: Iowa Title Guaranty – A Division of the Iowa Finance Authority – December 2015

Mission Statement: To provide guaranties of Iowa real property titles to facilitate lenders' participation in the secondary market and to add to the integrity of the Iowa land-transfer system. All surplus funds are re-invested to support affordable home ownership.

### Revenue

During the six month period ended December 31, 2015, total operating revenue is approximately \$3,989,600. The 2016 fiscal year-to-date revenue increased \$1,002,200, or 33.5%, compared to revenue budgeted for the period and increased \$1,209,300, or 43.5%, compared to the six month period ended December 31, 2014.

(000's)	Actual	Budget	Variance from Budget - \$	Last Year	Variance from Last Year - \$
Premium Fees - Residential	\$3,473.3	\$2,606.3	\$867.0	\$2,384.9	\$1,088.4
Premium Fees - Commercial	\$363.2	\$273.2	\$90.0	\$331.0	\$32.3
Conference Registration Fees	\$16.4	\$10.0	\$6.4	\$8.1	\$8.3
Annual Participant Fees	\$27.2	\$19.3	\$7.9	\$22.0	\$5.3
Escrow Fees	\$91.8	\$74.1	\$17.8	\$69.3	\$22.6
Other Income	\$57.3	\$43.3	\$14.0	\$42.3	\$15.0
Reinsurance	(\$39.8)	(\$38.8)	(\$0.9)	(\$77.2)	\$37.4
<b>Net Operating Revenue</b>	<b>\$3,989.6</b>	<b>\$2,987.4</b>	<b>\$1,002.2</b>	<b>\$2,780.3</b>	<b>\$1,209.3</b>

### Total Operating Expenses

Total Operating Expense is approximately \$3,066,300 for the six months ended December 31, 2015, which is an increase of \$246,700 compared to the budget and an increase of \$1,084,800 compared to the six month period ended December 31, 2014.

(000's)	Actual	Budget	Variance from Budget - \$	Last Year	Variance from Last Year - \$
Employee Expenses	\$859.6	\$1,125.6	(\$266.0)	\$989.6	(\$130.0)
Operating Expenses	\$143.4	\$139.4	\$4.0	\$121.4	\$22.0
Sales & Marketing	\$34.6	\$76.6	(\$42.0)	\$101.5	(\$66.9)
Field Issuer Incentives	\$1,585.0	\$1,141.3	\$443.7	\$990.1	\$594.9
Other Professional Services	\$249.2	\$197.4	\$51.8	\$90.4	\$158.8
Claims Activity Expenses	\$194.5	\$139.3	\$55.2	(\$311.4)	\$505.9
<b>Total Operating Expenses</b>	<b>\$3,066.3</b>	<b>\$2,819.6</b>	<b>\$246.7</b>	<b>\$1,981.6</b>	<b>\$1,084.7</b>

## Net Operating Income

Net Operating Income is approximately \$923,300 for the six months ended December 31, 2015 which is an improvement of \$755,500 compared to budgeted net operating income for the six months. Net Operating Income for the six months ending December 31, 2015 increased approximately \$124,600 compared to the net operating income from the six months ended December 31, 2014.

## New Accounting Treatment – Pensions

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, “Accounting and Financial Reporting for Pensions” effective for fiscal years beginning after June 15, 2014. Iowa Title Guaranty employees participate in the Iowa Public Employees Retirement System, IPERS. IPERS is a multiple employer, cost sharing pension plan and, under the new accounting guidance, employers participating in a cost sharing plan are required to recognize a liability for their proportionate share of the pension plan’s total net pension liability. Iowa Title Guaranty adopted GASB 68 for its fiscal year beginning July 1, 2015 and its proportionate share of IPERS’ total net pension liability is \$724,910 at December 31, 2015. GASB 68 adjustments are not reflected in fiscal year 2016 results through December 31 but will be reported when made available by IPERS.

## Field Issuer Fees

(000's)	Actual	Budget	Variance from Budget - \$	Last Year	Variance from Last Year - \$
Field Issuer Incentives	\$1,585.0	\$1,141.3	\$443.7	\$990.1	\$594.9
Premium Fee Income - Res.	\$3,473.3	\$2,606.3	\$867.0	\$2,384.9	\$1,088.4
Percent of Income	45.6%	43.8%	1.8%	41.5%	4.1%

Field Issuer Incentives vary proportionally with changes in Residential Premiums. When premiums are up, Field Issuer Incentives are up, and vice versa. Field Issuer Incentives increased compared to budget by \$443,700 and \$594,900 compared to prior year. Field Issuer Incentives are 45.6% of year to date Residential Premiums through December 31, 2015 compared to 43.8% budgeted. Field Issuer Incentives were 41.5% of year to date Residential Premiums through December 31, 2014. Incentive rates increased to \$60.00 for all certificates issued on mortgages recorded on or after July 1, 2015. Prior to this change, incentive compensation was \$50.00 for purchase transactions and \$40.00 for refinance transactions.

## Claims Expense

Claims activity expense is \$194,500 for the six months ended of December 31, 2015, an increase of \$55,200 compared to budget and an increase of \$505,800 compared to the six months ended December 31, 2014. Premium fee income increased \$957,100 during the six months ended December 31, 2015 compared to budget and increased \$1,120,700 compared to the six months ending December 31, 87,300 compared to the prior year. Know claim expense increased \$349,000 in the six months ended November 2015 compared to the six months ended November 2014 as a loss reserve on one known claim was taken down when the claim was dismissed in District Court. Claims paid expense also increased \$77,900 in 2015 compared to 2014 due to ITG recovering \$85,000 in 2014 on a claim that was previously paid.

(000's)	Actual	Budget	Variance from Budget - \$	Last Year	Variance from Last Year - \$
Statutory Reserve Expense	\$227.9	\$139.3	\$88.6	\$140.6	\$87.3
Known Claim Expense	(\$33.0)	\$0.0	(\$33.0)	(\$382.0)	\$349.0
Claims Paid	(\$0.5)	\$0.0	(\$0.5)	(\$78.4)	\$77.9
Fees and Expenses	\$0.1	\$0.0	\$0.1	\$8.4	(\$8.3)
Total Claims Expense	\$194.5	\$139.3	\$55.2	(\$311.4)	\$505.9

**Total Claim Reserves**

Total Claim loss reserves are approximately \$498,200 at December 31, 2015, a decrease of \$4,328,500 compared to December 31, 2014 reserves. ITG engaged an independent actuarial firm to review its claim reserves at June 30, 2015 and provide an opinion on the ultimate claim liability. As a result of the actuarial study, ITG and its outside auditors, KPMG, determined an adjustment is required to bring ITG's reported claim reserves into compliance with General Accepted Accounting Standards. Statutory Claim Reserves and Closing Protection Letter Reserves are reduced by \$4,519,700 to record the GAAP adjustment. Additionally, claim loss reserves for known claims decreased approximately \$176,800 compared to the known reserves at December 31, 2014. The decrease from the statutory adjustment and from known claim reserves is partially offset by a reserve increase of \$368,000 for estimated claims requirements on new guarantees issued.

(000's)	12/31/2015	12/31/2014	Change
Statutory Claim Reserves	\$3,960.7	\$3,592.7	\$368.0
Known Claim Reserves	\$57.2	\$234.0	(\$176.8)
Closing Protection Letter Reserve	\$1,000.0	\$1,000.0	\$0.0
GAAP Adjustment	(\$4,519.7)	-	(\$4,519.7)
<b>Total Reserves</b>	<b>\$498.2</b>	<b>\$4,826.7</b>	<b>(\$4,328.5)</b>
<b>Outstanding claims - count</b>	<b>25</b>	<b>32</b>	<b>-7</b>

**Transfer to Iowa Housing Assistance Program**

Iowa Title Guaranty generated net operating income of \$923,300 during the six months ended December 31, 2015. Net operating income exceeds budget by approximately \$755,500 during the first six months of fiscal year 2016. Based on current year operating results, Iowa Title Guaranty transferred \$350,000 to the Iowa Housing Assistance Fund in the month of December 2015.

Additionally, ITG earned \$13,868 in interest during the six months ended December 31, 2015 on its funds held with the Treasurer of the State. As prescribed by section 16.91.1, interest earned on ITG's funds with the Treasurer of the State are also transferred to the Iowa Housing Assistance Fund. As a result, ITG's total contribution to the Iowa Housing Assistance Program is \$363,868 for the six months ended December 31, 2015. ITG's contribution to the Iowa Housing Assistance Fund was \$512,000 during the six months ended December 31, 2014.

**Performance Targets:**

	6/30/2012	6/30/2013	6/30/2014	6/30/2015	Budget 6/30/2016
Revenue	6,027,953	8,347,435	6,582,561	5,537,782	6,090,733
Transfer to Iowa Housing Assistance Program	2,302,679	2,517,000	1,169,000	1,012,000	350,000

**Summary Financial Information:**

Title Guaranty	Current Month -December				Fiscal Year to Date 12/31/2015			
	Actual	Budget	Var	%	Actual	Budget	Var	%
Revenue	650,903	551,532	99,371	18.0%	3,989,562	2,987,357	1,002,205	33.5%
Net Operating Income	161,779	55,962	105,817	189.1%	923,293	167,766	755,527	450.3%

**IOWA TITLE GUARANTY  
800- COMBINED  
INCOME STATEMENT  
DECEMBER 31, 2015**

	Dec-2015			Dec-2014			YTD as of Dec-2015			YTD as of Dec-2014	
	Actuals	Bud FY16	ACT - BUD	Actuals	CMA - PMA	Actuals	Bud FY16	ACT - BUD	Actuals	CYA - PYA	
<b>Operating Income</b>											
5400-000 FEE INC - TG PREMIUM	531,145	456,269	74,876	312,989	218,156	3,455,151	2,523,745	931,407	2,569,138	886,013	
5400-001 FEE INC - TG ENDORSEMENTS	33,205	25,519	7,686	146,718	(113,513)	208,215	143,733	64,482	146,718	61,497	
5400-004 FEE INC - TG CPL	46,025	54,859	(8,834)		46,025	173,175	211,996	(38,821)		173,175	
5400-005 FEE INC - TG MORTGAGE RELEASE	1,300	1,319	(19)	2,030	(730)	10,100	8,509	1,591	8,530	1,570	
5400-006 FEE INC - TG APPLICATION											
5400-007 FEE INC - TG ANNUAL PARTICIPANT FEES	4,650	3,213	1,438	21,950	(17,300)	27,200	19,275	7,925	21,950	5,250	
5400-010 FEE INC - TG REINSURANCE	(3,338)	(5,410)	2,072	(3,812)	474	(39,751)	(38,812)	(939)	(77,201)	37,449	
5400-015 FEE INC - TG ESCROW SERVICES	25,905	10,908	14,997	10,840	15,065	91,844	74,081	17,763	69,254	22,591	
5400-020 FEE INC - TG REGISTRATION	500		500	(9,425)	9,925	16,425	10,000	6,425	8,100	8,325	
5500-000 OTHER INCOME	8,760	4,855	3,905	(3,521)	12,281	33,335	34,830	(1,495)	33,803	(468)	
5000-050 INT INC - PROGRAM ACCT	2,750		2,750		2,750	13,868		13,868		13,868	
	650,903	551,532	99,371	477,769	173,134	3,989,562	2,987,357	1,002,205	2,780,291	1,209,271	
<b>Employee Expenses</b>											
7100-010 SALARIES & BENEFITS TOTAL	152,178	186,775	(34,597)	171,504	(19,326)	816,916	1,070,858	(253,943)	930,849	(113,933)	
7100-011 TEMPORARY EMPLOYMENT SERVICES	1,077	5,900	(4,823)	4,359	(3,282)	31,607	35,065	(3,458)	35,706	(4,099)	
7100-013 EMP EXP - GASB 68 PENSION ADJUSTMENT											
7100-021 TRAVEL	621	2,334	(1,713)	427	194	8,334	14,002	(5,668)	3,756	4,578	
7100-022 DO NOT USE (formerly travel)				4,780	(4,780)				12,967	(12,967)	
7100-025 EDUCATION AND TRAINING	1,610	750	860	675	935	2,734	5,680	(2,946)	6,314	(3,580)	
	155,487	195,759	(40,273)	181,746	(26,259)	859,591	1,125,605	(266,015)	989,592	(130,001)	
7100-030 OFFICE SUPPLIES EXPENSE	605	1,018	(414)	578	27	5,801	6,111	(310)	3,252	2,549	
7100-031 POSTAGE	471	487	(16)	366	105	2,559	2,922	(364)	2,688	(129)	
7100-032 SUBSCRIPTIONS AND BOOKS	1,408	200	1,208	193	1,215	3,777	800	2,977	779	2,998	
7100-033 DO NOT USE (formerly stationary)									366	(366)	
7100-050 TELEPHONE & DATA EXPENSE	2,811	2,524	287	1,950	861	16,139	15,144	995	11,586	4,552	
7100-055 UTILITIES EXPENSE	950	1,107	(157)	910	40	6,763	6,642	121	5,640	1,123	
7100-058 INSURANCE EXPENSE		66	(66)	74	(74)	930	399	531	421	509	
7100-059 BUILDING MAINTENANCE EXPENSE	3,420	2,723	696	906	2,514	16,613	16,339	274	14,209	2,405	
7100-060 RENT EXPENSE		55	(55)				332	(332)			
7100-065 SOFTWARE & SOFTWARE MAINT EXP	309		309		309	309		309	212	97	
7100-070 OFFICE EQUIP MAINT AGREEMENT EXPENSE	873	1,439	(566)	3,350	(2,477)	5,871	8,635	(2,763)	8,082	(2,211)	
7100-075 DO NOT USE (formerly equipment expense)											
7100-077 DEPRECIATION - FIXED ASSETS	5,309	6,443	(1,134)	5,217	92	31,959	36,250	(4,291)	30,962	997	
7100-085 STATE INDIRECT COST ALLOCATION	780	1,755	(975)	1,478	(698)	14,447	10,529	3,918	8,801	5,646	
7100-300 MISCELLANEOUS EXPENSES	11,284	4,938	6,346	4,799	6,485	38,202	35,328	2,874	34,342	3,861	
	28,219	22,757	5,463	19,820	8,400	143,370	139,430	3,940	121,340	22,030	
<b>Sales &amp; Marketing Expenses</b>											
7100-026 MEETING EXPENSES	412	255	157	980	(568)	863	1,530	(667)	1,414	(551)	
7100-035 DUES & MEMBERSHIPS	1,480	2,425	(945)	9,563	(8,083)	8,315	10,800	(2,485)	17,397	(9,082)	
7100-036 LICENSE FEE EXPENSE							30,000	(30,000)	29,795	(29,795)	
7100-041 ADVERTISING & PUBLICITY EXPENSE		1,791	(1,791)	5,858	(5,858)	3,932	10,746	(6,814)	13,335	(9,403)	
7100-042 CONFERENCE HOSTING EXPENSE	(3,259)		(3,259)	16,251	(19,511)	14,929	20,000	(5,071)	21,554	(6,625)	
7100-045 MARKETING	688	584	104	2,100	(1,413)	6,527	3,499	3,028	18,023	(11,495)	
	(680)	5,055	(5,735)	34,753	(35,433)	34,566	76,575	(42,009)	101,518	(66,951)	
<b>Professional Services Expense</b>											
7100-066 SOFTWARE CITRIX FILE SHARE		50	(50)				300	(300)	711	(711)	
7100-101 PROF SERV - FINANCIAL AUDIT FEES				3,000	(3,000)				3,000	(3,000)	
7100-103 PROF SERV - LEGAL	1,959	2,083	(124)	10,420	(8,461)	10,598	12,498	(1,900)	10,420	179	
7100-104 PROF SERV - COMPLIANCE						1,591		1,591		1,591	
7100-106 PROF SERV - THOMSON REUTERS		600	(600)	591	(591)		3,600	(3,600)	2,934	(2,934)	
7100-108 PROF SERV - ACCOUNTING CONSULTANTS	19,565		19,565	18,500	1,065	124,190		124,190	53,145	71,045	
7100-120 PROF SERV - BANKING	1,065	4,200	(3,135)	1,296	(231)	4,849	25,200	(20,351)	7,543	(2,694)	
7100-130 PROF SERV - FIELD ISSUER INCENTIVE	246,970	222,401	24,569	169,040	77,930	1,585,020	1,141,328	443,692	990,050	594,970	
7100-150 PROF SERV - INFORMATION TECHNOLOGY	14,960		14,960		14,960	87,600		87,600	9,600	78,000	
7100-160 PROF SERV - CONSULTANTS		15,640	(15,640)			20,000	155,760	(135,760)	2,794	17,206	
7100-190 PROF SERV - MISCELLANEOUS						378		378	341	37	
	284,519	244,974	39,546	202,848	81,672	1,834,225	1,338,686	495,539	1,080,537	753,688	
<b>Claims Expense</b>											
7100-105 PROF SERV - CLAIMS DEFENSE									7,587	(7,587)	
7130-010 TG STATUTORY RESERVE EXPENSE	21,721	27,026	(5,305)	25,406	(3,685)	227,966	139,295	88,672	140,599	87,367	
7130-020 TG KNOWN CLAIM RESERVE EXPENSE	(23)		(23)		(23)	(32,989)		(32,989)	(382,000)	349,011	
7130-040 TG ACTUAL CLAIMS PAID EXPENSE	(120)		(120)	(150)	30	(53)		(53)	(78,418)	77,885	
7130-050 TG OTHER CLAIMS EXPENSE						73		73	850	(777)	
	21,579	27,026	(5,448)	25,256	(3,677)	194,517	139,295	55,222	(311,382)	505,899	
<b>TOTAL DIRECT OPERATING EXPENSES</b>	489,124	495,571	(6,447)	464,422	24,702	3,066,269	2,819,591	246,678	1,981,604	1,084,665	
<b>NET OPERATING INCOME (LOSS)</b>	161,779	55,962	105,817	13,347	148,432	923,293	167,766	755,527	798,687	124,606	
7210-500 TRANSFERS TO HOUSING ASSISTANCE	352,750		352,750		352,750	363,868		363,868	512,000	(148,132)	
<b>CHANGE IN NET POSITION</b>	(190,971)	55,962	(246,933)	13,347	(204,318)	559,425	167,766	391,659	286,687	272,738	

**IOWA TITLE GUARANTY**  
**020 - RESIDENTIAL**  
**INCOME STATEMENT**  
**DECEMBER 31, 2015**

	Dec-2015			Dec-2014		YTD as of Dec-2015			YTD as of Dec-2014	
	Actuals	Bud FY16	ACT - BUD	Actuals	CMA - PMA	Actuals	Bud FY16	ACT - BUD	Actuals	CYA - PYA
<b>Operating Revenues</b>										
5400-000 FEE INC - TG PREMIUM	486,189	424,270	61,919	383,030	103,159	3,198,057	2,340,709	857,348	2,331,147	866,910
5400-001 FEE INC - TG ENDORSEMENTS	15,525	9,758	5,767	53,739	(38,214)	102,135	53,581	48,554	53,739	48,396
5400-004 FEE INC - TG CPL	45,975	54,859	(8,884)		45,975	173,125	211,996	(38,871)		173,125
5400-005 FEE INC - TG MORTGAGE RELEASE	1,300	1,319	(19)	2,030	(730)	10,100	8,509	1,591	8,530	1,570
5400-006 FEE INC - TG APPLICATION										
5400-007 FEE INC - TG ANNUAL PARTICIPANT FEES	4,650	3,213	1,438	21,950	(17,300)	27,200	19,275	7,925	21,950	5,250
5400-010 FEE INC - TG REINSURANCE									(818)	818
5400-020 FEE INC - TG REGISTRATION	500		500	(9,425)	9,925	16,425	10,000	6,425	8,100	8,325
5500-000 OTHER INCOME				(8,100)	8,100	1		1		1
5000-050 INT INC - PROGRAM ACCT	2,750		2,750		2,750	13,868		13,868		13,868
	556,889	493,419	63,470	443,224	113,665	3,540,912	2,644,071	896,841	2,422,648	1,118,264
<b>Employee Expenses</b>										
7100-010 SALARIES & BENEFITS TOTAL	122,672	147,337	(24,665)	141,999	(19,327)	663,883	845,194	(181,312)	764,047	(100,165)
7100-011 TEMPORARY EMPLOYMENT SERVICES TOTAL	1,077	4,650	(3,573)	3,210	(2,133)	25,833	27,565	(1,732)	17,287	8,546
7100-013 EMP EXP - GASB 68 PENSION ADJUSTMENT										
7100-021 TRAVEL	621	1,500	(879)	427	194	8,317	9,000	(683)	3,756	4,561
7100-022 DO NOT USE (formerly travel)				4,780	(4,780)				9,175	(9,175)
7100-025 EDUCATION AND TRAINING	1,600	750	850	675	925	2,500	4,680	(2,180)	5,039	(2,539)
	125,970	154,237	(28,267)	151,092	(25,121)	700,533	886,439	(185,906)	799,305	(98,771)
<b>Operating Expenses</b>										
7100-030 OFFICE SUPPLIES EXPENSE	520	824	(305)	483	36	4,897	4,946	(49)	2,637	2,260
7100-031 POSTAGE	241	394	(153)	229	12	1,513	2,365	(852)	1,752	(239)
7100-032 SUBSCRIPTIONS AND BOOKS	1,408	200	1,208	193	1,215	3,201	800	2,401	779	2,423
7100-033 DO NOT USE (formerly stationary)									247	(247)
7100-050 TELEPHONE & DATA EXPENSE	2,046	2,043	3	1,560	486	12,827	12,257	569	9,209	3,617
7100-055 UTILITIES EXPENSE	769	896	(127)	728	41	5,474	5,376	98	4,511	963
7100-058 INSURANCE EXPENSE		54	(54)	59	(59)	753	323	430	337	416
7100-059 BUILDING MAINTENANCE EXPENSE	2,769	2,204	565	725	2,045	13,863	13,225	638	11,661	2,202
7100-060 RENT EXPENSE		45	(45)				269	(269)		
7100-065 SOFTWARE & SOFTWARE MAINT EXP	250		250		250	250		250		250
7100-070 OFFICE EQUIP MAINT AGREEMENT EXPENSE	757	1,165	(408)	3,095	(2,338)	4,802	6,989	(2,187)	6,820	(2,018)
7100-075 DO NOT USE (formerly equipment expense)										
7100-077 DEPRECIATION - FIXED ASSETS	4,302	5,215	(913)	4,174	129	25,899	29,340	(3,441)	24,770	1,129
7100-085 STATE INDIRECT COST ALLOCATION	632	1,420	(789)	1,182	(551)	11,686	8,522	3,164	7,064	4,622
7100-300 MISCELLANEOUS EXPENSES	2,467		2,467	230	2,238	4,815		4,815	1,044	3,771
	16,160	14,460	1,700	12,656	3,504	89,980	84,412	5,568	70,831	19,149
<b>Sales &amp; Marketing Expenses</b>										
7100-026 MEETING EXPENSES	412	255	157	980	(568)	863	1,530	(667)	1,414	(551)
7100-035 DUES & MEMBERSHIPS	1,480	1,675	(195)	8,783	(7,303)	7,995	10,050	(2,055)	16,617	(8,622)
7100-036 LICENSE FEE EXPENSE							30,000	(30,000)	29,795	(29,795)
7100-041 ADVERTISING & PUBLICITY EXPENSE		1,375	(1,375)	3,235	(3,235)	3,932	8,250	(4,318)	7,414	(3,482)
7100-042 CONFERENCE HOSTING EXPENSE	(3,259)		(3,259)	16,251	(19,511)	14,929	20,000	(5,071)	21,304	(6,375)
7100-045 MARKETING	388		388	1,900	(1,513)	5,804		5,804	13,952	(8,148)
	(980)	3,305	(4,285)	31,150	(32,130)	33,523	69,830	(36,307)	90,496	(56,973)
<b>Professional Services Expense</b>										
7100-066 SOFTWARE CITRIX FILE SHARE									711	(711)
7100-101 PROF SERV - FINANCIAL AUDIT FEES				3,000	(3,000)				3,000	(3,000)
7100-103 PROF SERV - LEGAL	1,959	2,083	(124)	10,420	(8,461)	10,598	12,498	(1,900)	10,420	179
7100-104 PROF SERV - COMPLIANCE						1,591		1,591		1,591
7100-106 PROF SERV - THOMSON REUTERS		600	(600)	591	(591)		3,600	(3,600)	2,934	(2,934)
7100-108 PROF SERV - ACCOUNTING CONSULTANTS	19,565		19,565	18,500	1,065	124,190		124,190	53,145	71,045
7100-120 PROF SERV - BANKING	163	3,500	(3,337)	595	(431)	546	21,000	(20,454)	3,349	(2,802)
7100-130 PROF SERV - FIELD ISSUER INCENTIVE	246,970	222,401	24,569	169,040	77,930	1,585,020	1,141,328	443,692	990,050	594,970
7100-150 PROF SERV - INFORMATION TECHNOLOGY	14,960		14,960		14,960	87,600		87,600	9,600	78,000
7100-160 PROF SERV - CONSULTANTS		15,640	(15,640)			20,000	155,760	(135,760)	2,794	17,206
7100-190 PROF SERV - MISCELLANEOUS						257		257	241	16
	283,617	244,224	39,394	202,146	81,472	1,829,802	1,334,186	495,616	1,076,243	753,559
<b>Claims Expense</b>										
7100-105 PROF SERV - CLAIMS DEFENSE									7,584	(7,584)
7130-010 TG STATUTORY RESERVE EXPENSE	16,552	24,203	(7,651)	24,459	(7,908)	199,326	124,229	75,097	124,285	75,042
7130-020 TG KNOWN CLAIM RESERVE EXPENSE	(23)		(23)		(23)	(32,989)		(32,989)	(382,000)	349,011
7130-040 TG ACTUAL CLAIMS PAID EXPENSE	(120)		(120)	(150)	30	(533)		(533)	(78,418)	77,885
7130-050 TG OTHER CLAIMS EXPENSE						73		73	850	(777)
	16,409	24,203	(7,794)	24,309	(7,901)	165,877	124,229	41,648	(327,699)	493,576
<b>TOTAL DIRECT OPERATING EXPENSES</b>	<b>441,177</b>	<b>440,429</b>	<b>748</b>	<b>421,353</b>	<b>19,824</b>	<b>2,819,716</b>	<b>2,499,097</b>	<b>320,619</b>	<b>1,709,176</b>	<b>1,110,540</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>115,712</b>	<b>52,990</b>	<b>62,722</b>	<b>21,871</b>	<b>93,841</b>	<b>721,196</b>	<b>144,974</b>	<b>576,222</b>	<b>713,472</b>	<b>7,724</b>
<b>7210-500 TRANSFERS TO HOUSING ASSISTANCE</b>	<b>352,750</b>		<b>352,750</b>		<b>352,750</b>	<b>363,868</b>		<b>363,868</b>	<b>512,000</b>	<b>(148,132)</b>
<b>CHANGE IN NET POSITION</b>	<b>(237,038)</b>	<b>52,990</b>	<b>(290,028)</b>	<b>21,871</b>	<b>(258,909)</b>	<b>357,328</b>	<b>144,974</b>	<b>212,354</b>	<b>201,472</b>	<b>155,856</b>

**IOWA TITLE GUARANTY**  
**030- COMMERCIAL**  
**INCOME STATEMENT**  
**DECEMBER 31, 2015**

	Dec-2015			Dec-2014		YTD as of Dec-2015			YTD as of Dec-2014	
	Actuals	Bud FY16	ACT - BUD	Actuals	CMA - PMA	Actuals	Bud FY16	ACT - BUD	Actuals	CYA - PYA
<b>Operating Revenues</b>										
5400-000 FEE INC - TG PREMIUM	44,956	31,999	12,957	(70,041)	114,997	257,094	183,035	74,059	237,991	19,103
5400-001 FEE INC - TG ENDORSEMENTS	17,680	15,761	1,919	92,979	(75,299)	106,080	90,152	15,928	92,979	13,101
5400-004 FEE INC - TG CPL	50		50		50	50		50		50
5400-005 FEE INC - TG MORTGAGE RELEASE										
5400-006 FEE INC - TG APPLICATION										
5400-010 FEE INC - TG REINSURANCE	(3,338)	(5,410)	2,072	(3,812)	474	(39,751)	(38,812)	(939)	(76,383)	36,631
5400-015 FEE INC - TG ESCROW SERVICES	25,905	10,908	14,997	10,840	15,065	91,844	74,081	17,763	69,254	22,591
5400-020 FEE INC - TG REGISTRATION										
5500-000 OTHER INCOME	8,760	4,855	3,905	4,579	4,181	33,334	34,830	(1,496)	33,803	(469)
5000-050 INT INC - PROGRAM ACCT										
	94,014	58,113	35,900	34,545	59,469	448,650	343,286	105,364	357,643	91,007
<b>Employee Expenses</b>										
7100-010 SALARIES & BENEFITS TOTAL	29,506	39,438	(9,932)	29,505	2	153,033	225,664	(72,631)	166,802	(13,768)
7100-011 TEMPORARY EMPLOYMENT SERVICES TOTAL		1,250	(1,250)	1,149	(1,149)	5,774	7,500	(1,726)	18,419	(12,645)
7100-013 EMP EXP - GASB 68 PENSION ADJUSTMENT										
7100-021 TRAVEL		834	(834)			16	5,002	(4,986)		16
7100-022 DO NOT USE (formerly travel)									3,792	(3,792)
7100-025 EDUCATION AND TRAINING	10		10		10	234	1,000	(766)	1,275	(1,041)
	29,516	41,522	(12,006)	27,332	(1,138)	159,058	239,166	(80,109)	190,287	(31,230)
<b>Operating Expenses</b>										
7100-030 OFFICE SUPPLIES EXPENSE	85	194	(109)	95	(9)	904	1,165	(261)	615	289
7100-031 POSTAGE	230	93	137	137	93	1,046	557	489	935	111
7100-032 SUBSCRIPTIONS AND BOOKS						576		576		576
7100-033 DO NOT USE (formerly stationary)									119	(119)
7100-050 TELEPHONE & DATA EXPENSE	765	481	284	390	375	3,312	2,886	426	2,377	935
7100-055 UTILITIES EXPENSE	181	211	(30)	182	(1)	1,289	1,266	23	1,130	160
7100-058 INSURANCE EXPENSE		13	(13)	15	(15)	177	76	101	84	93
7100-059 BUILDING MAINTENANCE EXPENSE	650	519	131	181	469	2,750	3,114	(364)	2,547	203
7100-060 RENT EXPENSE		11	(11)				63	(63)		
7100-065 SOFTWARE & SOFTWARE MAINT EXP	59		59		59	59		59	212	(153)
7100-070 OFFICE EQUIP MAINT AGREEMENT EXPENSE	117	274	(157)	256	(139)	1,069	1,646	(577)	1,262	(193)
7100-075 DO NOT USE (formerly equipment expense)										
7100-077 DEPRECIATION - FIXED ASSETS	1,007	1,228	(222)	1,043	(37)	6,060	6,909	(850)	6,192	(133)
7100-085 STATE INDIRECT COST ALLOCATION	149	334	(186)	296	(147)	2,761	2,007	754	1,737	1,024
7100-300 MISCELLANEOUS EXPENSES	8,817	4,938	3,879	4,569	4,247	33,387	35,328	(1,941)	33,298	89
	12,059	8,296	3,763	7,164	4,896	53,390	55,018	(1,628)	50,508	2,881
<b>Sales &amp; Marketing Expenses</b>										
7100-026 MEETING EXPENSES										
7100-035 DUES & MEMBERSHIPS		750	(750)	780	(780)	320	750	(430)	780	(460)
7100-036 LICENSE FEE EXPENSE										
7100-041 ADVERTISING & PUBLICITY EXPENSE		416	(416)	2,623	(2,623)		2,496	(2,496)	5,921	(5,921)
7100-042 CONFERENCE HOSTING EXPENSE									250	(250)
7100-045 MARKETING	300	584	(284)	200	100	723	3,499	(2,776)	4,071	(3,348)
	300	1,750	(1,450)	3,603	(3,303)	1,043	6,745	(5,702)	11,021	(9,978)
<b>Professional Services Expense</b>										
7100-066 SOFTWARE CITRIX FILE SHARE		50	(50)				300	(300)		
7100-101 PROF SERV - FINANCIAL AUDIT FEES										
7100-103 PROF SERV - LEGAL										
7100-104 PROF SERV - COMPLIANCE										
7100-106 PROF SERV - THOMSON REUTERS										
7100-108 PROF SERV - ACCOUNTING CONSULTANTS										
7100-120 PROF SERV - BANKING	902	700	202	702	200	4,302	4,200	102	4,194	108
7100-130 PROF SERV - FIELD ISSUER INCENTIVE										
7100-150 PROF SERV - INFORMATION TECHNOLOGY										
7100-160 PROF SERV - CONSULTANTS										
7100-190 PROF SERV - MISCELLANEOUS						120		120	100	20
	902	750	152	702	200	4,423	4,500	(77)	4,294	129
<b>Claims Expense</b>										
7100-105 PROF SERV - CLAIMS DEFENSE									2	(2)
7130-010 TG STATUTORY RESERVE EXPENSE	5,170	2,823	2,346	946	4,223	28,640	15,066	13,574	16,315	12,325
7130-020 TG KNOWN CLAIM RESERVE EXPENSE										
7130-040 TG ACTUAL CLAIMS PAID EXPENSE										
7130-050 TG OTHER CLAIMS EXPENSE										
	5,170	2,823	2,346	946	4,223	28,640	15,066	13,574	16,317	12,323
<b>TOTAL DIRECT OPERATING EXPENSES</b>	47,947	55,142	(7,195)	39,748	8,200	246,553	320,495	(73,941)	272,428	(25,875)
<b>NET OPERATING INCOME (LOSS)</b>	46,066	2,971	43,095	(5,202)	51,269	202,097	22,792	179,305	85,215	116,882
<b>7210-500 TRANSFERS TO HOUSING ASSISTANCE</b>										
<b>CHANGE IN NET POSITION</b>	46,066	2,971	43,095	(5,202)	51,269	202,097	22,792	179,305	85,215	116,882

**IOWA TITLE GUARANTY  
BALANCE SHEET  
DECEMBER 31, 2015**

		December 31, 2015 - Balance Sheet - TG Combined						
<b>ASSETS</b>								
<b>Current Assets:</b>								
<b>Cash and Cash Equivalents:</b>								
1002-002	Cash - TG Dep/Great Western Bank	\$1,822,045	\$2,591,584	(\$769,539)	-30%	\$0	\$1,822,045	**
1002-005	Cash - TG Escrow	\$2,219,173	\$8,119,475	(\$5,900,302)	-73%	\$3,822,851	(\$1,603,678)	-42%
1002-010	Cash - TG Dep / Wells Fargo	\$0	\$0	\$0	**	\$759,009	(\$759,009)	-100%
1002-030	Cash - State Treasurer	\$5,900,996	\$5,372,963	\$528,033	10%	\$6,269,478	(\$368,482)	-6%
	Other Cash & Cash Equivalents	\$0	\$0	\$0	**	\$0	\$0	**
	<b>Total Cash and Cash Equivalents</b>	<b>\$9,942,214</b>	<b>\$16,084,022</b>	<b>(\$6,141,808)</b>	<b>-38%</b>	<b>\$10,851,338</b>	<b>(\$909,124)</b>	<b>-8%</b>
<b>Accounts Receivable:</b>								
1240-001	Accounts Receivable - Trade	\$174,750	\$147,798	\$26,952	18%	\$184,646	(\$9,896)	-5%
1240-000	Misc Receivables	\$680	\$778	(\$98)	-13%	\$0	\$680	**
1240-009	Less Reserve for Doubtful Accounts	(\$7,576)	(\$7,576)	\$0	0%	\$0	(\$7,576)	**
	<b>Accounts Receivable - Net</b>	<b>\$167,854</b>	<b>\$141,000</b>	<b>\$26,854</b>	<b>19%</b>	<b>\$184,646</b>	<b>(\$16,792)</b>	<b>-9%</b>
1400-019	Prepaid Expenses	\$18,330	\$18,330	\$0	0%	\$0	\$18,330	**
1250-000	Due From AP	\$0	\$0	\$0	**	\$0	\$0	**
1260-001	Due From General Fund	\$0	\$0	\$0	**	\$23,867	(\$23,867)	-100%
1260-800	Due From - Title Guaranty	\$0	\$0	\$0	**	\$0	\$0	**
	Other Current Assets	\$0	\$0	\$0	**	\$0	\$0	**
	<b>Total Current Assets</b>	<b>\$10,128,398</b>	<b>\$16,243,352</b>	<b>(\$6,114,954)</b>	<b>-38%</b>	<b>\$11,059,851</b>	<b>(\$931,453)</b>	<b>-8%</b>
<b>Fixed Assets:</b>								
1310-000	Building & Leasehold Impr	\$0	\$0	\$0	**	\$0	\$0	**
1320-000	Capital Assets in Progress	\$0	\$0	\$0	**	\$0	\$0	**
1310-010	Equipment & Other Fixed Assets	\$81,914	\$81,914	\$0	0%	\$78,574	\$3,340	4%
	<b>Total Fixed Assets</b>	<b>\$81,914</b>	<b>\$81,914</b>	<b>\$0</b>	<b>0%</b>	<b>\$78,574</b>	<b>\$3,340</b>	<b>4%</b>
1300-011	Less Accumulated Depreciation	(\$78,768)	(\$78,741)	(\$27)	0%	(\$78,574)	(\$194)	0%
	<b>Fixed Assets - Net</b>	<b>\$3,146</b>	<b>\$3,173</b>	<b>(\$27)</b>	<b>-1%</b>	<b>\$0</b>	<b>\$3,146</b>	<b>**</b>
1520-002	Deferred Outflows - Pension	\$219,725	\$219,725	\$0	0%	\$0	\$219,725	**
	Other Assets	\$0	\$0	\$0	**	\$0	\$0	**
	<b>Total Assets</b>	<b>\$10,351,269</b>	<b>\$16,466,250</b>	<b>(\$6,114,981)</b>	<b>-37%</b>	<b>\$11,059,851</b>	<b>(\$708,582)</b>	<b>-6%</b>
<b>LIABILITIES AND CAPITAL</b>								
<b>Current Liabilities:</b>								
2510-000	Escrow Deposits	\$2,219,173	\$8,119,475	(\$5,900,302)	-73%	\$3,822,851	(\$1,603,678)	-42%
2400-001	Accounts Payable - State	\$0	\$0	\$0	**	\$0	\$0	**
1250-000	Due To AP	\$0	\$0	\$0	**	\$0	\$0	**
1260-001	Due To General Fund	\$68,368	\$139,375	(\$71,007)	-51%	\$0	\$68,368	**
1260-800	Due To Title Guaranty	\$0	\$0	\$0	**	\$0	\$0	**
	Claims Reserves:							
2310-005	Claims Reserve - TG GAAP Adjustment	(\$4,519,674)	(\$4,519,674)	\$0	0%	\$0	(\$4,519,674)	**
2310-010	Claims Reserve - TG Residential Statutory	\$3,726,890	\$3,710,339	\$16,551	0%	\$3,400,621	\$326,269	10%
2310-015	Claims Reserve - TG Commercial Statutory	\$233,750	\$228,580	\$5,170	2%	\$192,132	\$41,618	22%
2310-020	Claims Reserve - TG Known	\$57,225	\$57,248	(\$23)	0%	\$234,000	(\$176,775)	-76%
2310-030	Claims Reserve - TG Closing Letter	\$1,000,000	\$1,000,000	\$0	0%	\$1,000,000	\$0	0%
	<b>Total Claims Reserves</b>	<b>\$498,191</b>	<b>\$476,493</b>	<b>\$21,698</b>	<b>5%</b>	<b>\$4,826,753</b>	<b>(\$4,328,562)</b>	<b>-90%</b>
2400-015	Accrued Liabilities - TG Commitments	\$293,379	\$282,769	\$10,610	4%	\$257,521	\$35,858	14%
2610-000	Deferred Commitment Fees	\$0	\$0	\$0	**	\$0	\$0	**
2400-020	Accrued Payroll Expenses	\$249,752	\$223,961	\$25,791	12%	\$287,733	(\$37,981)	-13%
2400-010	Misc Accrued Expenses	\$416,604	\$427,404	(\$10,800)	-3%	\$266,910	\$149,694	56%
	Current Portion of LTD	\$0	\$0	\$0	**	\$0	\$0	**
	<b>Total Current Liabilities</b>	<b>\$3,745,467</b>	<b>\$9,669,477</b>	<b>(\$5,924,010)</b>	<b>-61%</b>	<b>\$9,461,768</b>	<b>(\$5,716,301)</b>	<b>-60%</b>
2700-003	Net Pension Liability	\$724,910	\$724,910	\$0	0%	\$0	\$724,910	**
2900-000	Deferred Inflows - Pension	\$276,460	\$276,460	\$0	0%	\$0	\$276,460	**
	Long-Term Debt:	\$0	\$0	\$0	**	\$0	\$0	**
	<b>Total Liabilities</b>	<b>\$4,746,837</b>	<b>\$10,670,847</b>	<b>(\$5,924,010)</b>	<b>-56%</b>	<b>\$9,461,768</b>	<b>(\$4,714,931)</b>	<b>-50%</b>
<b>Capital:</b>								
4000-100	Restricted Fund balance	\$5,866,935	\$5,866,935	\$0	0%	\$1,311,396	\$4,555,539	347%
4000-104	Effect of GASB 68 Accounting Change	(\$821,928)	(\$821,928)	\$0	0%	\$0	(\$821,928)	**
7210-500	I-A Grant to Housing Assistance program	(\$363,868)	(\$11,118)	(\$352,750)	3173%	(\$512,000)	\$148,132	-29%
	Current Period Income	\$923,293	\$761,514	\$161,779	21%	\$798,687	\$124,606	16%
	<b>Total Capital</b>	<b>\$5,604,432</b>	<b>\$5,795,403</b>	<b>(\$190,971)</b>	<b>-3%</b>	<b>\$1,598,083</b>	<b>\$4,006,349</b>	<b>251%</b>
	<b>Total Liabilities and Capital</b>	<b>\$10,351,269</b>	<b>\$16,466,250</b>	<b>(\$6,114,981)</b>	<b>-37%</b>	<b>\$11,059,851</b>	<b>(\$708,582)</b>	<b>-6%</b>

To: IFA Board Members  
 From: Michelle Thomas  
 Date: January 20, 2016  
 Re: State Revolving Fund – December 2015 Financial Results

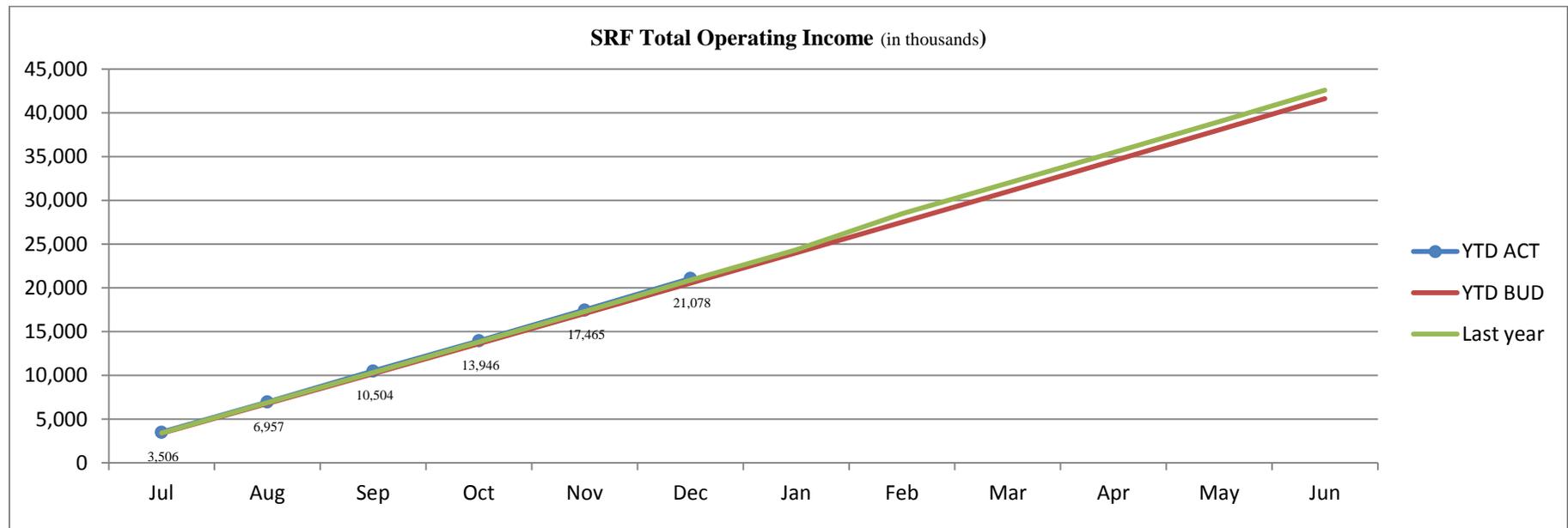


**December 2015 State Revolving Fund Highlights**

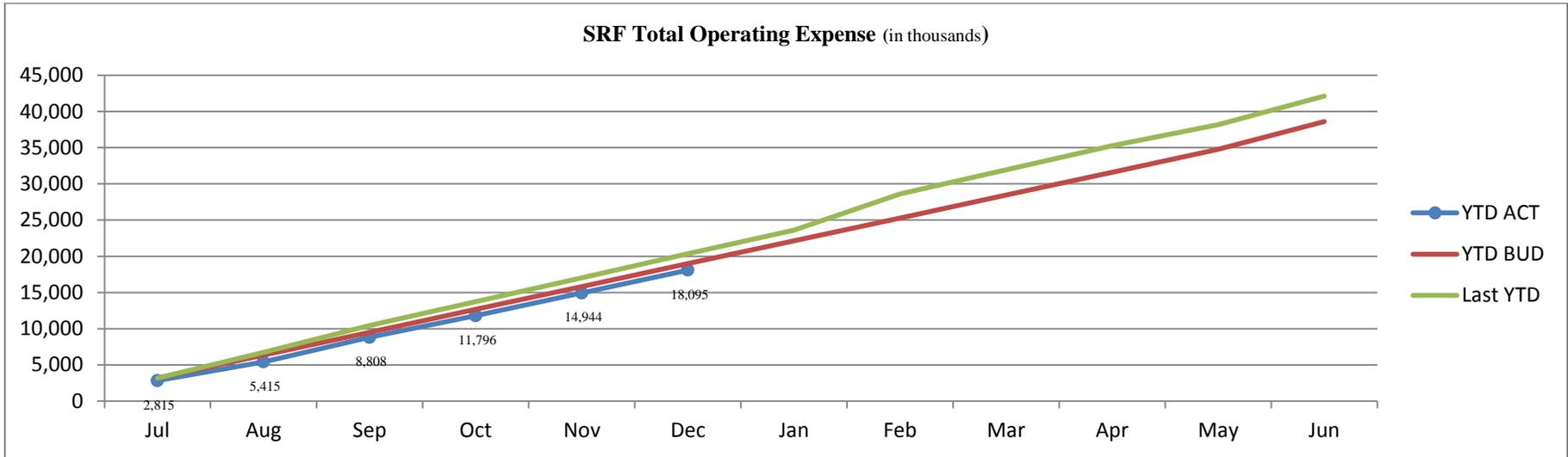
**Strategic Goal:** Provide low cost financing for water quality through State Revolving Fund.

**Performance Target:** Close \$100 million construction loans in FY 2016 (\$60 million CW loans and \$40 million DW loans).

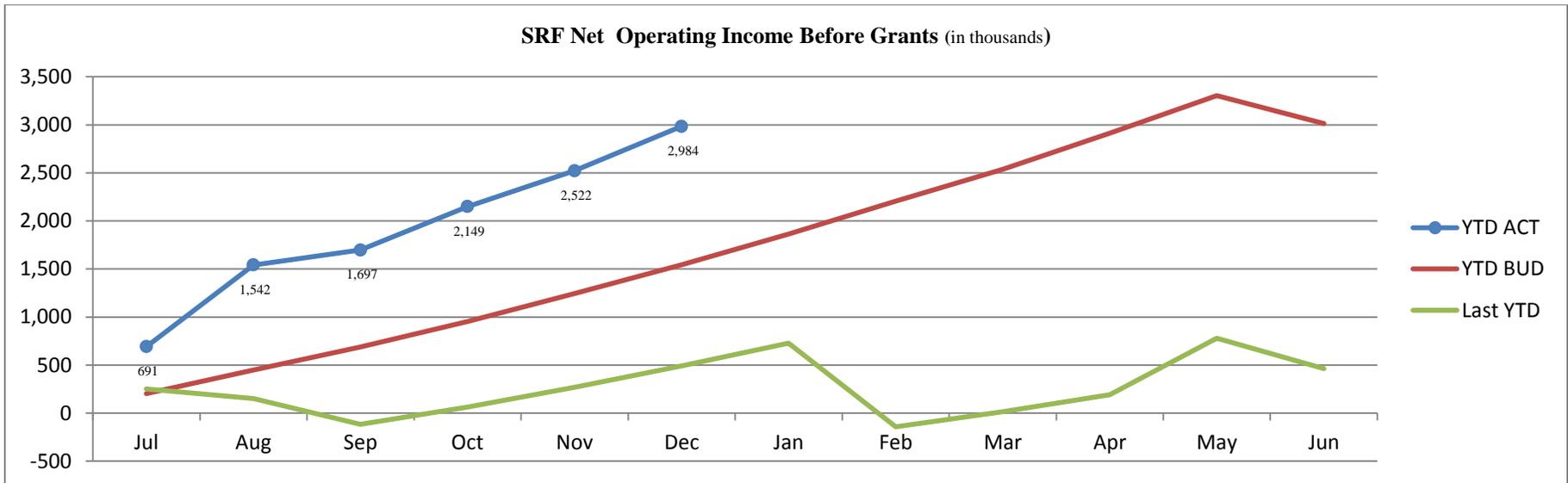
- SRF has funds available of \$168.0 million for loan disbursements, \$6.6 million of cap grants for loan draws, and \$162 million in loan commitments.
- There have been disbursements of \$85.2 million of which \$34.0 million was received in the form of cap grant draws.
- Grant income is \$13.4 million above budget as 2015 cap grants have been drawn at a faster pace.



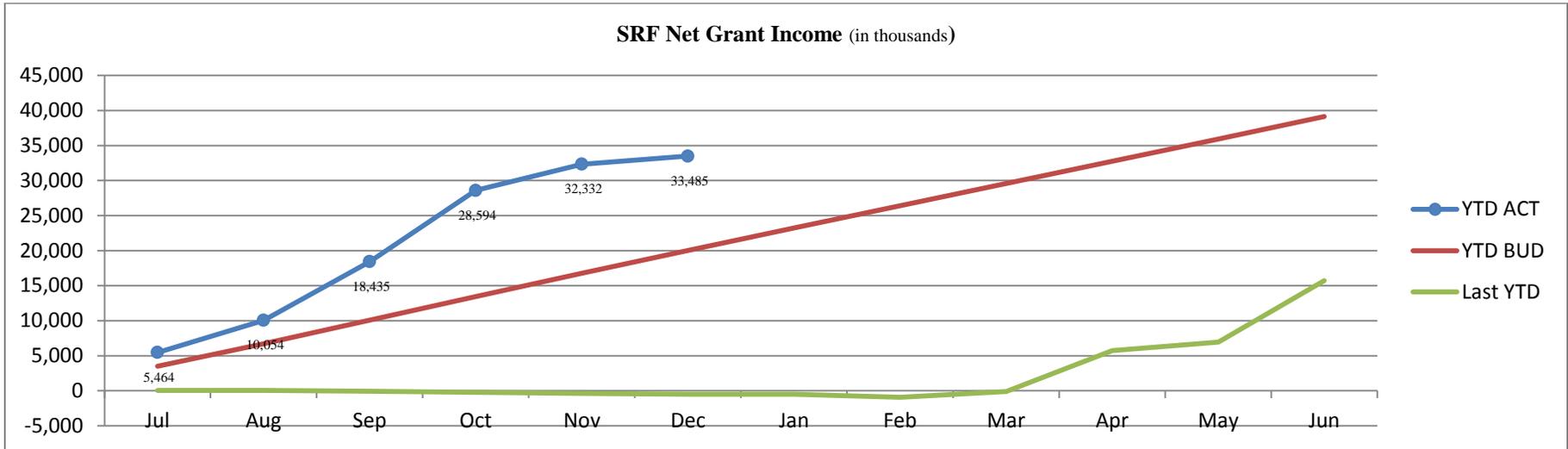
Total Operating Income of \$21,078,440 was \$549,682 or 2.7% above budget and \$213,623 above last year.



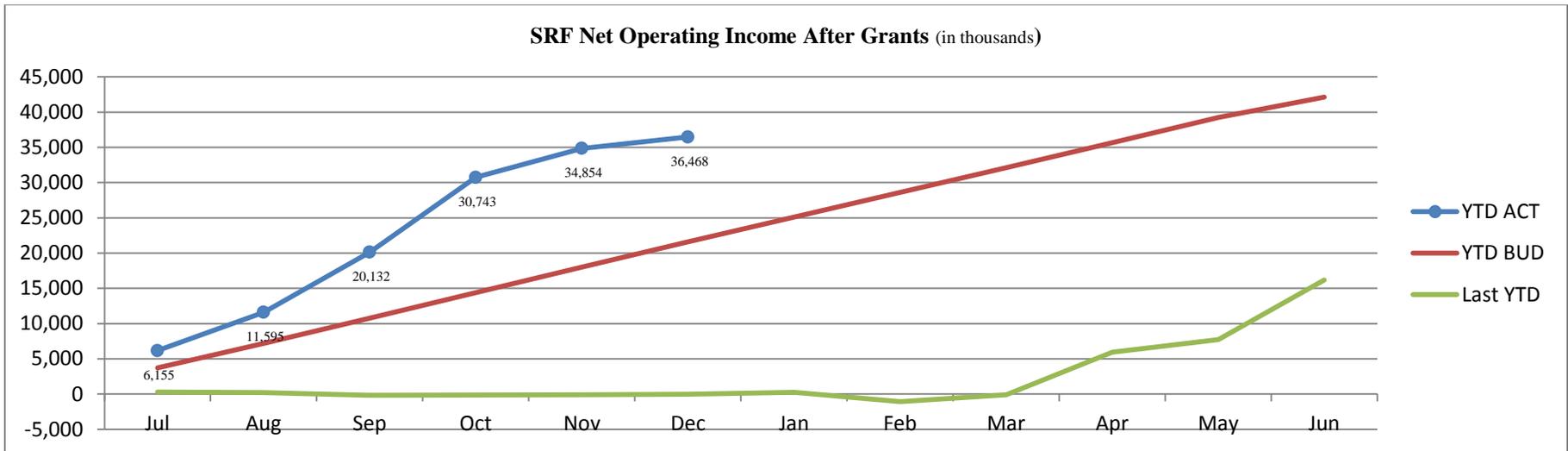
Total Operating Expense of \$18,094,655 was \$890,023 or 4.7% below budget and \$2,277,684 below last year



Net Operating Income Before Grants of \$2,983,785 was \$1,439,704 or 93.2% above budget and \$2,491,307 above last year



Net Grant Income of \$33,484,694 was \$13,441,827 or 67.1% above budget and \$33,991,416 above last year



Net Operating Income After Grants of \$36,468,479 was \$14,881,532 or 68.9% above budget and \$36,482,723 above last year

**Cash Position**

- There is \$168.0 million of funds available for SRF construction projects funded through the Equity Fund. Also, \$6.6 million of federal cap grants are available for loan draws.
- SRF has \$28.4 million of funds available for planning & design, CW general nonpoint source, and DW source water protection loans funded through the Program Fund.
- There is \$21.2 million of funds available for SRF administrative expenses funded through the Administration Fund. Also, \$4.6 million of federal cap grants are available for set-asides.

<b>Equity/Program/Admin Fund Balances</b>						
<u>Program</u>	<u>Account</u>	<u>Balance at 6/30/2015</u>	<u>Net Cash Inflows (Outflows)</u>	<u>Balance at 12/31/2015</u>		
<b>Equity Fund</b>						
Clean Water	12069250/1	128,063,088	(20,845,388)	107,217,700		
Drinking Water	12069253/4	<u>65,724,609</u>	<u>(4,956,694)</u>	<u>60,767,915</u>		
		193,787,697	(25,802,082)	167,985,615		
<b>Program Fund</b>						
Clean Water	22546000	19,961,974	(3,978,939)	15,983,036		
Drinking Water	22546001	<u>12,810,451</u>	<u>(414,095)</u>	<u>12,396,356</u>		
		32,772,425	(4,393,034)	28,379,391		
<b>Administration Fund</b>						
Clean Water	22546002	10,832,972	(581,934)	10,251,038		
Drinking Water	22546003	<u>10,981,458</u>	<u>(35,755)</u>	<u>10,945,703</u>		
		21,814,430	(617,689)	21,196,741		
<b>Federal Capitalization Grants</b>						
As of 12/31/2015						
	<u>Clean Water</u>		<u>Drinking Water</u>		<u>Total SRF</u>	
<u>Grant Award Year</u>	<u>EPA Awards</u>	<u>Remaining</u>	<u>EPA Awards</u>	<u>Remaining</u>	<u>EPA Awards</u>	<u>Remaining</u>
Prior Years	461,199,459	-	228,686,500	-	689,885,959	-
2012	19,128,000	-	15,322,000	-	34,450,000	-
2013	18,069,000	-	14,375,000	1,267,038	32,444,000	1,267,038
2014	18,976,000	-	13,229,000	1,345,168	32,205,000	1,345,168
2015	<u>18,879,000</u>	-	<u>13,142,000</u>	<u>8,548,937</u>	<u>32,021,000</u>	<u>8,548,937</u>
	536,251,459	-	284,754,500	11,161,143	821,005,959	11,161,143
	Total federal capitalization grants received to date:					<b>\$ 809,844,816</b>
<u>Available for Loan Draws</u>	<u>Clean Water</u>	<u>Drinking Water</u>	<u>Total</u>	<u>Available for Setasides</u>		
2014	-	-	-	Clean Water	-	
2015	-	<u>6,577,637</u>	<u>6,577,637</u>	Drinking Water	<u>4,583,506</u>	
	-	6,577,637	6,577,637		4,583,506	

Income Statement	State Revolving Fund (Rollup)													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	3,217,599	3,123,201	94,398	3.0	3,126,543	91,056	2.9	18,955,190	18,509,408	445,782	2.4	18,850,415	104,776	0.6
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	395,665	340,417	55,248	16.2	442,408	(46,743)	-10.6	2,123,250	2,019,350	103,900	5.1	2,014,403	108,847	5.4
Other Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	0	(0)	-100.0
<b>Total Operating Income</b>	<b>3,613,264</b>	<b>3,463,618</b>	<b>149,646</b>	<b>4.3</b>	<b>3,568,952</b>	<b>44,312</b>	<b>1.2</b>	<b>21,078,440</b>	<b>20,528,759</b>	<b>549,682</b>	<b>2.7</b>	<b>20,864,817</b>	<b>213,623</b>	<b>1.0</b>
Operating Expense														
Interest Expense	2,439,589	2,446,095	(6,506)	-0.3	2,686,725	(247,136)	-9.2	14,440,573	14,696,009	(255,437)	-1.7	16,375,762	(1,935,190)	-11.8
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	59,487	60,637	(1,150)	-1.9	59,937	(450)	-0.8	338,374	347,379	(9,005)	-2.6	323,484	14,890	4.6
Operating Expenses	7,497	8,258	(761)	-9.2	6,157	1,340	21.8	51,557	49,269	2,288	4.6	39,431	12,126	30.8
Marketing Expense	1,169	2,200	(1,031)	-46.9	1,116	53	4.7	5,138	13,200	(8,062)	-61.1	13,622	(8,484)	-62.3
Professional Services	57,610	35,708	21,902	61.3	58,659	(1,049)	-1.8	162,874	158,609	4,265	2.7	214,087	(51,213)	-23.9
Claim and Loss Expenses	-	(10,000)	10,000	-100.0	(5,000)	5,000	-100.0	-	(10,000)	10,000	-100.0	(5,000)	5,000	-100.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	575,544	615,000	(39,456)	-6.4	532,953	42,591	8.0	3,051,118	3,690,000	(638,882)	-17.3	3,374,879	(323,761)	-9.6
Overhead Allocation	10,127	7,024	3,103	44.2	5,644	4,483	79.4	45,020	40,211	4,809	12.0	36,072	8,948	24.8
<b>Total Operating Expense</b>	<b>3,151,023</b>	<b>3,164,922</b>	<b>(13,898)</b>	<b>-0.4</b>	<b>3,346,191</b>	<b>(195,168)</b>	<b>-5.8</b>	<b>18,094,655</b>	<b>18,984,678</b>	<b>(890,023)</b>	<b>-4.7</b>	<b>20,372,339</b>	<b>(2,277,684)</b>	<b>-11.2</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>462,241</b>	<b>298,696</b>	<b>163,545</b>	<b>54.8</b>	<b>222,761</b>	<b>239,480</b>	<b>107.5</b>	<b>2,983,785</b>	<b>1,544,081</b>	<b>1,439,704</b>	<b>93.2</b>	<b>492,479</b>	<b>2,491,307</b>	<b>505.9</b>
Net Grant (Income) Expense														
Grant Income	(2,904,180)	(3,757,187)	853,007	-22.7	(223,725)	(2,680,454)	1198.1	(38,029,649)	(23,042,866)	(14,986,782)	65.0	(1,701,877)	(36,327,771)	2134.6
Grant Expense	1,751,470	500,000	1,251,470	250.3	369,604	1,381,866	373.9	4,544,955	3,000,000	1,544,955	51.5	2,208,599	2,336,356	105.8
<b>Total Net Grant (Income) Expense</b>	<b>(1,152,709)</b>	<b>(3,257,187)</b>	<b>2,104,478</b>	<b>-64.6</b>	<b>145,879</b>	<b>(1,298,588)</b>	<b>-890.2</b>	<b>(33,484,694)</b>	<b>(20,042,866)</b>	<b>(13,441,827)</b>	<b>67.1</b>	<b>506,722</b>	<b>(33,991,416)</b>	<b>-6708.1</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>1,614,950</b>	<b>3,555,883</b>	<b>(1,940,933)</b>	<b>-54.6</b>	<b>76,882</b>	<b>1,538,068</b>	<b>2000.6</b>	<b>36,468,479</b>	<b>21,586,947</b>	<b>14,881,532</b>	<b>68.9</b>	<b>(14,244)</b>	<b>36,482,723</b>	<b>-256132.2</b>
Non-Operating (Income) Expense	123,401	-	123,401	0.0	296,506	(173,106)	-58.4	202,018	-	202,018	0.0	54,695	147,323	269.4
<b>Net Income (Loss)</b>	<b>1,491,549</b>	<b>3,555,883</b>	<b>(2,064,334)</b>	<b>-58.1</b>	<b>(219,624)</b>	<b>1,711,174</b>	<b>-779.1</b>	<b>36,266,461</b>	<b>21,586,947</b>	<b>14,679,514</b>	<b>68.0</b>	<b>(68,938)</b>	<b>36,335,399</b>	<b>-52707.1</b>
Home Dept Staff Count	4	4	-	0.0	4	-	0.0	4	4	-	0.0	4	-	0.0
FTE Staff Count	5	6	(1)	-14.9	5	(1)	-9.9	5	6	(1)	-11.9	5	(0)	-6.5

Balance Sheet	State Revolving Fund (Rollup)						
	Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	191,542,775	222,320,867	(30,778,092)	-13.8	231,347,243	(39,804,468)	-17.2
Investments	111,446,324	92,504,143	18,942,182	20.5	85,864,591	25,581,733	29.8
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	1,493,055,272	1,462,665,051	30,390,221	2.1	1,437,825,025	55,230,247	3.8
Capital Assets (net of accumulated depreciation)	3,680	3,680	(0)	0.0	47,847	(44,167)	-92.3
Other Assets	5,410,054	5,787,553	(377,498)	-6.5	5,421,866	(11,812)	-0.2
Deferred Outflows	24,685,957	24,648,569	37,388	0.2	2,814,874	21,871,083	777.0
<b>Total Assets and Deferred Outflows</b>	<b>1,826,144,063</b>	<b>1,807,929,863</b>	<b>18,214,200</b>	<b>1.0</b>	<b>1,763,321,446</b>	<b>62,822,617</b>	<b>3.6</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	948,580,820	948,580,820	-	0.0	937,960,296	10,620,523	1.1
Interest Payable	15,509,105	15,509,105	(0)	0.0	16,020,368	(511,263)	-3.2
Unearned Income	-	-	-	0.0	-	-	0.0
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	766,774	714,026	52,748	7.4	634,994	131,780	20.8
Other liabilities	269,655	-	269,655	0.0	-	269,655	0.0
Deferred Inflows	102,838	-	102,838	0.0	-	102,838	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>965,229,192</b>	<b>964,803,951</b>	<b>425,241</b>	<b>0.0</b>	<b>954,615,659</b>	<b>10,613,533</b>	<b>1.1</b>
<b>Equity</b>							
YTD Earnings(Loss)	36,266,461	21,586,947	14,679,514	68.0	(68,938)	36,335,399	-52707.1
Prior Years Earnings	824,656,460	821,538,965	3,117,496	0.4	808,774,726	15,881,734	2.0
Transfers	(8,050)	0	(8,050)		0	(8,050)	
<b>Total Equity</b>	<b>860,914,871</b>	<b>843,125,912</b>	<b>17,788,959</b>	<b>2.1</b>	<b>808,705,787</b>	<b>52,209,084</b>	<b>6.5</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>1,826,144,063</b>	<b>1,807,929,863</b>	<b>18,214,200</b>	<b>1.0</b>	<b>1,763,321,446</b>	<b>62,822,617</b>	<b>3.6</b>

Income Statement	Clean Water Programs (Rollup)													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Operating Income</b>														
Interest Income	2,313,746	2,246,890	66,856	3.0	2,231,637	82,109	3.7	13,607,300	13,336,646	270,654	2.0	13,573,144	34,156	0.3
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	233,020	238,336	(5,316)	-2.2	323,698	(90,678)	-28.0	1,504,435	1,416,187	88,247	6.2	1,440,359	64,076	4.4
Other Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	0	(0)	-100.0
<b>Total Operating Income</b>	<b>2,546,766</b>	<b>2,485,227</b>	<b>61,540</b>	<b>2.5</b>	<b>2,555,334</b>	<b>(8,568)</b>	<b>-0.3</b>	<b>15,111,735</b>	<b>14,752,834</b>	<b>358,901</b>	<b>2.4</b>	<b>15,013,503</b>	<b>98,232</b>	<b>0.7</b>
<b>Operating Expense</b>														
Interest Expense	1,805,580	1,807,485	(1,905)	-0.1	1,940,978	(135,398)	-7.0	10,637,586	10,870,018	(232,432)	-2.1	11,781,600	(1,144,014)	-9.7
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	40,375	39,847	528	1.3	40,298	77	0.2	231,190	228,002	3,187	1.4	218,120	13,070	6.0
Operating Expenses	5,232	5,589	(357)	-6.4	4,371	860	19.7	36,082	33,356	2,726	8.2	27,985	8,097	28.9
Marketing Expense	940	2,000	(1,060)	-53.0	896	44	4.9	4,033	12,000	(7,967)	-66.4	11,693	(7,659)	-65.5
Professional Services	39,565	25,413	14,152	55.7	41,304	(1,739)	-4.2	118,567	116,710	1,857	1.6	154,649	(36,082)	-23.3
Claim and Loss Expenses	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	249,688	260,000	(10,312)	-4.0	241,435	8,253	3.4	1,351,889	1,560,000	(208,111)	-13.3	1,580,501	(228,613)	-14.5
Overhead Allocation	6,840	4,607	2,232	48.4	3,745	3,094	82.6	30,580	26,343	4,238	16.1	24,223	6,357	26.2
<b>Total Operating Expense</b>	<b>2,148,220</b>	<b>2,144,941</b>	<b>3,278</b>	<b>0.2</b>	<b>2,273,027</b>	<b>(124,808)</b>	<b>-5.5</b>	<b>12,409,928</b>	<b>12,846,428</b>	<b>(436,501)</b>	<b>-3.4</b>	<b>13,798,772</b>	<b>(1,388,844)</b>	<b>-10.1</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>398,547</b>	<b>340,285</b>	<b>58,261</b>	<b>17.1</b>	<b>282,307</b>	<b>116,240</b>	<b>41.2</b>	<b>2,701,807</b>	<b>1,906,405</b>	<b>795,402</b>	<b>41.7</b>	<b>1,214,731</b>	<b>1,487,076</b>	<b>122.4</b>
<b>Net Grant (Income) Expense</b>														
Grant Income	-	(2,077,187)	2,077,187	-100.0	-	-	0.0	(22,814,082)	(12,702,866)	(10,111,216)	79.6	-	(22,814,082)	0.0
Grant Expense	1,084,118	100,000	984,118	984.1	111,898	972,220	868.8	2,247,323	600,000	1,647,323	274.6	741,828	1,505,495	202.9
<b>Total Net Grant (Income) Expense</b>	<b>1,084,118</b>	<b>(1,977,187)</b>	<b>3,061,305</b>	<b>-154.8</b>	<b>111,898</b>	<b>972,220</b>	<b>868.8</b>	<b>(20,566,758)</b>	<b>(12,102,866)</b>	<b>(8,463,892)</b>	<b>69.9</b>	<b>741,828</b>	<b>(21,308,586)</b>	<b>-2872.4</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>(685,572)</b>	<b>2,317,472</b>	<b>(3,003,044)</b>	<b>-129.6</b>	<b>170,409</b>	<b>(855,980)</b>	<b>-502.3</b>	<b>23,268,566</b>	<b>14,009,272</b>	<b>9,259,294</b>	<b>66.1</b>	<b>472,903</b>	<b>22,795,663</b>	<b>4820.4</b>
<b>Non-Operating (Income) Expense</b>														
Non-Operating (Income) Expense	63,419	-	63,419	0.0	189,782	(126,363)	-66.6	103,791	-	103,791	0.0	49,154	54,637	111.2
<b>Net Income (Loss)</b>	<b>(748,991)</b>	<b>2,317,472</b>	<b>(3,066,463)</b>	<b>-132.3</b>	<b>(19,373)</b>	<b>(729,617)</b>	<b>3766.1</b>	<b>23,164,775</b>	<b>14,009,272</b>	<b>9,155,503</b>	<b>65.4</b>	<b>423,749</b>	<b>22,741,026</b>	<b>5366.6</b>
Home Dept Staff Count	4	4	-	0.0	4	-	0.0	4	4	-	0.0	4	-	0.0
FTE Staff Count	4	4	(0)	-1.7	4	(0)	-5.9	4	4	(0)	-3.8	4	(0)	-3.7

Balance Sheet	Clean Water Programs (Rollup)						
	Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	141,233,055	157,735,297	(16,502,243)	-10.5	159,393,230	(18,160,175)	-11.4
Investments	69,679,427	66,185,438	3,493,990	5.3	46,047,369	23,632,058	51.3
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	1,084,554,403	1,056,502,587	28,051,816	2.7	1,044,123,887	40,430,515	3.9
Capital Assets (net of accumulated depreciation)	1,214	1,948	(734)	-37.7	32,573	(31,358)	-96.3
Other Assets	3,655,930	4,039,243	(383,313)	-9.5	3,682,080	(26,150)	-0.7
Deferred Outflows	15,953,966	15,932,636	21,330	0.1	386,773	15,567,193	4024.9
<b>Total Assets and Deferred Outflows</b>	<b>1,315,077,995</b>	<b>1,300,397,149</b>	<b>14,680,846</b>	<b>1.1</b>	<b>1,253,665,912</b>	<b>61,412,082</b>	<b>4.9</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	710,847,906	710,847,906	-	0.0	687,217,998	23,629,908	3.4
Interest Payable	11,582,664	11,582,664	(0)	0.0	11,652,829	(70,165)	-0.6
Unearned Income	-	-	-	0.0	-	-	0.0
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	386,942	333,950	52,992	15.9	315,740	71,202	22.6
Other liabilities	179,201	-	179,201	0.0	-	179,201	0.0
Deferred Inflows	68,342	-	68,342	0.0	-	68,342	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>723,065,055</b>	<b>722,764,520</b>	<b>300,535</b>	<b>0.0</b>	<b>699,186,566</b>	<b>23,878,489</b>	<b>3.4</b>
<b>Equity</b>							
YTD Earnings(Loss)	23,164,775	14,009,272	9,155,503	65.4	423,749	22,741,026	5366.6
Prior Years Earnings	568,792,354	563,623,357	5,168,997	0.9	554,055,597	14,736,757	2.7
Transfers	55,811	0	55,811		0	55,811	
<b>Total Equity</b>	<b>592,012,940</b>	<b>577,632,628</b>	<b>14,380,311</b>	<b>2.5</b>	<b>554,479,346</b>	<b>37,533,594</b>	<b>6.8</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>1,315,077,995</b>	<b>1,300,397,149</b>	<b>14,680,846</b>	<b>1.1</b>	<b>1,253,665,912</b>	<b>61,412,082</b>	<b>4.9</b>

Income Statement	Drinking Water Programs (Rollup)													
	Dec-2015							YTD as of Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
Operating Income														
Interest Income	903,853	876,310	27,542	3.1	894,907	8,946	1.0	5,347,890	5,172,762	175,128	3.4	5,277,270	70,620	1.3
Authority Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Fee Income	162,645	102,081	60,564	59.3	118,711	43,934	37.0	618,815	603,163	15,652	2.6	574,044	44,771	7.8
Other Income	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
<b>Total Operating Income</b>	<b>1,066,498</b>	<b>978,391</b>	<b>88,107</b>	<b>9.0</b>	<b>1,013,617</b>	<b>52,880</b>	<b>5.2</b>	<b>5,966,706</b>	<b>5,775,925</b>	<b>190,781</b>	<b>3.3</b>	<b>5,851,314</b>	<b>115,391</b>	<b>2.0</b>
Operating Expense														
Interest Expense	634,009	638,610	(4,601)	-0.7	745,747	(111,738)	-15.0	3,802,986	3,825,991	(23,005)	-0.6	4,594,162	(791,176)	-17.2
Authority Expense	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Employee Expenses	19,112	20,790	(1,678)	-8.1	19,640	(528)	-2.7	107,185	119,377	(12,192)	-10.2	105,364	1,821	1.7
Operating Expenses	2,265	2,669	(404)	-15.1	1,785	480	26.9	15,475	15,913	(438)	-2.8	11,446	4,029	35.2
Marketing Expense	229	200	29	14.7	221	9	3.9	1,105	1,200	(95)	-7.9	1,930	(825)	-42.7
Professional Services	18,045	10,294	7,750	75.3	17,355	690	4.0	44,307	41,900	2,407	5.7	59,438	(15,131)	-25.5
Claim and Loss Expenses	-	(10,000)	10,000	-100.0	(5,000)	5,000	-100.0	-	(10,000)	10,000	-100.0	(5,000)	5,000	-100.0
Service Release Premium	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
Miscellaneous Operating Expense	325,856	355,000	(29,144)	-8.2	291,518	34,338	11.8	1,699,230	2,130,000	(430,770)	-20.2	1,794,378	(95,149)	-5.3
Overhead Allocation	3,287	2,416	871	36.0	1,898	1,389	73.2	14,440	13,868	572	4.1	11,849	2,591	21.9
<b>Total Operating Expense</b>	<b>1,002,804</b>	<b>1,019,980</b>	<b>(17,177)</b>	<b>-1.7</b>	<b>1,073,164</b>	<b>(70,360)</b>	<b>-6.6</b>	<b>5,684,727</b>	<b>6,138,249</b>	<b>(453,522)</b>	<b>-7.4</b>	<b>6,573,567</b>	<b>(888,839)</b>	<b>-13.5</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>63,694</b>	<b>(41,589)</b>	<b>105,283</b>	<b>-253.2</b>	<b>(59,546)</b>	<b>123,240</b>	<b>-207.0</b>	<b>281,978</b>	<b>(362,324)</b>	<b>644,302</b>	<b>-177.8</b>	<b>(722,252)</b>	<b>1,004,230</b>	<b>-139.0</b>
Net Grant (Income) Expense														
Grant Income	(2,904,180)	(1,680,000)	(1,224,180)	72.9	(223,725)	(2,680,454)	1198.1	(15,215,567)	(10,340,000)	(4,875,567)	47.2	(1,701,877)	(13,513,690)	794.0
Grant Expense	667,352	400,000	267,352	66.8	257,706	409,646	159.0	2,297,632	2,400,000	(102,368)	-4.3	1,466,772	830,860	56.6
<b>Total Net Grant (Income) Expense</b>	<b>(2,236,827)</b>	<b>(1,280,000)</b>	<b>(956,827)</b>	<b>74.8</b>	<b>33,980</b>	<b>(2,270,808)</b>	<b>-6682.7</b>	<b>(12,917,935)</b>	<b>(7,940,000)</b>	<b>(4,977,935)</b>	<b>62.7</b>	<b>(235,106)</b>	<b>(12,682,830)</b>	<b>5394.5</b>
<b>Net Operating Income (Loss) After Grants</b>	<b>2,300,521</b>	<b>1,238,411</b>	<b>1,062,111</b>	<b>85.8</b>	<b>(93,527)</b>	<b>2,394,048</b>	<b>-2559.7</b>	<b>13,199,913</b>	<b>7,577,676</b>	<b>5,622,237</b>	<b>74.2</b>	<b>(487,147)</b>	<b>13,687,060</b>	<b>-2809.6</b>
Non-Operating (Income) Expense	59,981	-	59,981	0.0	106,724	(46,743)	-43.8	98,227	-	98,227	0.0	5,540	92,687	1672.9
<b>Net Income (Loss)</b>	<b>2,240,540</b>	<b>1,238,411</b>	<b>1,002,129</b>	<b>80.9</b>	<b>(200,251)</b>	<b>2,440,791</b>	<b>-1218.9</b>	<b>13,101,686</b>	<b>7,577,676</b>	<b>5,524,010</b>	<b>72.9</b>	<b>(492,687)</b>	<b>13,594,373</b>	<b>-2759.2</b>
Home Dept Staff Count	-	-	-	0.0	-	-	0.0	-	-	-	0.0	-	-	0.0
FTE Staff Count	1	2	(1)	-42.6	1	(0)	-21.9	1	2	(1)	-29.0	2	(0)	-13.6

Balance Sheet	Drinking Water Programs (Rollup)						
	Dec-2015						
	Actuals	Bud FY16	Difference	%	Last Year	Difference	%
<b>Assets and Deferred Outflows</b>							
Cash & Cash Equivalents	50,309,720	64,585,569	(14,275,849)	-22.1	71,954,014	(21,644,293)	-30.1
Investments	41,766,897	26,318,705	15,448,192	58.7	39,817,222	1,949,675	4.9
Mortgage Backed Securities	-	-	-	0.0	-	-	0.0
Loans - net of reserve for losses	408,500,870	406,162,465	2,338,405	0.6	393,701,138	14,799,732	3.8
Capital Assets (net of accumulated depreciation)	2,466	1,732	734	42.4	15,274	(12,808)	-83.9
Other Assets	1,754,124	1,748,310	5,814	0.3	1,739,786	14,339	0.8
Deferred Outflows	8,731,991	8,715,933	16,058	0.2	2,428,101	6,303,890	259.6
<b>Total Assets and Deferred Outflows</b>	<b>511,066,069</b>	<b>507,532,714</b>	<b>3,533,354</b>	<b>0.7</b>	<b>509,655,534</b>	<b>1,410,534</b>	<b>0.3</b>
<b>Liabilities, Deferred Inflows, and Equity</b>							
<b>Liabilities and Deferred Inflows</b>							
Debt	237,732,914	237,732,914	0	0.0	250,742,299	(13,009,385)	-5.2
Interest Payable	3,926,441	3,926,441	(0)	0.0	4,367,539	(441,098)	-10.1
Unearned Income	-	-	-	0.0	-	-	0.0
Escrow Deposits	-	-	-	0.0	-	-	0.0
Reserves for Claims	-	-	-	0.0	-	-	0.0
Accounts Payable & Accrued Liabilities	379,832	380,076	(244)	-0.1	319,254	60,578	19.0
Other liabilities	90,454	-	90,454	0.0	-	90,454	0.0
Deferred Inflows	34,496	-	34,496	0.0	-	34,496	0.0
<b>Total Liabilities and Deferred Inflows</b>	<b>242,164,137</b>	<b>242,039,431</b>	<b>124,706</b>	<b>0.1</b>	<b>255,429,093</b>	<b>(13,264,955)</b>	<b>-5.2</b>
<b>Equity</b>							
YTD Earnings(Loss)	13,101,686	7,577,676	5,524,010	72.9	(492,687)	13,594,373	-2759.2
Prior Years Earnings	255,864,107	257,915,608	(2,051,501)	-0.8	254,719,129	1,144,978	0.4
Transfers	(63,861)	(0)	(63,861)		(0)	(63,861)	
<b>Total Equity</b>	<b>268,901,931</b>	<b>265,493,283</b>	<b>3,408,648</b>	<b>1.3</b>	<b>254,226,442</b>	<b>14,675,490</b>	<b>5.8</b>
<b>Total Liabilities, Deferred Inflows, and Equity</b>	<b>511,066,069</b>	<b>507,532,714</b>	<b>3,533,354</b>	<b>0.7</b>	<b>509,655,534</b>	<b>1,410,534</b>	<b>0.3</b>

To: IFA Board of Directors  
From: Tammy Nebola, Iowa Ag Program Specialist  
Lori Beary, Community Development Director  
Date: January 25, 2016  
Re: Iowa Agricultural Division Beginning Farmer Loan Program

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## **Consent Agenda**

### **Iowa Agricultural Development Division**

#### **Inducement Resolutions**

##### **AG 16-001 Daniel W. and Lauren B. Welter**

This is an application for \$362,500 of Agricultural Development Revenue Bonds for Daniel W. and Lauren B. Welter. The bond will be used: To purchase approximately 158 acres of agricultural land in Delaware County. The lender is F&M Bank in Manchester.

- **Need Board action on Resolution AG 16-001A**

##### **AG 16-002 Michael J. and Renee C. Telfer**

This is an application for \$279,000 of Agricultural Development Revenue Bonds for Michael J. and Renee C. Telfer. The bond will be used: To purchase approximately 40 acres of agricultural land and house in Keokuk County. The lender is First National Bank in Fairfield.

- **Need Board action on Resolution AG 16-002A**

##### **AG 16-003 Jeffrey A. and Darian Graff**

This is an application for \$120,000 of Agricultural Development Revenue Bonds for Jeffrey A. and Darian Graff. The bond will be used: To purchase approximately 40 acres of agricultural land and out-buildings in Monroe County. The lender is Libertyville Savings Bank in Keota.

- **Need Board action on Resolution AG 16-003A**

#### **Amending Resolutions**

##### **04485 Ramon J. and Heather Gilroy, Lost Nation**

This is a resolution amending a \$152,500 Beginning Farmer Loan to Ramon J. and Heather Gilroy issued 2/11/2010 to exchange farmland with a 1031 Exchange. Release mortgage dated February 11, 2010 in the amount of \$152,500 on approximately 94.86 acres of agricultural land and take a new mortgage dated December 17, 2015 in the amount of \$500,000 on approximately 76.58 acres of agricultural land. All other loan terms remain the same. The lender is First Trust & Savings Bank in Lost Nation.

- **Need Board action on Resolution 04485M**

## **Loan Participation Program**

### **AG-LP #16-02, Loan Participation Program**

The Loan Participation Program (LPP) was established in to assist low income farmers secure loans and make down payments. IADD's participation can be used to supplement the borrower's down payment, thereby helping a farmer secure a loan more readily. The lender's risk is also reduced since the IADD provides a "last-in/last-out" loan participation for the financial institution. The interest rate will be 1.0% over the FSA Direct Farm Ownership Down Payment Loan Program (which is currently at 1.5%) fixed for the first five years, then re-adjusted to the same index and fixed for the final five years. The participation loan is a 10 year balloon with a 20 year amortization. Attached are the LPP applications reviewed last month. The IADD Board has recommended approval.

## **Beginning Farmer Tax Credit Program**

### **AG-TC #16-02, Beginning Farmer Tax Credit Program**

The Agricultural Assets Transfer Tax Credit commonly referred to as the Beginning Farmer Tax Credit (BFTC) program allows agricultural asset owners to earn tax credits for leasing their land, equipment and/or breeding livestock to beginning farmers. Leases must be for terms of 2-5 years. The tax credit for cash rent leases is 7% of the amount of the rent. The tax credit for crop share leases is 17%. There is an additional 1% tax credit if the beginning farmer is also a veteran. Maximum tax credit for any one asset owner is \$50,000 per year. The maximum amount of tax credits allocated cannot be more than \$12 million in any one year. Attached are the BFTC applications reviewed last month. The IADD Board has recommended approval.

**RESOLUTION**  
**AG 16-001A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 3<sup>rd</sup> day of February, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 16-001
- 2. Beginning Farmer:** Daniel W. and Lauren B. Welter  
32979 Goose Hill Rd  
Hopkinton, IA 52237-9201
- 3. Bond Purchaser:** F&M Bank  
101 E Main St, PO Box 588  
Manchester, IA 52057-0588
- 4. Principal Amount:** \$362,500
- 5. Approval Date:** 2/3/2016
- 6. Project:** To purchase approximately 158 acres of agricultural land

**RESOLUTION**  
**AG 16-002A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 3<sup>rd</sup> day of February, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 16-002
- 2. Beginning Farmer:** Michael J. and Renee C. Telfer  
18384 22nd Ave  
Hedrick, IA 52563-8100
- 3. Bond Purchaser:** First National Bank  
100 E Burlington Ave, PO Box 1007  
Fairfield, IA 52556-1007
- 4. Principal Amount:** \$279,000
- 5. Approval Date:** 2/3/2016
- 6. Project:** To purchase approximately 40 acres of agricultural land and house

**RESOLUTION**  
**AG 16-003A**

A Resolution approving an Application of a Beginning Farmer and evidencing an Intent to Proceed with Issuance of an Agricultural Development Revenue Bond.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, an Application has been received by the Authority from a Beginning Farmer requesting that the Authority issue its Agricultural Development Revenue Bond for the purposes heretofore stated, the name and address of the Beginning Farmer, the name and address of the Bond Purchaser, the maximum principal amount of the bond, and the nature of the project to be financed with respect to the Application (the “Project”) being set out in Exhibit A attached hereto; and

**WHEREAS**, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the “Regulations”) dealing with the issuance of bonds, all or a portion of the proceeds of which are to be used to reimburse project expenditures incurred prior to the date of issuance; the Regulations generally require that a prior declaration of official intent be made by the Authority as issuer if the Beginning Farmer intends to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the payment of the expenditure or, if longer, within eighteen months of the date the project is placed in service, and that the expenditure be a capital expenditure or payment of costs of issuance; and the Authority is issuer and the Beginning Farmer desire to comply with requirements of the Regulations with respect to the Project;

Now, Therefore, Be It Resolved by the Iowa Finance Authority, as follows:

**Section 1.** The Application received from the Beginning Farmer named in Exhibit A attached hereto, which Application by this reference is incorporated herein as though set out here in full, for the issuance of an Agricultural Development Revenue Bond (the “Bond”) is not to exceed the principal amount stated in said Exhibit A is hereby approved, and the Executive Director of the Authority is hereby authorized to mark appropriately said Application as approved and to notify the Beginning Farmer and the Bond Purchaser of such approval.

**Section 2.** Based upon representations of the Beginning Farmer, the Authority declares (a) that the Beginning Farmer proposes to undertake the Project, (b) that, except for (i) expenditures aggregating no more than the lesser of \$100,000 or 5 percent of the proceeds of the Bonds, (ii) preliminary expenditures (as described in the Regulations) in an amount not to exceed 20 percent of the issue price of the Bonds, and (iii) other expenditures made no earlier than 60 days before the date hereof, no expenditures for the Project have been made by the Beginning Farmer and no expenditures will be made by the Beginning Farmer until after the date hereof, and (c) the Beginning Farmer reasonably expects to reimburse the expenditures made for costs of the Project out of proceeds of the

bond. This Resolution is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 3.** It is hereby determined to be necessary and advisable that the Authority proceed with the issuance and sale of the Bond as a separate and distinct issue as authorized and permitted by the Act to finance the cost of the Project and the Authority hereby declares its intent to issue the Bond to finance the Project, and such actions will be taken by the Authority as may be required pursuant to the provisions of the Act to authorize, issue and sell the Bond.

**Section 4.** The Authority will enter into all agreements necessary to be entered into by the Authority in connection with the issuance and sale of the Bond. The Authority's Bond Counsel shall approve all agreements to be entered into in connection with the issuance of the Bond, and such agreements shall be authorized and approved after due consideration by this Authority prior to their execution by the Authority.

**Section 5.** The Chairman, Vice Chairman, Secretary and Bond Counsel of the Authority are hereby authorized and directed to take such further actions as may be necessary to effect the intent and the purpose of this Resolution, the accomplishment of the Project, and the sale and issuance of the Bond.

**Section 6.** The Bond, when issued, shall be a limited obligation payable solely out of the revenues derived from the debt obligation, collateral, or other security furnished by or on behalf of the Beginning Farmer, and the principal and interest thereof shall not constitute an indebtedness of or charge against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit or give rise to a pecuniary liability of the State of Iowa or the Authority or a charge against their general credit or general fund.

**Section 7.** All resolutions, parts of resolutions and prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 3<sup>rd</sup> day of February, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 16-003
- 2. Beginning Farmer:** Jeffrey A. and Darian Graff  
935 W Jackson St  
Sigourney, IA 52591-1066
- 3. Bond Purchaser:** Libertyville Savings Bank  
225 E Broadway, PO Box 68  
Keota, IA 52248-0068
- 4. Principal Amount:** \$120,000
- 5. Approval Date:** 2/3/2016
- 6. Project:** To purchase approximately 40 acres of agricultural land and out-buildings

**RESOLUTION  
04485M**

A Resolution amending an Agricultural Development Revenue Bond.

WHEREAS, the Iowa Agricultural Development Authority, or its successor, the Iowa Finance Authority (the "Authority"), heretofore took action to authorize the issuance of an Agricultural Development Revenue Bond, Project No. 04485 (the "Bond") pursuant to Resolution B relating thereto (the "Bond Resolution") for the purpose of financing the acquisition of the Project (as defined in the Bond Resolution) by the Beginning Farmer (as defined in the Bond Resolution); and

WHEREAS, the Beginning Farmer has requested to exchange farmland on the Bond with a 1031 Exchange.

NOW, THEREFORE, Be It Resolved by the Iowa Finance Authority, as follows:

Section 1. The Authority hereby approves exchanging farmland on the Bond with a 1031 Exchange. Release mortgage dated February 11, 2010 in the amount of \$152,500 on approximately 94.86 acres of agricultural land and take a new mortgage dated December 17, 2015 in the amount of \$500,000 on approximately 76.58 acres of agricultural land. All other loan terms remain the same. Eff. 12/17/2015

Section 2. That the Staff and Officers of the Authority are hereby authorized to amend any and all loan documents as necessary to reflect the aforementioned amendments.

Section 3. That except as amended herein, the Bond and other loan documents are hereby confirmed in all other respects.

Section 4. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This resolution shall become effective immediately upon adoption.

Passed and approved on this 3<sup>rd</sup> day of February, 2016.

\_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

(Seal)



IOWA AGRICULTURAL  
DEVELOPMENT DIVISION

February 3, 2016

Chris Green  
First Trust & Savings Bank  
200 Long Ave, PO Box 218  
Lost Nation, IA 52254-0218

**Re: Ramon J. and Heather Gilroy – Project No. 04485**

Dear Mr. Green:

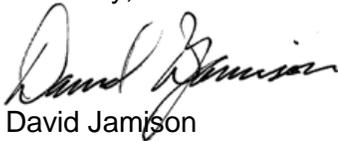
The Iowa Finance Authority (IFA) Board held its monthly meeting on February 3, 2016, and the above project was approved for the proposed loan changes. The changes approved were as follows:

**Exchanging farmland with a 1031 Exchange. Release mortgage dated February 11, 2010 in the amount of \$152,500 on approximately 94.86 acres of agricultural land and take a new mortgage dated December 17, 2015 in the amount of \$500,000 on approximately 76.58 acres of agricultural land. All other loan terms remain the same. Eff. 12/17/2015**

Attached is a copy of the official board resolution for the above Beginning Farmer Loan Program project. This resolution was recently approved by the Iowa Finance Authority (IFA) board of directors and prepared by our bond attorney.

If you have any questions, please contact our office at 515.725.4900.

Sincerely,



David Jamison  
Executive Director

Enclosure: Board Resolution  
cc: Ramon J. and Heather Gilroy

**RESOLUTION  
AG-LP 16-02**

WHEREAS, the Iowa Finance Authority (the "Authority"), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa and 2013 Iowa Acts House File 607, has established the Iowa Agricultural Development Division ("IADD") to administer the Loan Participation Program pursuant to Chapter 175 and Chapter 16

WHEREAS, the Authority administers programs to assist beginning farmers with the purchase of agricultural land, equipment and breeding livestock; and

WHEREAS, the Authority understands that the lack of capital is a major impediment for beginning farmers and desires to assist those farmers with down payment assistance; and

WHEREAS, the IADD has received an application from a lending institution to participate in a loan for the down payment for the purchase of agricultural land by an eligible beginning farmer; and

WHEREAS, the IADD Board has recommended approval of the funding of the Loan Participation set forth on Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes the Authority to finalize this transaction with the Borrower, to negotiate and complete the necessary loan documents, and to fund the participation in the Loan as described herein. The Executive Director is authorized to prepare and execute any necessary documents in connection with the participation in the Loan, consistent with the terms of this Resolution.

SECTION 3. The Board authorizes the Executive Director to fund said participation from available funds held under the IADD, all in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 3<sup>rd</sup> day of February, 2016.

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David D. Jamison, Secretary

(Seal)

# Exhibit A

## Loan Participation Program

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Project No.	Beginning Farmer	Bank	Purpose	Loan Amt
P0210	Devon M. and Trina R. Fluit	Minnwest Bank, Luverne, MN	To purchase approximately 22.93 acres, house, and out-buildings including 4 monoslope cattle buildings with 1,850 Hd capacity and purchase machinery	<u>\$150,000.00</u> \$150,000.00

**RESOLUTION  
AG-TC 16-02**

WHEREAS, the Iowa Finance Authority (the "Authority"), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, has established the Iowa Agricultural Development Division ("IADD") to administer the Agricultural Assets Transfer Tax Credit program and the Custom Farming Contract Tax Credit (together the "Iowa Agricultural Tax Credit Programs"); and

WHEREAS, the Authority offers tax credits under the Iowa Agricultural Tax Credit Programs as a means of encouraging the execution of assets transfer agreements and custom farming contracts with beginning farmers; and

WHEREAS, the Authority has received applications seeking tax credit allocations from the Iowa Agricultural Tax Credit Programs; and

WHEREAS, the IADD has determined the applications meet the eligibility requirements of Chapter 16; and

WHEREAS, the IADD Board has recommended approval of the tax credit applications set forth on Exhibit A; and

WHEREAS, the Authority desires to authorize the allocation of tax credits set forth on Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes allocating tax credits to the asset owners set forth on Exhibit A, attached hereto, against taxes imposed in chapter 422, division II, as provided in section 422.11M, and in chapter 422, division III, as provided in section 422.33, and such other restrictions as may be deemed necessary and appropriate by the Executive Director.

SECTION 3. The Board authorizes the Executive Director to certify said tax credits in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 3rd day of February, 2016.

(Seal)

\_\_\_\_\_  
David D. Jamison, Secretary

# Exhibit A

## Agricultural Assets Transfer Tax Credit Program

Project #	Owner Name	County	Beginning Farmer	Rental Type	Term(Years)	Tax Credit
2074	Richard & Jean Hubbard	Webster	Josh Carlson	Share Crop	3	\$ 9,209.97
2297	Randy L Maurer	Delaware	Adam Schulte	Cash Rent	2	\$ 3,619.42
2298	Maxine Hansen	Palo Alto	Dennis Hansen	Cash Rent	5	\$ 3,754.63
2287	Nancy Van Wyk	Mahaska	Jayne Veenstra	Cash Rent	4	\$ 1,239.18
2288	Dave Hoefler	Dubuque	Joseph, Jonathan, & Jared Friedman	Cash Rent	5	\$ 905.52
5						<u>\$ 18,728.72</u>

 Denotes Military Veteran



IOWA FINANCE  
AUTHORITY

To: IFA Board of Directors  
From: Lori Beary, Community Development Director  
Date: 1/25/16  
Re: Economic Development and Water Quality

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**Consent Agenda**

**State Revolving Fund**

**SRF Planning and Design Loans - WQ 16-02**

This is a resolution to approve SRF Planning and Design Loans totaling \$5,353,400 for the cities of Allerton, Anamosa, Bancroft, Clarion, Gilmore City, Lakeside, Oelwein, Templeton and West Des Moines and for the Amana Society, Osceola County Rural Water and the Wastewater Reclamation Authority. P&D loans have 0% interest for up to 3 years to help communities with the costs during the planning and design phase of their wastewater or drinking water project. P&D Loans are either rolled into an SRF construction loan or repaid when other permanent financing is acquired.

**WQ 16-03 Loan for INHF – Butler County – O’Regan Property**

This is a resolution for IFA to purchase a participation of a loan not to exceed \$430,000 to the Iowa Natural Heritage Foundation. The loan will be originated by Decorah Bank and Trust for a term not to exceed 5 years for the purchase of 172 acres in Butler County.

The project is along the West Fork of the Cedar River adjacent to the Big Marsh Complex. The property is currently being pastured with cattle. The land will be transitioned from cattle grazing to wildlife habitat, wetland restoration and public hunting and fishing.

INHF will own the property until it can be transferred to DNR ownership and management as part of the Big Marsh complex which is managed as wetlands, river floodplains and habitat for the endangered Wood Turtle.

**RESOLUTION**  
**WQ 16-02**

WHEREAS, the Iowa Finance Authority (the "Authority"), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa and sections 455B.291 through and including 455B.299 of the Code of Iowa, works with the Iowa Department of Natural Resources to administer the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program (collectively, the "SRF Program"); and

WHEREAS, the Authority offers loans under the SRF Program for planning and design expenses associated with clean water and drinking water projects (the "Planning and Design Loans"); and

WHEREAS, the Authority offers the Planning and Design Loans as zero interest loans maturing no later than three years from execution; and

WHEREAS, the communities listed on Exhibit A have applied to the Authority for financial assistance through Planning and Design Loans; and

WHEREAS, the Authority desires to approve Planning and Design Loans to the communities and in the amounts set forth on Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes funding Planning and Design Loans to the communities and in the amounts set forth on Exhibit A attached hereto, each with an interest rate of 0%, with a maturity of not to exceed three years, and such other restrictions as may be deemed necessary and appropriate by the Executive Director.

SECTION 3. The Board authorizes the Executive Director to fund said loan from funds held under the SRF Program, all in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 3<sup>rd</sup> day of February, 2016.

---

David D. Jamison, Secretary

(Seal)

**Exhibit A**

**Planning and Design Loans**

<b>Borrower</b>	<b>County</b>	<b>Population</b>	<b>Amount</b>	<b>CW/ DW</b>	<b>Description</b>
Allerton	Wayne	501	\$62,900	CW	CIPP Lining & Rehab of Manholes
Amana Society Service Co.	Iowa	1,414	\$1,150,000	DW	Water Source & Transmission
Anamosa	Jones	5,500	\$321,350	DW	Treatment Improvements
Bancroft	Kossuth	735	\$90,400	CW	Expansion of 3 Cell Lagoon
Clarion	Wright	2,850	\$162,000	DW	Water Transmission
Gilmore City	Humboldt/ Pocahontas	504	\$190,000	DW	Water Storage & Transmission
Lakeside	Buena Vista	606	\$91,250	CW	Lift Station, Infiltration/Inflow
Oelwein	Fayette	2,706	\$33,500	CW	New Sanitary Sewer
Osceola County Rural Water	Osceola	6,697	\$465,000	DW	Treatment Improvements
Templeton	Carroll	362	\$190,000	CW	Lagoon & Collection System
West Des Moines WW	Polk	62,000	\$847,000	DW	Water Source
WRA	Polk	500,000	\$750,000	CW	Biogas Production
WRA	Polk	500,000	\$1,000,000	CW	Grit Removal System

\$5,353,400

**RESOLUTION**  
**WQ 16-03**

WHEREAS, the Iowa Finance Authority (the "Authority"), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa, 2007, as amended and sections 455B.291 through and including 455B.299 of the Code of Iowa, 2007, as amended, works with the Iowa Department of Natural Resources (the "DNR") to administer the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program (collectively, the "SRF Program"); and

WHEREAS, the Authority offers low-interest loans, pass through loans or linked deposits through local lending institutions under the SRF Program for non-point source projects; and

WHEREAS, prior to applying to the Authority for a non-point source loan under the SRF Program, a borrower must receive approval of its project from DNR; and

WHEREAS, The Iowa Natural Heritage Foundation (the "Borrower") has received the necessary written approval from DNR on the project described in Exhibit A attached hereto (the "Project"), which approval is attached as Exhibit B hereto; and

WHEREAS, in connection with the Project, the Borrower has applied for a loan (the "Loan") from Decorah Bank and Trust pursuant to the SRF Program; and

WHEREAS, the Authority has reviewed the loan application of the Borrower and desires purchase a participation in the Loan for the Project, in an amount not to exceed \$430,000 upon the terms and conditions set forth on Exhibit C attached hereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board hereby approves up to a 100% participation in the Loan to the Borrower for the Project, in an amount not to exceed \$430,000 upon the terms and conditions detailed in Exhibit C hereto. The Executive Director is authorized to prepare and issue a commitment for the Loan consistent with the terms of this Resolution.

SECTION 2. The Board authorizes the Authority to finalize this transaction with the Borrower, to negotiate and complete the necessary loan documents, and to fund the participation in the Loan as described herein. The Executive Director is authorized to prepare and execute any necessary documents in connection with the participation in the Loan, consistent with the terms of this Resolution.

SECTION 3. The Board authorizes the Executive Director to fund said participation from available funds held under the SRF Program, all in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 3<sup>rd</sup> day of February, 2016.

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David D. Jamison, Secretary

(Seal)

## **EXHIBIT A**

### **Project: *O'REGAN PROPERTY – BUTLER COUNTY***

The project consists of 172 acres along the west fork of the Cedar River in Butler County. The property is a combination of pasture and river corridor adjacent to the 5,000-acre Big Marsh Complex. This segment of the West Fork of the Cedar is on the Impaired Water list.

The property is currently being pastured with cattle. Transitioning the land use away from cattle grazing to wildlife habitat, wetland restoration and public hunting and fishing will have a positive impact on the river corridor and water quality.

INHF will own the property until it can be transferred to DNR ownership and management as part of the Big Marsh complex which is managed as wetlands, river floodplains and habitat for the endangered Wood Turtle.

EXHIBIT B

**PROGRAM APPLICATION**  
**Iowa Water Quality Loan Fund General Non-Point Source Program**

Project Name: Big Marsh Addition, Butler County	Address	City	State	Zip
Iowa Natural Heritage Foundation	505 5 <sup>th</sup> Avenue, STE 444	Des Moines	IA	50309

Phone Number	Email	Contact Name
515-288-1846	jmcgovern@inhf.org	Joe McGovern@inhf.org

**Legal Description**

Parcel G located in parts of Section Nine (9), and Section Sixteen (16), all in Township Ninety-one (91) North, Range Seventeen (17) West of the 5th P.M., as per Plat of Survey filed June 16, 2014, recorded in Book "R", Pages 288-292, Instr. No. 2014-1821 and amended June 24, 2014, in Book "S", Pages 4-8, Instr. No. 2014-1949, of the records of the Butler County Recorder

Assistance is available to projects where facilities are needed to protect, restore or improve water quality from non-point source pollution. Only applicants that are owners of record of the property or have long-term control of the property where the project is to be implemented are eligible. For additional project eligibility information, please refer to Iowa Administrative Code 567, Chapter 92.13 (455B).

**Description of Practice. Attach Maps, Timeline for Project Completion and an Estimated Lifespan for the Practice.**

The Iowa Natural Heritage Foundation has negotiated the acquisition of a 172-acre property along the West Fork of the Cedar River in Butler County (O'Regan Property on the map). The property is a combination of pasture and river corridor adjacent to the 5,000-acre Big Marsh Complex. INHF will own the property until it can be transferred to public for ownership and management by the Iowa Department of Natural Resources for management as wildlife habitat and floodplain.

*The Iowa Natural Heritage Foundation is applying for \$ 430,000 (the appraised value and purchase price of the property) through the General Non-Point Source Program of the Iowa Water Quality Loan Fund. The lower interest rate offered by the Iowa Water Quality Loan Fund will ensure that more of the funds raised for the project will be directed to actual project costs.*

**Description of Water Quality Benefits of the Project**

This segment of the W. Fork of the Cedar was first listed as an *Impaired Water*, Category 5 (TMDL needed) in 2008. The listing extends from about two miles upstream from the subject property downstream to the confluence with the Shell Rock River in Black Hawk County. The listing rationale is due to a geometric mean of E. coli greater than the Class A1 criterion. It is a tier III TMDL priority (Tier III: impairments with relatively *low* social impact and relatively *low* complexity &/or cost for TMDL development).

The property is currently being pastured with cattle. Given that there is one mile of the W. Fork of the Cedar River running through the land, this is not a land use that will benefit the water quality. Transitioning the land use away from cattle grazing towards wildlife habitat, wetland restoration, public hunting and fishing, etc., will have a positive impact on the river corridor and water quality.

According to the NRCS Rapid Watershed Assessment, Ninety-five percent of the watershed is privately owned, 1.8 percent is publicly owned, and the remaining 3.2 percent is split between municipal areas and private conservation areas.

Acquisition and permanent protection of this property will become part of the Big Marsh complex which is managed as wetlands, river floodplains, and habitat for Wood Turtles, a state Endangered Species.

**Total Estimated Project Costs**

**Percentage of Project for Water Quality Protection/Improvement**

*\$430,000*

*100%*

**Estimated General Non-Point Source Program Loan**

*\$430,000*

## PROGRAM APPLICANT CONDITIONS

- Timely completion. The approval of this application is good for six months following DNR signature. If the project is not expected to be complete within six months, the applicant may request an extension from the DNR. If the project is not complete and a request to extend this approval is not made, GNS funds may not be available.
- Records. The project owner shall maintain records that document all costs associated with the project for not less than 3 years from the date of the final loan payment. The project owner shall provide the Department of Natural Resources representative access to the project to verify the loan was used for the purpose intended.
- Rectification and Disputes. Failure of the project owner to implement the approved local water protection project or to comply with the applicable requirements constitutes grounds for the Department of Natural Resources or the lending institution to withhold loan disbursements. The project owner is responsible for ensuring that the identified problem is rectified.
- Repayment & Property Transfer. Loans shall be repaid in accordance with the terms and conditions of the executed loan agreement between the participating lender and project owner. Repayment of the loan must begin within 30 days after the project is completed or by the date specified by the participating lender, whichever is earlier. In the event of property transfer from the project owner that secured the loan to another person or entity during the repayment period specified in the loan agreement, the balance of the loan, principal and any accrued interest shall be due in full. Prepayment of the principal in whole or in part shall be allowed without penalty.
- Project owner is responsible for obtaining all applicable permits. This application approval does NOT constitute a permit.

## PROGRAM APPLICANT SIGNATURE

**Project Owner Signature.** By signing this program application, I agree that all information provided in this application is accurate and I agree to the conditions listed above.

Project Signature Name and Title	Signature	Date
Joe McGovern, President Iowa Natural Heritage Foundation		8/27/15

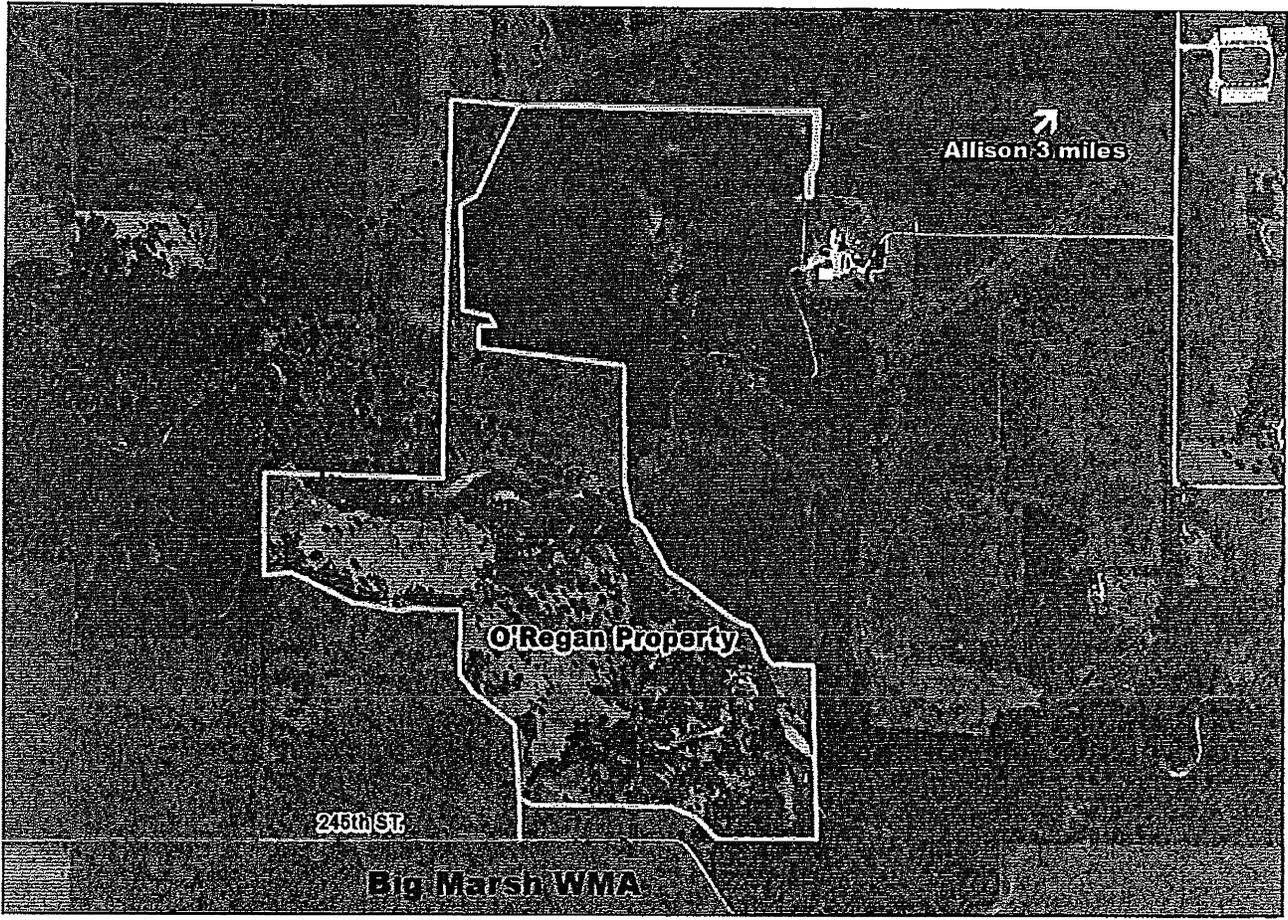
## PROJECT RATING CRITERIA

The general non-point source rating criteria consider the use classification of the receiving waters, water quality of the receiving waters, the project benefits and a tiebreaker. Priority ranking for the projects is based on the total points awarded for all the categories. The greater the total number of points, the higher the ranking. All applications will be rated using 567 Iowa Administrative Code 91.11(455B) General nonpoint source projects rating system (see next page for more details).

## PROGRAM APPLICATION APPROVAL

**DNR Signature.** By approving this program application, the Department of Natural Resources confirms that the application accurately estimates the cost of the practice, that the practice described is reasonable and proper, and that the proposed project is eligible under the rules of the program.

DNR Signature Name and Title	Signature	Date
Patricia Cafe-Finnegan SRF Coordinator		12/15/15



 **Public Land**



## EXHIBIT C

### LOAN REQUEST

<u>NOTE TYPE</u>	<u>ORIGINAL AMOUNT</u>	<u>RATE</u>	<u>TERM</u>	<u>PURPOSE</u>	<u>SECURITY</u>
Loan	\$430,000	Up to 3%	5 Years	Purchase 172 acres Butler County	REM/ INHF

Decorah Bank and Trust has agreed to be the direct lender on this loan with 100% participation with Iowa Finance Authority

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### Equity

	2014	2013	2012	2011
<b>Total Assets</b>	\$58,912,482	\$57,074,659	\$51,762,912	\$39,834,310
<b>Total Liabilities</b>	\$21,372,784	\$22,134,975	\$20,935,881	\$11,214,332
<b>Total Net Assets</b>	\$37,539,698	\$34,939,684	\$30,827,031	\$28,619,978

The Iowa Natural Heritage Foundation (INHF) is a member-supported organization whose priorities include protecting priority lands, connecting natural landscapes and natural corridors, restoring natural areas, and engaging Iowans with their natural heritage. INHF, a non-profit conservation group, has helped protect more than 120,000 acres of Iowa's prairies, wetlands, woodlands, greenways, trails and river corridors. Each year INHF works with members, landowners, volunteers, leaders and conservation professionals across Iowa. The INHF staff, which includes 21 full time employees, works closely with at least 100 volunteers annually. There are over 7,000 individuals, families, businesses and organizations who are members of INHF. These members are INHF's main source of volunteer work, project support, new project ideas, landowner contracts, and major planned gifts for the future of Iowa conservation.

From a financial standpoint, INHF is very sound. The foundation reported a net worth of \$37M as of 12/31/14, a \$2.6M increase over 2013.

**RESOLUTION**  
**WQ 16-04**

WHEREAS, the Iowa Finance Authority (the “Authority”), in accordance with the statutory directives set forth in Chapter 16 of the Code of Iowa and sections 455B.291 through and including 455B.299 of the Code of Iowa, works with the Iowa Department of Natural Resources (the “Department”), to administer the Iowa Water Pollution Control Works Financing Program and the Iowa Drinking Water Facilities Financing Program (collectively, the “SRF Program”); and

WHEREAS, the Authority offers loans under the SRF Program as a means of financing all or part of the construction of certain drinking water or wastewater treatment facilities; and

WHEREAS, the construction activities being undertaken meet the requirements of the SRF Program and have been approved by the Department; and

WHEREAS, the Authority offers the SRF loans at below market interest maturing no later than thirty years from execution; and

WHEREAS, the Authority desires to approve SRF Loans to the communities and in the amounts set forth on Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Iowa Finance Authority as follows:

SECTION 1. The Board authorizes the Executive Director to execute and deliver for and on behalf of the Authority any and all certificates, documents, opinions or other papers and perform all other acts as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

SECTION 2. The Board authorizes funding SRF Loans to the communities and in the amounts set forth on Exhibit A attached hereto, each with an interest rate of 1.75% for a maturity of twenty years or an interest rate of 2.75% with a maturity of not to exceed thirty years, and such other restrictions as may be deemed necessary and appropriate by the Executive Director.

SECTION 3. The Board authorizes the Executive Director to fund said loan from funds held under the SRF Program, all in the manner deemed necessary and appropriate by the Executive Director, subject to the terms and conditions of this Resolution.

SECTION 4. The provisions of this Resolution are declared to be separable, and if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

SECTION 5. All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict and this Resolution shall become effective immediately upon adoption.

PASSED AND APPROVED this 3<sup>rd</sup> day of February, 2016.

(Seal)

\_\_\_\_\_  
David D. Jamison, Secretary

**Exhibit A**

**SRF Construction Loans**

<b>Borrower</b>	<b>County</b>	<b>Population</b>	<b>Amount</b>	<b>CW/ DW</b>	<b>Description</b>
Davenport	Scott	99,685	\$7,538,000	CW	Treatment Improvements
Hull	Sioux	2,200	\$449,000	DW	Water Source Improvements
Roland	Story	1,284	\$709,000	CW	Lift Station & Force Main

\$8,696,000

**To:** IFA Board of Directors  
**From:** Cindy Harris, Chief Financial Officer  
**Date:** February 3, 2016  
**Re:** Adopting and Approving Series Resolutions and Authorizing the Issuance, Sale, and Delivery of Single Family Mortgage Bonds (“1991 Indenture”), 2016 Series A, B and C (“2016 Bonds”)

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## **Background**

In July 2015, I shared with the Board a multi-year plan to resurrect the Authority’s balance sheet, reposition the mix of variable and fixed rate debt in the 1991 Indenture and fund \$200 million of mortgage backed securities (“MBS”) in the Authority’s FirstHome program. The first leg of the plan was the issuance of 2015 Series A, B, and C which closed September 28, 2015. The current Authorizing Resolution for the issuance of 2016 Series A, B and C is the second leg of this plan.

There are two main objectives of the proposed bond issue: 1) grow the Authority’s balance sheet while earning the allowable full spread (1.125% over the tax-exempt bond yield) on its MBS over time and 2) reduce the ratio of variable rate debt to fixed rate debt while ensuring appropriate hedges are in place when the existing swaps terminate within the next year or two.

The long term plan is already working. Prior to the issuance of 2015 ABC the variable to fixed rate debt ratio within the Indenture was 84% to 16%. After the issuance the ratio was 40% to 60%. We anticipate after the proposed 2016ABC transaction that the variable to fixed rate debt ratio will be 31% to 69%.

## **Proposed Transaction and Timing**

This bond issuance proposes to refund and restructure existing variable rate debt of about \$22.5 million as well as fund \$40 million of new MBS, of which we currently have \$15.5 million warehoused. Additionally, there are \$27.5 million of loans closed or reserved that will be securitized into MBS within the next few months. The proposed structure of the 2016 Bonds is expected to be as follows:

- Total principal amount – not to exceed \$75 million
  - \$22 million to fund new MBS fixed rate (Series A – non-AMT)
  - \$18 million to fund new MBS with variable rate (Series B – non-AMT)
  - \$22.5 million to refund variable rate debt to fixed rate (Series C – AMT)
- Existing old swaps associated with refunded variable rate debt will be transferred to the new variable rate bonds (Series B) and a new forward swap will be executed to manage the swap roll off that will occur within the next couple of years.
- The liquidity provider for the Series B non-AMT VRDNs is FHLB of Des Moines (Aaa/AA+). The counterparty on the new forward swap is expected to be Royal Bank of Canada (Aa3/AA-).
- Anticipated pricing of bonds – February 23, 2016
- Anticipated closing of bonds – March 30, 2016

## **Fiscal Impact**

A separate action is before the Board requesting approval of an amendment to the Authority’s operating budget authorizing the expenditures necessary to carry out this transaction.

RESOLUTION FIN 16-03

Authorization Proceedings

Des Moines, Iowa

February 3, 2016

The Board of the Iowa Finance Authority (the "Authority") met on February 3, 2016 at 11:00 o'clock a.m. at the offices of the Authority at 2015 Grand Avenue, Des Moines, Iowa. The meeting was called to order and there were present in person or by telephonic conference Ruth Randleman, Chair, and the following named Board Members:

\_\_\_\_\_  
\_\_\_\_\_

Absent: \_\_\_\_\_

Matters were discussed concerning the issuance of Single Family Mortgage Bonds, 2016 Series A, 2016 Series B and 2016 Series C (Mortgage-Backed Securities Program). Whereupon Board Member \_\_\_\_\_ introduced a resolution entitled:

Resolution Adopting and Approving a Series Resolution Relating to Single Family Mortgage Bonds, 2016 Series A, 2016 Series B and 2016 Series C (Mortgage-Backed Securities Program) and Authorizing the Issuance, Sale and Delivery of the Authority's Single Family Mortgage Bonds Pursuant to Such Series Resolution; Authorizing the Execution and Delivery of one or more Contracts of Purchase, a Continuing Disclosure Agreement and a Standby Bond Purchase Agreement; and Delegating Certain Responsibilities to the Executive Director for Finalizing Certain Matters, Forms and Contents of Certain Documents

and moved its adoption, seconded by Board Member \_\_\_\_\_. After due consideration of said Resolution by the Board, the Chair put the question on the motion, the following named Board Members voted:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Whereupon, the Chair declared said Resolution duly adopted and approval was signed thereto.

•••••

Upon motion and vote the meeting adjourned.

\_\_\_\_\_  
Ruth Randleman, Chair

Attest:

(Seal)

\_\_\_\_\_  
David D. Jamison  
Executive Director/Secretary

STATE OF IOWA    )  
                          ) ss.  
COUNTY OF POLK )

I, the undersigned, do hereby depose and certify that I am the duly appointed, qualified and acting Secretary of the aforementioned Iowa Finance Authority and that as such I have in my possession or have access to the complete corporate records of said Authority; that I have carefully compared the transcript hereto attached with the aforesaid corporate records; and that said transcript attached hereto is a true, correct and complete copy of all the corporate records in relation to the adoption of the Resolution referred to therein.

Witness my hand and the seal of the Iowa Finance Authority this 3<sup>rd</sup> day of February, 2016.

\_\_\_\_\_  
David D. Jamison  
Secretary

(Seal)

Resolution Adopting and Approving Series Resolution Relating to Single Family Mortgage Bonds, 2016 Series A, 2016 Series B and 2016 Series C (Mortgage-Backed Securities Program) and Authorizing the Issuance, Sale and Delivery of the Authority's Single Family Mortgage Bonds Pursuant to Such Series Resolution; Authorizing the Execution and Delivery of one or more Contracts of Purchase, a Continuing Disclosure Agreement and a Standby Bond Purchase Agreement; and Delegating Certain Responsibilities to the Executive Director for Finalizing Certain Matters, Forms and Contents of Certain Documents

BE IT RESOLVED BY THE IOWA FINANCE AUTHORITY (the "Authority"), as follows:

Section 1. Approval of Series Resolution. The Authority did on July 10, 1991, adopt its Single Family Mortgage Bond Resolution and has adopted certain amendments and supplements thereto (as amended and supplemented, the "General Resolution"), which General Resolution provides for the issuance from time to time of series of bonds upon adoption of Series Resolutions. To provide additional funding for the Program (as defined in the General Resolution), and subject to the parameters set forth in Section 2 of this Resolution, the Authority determines to proceed with the issuance of additional series of its Single Family Mortgage Bonds (Mortgage-Backed Securities Program), a portion of which may be issued as bonds bearing interest at a fixed rate (the "Fixed Rate Bonds") and a portion of which may be issued as bonds bearing interest at a variable rate (the "Variable Rate Bonds" and, together with the Fixed Rate Bonds, the "Bonds"). The Bonds (entitled, subject to the following provisions of this Section 1, Single Family Mortgage Bonds, 2016 Series A, 2016 Series B and 2016 Series C (Mortgage-Backed Securities Program)) shall be issued pursuant to one or more Series Resolutions (the "Series Resolution") substantially in the form now before this meeting, which is hereby adopted and approved. Authority is hereby delegated to the Executive Director to approve such changes, modifications, amendments, revisions and alterations in and to said Series Resolution as the Executive Director shall in the exercise of his own independent judgment and discretion and upon the advice of counsel determine to be necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery by the Authority of the Bonds as provided and described in this Resolution and said Series Resolution as finally approved and executed by the Executive Director (including, without limitation, the authority, subject to the general parameters contained in Section 2 hereof, to add, delete or modify series designations for the Bonds, to determine the aggregate principal amount of Bonds, and the principal amount of any series of Bonds and to determine which series, if any, shall be composed of Bonds the interest on which shall be includable in gross income for federal income tax purposes). For purposes of this Resolution, Bonds issued with interest not includable in gross income for federal income tax purposes are hereinafter referred to as the "Tax-Exempt Bonds" and Bonds issued with interest includable in gross income for federal income tax purposes are hereinafter referred to as the "Taxable Bonds."

Section 2. Authority for Contracts of Purchase and Standby Bond Purchase Agreement; Terms of Bonds. The Executive Director, with assistance of counsel, is hereby authorized to negotiate the terms of one or more contracts of purchase (singularly, the "Contract of Purchase"

and, collectively, the “Contracts of Purchase”) with respect to the Bonds with RBC Capital Markets, LLC, as representative of the underwriters purchasing the Bonds (the “Underwriters”), and to execute on behalf of the Authority any Contract of Purchase so negotiated; provided that (i) the Contracts of Purchase shall be substantially in the form previously utilized with the Underwriters, in connection with bonds previously issued pursuant to the General Resolution and (ii) the aggregate principal amount of the Bonds sold pursuant to such Contracts of Purchase shall not exceed \$75,000,000, the final maturity date of the Bonds shall not be later than January 1, 2047, and the underwriting discount shall not exceed 2% of the principal amount of the Bonds. The average coupon rate for the Tax-Exempt Bonds, if issued as Fixed Rate Bonds shall not exceed 5.00% per annum and the average coupon rate for the Taxable Bonds, if issued as Fixed Rate Bonds shall not exceed 7.00% per annum. The Variable Rate Bonds may be issued bearing interest at a variable rate in accordance with an index or formula set forth in the Series Resolution, subject to conversion to other variable rate modes based on differing formulas or indices, or to conversion to fixed interest rates, as provided in said Series Resolution and, in connection with the issuance of any Variable Rate Bonds, the Executive Director may negotiate and execute a standby bond purchase agreement with the Federal Home Loan Bank of Des Moines (the “Standby Bond Purchase Agreement”), and may enter into derivative transactions as further authorized by Section 6 of this Resolution.

Section 3. Authority for Preliminary Official Statement and Official Statement. The Executive Director, with assistance of counsel, is authorized to assist in the preparation of a Preliminary Official Statement to be used by the Underwriters in the offering and sale of the Bonds and to approve the use thereof for such purpose. The Executive Director, with assistance of counsel, is further authorized to approve and execute a final Official Statement, substantially in the form of the Preliminary Official Statement, but with such changes, modifications, amendments, revisions and alterations therein, thereof and thereto as the Executive Director shall in the exercise of his own independent judgment and discretion and upon advice of counsel determine to be necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of the Bonds. The Executive Director is further authorized to execute and deliver such certifications and to take such steps as are necessary to comply with SEC Rule 15c2-12.

Section 4. Authority for Continuing Disclosure Agreement. The Executive Director, with assistance of counsel, is authorized to negotiate the terms of a continuing disclosure agreement and/or a disclosure dissemination agent agreement (the “Continuing Disclosure Agreement”), to be entered into between the Authority and Digital Assurance Certification, L.L.C. (the “Dissemination Agent”), with provisions substantially similar to continuing disclosure agreements entered into by the Authority in connection with bonds previously issued under the General Resolution, wherein the Authority will covenant for the benefit of the beneficial owners of the Bonds to provide annually certain financial information and operating data relating to the Authority and to provide notices of the occurrence of certain enumerated events with respect to the Bonds and the Authority, and to execute and deliver such Continuing Disclosure Agreement on behalf of the Authority.

Section 5. Holding of Hearing and Report to Governor. Prior to the issuance and delivery of the Bonds, the Executive Director is authorized to establish a date for the holding of the public hearing required by Section 147(f) of the Internal Revenue Code of 1986, as amended,

and publish the required notice of intention to issue Single Family Mortgage Bonds, in one or more series, in an aggregate principal amount not to exceed \$75,000,000 once in the Des Moines Register not less than 15 days prior to the date established for the hearing. Subsequent to the hearing, the Executive Director is directed to make a report of such hearing to the Governor, and to request the Governor's approval of the issuance of the Tax-Exempt Bonds.

Section 6. General and Specific Authorizations. Without in any way limiting the power, authority or discretion elsewhere herein granted or delegated, the Authority hereby (1) authorizes and directs all of the officers, employees and agents of the Authority to carry out or cause to be carried out, and to perform such obligations of the Authority and such other actions as they, or any one of them, in consultation with counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Resolution, the General Resolution, the Series Resolution, the Contracts of Purchase, the Standby Bond Purchase Agreement, the Continuing Disclosure Agreement, the Official Statement and the issuance, sale and delivery of the Bonds, including without limitation and whenever appropriate, the execution and delivery thereof and of all other related documents, instruments, certifications and opinions, and also including (i) giving any required notices of redemption in connection with the redemption, whether mandatory, special or optional, of bonds to be refunded, in whole or in part, from the proceeds of the Bonds and (ii) entering into any derivative transactions and necessary related documents in connection therewith pursuant to the Resolution adopted on August 7, 2002, and (2) delegates the right, power and authority to the Executive Director of the Authority to exercise his own independent judgment and discretion upon advice of counsel in determining and finalizing the terms, provisions, form and contents of each of the documents hereinbefore referenced and identified. The execution and delivery by the Executive Director or by any such other officer, officers, agent or agents of the Authority of any such documents, instruments, certifications and opinions, or the doing by them of any act in connection with any of the matters which are the subject of this Resolution, shall constitute conclusive evidence of both the Authority's and their approval of all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the Authority and the authorization, approval and ratification by the Authority of the documents, instruments, certifications and opinions so executed and the action so taken.

Section 7. Prior Resolutions. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 3<sup>rd</sup> day of February, 2016.

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Ruth Randleman, Chair

Attest:

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David D. Jamison  
Executive Director/Secretary

(Seal)



To: IFA Board of Directors  
From: Steven E Harvey  
Date: Feb 3, 2016  
Re: SF 2016 ABC Budget Amendment

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### **Requested Amendment**

In anticipation of the SF 2016 ABC bond issue, we are requesting the board to approve an amendment to FY16 Budget to reduce the net income from \$7,152,787 (Budget R1) to \$6,086,082; a total of \$1,066,705. This amendment is contingent on the execution of related bond transaction.

### **Assumptions**

SF 2016 ABC is expected to close in late March for a total of \$61 million.

\$21 million will be used for refunding prior bonds and is neutral to the budget.

\$40 million will be used to purchase and hold MBS securities, which will affect the budget.

Cost of issuance expense, estimated at \$675,000 accounts for most of the change requested. Current accounting rules (GASB 65) require COI to be expensed in the current year. Prior to GASB 65, which became effective in FY14, COI was capitalized and expensed over the life of the bonds.

The FY16 budget assumed we would sell all SF production into the secondary market. The result is a reduction to Gain on Sale of MBS by \$1,448,000 and an increase to Interest Income by \$556,295, a net reduction of \$891,705 in interest income.

Bond interest expense on \$40 million for 3 months is estimated at \$300,000.

Finally, Down Payment Assistance will be capitalized and amortized over the life of the underlying loans, which reduces Grant Expense by \$800,000.

The following table summarizes all changes:

Cost of issuance	\$ (675,000)
Forgo gain on sale of \$40m of MBS	\$ (1,448,000)
Interest income on \$40m MBS	\$ 556,295
Bond Interest expense on \$40m	\$ (300,000)
Down payment assistance	\$ 800,000
<b>Total reduction of Net Income</b>	<b>\$ (1,066,705)</b>

Attached are:

Roll forward from FY16 Budget to the FY16 Budget R2

Detail calculations of the changes

FY16 Budget as approved June 3, 2015

Income Statement	Housing Authority				
	Bud FY16				
	FY16	SF 2015 ABC	BUD R1	SF 2016 ABC	BUD R2
Operating Income					
Interest Income	28,356,656	105,403	28,462,059	(891,705)	27,570,354
Authority Income	-	-	-	-	-
Fee Income	10,556,203	-	10,556,203	-	10,556,203
Other Income	210,251	-	210,251	-	210,251
<b>Total Operating Income</b>	<b>39,123,109</b>	<b>105,403</b>	<b>39,228,512</b>	<b>(891,705)</b>	<b>38,336,807</b>
Operating Expense					
Interest Expense	10,806,321	1,980,000	12,786,321	975,000	13,761,321
Authority Expense	-	-	-	-	-
Employee Expenses	10,539,863	-	10,539,863	-	10,539,863
Operating Expenses	1,273,016	-	1,273,016	-	1,273,016
Marketing Expense	545,504	-	545,504	-	545,504
Professional Services	4,476,164	-	4,476,164	-	4,476,164
Claim and Loss Expenses	359,540	-	359,540	-	359,540
Miscellaneous Operating Expense	61,547	-	61,547	-	61,547
Overhead Allocation	(80,132)	-	(80,132)	-	(80,132)
<b>Total Operating Expense</b>	<b>27,981,823</b>	<b>1,980,000</b>	<b>29,961,823</b>	<b>975,000</b>	<b>30,936,823</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>11,141,286</b>	<b>(1,874,597)</b>	<b>9,266,689</b>	<b>(1,866,705)</b>	<b>7,399,984</b>
Net Grant Income (Expense)	(2,497,902)	384,000	(2,113,902)	800,000	(1,313,902)
<b>Net Operating Income (Loss) After Grants</b>	<b>8,643,384</b>	<b>(1,490,597)</b>	<b>7,152,787</b>	<b>(1,066,705)</b>	<b>6,086,082</b>
Non-Operating (Income) Expense	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>8,643,384</b>	<b>(1,490,597)</b>	<b>7,152,787</b>	<b>(1,066,705)</b>	<b>6,086,082</b>

Net Effect of SF 2016 ABC Bond Issuance on FY16 Financials

Account	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
5050-000 INT INC - MORTGAGE BACKED SECUR	18,763	39,499	44,342	63,758	77,666	92,771	106,804	112,692	556,295
5000-100 INT INC - GAIN/LOSS ON SALE	(239,719)	(265,288)	(62,603)	(248,878)	(178,883)	(194,418)	(181,000)	(77,211)	(1,448,000)
<b>Total Interest Income</b>	<b>(220,956)</b>	<b>(225,789)</b>	<b>(18,261)</b>	<b>(185,121)</b>	<b>(101,216)</b>	<b>(101,647)</b>	<b>(74,196)</b>	<b>35,481</b>	<b>(891,705)</b>
7000-010 INT EXP - DEBT	-	-	-	-	-	100,000	100,000	100,000	300,000
7000-020 INT EXP - COST OF ISSUANCE EXPENS	-	-	-	-	675,000	-	-	-	675,000
<b>Total Interest Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>675,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>975,000</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>(220,956)</b>	<b>(225,789)</b>	<b>(18,261)</b>	<b>(185,121)</b>	<b>(776,216)</b>	<b>(201,647)</b>	<b>(174,196)</b>	<b>(64,519)</b>	<b>(1,866,705)</b>
IFA Grant Expense	(132,441)	(146,568)	(34,587)	(137,502)	(98,830)	(107,413)	(100,000)	(42,658)	(800,000)
<b>Net Operating Income (Loss) After Grants</b>	<b>(88,515)</b>	<b>(79,221)</b>	<b>16,327</b>	<b>(47,619)</b>	<b>(677,386)</b>	<b>(94,234)</b>	<b>(74,196)</b>	<b>(21,861)</b>	<b>(1,066,705)</b>
<b>Assumptions</b>									
MBS Purchased	6,622,060	7,328,396	1,729,358	6,875,088	4,941,518	5,370,668	5,000,000	2,132,912	40,000,000
Paydowns		(9,541)	(20,100)	(22,592)	(32,498)	(39,617)	(47,356)	(54,560)	(226,263)
MBS Balance	6,622,060	13,940,915	15,650,173	22,502,669	27,411,689	32,742,740	37,695,384	39,773,737	39,773,737
MBS Pass Thru Rate	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
MBS G/L Spread (including BUBD/Pair out)	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%	3.62%
DPA Savings	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
New Debt					40,000,000	40,000,000	40,000,000	40,000,000	
Spread Earned					0.400%	0.400%	0.400%	0.400%	
Rate					3.000%	3.000%	3.000%	3.000%	

Income Statement	Housing Authority (Rollup)							
	Bud FY16							
	FY11	FY12	FY13	FY14	FY15	FY16	\$ Change	% Change
Operating Income								
Interest Income	54,841,477	52,488,258	38,366,581	33,061,954	31,836,767	28,356,656	(3,480,111)	-11%
Authority Income	-	-	-	-	-	-	-	0%
Fee Income	13,273,054	10,731,131	13,373,146	11,441,952	9,826,593	10,556,203	729,610	7%
Other Income	157,044	457,098	737,756	340,397	209,717	210,251	534	0%
<b>Total Operating Income</b>	<b>68,271,576</b>	<b>63,676,487</b>	<b>52,477,483</b>	<b>44,844,303</b>	<b>41,873,077</b>	<b>39,123,109</b>	<b>(2,749,968)</b>	<b>-7%</b>
Operating Expense	-	-	-	-	-	-	-	0%
Interest Expense	43,082,742	35,633,457	26,417,920	17,239,557	13,117,434	10,806,321	(2,311,113)	-18%
Authority Expense	-	-	-	-	-	-	-	0%
Employee Expenses	8,064,166	8,733,726	8,896,698	9,355,947	9,815,813	10,539,863	724,049	7%
Operating Expenses	1,036,641	926,769	960,563	1,070,573	1,237,217	1,273,016	35,798	3%
Marketing Expense	373,590	480,514	910,383	863,802	393,686	545,504	151,818	39%
Professional Services	4,584,798	4,022,219	5,002,767	4,659,664	3,642,505	4,476,164	833,659	23%
Claim and Loss Expenses	(155,322)	(459,630)	1,169,740	327,339	132,592	359,540	226,949	171%
Miscellaneous Operating Expense	(66,301)	26,487	103,719	117,334	69,867	61,547	(8,320)	-12%
Overhead Allocation	(101,286)	(92,100)	(88,167)	(74,732)	(75,427)	(80,132)	(4,705)	6%
<b>Total Operating Expense</b>	<b>56,819,028</b>	<b>49,271,442</b>	<b>43,373,623</b>	<b>33,559,483</b>	<b>28,333,688</b>	<b>27,981,823</b>	<b>(351,865)</b>	<b>-1%</b>
<b>Net Operating Income (Loss) Before Grants</b>	<b>11,452,547</b>	<b>14,405,044</b>	<b>9,103,860</b>	<b>11,284,820</b>	<b>13,539,389</b>	<b>11,141,286</b>	<b>(2,398,103)</b>	<b>-18%</b>
Net Grant Income (Expense)	37,269,585	8,687,327	6,839,241	(711,164)	(2,727,938)	(2,497,902)	230,035	-8%
<b>Net Operating Income (Loss) After Grants</b>	<b>48,722,133</b>	<b>23,092,372</b>	<b>15,943,101</b>	<b>10,573,656</b>	<b>10,811,452</b>	<b>8,643,384</b>	<b>(2,168,068)</b>	<b>-20%</b>
Non-Operating (Income) Expense	2,750,215	3,684,413	28,307,631	6,007,076	(863,967)	-	863,967	-100%
<b>Net Income (Loss)</b>	<b>45,971,918</b>	<b>19,407,959</b>	<b>(12,364,530)</b>	<b>4,566,580</b>	<b>11,675,419</b>	<b>8,643,384</b>	<b>(3,032,035)</b>	<b>-26%</b>
Staff Count by Home Dept*	83.5	83.3	85.7	87.2	88.3	92.5	4.2	5%
Staff Count by FTE **	86.2	86.1	88.4	88.4	88.8	92.7	3.9	4%

\*Full Time > 32 hours / week = 1  
Part Time < 32 hours / week = .5  
Interns ~ 10 hours / week = 0  
Temp Agency Staff Excluded

\*\*Hours paid (FT+PT+IN) / 80 = 1  
Temp Agency Staff Excluded

**RESOLUTION  
HI 16-02**

WHEREAS, the Iowa Finance Authority (the “Authority”) is the allocating agency in the State of Iowa for the Low Income Housing Tax Credit (“LIHTC”) Program of section 42 of the Internal Revenue Code; and

WHEREAS, Heartland Senior Housing, LLC (“Heartland Senior”) was awarded low income housing tax credits in the 2012 LIHTC round; and

WHEREAS, the projected cost of the Heartland Senior project (“Project”) was at that time below the unit cost cap specified in the 2012 Qualified Allocation Plan (“QAP) (the pertinent language of section 4.9 of the QAP, establishing the cost cap, is set forth on Exhibit B”); and

WHEREAS, Heartland Senior has asserted that due to certain circumstances, as set forth in the attached Exhibit A, the final cost of the Project exceeded the unit cost cap by approximately 4.2%; and

WHEREAS, section 4.9 of the QAP also provides that “[a]t the time of the Carryover 10% Test or 8609 Application, if the Project costs exceed the unit cost caps, the Developer must provide a narrative explaining the extenuating circumstances and request an exception to the unit cost cap”; and

WHEREAS, Heartland Senior is now requesting that the Authority issue a form 8609 and has submitted a request to the Board of Directors containing such a narrative and requesting an exception to the unit cost cap as contemplated by section 4.9 of the QAP.

NOW, THEREFORE, BE IT RESOLVED by the board of the Iowa Finance Authority as follows:

SECTION 1. Upon consideration of Heartland Senior’s request and the explanatory narrative, the board hereby approves an exception to the unit cost cap, as set forth in the 2012 QAP, to the extent necessary to allow up to an additional \$399,000 in Project costs.

SECTION 2. Notwithstanding the limited exception to the unit cost cap set forth above, it is not the board’s intention that the developer fee shall be increased in any way due to the higher cost cap limit.

PASSED AND APPROVED this 3rd day of February, 2016.

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David D. Jamison, Secretary

(Seal)

# CBC FINANCIAL CORPORATION

January 22, 2016

Mr. Dave Vaske  
Housing Tax Credit Program Manager  
Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, Iowa 50312

RE: Heartland Senior Housing

Dear Mr. Vaske,

Thank you for meeting with us regarding the Heartland Senior Housing project.

The project is open and fully operational; however, as we discussed, there were several unforeseen circumstances causing the project to incur more costs than was projected in our application. As a result, we are roughly 4.2% over the IFA cap. These additional costs are primarily related to interest expense and carrying costs incurred in the start-up of operations.

Construction delays are the main reason for incurring these additional costs. The project had a major setback when the Project Manager, Brian Pittman, and Project Engineer, Bailey Jennings, abruptly quit working for Koester Construction soon after starting the construction phase of the project. Four months later, Jack Dougherty replaced the 2nd Project Manager, Clarke Booth. This lack of continuity and ineffective management prevented Koester from solving everyday construction challenges and keeping to a definitive schedule for completion.

Our planned opening of the property was for August 2014 (see attached schedule). The delays prevented opening until December 2014 and the exterior construction was not completed until July 2015, eleven months past the planned completion date.

The additional startup costs incurred after December 2014 was due to a lack of senior customers willing to move in the winter months in Fort Dodge. Consequently, we continued to pay for utilities, insurance and other costs during this time (see attached).

The delays in construction completion and lease up have significantly increased the loan interest expense (see attached). The Capital Contributions to

reduce the construction loan are tied to a CPA audit, the Part 3 for Historical work, and the 8609, all of which have been delayed.

The 2012 QAP allows the budget to be increased over the cap under certain circumstances and I would kindly ask IFA to consider the circumstances with this project to allow for the increase.

The original 2012 award was \$735,483 and the equity GAP analysis from our accountant was \$716,883. This request for an increase in the cap would not be a request for any additional credits from IFA.

You mentioned that this request would need to be reviewed by the IFA board. I know this request requires additional work for you, your staff and the Board, however, please consider this request for this important project for the city of Fort Dodge.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Jim Danaher". The signature is written in a cursive, slightly slanted style.

Jim Danaher

Exhibit B

Section 4.9 of the 2012 QAP

**4.9 Unit Cost Cap.** IFA shall not award LIHTC to a Project in which the cost per unit is greater than the amounts listed below less the costs of off-site land improvements. Enterprise Zone sales tax rebates and utility company rebates for energy efficiency measures will be included in the calculation of total project costs.

All projects except those with Federal or State Historic Tax Credits

0 bedrooms	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
\$115,000	\$130,000	\$155,000	\$185,000	\$205,000

Unit cost caps are maximum amounts. IFA provides no guarantee that Projects at or below the Unit cost caps will be deemed financially feasible. At the time of the Carryover 10% Test or 8609 Application, if the Project costs exceed the unit cost caps, the Developer must provide a narrative explaining the extenuating circumstances and request an exception to the unit cost cap.

To: IFA Board of Directors  
From: Tammy Nebola, Iowa Ag Program Specialist  
Lori Beary, Community Development Director  
Date: January 25, 2016  
Re: Iowa Agricultural Division Beginning Farmer Loan Program

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## **Agenda**

### **Iowa Agricultural Development Division**

#### **Authorizing Resolutions**

##### **AG 16-001 Daniel W. and Lauren B. Welter**

This is a resolution authorizing the issuance of \$362,500 for Daniel W. and Lauren B. Welter. The bond will be used: To purchase approximately 158 acres of agricultural land in Delaware County. The lender is F&M Bank in Manchester.

- **Need Board action on Resolution AG 16-001B**

##### **AG 16-002 Michael J. and Renee C. Telfer**

This is a resolution authorizing the issuance of \$279,000 for Michael J. and Renee C. Telfer. The bond will be used: To purchase approximately 40 acres of agricultural land and house in Keokuk County. The lender is First National Bank in Fairfield.

- **Need Board action on Resolution AG 16-002B**

##### **AG 16-003 Jeffrey A. and Darian Graff**

This is a resolution authorizing the issuance of \$120,000 for Jeffrey A. and Darian Graff. The bond will be used: To purchase approximately 40 acres of agricultural land and out-buildings in Monroe County. The lender is Libertyville Savings Bank in Keota.

- **Need Board action on Resolution AG 16-003B**

**RESOLUTION  
AG 16-001B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested

by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 3<sup>rd</sup> day of February, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number: AG 16-001**
- 2. Beginning Farmer: Daniel W. and Lauren B. Welter  
32979 Goose Hill Rd  
Hopkinton, IA 52237-9201**
- 3. Bond Purchaser: F&M Bank  
101 E Main St, PO Box 588  
Manchester, IA 52057-0588**
- 4. Principal Amount: \$362,500**
- 5. Initial Approval Date: 2/3/2016**
- 6. Public Hearing Date: 1/26/2016**
- 7. Bond Resolution Date: 2/3/2016**
- 8. Project: To purchase approximately 158 acres of agricultural  
land**

**RESOLUTION  
AG 16-002B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 3<sup>rd</sup> day of February, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number:** AG 16-002
- 2. Beginning Farmer:** Michael J. and Renee C. Telfer  
18384 22nd Ave  
Hedrick, IA 52563-8100
- 3. Bond Purchaser:** First National Bank  
100 E Burlington Ave, PO Box 1007  
Fairfield, IA 52556-1007
- 4. Principal Amount:** \$279,000
- 5. Initial Approval Date:** 2/3/2016
- 6. Public Hearing Date:** 1/26/2016
- 7. Bond Resolution Date:** 2/3/2016
- 8. Project:** To purchase approximately 40 acres of agricultural land and house

**RESOLUTION  
AG 16-003B**

A Resolution authorizing the issuance and sale of an Agricultural Development Revenue Bond to finance the acquisition of a Project by a Beginning Farmer; the execution of a Financing Agreement providing the terms and sale of such Bond and for the repayment of the loan of the proceeds of such bond; and related matters.

**WHEREAS**, the Iowa Finance Authority (the “Authority”) is a public instrumentality and agency of the State of Iowa established and empowered by the provisions of Chapter 16 of the Code of Iowa (together, the “Act”) to issue its negotiable bonds and notes for the purpose of financing in whole or in part the acquisition by construction or purchase of Agricultural Land, Agricultural Improvements, or Depreciable Agricultural Property by a Beginning Farmer; and

**WHEREAS**, the Authority has received and has approved an Application from the Beginning Farmer identified on Exhibit A hereto (the “Beginning Farmer”) to issue its Agricultural Development Revenue Bond (the “Bond”) in the principal amount identified on Exhibit A hereto (the “Principal Amount”) to finance the acquisition of the Project identified on Exhibit A hereto (the “Project”); and

**WHEREAS**, it is necessary and advisable that provisions be made for the issuance of the Bond in the Principal Amount as authorized and permitted by the Act to finance the cost of the Project to that amount; and

**WHEREAS**, the Authority will loan the proceeds of the Bond to the Beginning Farmer pursuant to the provisions of a Financing Agreement among the Authority, the Bond Purchaser identified in Exhibit A hereto (the “Lender”) and the Beginning Farmer (the “Agreement”), the obligation of which will be evidenced by a Promissory Note the repayment of which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bond as and when the same shall be due and payable; and

**WHEREAS**, the Bond will be sold to the Lender pursuant to and secured as provided by the Agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Iowa Finance Authority as follows:

**Section 1. The Project Consistent with the Act.** It is hereby determined that the Project, as described in the representations and certifications of the Beginning Farmer in the Application to the Authority and in the Agreement qualifies under the Act for financing with the proceeds of the Bond, and further, it is found and determined that the financing of the Project will promote those public purposes outlined in the Act.

**Section 2. Authorization of the Bond.** In order to finance the cost of the Project, the Bond shall be and the same is hereby authorized, determined and ordered to be issued in the Principal Amount. The Bond shall be issued as a single Bond in fully registered form, transferable only in accordance with its terms, and shall be dated, shall be executed, shall be in such form, shall be payable, shall have such prepayment provisions, shall bear interest at such rates, and shall be subject to such

other terms and conditions as are set forth in the Agreement and the Bond. However, if so requested by the Beginning Farmer and the Lender, the Chairman or Vice Chairman is hereby empowered to adjust the Principal Amount of the Bond and any of the other terms and conditions as set forth therein or in the Agreement, to an amount or in such manner as is mutually acceptable to the Lender and the Beginning Farmer, provided that the principal amount of the Bond after adjustment is never more than the Principal Amount. In the event such adjustments are made, they shall be set forth in the Agreement. The Bond and the interest thereon do not and shall never constitute an indebtedness of or a charge either against the State of Iowa or any subdivision thereof, including the Authority, within the meaning of any constitutional or statutory debt limit, or against the general credit or general fund of the Authority, but are limited obligations of the Authority payable solely from revenues and other amounts derived from the Agreement and the Project and shall be secured by an assignment of the Agreement and the revenues derived therefrom to the Lender. Forms of the Bond and the Agreement are before this meeting and are by this reference incorporated in this Bond Resolution, and the Secretary is hereby directed to insert them into the minutes of the Authority and to keep them on file.

**Section 3. Agreement; Sale of the Bond.** In order to provide for the loan of the proceeds of the Bond to the Beginning Farmer to finance the Project and the payment by the Beginning Farmer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bond, and in order to provide for the sale of the Bond to the Lender and the conditions with respect to the delivery thereof, the Executive Director shall execute in the name and on behalf of the Authority the Agreement in substantially the form submitted to the Authority, which is hereby approved in all respects. However, the Executive Director is empowered to amend the Agreement prior to the execution thereof to conform the same to any adjustments of the Principal Amount or other provisions of the Bond as authorized in Section 2 hereof. The sale of the Bond to the Lender is hereby approved and the Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to execute and deliver the Bond to the Lender. Payment by the Lender of the purchase price, namely the Principal Amount, or such lesser amount as determined by the Chairman or Vice Chairman pursuant to Section 2 hereof, in immediately available funds in accordance with the Agreement shall constitute payment in full for the Bond. The Lender shall immediately deposit such purchase price to the account or credit of the Beginning Farmer in accordance with the Agreement to effect the making of the loan of the proceeds of sale of the Bond to the Beginning Farmer pursuant to the Agreement.

**Section 4. Repayment of Loan.** The Agreement requires the Beginning Farmer in each year to pay amounts as loan payments sufficient to pay the principal of, redemption premium, if any, and interest on the Bond when and as due and the payment of such amounts by the Beginning Farmer to the Lender pursuant to the Agreement is hereby authorized, approved, and confirmed.

**Section 5. Filing of Agreement.** The Executive Director is authorized and directed to file a copy of this resolution and the Agreement with the Iowa Secretary of State pursuant to Sections 16.26(7) and 175.17(7) of the Act to evidence the pledge of or grant of a security interest, in the revenues to be received under, and all of the Authority's interests in the Agreement, by the Authority to the Lender.

**Section 6. Miscellaneous.** The Chairman, Vice Chairman, and/or Secretary are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bond and the execution and delivery of

the Agreement, and to carry out the intent and purposes of this resolution, including the preamble hereto.

**Section 7. Severability.** The provisions of this resolution are hereby declared to be separable, and if any section, phrase, or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, and provisions.

**Section 8. Repealer.** All resolutions, parts of resolutions or prior actions of the Authority in conflict herewith are hereby repealed to the extent of such conflict.

**Section 9. Effective Date.** This resolution shall become effective immediately upon adoption.

Passed and approved this 3<sup>rd</sup> day of February, 2016.

(Seal)

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David D. Jamison, Secretary

**EXHIBIT A**

- 1. Project Number: AG 16-003**
- 2. Beginning Farmer: Jeffrey A. and Darian Graff  
935 W Jackson St  
Sigourney, IA 52591-1066**
- 3. Bond Purchaser: Libertyville Savings Bank  
225 E Broadway, PO Box 68  
Keota, IA 52248-0068**
- 4. Principal Amount: \$120,000**
- 5. Initial Approval Date: 2/3/2016**
- 6. Public Hearing Date: 1/26/2016**
- 7. Bond Resolution Date: 2/3/2016**
- 8. Project: To purchase approximately 40 acres of agricultural  
land and out-buildings**



To: Iowa Finance Authority Board of Directors  
From: Brian Sullivan, Director, Section 8  
Date: January 22, 2016  
Re: Section 8 Summary FY 2016 Quarter 2

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IFA holds a performance-based contract with HUD to provide oversight of select Section 8 Housing Assistance Payments (HAP) contracts in Iowa. Our current ACC covers 221 HAP contracts that provide housing assistance to 11,942 individuals and families in 71 counties. This does not represent a change from the previous report.

This month's board package contains a report covering all work performed by Section 8 Contract Administration for the Quarter ending December 31, 2015. In FY 2016 Q2, there were 46 Management and Occupancy Reviews (MORs) conducted; 54 requests for contract rent adjustments processed; 661 HAP vouchers reviewed, approved, and paid; 12 full HAP contract renewals completed; and 0 Opt-Outs processed.

It is anticipated that staff will perform 58 on-site MOR's, will process 61 requests for HAP contract renewals and contract rent adjustments, and review and approve 663 HAP voucher requests during the next quarter ending March 31, 2016.

### **One Congressional Inquiry was resolved during FY 2016 Q2:**

#### **The Heritage, Cedar Rapids**

A Congressional Inquiry was received from U.S. Senator Joni Ernst on December 16, 2015. An applicant alleged that he was unfairly discriminated against due to race. Follow-up with the Owner/Agent conducted by IFA staff regarding specific actions determined the property policies are consistent with HUD regulation. Out of state applicants from the state of Illinois are required to be finger printed to ensure correct information submitted for criminal background screening. Alleged usage of racial slurs and drug activity was investigated properly by the property. A recommendation to provide all residents with the HUD FHEO pamphlet "Are you a Victim of Housing Discrimination," along with a satisfactory resolution was reported to the Kansas City Multifamily HUD office on December 18, 2015.

### **Two properties experienced unusual activity during FY2016 Q2:**

#### **Pinnacle Apartments, Boone**

During a Management and Occupancy review on October 29, 2015, it was discovered that on October 22, 2015, a resident reported a fire approximately 6:00 am. The fire originated in the kitchen of Apartment D-11 and was determined to be caused by excessive grease build-up. The single unit was deemed uninhabitable due to the extensive smoke and water damage, as well as, the stove/range which was a total loss. No injuries were reported and the single resident was immediately housed with family. Management estimated 2 to 3 weeks to complete rehabilitation work.

#### **Hawthorne Hills Apartments, Cedar Rapids**

On November 1, 2015, a resident reported water dripping from the kitchen ceiling of Unit 17-E. Maintenance found a clogged toilet that was overflowing in the 2nd floor bathroom. It was estimated that water had been running for 8-10 hours causing 2 inches of standing water on the first floor of the unit. The kitchen ceiling, directly below the 2nd floor bathroom, was full of water causing water to run down the kitchen walls.



Vacant unit 17-D received minimal damage. The unit was found to have standing water on the kitchen floor, which was extracted by ServPro. Dehumidifiers were also installed to dry the unit which is estimated to take 2-3 days.

The damage in Unit 17-E is more severe. The standing water was extracted and dehumidifiers were installed. The bathroom floor is very soft and believed to be unsafe. The ceiling on the 1st floor under the bathroom has significant drywall damage. The stove and furnace were flooded and will need to be inspected and possibly replaced.

The resident family was immediately housed with friends and relatives. Management estimated 4-6 weeks to complete rehabilitation work.

**Section 8 Project Based HAP Administration**

**Quarter Ending  
December 31, 2015**

	<b># Events Completed</b>		<b>Basic Fee Earned</b>		<b>Incentive Fees Earned</b>		<b>Disincentives</b>	<b>FYTD</b>		<b>FYTD</b>	<b>FYTD</b>
<b>PBT Requirements-(New ACC Effective 10/11/2011)</b>	Current Qrt.	FYTD	Current Qrt.	FYTD	Current Qrt.	FYTD					
01. Management and Occupancy Reviews	46	107	\$113,567.27	\$224,705.03	\$5,678.36	\$11,235.26	\$0.00	\$235,940.29			
02. Adjust Contract Rents	54	122	\$56,783.63	\$112,352.51	\$5,678.36	\$11,235.26	\$0.00	\$123,587.77			
03. Review and Pay Monthly Vouchers	661	1330	\$113,567.27	\$224,705.03	\$5,678.36	\$11,235.26	\$0.00	\$235,940.29			
04. Renew HPA Contracts and Process Terminations	12	38	\$113,567.27	\$224,705.03	\$5,678.36	\$11,235.26	\$0.00	\$235,940.29			
05. Tenant Health, Safety & Maintenance Issues	3	13	\$56,783.63	\$112,352.51	\$5,678.36	\$11,235.26	\$0.00	\$123,587.77			
06. Administration - Monthly and Quarterly Reports	7	14	\$56,783.63	\$112,352.51	\$0.00	\$0.00	\$0.00	\$112,352.51			
07. Administration-ACC Year End Reports & Certifications	1	4	\$45,426.92	\$89,882.03	\$0.00	\$0.00	\$0.00	\$89,882.03			
08. Annual Financial Reports - PHA FYE	1	3	\$11,356.72	\$22,470.49	\$0.00	\$0.00	\$0.00	\$22,470.49			
<b>PBTs #1-8-(New ACC Eff. 10/1/2011)</b>	<b>785</b>	<b>1631</b>	<b>\$567,836.34</b>	<b>\$1,123,525.14</b>	<b>\$28,391.80</b>	<b>\$56,176.30</b>	<b>\$0.00</b>	<b>\$1,179,701.44</b>			
<b>Customer Service - Annual Incentive Fee</b>	N/A	N/A	N/A	N/A	<b>\$28,391.80</b>	<b>\$56,176.30</b>	N/A	<b>\$56,176.30</b>			
<b>TOTAL:</b>	<b>785</b>	<b>1631</b>	<b>567,836.34</b>	<b>1,123,525.14</b>	<b>56,783.60</b>	<b>112,352.60</b>	<b>0.00</b>	<b>\$1,235,877.74</b>	*	\$1,222,515	\$13,362

# Contracts            221  
 # Units                11,942  
 # Counties            71



To: Board of Directors of the Iowa Finance Authority  
 From: Tim Morlan & Derek Folden  
 Date: February 3, 2016  
 Re: Multifamily Loan Program Review

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**Production Status**

Loans in Process:

<u>Project</u>	<u>Loan Program</u>	<u>Target Closing</u>	<u>Amount</u>	<u>Loan Type</u>
Centerville Senior Lofts, Centerville	Senior Living	2-26-2016	\$600,000	C/P
Keokuk Senior Lofts, Keokuk	Senior Living	2-26-2016	\$700,000	C/P
Southridge Senior Lofts, Des Moines	Senior Living	2-26-2016	\$350,000	C/P
Forest City	Workforce	3-1-2016	\$751,000	C/P
Chariton	Workforce	3-1-2016	\$600,000	C/P

Applications in Process:

<u>Project</u>	<u>Loan Program</u>	<u>Amount</u>	<u>Loan Type</u>
None			

**Multifamily Loan Program - Portfolio Information**

<u>Program Type</u>	<u>Loans Outstanding</u>	<u>Funds Available</u>	<u>Average Loan Rate</u>	<u>Average Debt Service Coverage Ratio</u>	<u>Profitability Spread</u>	<u>Amount of Non-Performing Loans (30+ days)</u>
Bonds	\$ 40,130,472	-	3.78%	1.64	1.25	none
State Housing Trust	\$ 4,858,432	-	1.91%	-	0.56	none
HAF Loans and loans prior to 2002	\$ 1,493,608	-	.89%	-	-0.46	none
Workforce Housing	\$ 4,500,000	-	3.00%	n/a	1.65	none
MF 2002-2015 FY	\$ 17,575,986	-	5.64%	-	4.29	none
MF 2016 FY	\$ -	-	-	-	-	none
MF Construction Loans	\$ -	-	-	-	-	none
Senior Living*	\$ 2,924,063	\$ 2,316,996	3.65%	4.96	n/a	none
Home and Community Based Services*	\$ 1,321,061	\$ 2,316,996	1.00%	n/a	n/a	none
Transitional Housing*	\$ 1,054,324	\$ 2,316,996	1.00%	-	n/a	none
Community Housing and Services*	\$ 271,208	\$ 2,316,996	0.00%	n/a	n/a	none
Main Street	\$ 799,949	-	5.91%	-	1.35	none
HOME	\$ 128,216,663	-	.95%	-	-0.40	6,518 - 1 loan
<b>Totals</b>	<b>\$203,145,766</b>	<b>\$2,316,996</b>	<b>2.35%</b>		<b>1.18</b>	<b>6,518</b>
<b><u>MF Potential Loans</u></b>						
MF Construction loans	\$1,351,000					
MF Permanent loans	\$1,351,000					

\* note- available revolving loan funds have been consolidated (excludes \$2,281,000 committed for Senior Living)

To: Iowa Finance Authority Board of Directors  
From: Wes Peterson, Director of Government Relations  
Date: January 25, 2016  
Re: 86<sup>th</sup> General Assembly Session Two Legislative Activity

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The Legislative session kicked off two weeks ago, January 11. The Governor gave the Condition of the State address on January 12 and I have attached the release and remarks. Of note is a major initiative proposed by the Governor and Lt. Governor to extend a one cent sales tax known as the SAVE fund (Secure an Advanced Vision for Education) beyond its current expiration date of 2029 to 2049. With this extension the proposal is to share a portion of the growth over \$10 million annually for water quality improvement projects. We have been working with IGOV on this proposal and anticipate administering some of these funds alongside but separate of our SRF programs.

IFA in partnership with the DNR and IDOT is collaborating on the wind down of the Underground Storage Tank Fund and Board. The UST Fund has reached the end of its lifespan and is sufficiently resourced to complete its mission. For IFA's part we will receive any funds beyond what's needed to clean up current sites and hold those funds in trust for any sites that come online in the future. This was resourced with a diminution fee on evaporated fuel, equivalent to a one cent per gallon fee. This is scheduled to expire on July 1.

We have requested our budget items to the Governor's office at flat funding which is \$658,000 for the HCBS Rent Subsidy Program and a standing appropriation of \$3 million for the State Housing Trust Fund. Additionally the Department of Veterans Affairs (DVA) has requested flat funding for the Military Home Ownership Assistance program of \$2.5 million which is technically a DVA appropriation though is sent to and largely administered by IFA.

Lastly IFA has proposed a departmental bill which should be released shortly and expands our conduit bonding to multi-state authority. The Iowa Finance Authority issues bonds for a variety of non-profit entities. Often, these entities have facilities both in Iowa and in other states. This is especially true of hospitals and non-profits in communities near Iowa's borders. IFA can only issue bonds for facilities located in Iowa. By giving IFA the ability to issue bonds for entities with locations in Iowa and other states, the number of bond issuances is reduced and a significant amount of time and money is saved for those entities. This was proposed in the 2013 session but was dropped for other IFA priorities.

**Flaherty, Jess [IFA]**

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**From:** Releases, Press [IGOV]  
**Sent:** Tuesday, January 12, 2016 10:30 AM  
**To:** Peterson, Wes [IFA]  
**Subject:** RELEASE: Gov. Branstad delivers the 2016 Condition of the State address to the Iowa General Assembly

**OFFICE OF THE GOVERNOR**  
**Governor Terry E. Branstad ★ Lt. Governor Kim Reynolds**

FOR IMMEDIATE RELEASE: Tuesday, Jan. 12, 2016  
CONTACT: Governor's Office 515-281-5211

**Gov. Branstad delivers the 2016 Condition of the State  
address to the Iowa General Assembly**

(DES MOINES) – Gov. Terry E. Branstad today delivered the 2016 Condition of the State address to the Iowa General Assembly and the people of Iowa.

In his address, Gov. Branstad struck an optimistic tone about the upcoming legislative session and the future of Iowa. The governor also spoke about the need for a responsible budget, and setting priorities that match those of Iowans across the state. The budget he released today includes more than \$145 million in new funding for pre-K through 12<sup>th</sup> grade students and teachers. He highlighted his innovative idea aimed at addressing two issues with long-term funding needs: education infrastructure and water quality. Recalling the help wanted signs he and Lt. Governor Reynolds have seen on their 99 county-tour throughout Iowa, Gov. Branstad called for further focus on aligning career training for Iowa students and workers, making it easier for Iowans to get the training they need for the jobs they seek. Many of the jobs of the future will be related to green energy, and the governor wants to position Iowa for success. In his speech he announced that Lt. Governor Reynolds will be leading efforts to craft the State Energy Plan. The State Energy Plan will build on the renewable energy success already seen in Iowa and help provide a strategic blueprint to capitalize on our renewable energy success and grow our opportunities in the future. Finally, Gov. Branstad highlighted our state motto, "Our liberties we prize and our rights we shall maintain," and the efforts of the Chief Justice, the NAACP, and state agencies to demonstrate his desire to work with legislators to address criminal justice issues this legislative session.

[VIEW THE BUDGET IN BRIEF HERE](#)

[VIEW THE FULL BUDGET HERE](#)

**HIGHLIGHTS:**

- The governor’s budget is again **balanced** and **stable**.
- The governor’s budget fits within five-year budget projections.
- Gives schools the predictability and stability they need with an increase of over \$145 million in supplemental state aid and includes the third installment of the extraordinary Teacher Leadership and Compensation system.
- Fully funds our commitment to main-street businesses through property tax cuts.
- Takes the next step in modernizing our Medicaid system that will prioritize patient’s health while protecting taxpayers.

**EXTENDING THE SAVE FUND:** [View a one page information sheet here](#)

**HIGHLIGHTS:**

- Gov. Branstad is calling upon the legislature to extend the Secure and Advanced Vision for Education or SAVE fund for 20 years.
- If extended, an estimated \$20.7 billion would be made available to local schools for infrastructure.
- If extended, schools would receive the first \$10 million annually in growth in addition to what they are already getting.
- If extended, a portion of the growth would be shared to help fund water quality efforts statewide.
- If extended, the plan will provide an estimated \$4.7 billion to fund water quality.

**FUTURE READY IOWA:** [View a one page information sheet here](#)

**HIGHLIGHTS:**

- Future Ready Iowa is a goal that 70% of Iowa’s workforce will have education and training beyond high school by the year 2025.
- Collective effort among Regents Institutions, community colleges, private colleges, unions and employers to help close the skills gap in Iowa.
- Future Ready Iowa lays out four objectives:
  - Identify and meet employer needs by focusing on sector strategies, career pathways and support high-skill, high-demand jobs.
  - Communicate career pathways to students, parents, teachers, counselors, workers and community leaders.
  - Improve college and career readiness and focusing on STEM education.
  - Minimize education-related debt.
- Prioritize growth-sector strategies like bio-renewables.
  - Iowa is creating a State Energy Plan chaired by Lt. Gov. Kim Reynolds
    - [View a one page information sheet here](#)

**CRIMINAL JUSTICE SYSTEM REFORM:** [View a one page information sheet here](#)

## **HIGHLIGHTS:**

- Gov. Branstad is calling for all three branches of government to work together to address disparities in our criminal justice system.
- The Executive Branch is already taking action.
- The Judicial Branch is taking action as well.
- Gov. Branstad is issuing a call to work with the legislature on:
  - protecting our children and family members from human trafficking;
  - combatting domestic violence;
  - examining the funding model for Drug and Mental Health Courts;
  - and addressing the confidentiality of juvenile delinquency records.

## **Gov. Branstad's 2016 Condition of the State Address, as prepared for delivery, is as follows:**

*It gives me great honor to commence the 2016 Condition of the State for the first time in Iowa's history by beginning with:*

*Madam Lieutenant Governor, Madam President, Madam Speaker, Legislative leaders, justices, judges, legislators, elected officials, distinguished guests, family, friends and fellow Iowans, good morning.*

*To Rep. Tom Moore and Rep. Charles Holz--welcome to your first legislative session.*

*I look forward to working with you as you represent your constituents back home.*

*I want to welcome all returning legislators as well.*

*We return this session without an esteemed colleague and friend who was respected by both sides of the aisle, Jack Drake.*

*Jack was a personal friend of mine and many of you as well.*

*He served his constituents with passion and I know we all will miss him this session.*

*Ladies and Gentlemen, over the past 5 years the State of Iowa has made significant progress.*

*Progress which has put Iowa in a position of strength and opportunity for a bright future.*

*Sound budgeting practices and fiscal discipline now have us ranked as the 3rd best managed state in the nation.*

*Our cash reserve and economic emergency accounts are full.*

*The Iowa Economy has created 214,000 new jobs; surpassing our 2010 goal.*

*Today, Iowa's unemployment rate has been cut nearly in half to 3.4%.*

*Which is down from 6.1% five years ago.*

*Iowa has the lowest unemployment rate since 2001.*

*More Iowans are now employed than ever in our state's history.*

*Iowa family incomes have grown 18.3% from 2010.*

*We have seen over \$12 billion in private capital investment.*

*We worked in a bi-partisan fashion last session to improve both Iowa's physical and digital infrastructure.*

*And state K-12 education funding is up 35% since 2010.*

*When we look back at this progress, it is important to reflect on how we got here.*

*We did it by restoring fiscal discipline.*

*We did it by focusing on economic growth.*

*We did it by investing in our children.*

*But the key to igniting this engine of success has truly been a willingness to work together.*

*When we work together, challenges are overcome, results are delivered and Iowans have a government that works for them.*

*When we fail to work together, challenges become steeper, results are fleeting and the government fails the very people we should be serving.*

*There is no doubt this upcoming legislative session will present us with unique issues and opportunities to address.*

*It is my sincere desire to work with all of you to address the challenges we have before us.*

*We must come together again to tackle the challenges looming on our path toward a more prosperous future.*

*Last year's devastating avian influenza, lower commodity prices and an increasingly competitive world economy have reduced the growth of our state's revenue.*

*While we still see some growth, it is not as robust as we had hoped and expected.*

*In the budget I propose today, the two items where I propose spending the most money are on schools, and on Medicaid.*

*Simply put, Medicaid is costing more than ever.*

*It is stretching our budget too thin.*

*In order to improve patient health and increase the coordination of services--as well as control Medicaid costs--the state of Iowa is implementing a modern approach toward Medicaid through managed care, as most other states have already done.*

*If the state fails to implement managed care, the growth of Medicaid spending will consume virtually all of our revenue growth.*

*Working families and job creating businesses across this state want a government that is stable, predictable and delivers what it promises.*

*The budget I propose today was crafted the same way hardworking Iowans do, with a cautious eye and optimism for the future.*

*It is a tight budget.*

*It is a budget that will keep our state stable.*

*The budget is balanced today and fits within our five-year projections.*

*We should not over-promise and under-deliver.*

*This budget provides schools the stability, predictability and funding they need and deserve.*

*Today, I am proposing to increase pre K-12 funding by over \$145 million.*

*This includes the third installment of our extraordinary commitment to teacher leadership and compensation.*

*This additional investment would bring total pre K-12 education spending in the state budget to over \$3.2 billion dollars.*

*To make this level of funding possible, we have made tough decisions in other budget areas.*

*It is my sincere hope the General Assembly will move quickly to approve supplemental state aid early this session.*

*Ensuring our children's future is bright also means addressing other challenges our state faces.*

*Education officials have expressed to me a strong desire for extending a critical source of funding for school infrastructure.*

*Iowans have also expressed a strong desire to improve our state's water quality.*

*Unfortunately, too often we are presented with a false choice -- raise taxes on hardworking taxpayers or do nothing.*

*I submit to you there is a different path to chart.*

*That is why last week, Lt. Gov. Kim Reynolds and I were pleased to announce with U.S. Secretary of Agriculture Tom Vilsack a substantial investment through a bold framework for school infrastructure and water quality.*

*We made this announcement while being joined by:*

- *Sioux City Superintendent Paul Gausman*
- *Waukee Superintendent Dave Wilkerson*
- *and Southeast Polk Superintendent Dirk Halupnik*

*These education leaders are partners in supporting our innovative plan and we were also joined by:*

- *Iowa farmer Bob Hemesath*
- *Iowa Corn Grower's leader Craig Floss*
- *Iowa Soybean Association leader and Boone school board President Kirk Leeds.*
- *And co-chair of Iowa's Water Future Task Force, Larry James.*

*The Lt. Gov. and I are continuing to meet with education, agriculture and business leaders to build support for a solution that helps schools, improves water quality and protects Iowa taxpayers.*

*Today, our schools rely on the Secure Advanced Vision for Education or SAVE fund for school infrastructure.*

*The current law expires in 2029.*

*Since its inception in 2009, schools have already received \$3.2 billion in infrastructure funding.*

*Our proposal will increase annual funding from \$458 million this year, to \$788 million by 2049—providing a total of \$20.7 billion for school infrastructure.*

*At the same time, by sharing the portion of the growth over \$10 million annually, this plan will provide nearly \$4.7 billion for water quality over the same period of time.*

*Schools will receive guaranteed growth of \$10 million each year or \$100 million in additional funding for school infrastructure every decade on top of what they are already getting.*

*This is a monumental investment in both education funding and water quality and does it without raising taxes.*

*From our rich soil to abundant water, Iowans are blessed with resources that are the envy of the world.*

*Over the years, positive steps have been taken to improve our state's water quality--including our innovative nutrient reduction strategy.*

*However, it is clear we need a stable long-term source of funding to more significantly improve water quality from both point and non-point sources of pollution.*

*Unfortunately, the issue of protecting our state's water quality risks tearing apart the fabric of Iowa, pitting Des Moines against rural Iowa.*

*Simply put, we must significantly accelerate our water quality efforts in order to avoid eroding our path to prosperity.*

*As we provide certainty for our schools, and a reliable long-term source of funding for protecting our water resources, we must also offer certainty to the engines of economic progress--hardworking Iowa families.*

*As Lt. Gov. Reynolds and I travel the state, we see help wanted signs.*

*Good jobs are available here in Iowa.*

*Some of those jobs go unfilled because of the skills gap in our workforce.*

*Our Regents institutions, community colleges, private colleges, unions and employers are working to help close this skills gap.*

*We recently established a Future Ready Iowa goal that 70% of Iowa's workforce will have education and training beyond high school by the year 2025.*

*The Future Ready Iowa initiative can help focus and better align our education, workforce, and economic development efforts.*

*From the Home Base Iowa initiative to Skilled Iowa to promoting registered apprenticeships, we are enhancing Iowa's workforce.*

*In 19 months, the Home Base Iowa initiative has already led to 1,700 veterans who have been hired across Iowa.*

*Also, thanks to bipartisan support, Iowa is a national leader in registered apprenticeships.*

*Apprenticeships allow individuals to "earn while they learn" and that is exactly what Joe Gomez did through Eastern Iowa Community College's Registered Apprenticeship Culinary Arts Program.*

*While completing his apprenticeship, he also earned credit through the community college.*

*Joe has leveraged those skills into becoming an owner and operator of his own restaurant in Davenport.*

*Joe, and his wife Michelle are here today.*

*Joe, please stand and be recognized.*

*Thank you for being an example of the power of apprenticeships to grow our state's talent pipeline.*

*Last year, thanks to generous public and private-sector support, more than 100,000 Iowa students participated in quality STEM programs through the work of the Governor's STEM Advisory Council.*

*I want to be sure to recognize the students with us today from ADM High School, Norwalk Middle School, Carver Elementary School in Des Moines and Iowa Christian Academy in West Des Moines.*

*I want to thank the STEM Council's co-chairs, Lt. Gov. Kim Reynolds and Dr. Chris Nelson of Kemin Industries for their leadership, passion and vision.*

*With support from the General Assembly, Iowa can continue to be a national leader in STEM and empower more students with STEM skills.*

*In fact, a STEM Council recommendation inspired our proposal to move students into the 21<sup>st</sup> century by requiring high schools to offer at least one high-quality computer science course by 2018-19, and for middle school students to have the opportunity to take an exploratory unit on coding.*

*This General Assembly also has a tremendous opportunity to advance more effective career guidance within our K-12 system.*

*This is about teachers, counselors and other school leaders infusing career information and career-related skills into local curriculum.*

*It is about employers leading conversations in every community in the state to advance productive partnerships with educators.*

*It is about the business and non-profit communities better articulating key needs for Iowa's educators.*

*We must prioritize policies on industries that are poised to grow like bio-renewable chemicals.*

*A state bio-renewable tax credit, which is revenue neutral, will create more high-quality jobs, building on our state's leadership in renewable energy.*

*I know we can do this because we've already done it by becoming the nation's leader in renewable energy.*

*In the 1980's, Iowa began investing in renewable energies like ethanol, biodiesel and wind.*

*We were the first state to implement a renewable electric standard which I signed it into law in 1983.*

*At the time, we were almost entirely dependent on coal for electricity and foreign oil for motor fuel.*

*But look at us today:*

*We produce significantly more ethanol than we consume in gasoline which offers consumers more choices at the pump.*

*We are the leading biodiesel producing state in the nation.*

*We are seeing significant investments in other technologies like cellulosic ethanol; with two new plants in Emmetsburg and Nevada.*

*Today wind generates nearly 30% of Iowa's electric generation; more than any other state in the country.*

*And solar power generation is a growing and attractive renewable resource that an increasing number of Iowans are utilizing.*

*All of these accomplishments show the growing diversity in Iowa's economy.*

*But we must keep looking to the future, working to understand our needs and pushing for more renewable, reliable, and low-cost clean energy to meet our needs.*

*Lt. Governor Kim Reynolds is chairing our statewide effort—and working with the Iowa Partnership for Economic Progress—to develop a State Energy Plan.*

*This plan will include input from the public, the business community and a variety of state and federal partners and help us set our priorities for the future.*

*It includes an assessment of current and future energy capacities that will benefit the state and outline clear goals and strategies to keep energy costs low and facilitate economic development.*

*Companies who have invested and located in Iowa have cited our low cost of energy and growing use of renewables as major reasons for locating here.*

*Iowa could be the first state in the nation to meet 40% of our energy needs from wind power by 2020; far ahead of any other state.*

*The extension of the Federal Wind Energy Tax Credit will also help us grow wind investments and jobs in Iowa.*

*Our leadership in green energy not only makes us a leader in renewables but also powers job growth.*

*Every wind turbine you see while driving across our state means income for farmers, revenue for local governments and jobs for Iowa families.*

*Let's build on that foundation for a greener Iowa future.*

*Our state flag is emblazoned with Iowa's motto, "OUR LIBERTIES WE PRIZE AND OUR RIGHTS WE WILL MAINTAIN."*

*Maintaining our rights means we must maintain those rights for all.*

*It is time for a fresh look at the criminal justice system in Iowa to ensure that we are doing the right thing for all of our citizens.*

*Last year, I was invited to participate on a panel at the NAACP's Iowa Summit on Justice and Disparities.*

*I was invited by my friend, Betty Andrews, who joins us today.*

*Betty is the President of the NAACP chapter for Iowa and Nebraska.*

*Betty, thank you for being here--please stand and be recognized.*

*At the Summit, I announced the formation of a bi-partisan working group on justice policy reform tasked with researching and making policy recommendations.*

*The working group consisted of representatives from state and local government and the NAACP.*

*The efforts of the Working Group, and the advocacy of Betty Andrews and others, convinced me that we all need to work together to address justice in Iowa.*

*Ensuring the fundamental fairness of our system is a worthy goal.*

*But a fairer and more equitable criminal justice system also aligns with the long-term interests of taxpayers who fund our criminal justice system.*

*For example, in many cases, tax dollars may be better spent on rehabilitation rather than incarceration.*

*We can protect the public while rehabilitating those who have committed crimes.*

*We can take steps to ensure that the most serious of crimes are punished with the most serious of penalties.*

*And we can take steps to make sure that when our criminal justice system does impose punishment, that we are punishing the right person and that race does not play a role.*

*Let's take action this year, in all three branches of government, to improve our criminal justice system.*

*In the executive branch, our State Public Defender Adam Gregg recently established a new Wrongful Conviction Division to investigate wrongful convictions of innocent people.*

*These efforts will not only bring justice for those who have been wrongfully incarcerated, but will protect public safety by ensuring the right person is held responsible when a crime is committed.*

*We are already seeing a decline in our prison population and simultaneously a reduction in the rate of recidivism because of the collaboration between the Parole Board and the Department of Corrections.*

*We are more focused on providing individuals in the corrections system with skills they need to have rewarding careers upon release, including apprenticeships within the institutions.*

*The Department of Corrections has dramatically reduced phone fees as recommended by the Governor's Working Group.*

*Increased communications between inmates and their families while incarcerated can lead to a lower rate of reoffending when released.*

*The executive branch is not the only one taking action.*

*As you know, Chief Justice Mark Cady has become a leader in seeking to address the significant racial disparities which have become evident in the Iowa criminal justice system.*

*I applaud his efforts.*

*In addition, the courts are working to implement some of the Working Group recommendations, such as improving the jury selection process to ensure racial diversity of jury panels, which in turn helps assure a fair trial for all.*

*I look forward to working with all of you in the General Assembly to improve our criminal justice system by examining how we can:*

- *Protect our children and family members from human trafficking;*
- *Combat domestic violence;*
- *And examine the funding model for Drug and Mental Health Courts.*

*A significant recommendation of the Governor's Working Group included the confidentiality of juvenile delinquency records.*

*Currently, in most circumstances juvenile delinquency records are public records.*

*That means that a juvenile with even a minor theft or minor drug possession can be haunted by that mistake for the rest of their life - when they apply for college, for a job, for an apartment or for the military.*

*Some of our friends and neighbors, who have made poor decisions when they were young, continue to face significant roadblocks to success throughout their entire life.*

*We must examine whether these policies are truly protecting the public, or simply blocking a path to future career success for impacted Iowans.*

*A minor crime should not be a lifelong barrier to a successful career.*

*Juvenile records should remain confidential unless a judge specifically finds that disclosure is in the best interest of the child and the public.*

*This would allow for public disclosure in serious cases, while giving judges discretion to allow confidentiality in cases involving minor offenses.*

*Friends, this is the 86<sup>th</sup> General Assembly of the State of Iowa.*

*And the question before us is this: what can we do to provide certainty and opportunities for all Iowa families?*

*Together we can forge a new path that will lead us to stable and predictable funding for school infrastructure and historic long-term protection for water quality.*

*A path which connects lowans to rewarding careers.*

*A path that leads to exponential growth in our energy sector.*

*And a path that provides for a more fair and equitable society for all lowans.*

*Let us be bold.*

*Let us be courageous.*

*Let us set our path toward the future, and seize the opportunities before us.*

*Thank you. God Bless you, and God bless the people of Iowa.*

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