



# ILLINOIS HOUSING DEVELOPMENT AUTHORITY

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

A Component Unit of the State of Illinois

FINANCIAL STATEMENTS

JUNE 30, 2025

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

Performed as Special Assistant

Auditors for the Auditor General - State of Illinois

This page intentionally left blank.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2025

IHDA BOARD OF DIRECTORS AND AGENCY OFFICIALS	6
FINANCIAL STATEMENT REPORT SUMMARY	7
INDEPENDENT AUDITORS' REPORT	9
MANAGEMENT'S DISCUSSION AND ANALYSIS	13
BASIC FINANCIAL STATEMENTS	23
GOVERNMENT-WIDE FINANCIAL STATEMENTS	23
STATEMENT OF NET POSITION	23
STATEMENT OF ACTIVITIES	25
FUND FINANCIAL STATEMENTS	26
BALANCE SHEET - GOVERNMENTAL FUNDS	26
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND	
BALANCES - GOVERNMENTAL FUNDS	27
STATEMENT OF NET POSITION - PROPRIETARY FUNDS	28
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -	
PROPRIETARY FUNDS	30
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	31
NOTES TO THE FINANCIAL STATEMENTS	33
SUPPLEMENTARY INFORMATION	92
NONMAJOR GOVERNMENTAL FUNDS:	93
COMBINING BALANCE SHEET	93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN	
FUND BALANCES	94
MORTGAGE LOAN PROGRAM FUND:	95
COMBINING SCHEDULE OF NET POSITION	95
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND	
NET POSITION	96
COMBINING SCHEDULE OF CASH FLOWS	97
SINGLE FAMILY PROGRAM FUND:	98
COMBINING SCHEDULE OF NET POSITION	98
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND	
NET POSITION	99
COMBINING SCHEDULE OF CASH FLOWS	100
NONMAJOR PROPRIETARY FUND - IHDA DISPOSITIONS LLC	101
COMBINING SCHEDULE OF NET POSITION	101
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND	
NET POSITION	102
COMBINING SCHEDULE OF CASH FLOWS	103

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2025**

<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>104</b>
<b>PRIOR YEAR FINDINGS NOT REPEATED</b>	<b>106</b>
<b>The Uniform Guidance Single Audit Report will be issued under a separate cover.</b>	



**ILLINOIS HOUSING  
DEVELOPMENT AUTHORITY**

# **INTRODUCTORY SECTION**

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
BOARD OF DIRECTORS AND AGENCY OFFICIALS  
YEAR ENDED JUNE 30, 2025  
**BOARD OF DIRECTORS**

Chairman (07/11/16 – Present)	Mr. King Harris
Vice Chair (03/13/17 – Present)	Ms. Luz Ramirez
Treasurer (02/25/13 – Present)	Mr. Salvatore Tornatore
Secretary (03/15/24 – Present)	Ms. Sonia Berg
Member (11/18/19 – Present)	Mr. Thomas Morsch
Member (12/16/22 – Present)	Mr. Daniel Hayes
Member (12/16/22 – Present)	Mr. Brice Hutchcraft
Member (10/30/23 – Present)	Ms. Erika Poethig
Member (05/31/24 – Present)	Ms. Claire Leopold

**AGENCY OFFICIALS**

Executive Director (11/12/19 – Present)	Ms. Kristin Faust
Deputy Executive Director (08/18/20 – Present)	Ms. Karen Davis
Assist. Executive Director/Chief of Staff (10/05/21 – Present)	Mr. Lawrence Grisham
Chief Financial Officer (04/23/24 – Present)	Mr. Seth Runkle
Deputy Chief Financial Officer/ Managing Director of FP&A (07/01/23 – Present)	Ms. Tracy Grimm
Controller (07/01/23 – Present)	Mr. Muhammad Jalaluddin
Chief Internal Auditor (12/15/20 – Present)	Ms. Christina Lopez
General Counsel (08/16/24 – Present)	Ms. Christina McClernon
Interim General Counsel (07/02/24 – 08/15/24)	Ms. Kathryn Finn
General Counsel (08/01/11 – 07/01/24)	Ms. Maureen G. Ohle
Interim Chief Information Officer (10/01/25 – Present)	Mr. Seth Runkle
Chief Information Officer (07/05/22 – 09/30/25)	Mr. Keith Evans

The Illinois Housing Development Authority's primary administrative office is located at:  
111 E. Wacker Drive, Suite 1000  
Chicago, Illinois 60601

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
FINANCIAL STATEMENT REPORT SUMMARY  
YEAR ENDED JUNE 30, 2025

**FINANCIAL STATEMENT REPORT**

**Summary**

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

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

**Summary of Findings**

	<b><u>Current Report</u></b>	<b><u>Prior Report</u></b>
<b>Number of</b>		
Findings	0	1
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	1	3

**Schedule of Findings**

**Prior Findings Not Repeated**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Last/First Reported</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
A	106	2024/2024	Inadequate Controls over Subscription- Based Information Technology Assets	Significant Deficiency

**Exit Conference**

The Authority waived an exit conference in email correspondence from Kristin Faust, Executive Director on November 20, 2025.



**ILLINOIS HOUSING  
DEVELOPMENT AUTHORITY**

# **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Illinois Housing Development Authority (the Authority), a component unit of the State of Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

The Authority implemented GASB Statement No. 101, *Compensated Absences*, effective for periods after December 15, 2023 as referenced in Note 2. This implementation required a change in accounting principle and resulted in the restatement of beginning net position as of July 1, 2024. Our audit opinion is not modified with respect to this matter.

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information, such as the combining and individual nonmajor governmental funds, mortgage loan program fund, single family program fund, and nonmajor Proprietary fund – IHDA Dispositions LLC financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor governmental funds, mortgage loan program fund, single family program fund, and nonmajor Proprietary fund – IHDA Dispositions LLC financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the IHDA Board of Directors and Agency Officials section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025, on our consideration of the Illinois Housing Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

  
**SIGNED ORIGINAL ON FILE**

**CliftonLarsonAllen LLP**

Oak Brook, Illinois  
December 5, 2025

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2025

This Section of the Illinois Housing Development Authority's (the Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the Authority's financial statements, which follow this section.

**Financial Highlights**

- The Authority's overall net position increased by \$159.9 million, to \$1,533.7 million as of June 30, 2025, from an increase in the Authority's governmental activities of \$11.8 million and an increase in business-type activities of \$148.1 million.
- The Authority's gross debt bond issuances during the fiscal year ended June 30, 2025, totaled \$1,360.5 million. The Authority's debt outstanding (net of discounts and premiums) totaled \$5.3 billion as of June 30, 2025, which was \$1,097.5 million more than the amount outstanding as of June 30, 2024. More details on the Authority's gross debt issuances can be found in Note 8 - Bonds and Notes Payable.
- Appropriation and intergovernmental agreement in governmental activities amounted to \$438.8 million for the programs and funding sources presented in the table below.

Programs	Funding Source	Appropriation Amount (in Millions)
COVID-19 Affordable Housing Grant Program (CAHGP)	State and Local Fiscal Recovery Funds - US Dept of Treasury	140.0
Emergency Rental Assistance Program (ERA)	Emergency Rental Assistance Funds - US Dept of Treasury	25.0
Homeowners Assistance Fund Program (HAF)	Homeowner Assistance Fund - US Dept of Treasury	25.0
Illinois Affordable Housing Trust Fund (HTF)	Illinois Department of Human Services	110.0
Rental Support Program	Illinois Department of Human Services	26.8
Foreclosure Prevention Program Fund (FPP)	Illinois Department of Human Services	1.0
Build Illinois Bond Fund (BIBP)	Illinois Department of Human Services	27.1
Abandoned Residential Property Municipality Relief Fund (APP)	Illinois Department of Human Services	2.5
Foreclosure Prevention Program Graduated Fund (FPP-G)	Illinois Department of Human Services	1.5
Permanent Supportive Housing Development Program (PSH)	Illinois Department of Human Services	4.7
IHDA Mortgage Opening Doors Program (Opening Doors)	Illinois Department of Human Services	0.2
Illinois General Revenue Fund (State CBRAP)	Illinois Department of Human Services	75.0

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

- Program loan originations for fiscal year 2025 totaled \$41.0 million and \$208.1 million in the Authority's governmental and business-type activities, respectively, compared to fiscal year 2024 loan originations of \$17.0 million and \$189.3 million, respectively.

Overview of the Financial Statements

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

- The first two statements are government-wide financial statements that provide information about the Authority's overall financial position and operations. These statements, which are presented on the accrual basis, consist of the statement of net position and the statement of activities.
- The remaining statements are fund financial statements of the Authority's twenty governmental funds, for which activities are funded from State appropriation (grants), U.S. Department of Housing & Urban Development (HUD), and U.S. Treasury Programs, and for which the Authority follows the modified accrual basis of accounting, and four proprietary funds, which operate similar to business activities and for which the Authority follows the accrual basis of accounting.
- The basic financial statements include notes to the financial statements that explain some of the information in the government-wide and fund financial statements, and provide more detailed data.

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

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

The Authority manages two types of funds:

Governmental funds – The Authority is the administrator of twenty governmental funds, of which the revenues are appropriated annually to the Illinois Department of Human Services (IDHS) or received directly from HUD. These fund statements represents cash and other assets received and used by the government funds.

Proprietary funds – The Authority's primary activities are in its four enterprise funds for which activities are accounted in a manner similar to businesses operating in the private sector. Funding has primarily

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

arisen through the issuances of both tax-exempt and taxable bonds, the proceeds of which are primarily used to provide various types of loans to finance low and moderate-income housing. The IHDA Dispositions LLC is primarily funded by rental income collected by the properties until such time as disposition occurs. The net position of these funds represents accumulated earnings since their inception and is generally restricted for program purposes.

### Financial Analysis of the Authority as a Whole

#### Net Position

The combined net position of the Authority increased by \$159.9 million, or 11.6%, from July 1, 2024, through June 30, 2025. The following table shows a summary of changes from prior year amounts:

#### Condensed Statements of Net Position

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

	Governmental Activities		Increase/(Decrease)		Business-Type Activities		Increase/(Decrease)		Total		Increase/(Decrease)	
	2025	2024	Amount	Percentage	2025	2024	Amount	Percentage	2025	2024	Amount	Percentage
<b>Current Assets:</b>												
Cash and Unrestricted Investments	\$ 284.2	\$ 323.9	\$ (39.7)	(12.3)%	\$ 887.4	\$ 684.8	\$ 202.6	29.6 %	\$ 1,171.6	\$ 1,008.7	\$ 162.9	16.1 %
Investments – Restricted	13.2	25.4	(12.2)	(48.0)	316.9	222.5	94.4	42.4	330.1	247.9	82.2	33.2
Net Program Loans Receivable	46.2	47.5	(1.3)	(2.7)	32.2	19.7	12.5	63.5	78.4	67.2	11.2	16.7
Other Current Assets	66.8	61.6	5.2	8.4	37.8	36.8	1.0	2.7	104.6	98.4	6.2	6.3
Total Current Assets	410.4	458.4	(48.0)	(10.5)	1,274.3	963.8	310.5	32.2	1,684.7	1,422.2	262.5	18.5
<b>Noncurrent Assets:</b>												
Investments	—	—	—	—	76.0	185.1	(109.1)	(58.9)	76.0	185.1	(109.1)	(58.9)
Investments – Restricted	36.6	16.9	19.7	116.6	4,382.4	3,411.6	970.8	28.5	4,419.0	3,428.5	990.5	28.9
Net Program Loans Receivable	763.4	712.3	51.1	7.2	798.5	665.0	133.5	20.1	1,561.9	1,377.3	184.6	13.4
Capital Assets, Net	—	—	—	—	28.6	33.7	(5.1)	(15.1)	28.6	33.7	(5.1)	(15.1)
Other Assets	—	—	—	—	76.3	80.1	(3.8)	(4.7)	76.3	80.1	(3.8)	(4.7)
Total Noncurrent Assets	800.0	729.2	70.8	9.7	5,361.8	4,375.5	986.3	22.5	6,161.8	5,104.7	1,057.1	20.7
Total Assets	\$ 1,210.4	\$ 1,187.6	\$ 22.8	1.9 %	\$ 6,636.1	\$ 5,339.3	\$ 1,296.8	24.3 %	\$ 7,846.5	\$ 6,526.9	\$ 1,319.6	20.2 %
<b>Deferred Outflow of Resources:</b>												
Accumulated Decrease in Fair Value of Hedge Derivatives	\$ —	\$ —	\$ —	— %	\$ 3.3	\$ 2.7	\$ 0.6	22.2 %	\$ 3.3	\$ 2.7	\$ 0.6	22.2 %
<b>Current Liabilities:</b>												
Due to Grantees	\$ 78.7	\$ 72.4	\$ 6.3	8.7 %	\$ —	\$ —	\$ —	— %	\$ 78.7	\$ 72.4	\$ 6.3	8.7 %
Due to State of Illinois	152.9	141.2	11.7	8.3	—	—	—	—	152.9	141.2	11.7	8.3
Bonds and Notes Payable	—	—	—	—	289.6	161.7	127.9	79.1	289.6	161.7	127.9	79.1
Deposits Held in Escrow	—	—	—	—	178.6	166.4	12.2	7.3	178.6	166.4	12.2	7.3
Other Current Liabilities	104.3	136.9	(32.6)	(23.8)	87.6	70.4	17.2	24.4	191.9	207.3	(15.4)	(7.4)
Total Current Liabilities	335.9	350.5	(14.6)	(4.2)	555.8	398.5	157.3	39.5	891.7	749.0	142.7	19.1
<b>Noncurrent Liabilities:</b>												
Due to State of Illinois	374.9	349.1	25.8	7.4	—	—	—	—	374.9	349.1	25.8	7.4
Bonds and Notes Payable	—	—	—	—	4,974.8	4,005.3	969.5	24.2	4,974.8	4,005.3	969.5	24.2
Other Liabilities	—	—	—	—	6.2	6.9	(0.7)	(10.1)	6.2	6.9	(0.7)	(10.1)
Total Noncurrent Liabilities	374.9	349.1	25.8	7.4	4,981.0	4,012.2	968.8	24.1	5,355.9	4,361.3	994.6	22.8
Total Liabilities	\$ 710.8	\$ 699.6	\$ 11.2	1.6 %	\$ 5,536.8	\$ 4,410.7	\$ 1,126.1	25.5 %	\$ 6,247.6	\$ 5,110.3	\$ 1,137.3	22.3 %

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**

**Condensed Statements of Net Position (Continued)**

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

	<b>Governmental Activities</b>		<b>Increase/(Decrease)</b>		<b>Business-Type Activities</b>		<b>Increase/(Decrease)</b>		<b>Total</b>		<b>Increase/(Decrease)</b>	
	<b>2025</b>	<b>2024</b>	<b>Amount</b>	<b>Percentage</b>	<b>2025</b>	<b>2024</b>	<b>Amount</b>	<b>Percentage</b>	<b>2025</b>	<b>2024</b>	<b>Amount</b>	<b>Percentage</b>
<b>Deferred Inflow of Resources:</b>												
Accumulated Increase in Fair Value of Hedging Derivatives	\$ —	\$ —	\$ —	— %	\$ 29.7	\$ 34.9	\$ (5.2)	(14.9)%	\$ 29.7	\$ 34.9	\$ (5.2)	(14.9)%
Gain on Refinanced Debt	—	—	—	—	30.8	—	30.8	100.0	30.8	—	30.8	100.0
Deferred Revenue	—	—	—	—	8.0	10.4	(2.4)	(23.1)	8.0	10.4	(2.4)	(23.1)
Total Deferred Inflow of Resources	—	—	—	—	68.5	45.3	23.2	51.2	68.5	45.3	23.2	51.2
<b>Net Position:</b>												
Net Investment in Capital Assets	\$ —	\$ —	\$ —	— %	\$ 16.6	\$ 16.7	\$ (0.1)	(0.6)%	\$ 16.6	\$ 16.7	\$ (0.1)	(0.6)%
Restricted	499.6	487.8	11.8	2.4	722.4	575.6	146.8	25.5	1,222.0	1,063.4	158.6	14.9
Unrestricted	—	—	—	—	295.1	293.7	1.4	0.5	295.1	293.7	1.4	0.5
Total Net Position	\$ 499.6	\$ 487.8	\$ 11.8	2.4 %	\$ 1,034.1	\$ 886.0	\$ 148.1	16.7 %	\$ 1,533.7	\$ 1,373.8	\$ 159.9	11.6 %

Net position may serve over time as a useful indicator of a government's financial position. The Authority's assets and deferred outflows exceeded its liabilities and deferred inflows by \$1,533.7 million, at the close of June 30, 2025.

**Governmental Activities**

Net position of governmental activities increased by \$11.8 million or 2.4% from the previous year due to an increase in net programs loans receivable of \$49.8 million primarily due to increases the Illinois Affordable Housing Trust Fund and HOME Program of \$23.9 million and \$14.6 million, respectively, due to higher loan closings, a decrease in other current liabilities of \$32.6 million, partially offset by a decrease in cash and unrestricted investments of \$39.7 million, and an increase in Due to State of Illinois of \$37.5 million. Grants and administrative expenses were the primary drivers for the decrease in other current liabilities due to the decrease in the COVID-19 State and Local Fiscal Recovery Fund of \$33.7 million, consequently, reducing cash and cash equivalents for this program.

The net position of the Illinois Affordable Housing Trust Fund is recorded as Due to the State of Illinois as the Authority acts only as the administrator of the Housing Program and considers its interest in the net position to be that of the State of Illinois. Revenues of the Rental Housing Support Program Fund, COVID-19 State and Local Fiscal Recovery Fund, and Illinois General Revenue Fund are disbursed as grant or administrative expenses, and therefore have no fund balances.

**Business-Type Activities**

Net position of business type activities increased by \$148.1 million or 16.7% from the previous year as a result of increased total cash and investments of \$1,158.7 million and higher net program loans receivable of \$146.0 million due to loan originations exceeding loan repayments offset by increased bonds and notes payable of \$1,097.4 million due to higher bond issuances, increased deposits held in escrow of \$12.2 million, increased other current liabilities of \$17.2 million and a deferred gain on refinanced debt of \$30.8 million. The bond proceeds net of related issuance costs resulted in higher cash and investments.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

## Statement of Activities

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

A summary of changes in net position for the fiscal year ended June 30, 2025, is shown in the following table.

Changes in Net Position (In millions of dollars)												
Governmental Activities		Increase/(Decrease)		Business-Type Activities		Increase/(Decrease)		Total		Increase/(Decrease)		
2025	2024	Amount	Percentage	2025	2024	Amount	Percentage	2025	2024	Amount	Percentage	
Revenue:												
Program Revenues:												
Charges for Services	\$ 20.8	\$ 28.2	\$ (7.4)	(26.2)%	\$ 88.9	\$ 75.1	\$ 13.8	18.4 %	\$ 109.7	\$ 103.3	\$ 6.4	6.2 %
Operating/Grant/Federal Revenues	208.8	486.4	(277.6)	(57.1)	3.2	5.7	(2.5)	(43.9)	212.0	492.1	(280.1)	(56.9)
General Revenues:												
Investment Income	—	—	—	—	350.3	172.5	177.8	103.1	350.3	172.5	177.8	103.1
Total Revenues	229.6	514.6	(285.0)	(55.4)	442.4	253.3	189.1	74.7	672.0	767.9	(95.9)	(12.5)
Expenses:												
Direct	195.9	433.8	(237.9)	(54.8)	274.4	198.1	76.3	38.5	470.3	631.9	(161.6)	(25.6)
Administrative	30.9	53.2	(22.3)	(41.9)	8.8	5.7	3.1	54.4	39.7	58.9	(19.2)	(32.6)
Total Expenses	226.8	487.0	(260.2)	(53.4)	283.2	203.8	79.4	39.0	510.0	690.8	(180.8)	(26.2)
Capital Contributions and Transfers:												
Capital Contributions	—	—	—	—	0.3	7.7	(7.4)	(96.1)	0.3	7.7	(7.4)	(96.1)
Transfers In/(Out)	9.0	—	9.0	100.0	(9.0)	—	(9.0)	(100.0)	—	—	—	—
Total Capital Contributions and Transfers	9.0	—	9.0	100.0	(8.7)	7.7	(16.4)	(213.0)	0.3	7.7	(7.4)	(96.1)
Increase (Decrease) in Net Position	11.8	27.6	(15.8)	(57.2)	150.5	57.2	93.3	163.1	162.3	84.8	77.5	91.4
Net Position at Beginning of the Year	487.8	460.2	27.6	6.0	886.0	828.8	57.2	6.9	1,373.8	1,289.0	84.8	6.6
Change in Accounting Principle	—	—	—	—	(2.4)	—	(2.4)	(100.0)	(2.4)	—	(2.4)	(100.0)
Net Position at Beginning of Year, as Restated	487.8	460.2	27.6	6.0	883.6	828.8	54.8	6.6	1,371.4	1,289.0	82.4	6.4
Net Position at End of the Year	\$ 499.6	\$ 487.8	\$ 11.8	2.4 %	\$ 1,034.1	\$ 886.0	\$ 148.1	16.7 %	\$ 1,533.7	\$ 1,373.8	\$ 159.9	11.6 %

## Governmental Activities

Revenues of the Authority's governmental activities decreased by \$285.0 million. The most significant factors contributing to the decrease was lower grants from COVID-19 Emergency Rental Assistance Fund in the amount of \$128.0 million, COVID-19 Homeowner Assistance Fund in the amount of \$125.8 million, the COVID-19 State and Local Fiscal Recovery Fund in the amount of \$62.7 million and the Build Illinois Bond Program of \$40.5 million. These decreases were partially offset by an increase in the Illinois General Revenue Fund in the amount of \$72.9 million. Administrative expenses decreased by \$22.3 million, primarily due to ongoing wind-down activities in the COVID-19 Emergency Rental Assistance Fund and COVID-19 Homeowner Assistance Fund program of \$17.9 million and \$11.2 million, respectively, partially offset by an increase of \$8.5 million in the Illinois General Revenue Fund. Direct expenses decreased by \$237.9 million, primarily due to continuing wind-down activities in the COVID-19 Emergency Rental Assistance Fund, COVID-19 Homeowner Assistance Fund program, and COVID-19 State and Local Fiscal Recovery Fund, which declined by \$110.1 million, \$114.6 million, and \$61.5 million, respectively, partially offset by an increase of \$64.3 million in the Illinois General Revenue Fund.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**Business-Type Activities**

Revenues of the Authority's business-type activities increased by \$189.1 million, primarily due to higher investment income in the amount of \$177.8 million. This increase was driven by higher investments and related earnings in the Single Family Program Fund of \$201.4 million, partially offset by decreases in the Administrative Fund and Mortgage Loan Program Fund of \$21.0 million and \$2.6 million, respectively. Direct expenses increased by \$76.3 million as a result of higher interest expense of \$67.0 million and an increase in Asset Under Management (AUM) fee expense of \$11.7 million, reflecting ongoing investment management activities. The \$67.0 million increase in interest expense is primarily attributable to bond issuance within the Single Family Program Fund.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**Proprietary Fund Results**

The net position of the Authority's proprietary funds increased by \$148.1 million to \$1,034.1 million from June 30, 2024 to June 30, 2025. The following table summarizes the revenues, expenses, and changes in fund net position of the Authority's proprietary funds:

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

	Administrative Fund		Inc/(Dec)		Mortgage Loan Program Fund		Inc/(Dec)	
	2025	2024	\$	%	2025	2024	\$	%
<b>Operating Revenues:</b>								
Interest Earned on Program Loans	\$ 0.4	\$ 1.0	\$ (0.6)	(60.0)%	\$ 23.7	\$ 18.7	\$ 5.0	26.7 %
Interest and Other Income	14.7	25.7	(11.0)	(42.8)	13.1	15.4	(2.3)	(14.9)
Service Fees	10.5	10.7	(0.2)	(1.9)	0.1	—	0.1	100.0
Asset Under Management Fee Revenue	15.0	—	15.0	100.0	—	—	—	—
Development Fees	3.9	10.0	(6.1)	(61.0)	—	—	—	—
HUD Savings	0.1	0.3	(0.2)	(66.7)	—	—	—	—
Tax Credit Reservation and Monitoring Fees	9.9	10.1	(0.2)	(2.0)	—	—	—	—
Other Income	5.5	6.6	(1.1)	(16.7)	15.1	14.0	1.1	7.9
Total Operating Revenues	60.0	64.4	(4.4)	(6.8)	52.0	48.1	3.9	8.1
<b>Operating Expenses:</b>								
Interest Expense	0.8	3.3	(2.5)	(75.8)	17.6	14.9	2.7	18.1
Salaries and Benefits	27.9	23.5	4.4	18.7	—	—	—	—
Professional Fees	5.7	2.7	3.0	111.1	—	—	—	—
Amortization Expense - Lease	—	1.3	(1.3)	(100.0)	—	—	—	—
Amortization Expense - SBITA	—	1.2	(1.2)	(100.0)	—	—	—	—
Depreciation and Amortization	3.1	—	3.1	100.0	1.3	—	1.3	100.0
Other General and Administrative	3.4	3.5	(0.1)	(2.9)	7.4	6.1	1.3	21.3
Financing Costs	1.2	2.3	(1.1)	(47.8)	2.3	0.1	2.2	2200.0
Asset Under Management Expenses	—	—	—	—	3.5	—	3.5	100.0
Program Grants	—	14.9	(14.9)	(100.0)	0.4	—	0.4	100.0
Change in Accrual for Estimated Losses on Mortgage Participation Certificate Program	(0.1)	(1.6)	1.5	93.8	—	—	—	—
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(0.1)	(1.0)	0.9	90.0	(0.8)	5.3	(6.1)	(115.1)
Provision for Estimated Losses on Real Estate Held for Sale	0.1	—	0.1	100.0	—	—	—	—
Total Operating Expenses	42.0	50.1	(8.1)	(16.2)	31.7	26.4	5.3	20.1
<b>Operating Income</b>	18.0	14.3	3.7	25.9	20.3	21.7	(1.4)	(6.5)
<b>Nonoperating Revenues and Expenses</b>								
Gain/Loss on Investment Sale Revenue	(0.1)	8.0	(8.1)	(101.3)	—	—	—	—
Net Increase (Decrease) in Fair Value of Investments	0.6	2.5	(1.9)	(76.0)	0.5	0.8	(0.3)	(37.5)
Federal Assistance Programs Revenues	3.2	5.7	(2.5)	(43.9)	—	—	—	—
Federal Assistance Programs Expenses	(3.2)	(5.7)	2.5	43.9	—	—	—	—
Gain/(Loss) on SBITA Terminations	(0.2)	—	(0.2)	(100.0)	—	—	—	—
Loss on Disposition	—	—	—	—	—	—	—	—
Impairment Loss	—	—	—	—	—	—	—	—
Total Nonoperating Revenues and Expenses	0.3	10.5	(10.2)	(97.1)	0.5	0.8	(0.3)	(37.5)
Transfers	(25.3)	(3.7)	(21.6)	(583.8)	(102.4)	—	(102.4)	(100.0)
<b>Change in Net Position</b>	(7.0)	21.1	(28.1)	(133.2)	(81.6)	22.5	(104.1)	(462.7)
Net Position at Beginning of Year	412.4	391.3	21.1	5.4	412.4	389.9	22.5	5.8
Change in Accounting Principle	(2.4)	—	(2.4)	(100.0)	—	—	—	—
Net Position at Beginning of Year, as Restated	410.0	391.3	18.7	4.8	412.4	389.9	22.5	5.8
<b>Net Position at End of Year</b>	<u>\$ 403.0</u>	<u>\$ 412.4</u>	<u>\$ (9.4)</u>	<u>(2.3)%</u>	<u>\$ 330.8</u>	<u>\$ 412.4</u>	<u>\$ (81.6)</u>	<u>(19.8)%</u>

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**

**Changes in Net Position/Proprietary Funds (Continued)**

(In millions of dollars)

	Single Family Program Fund		Inc/(Dec)		Nonmajor IHDA Dispositions LLC		Inc/(Dec)		Total		Inc/(Dec)	
	2025	2024	\$	%	2025	2024	\$	%	2025	2024	\$	%
<b>Operating Revenues:</b>												
Interest Earned on Program Loans	\$ 2.8	\$ 3.5	\$ (0.7)	(20.0)%	\$ —	\$ —	\$ —	— %	\$ 26.9	\$ 23.2	\$ 3.7	15.9 %
Interest and Other Income	230.7	134.1	96.6	72.0	—	—	—	—	258.5	175.2	83.3	47.5
Service Fees	—	—	—	—	—	—	—	—	10.6	10.7	(0.1)	(0.9)
Asset Under Management Fee Revenue	—	—	—	—	—	—	—	—	15.0	—	15.0	100.0
Development Fees	—	—	—	—	—	—	—	—	3.9	10.0	(6.1)	(61.0)
HUD Savings	—	—	—	—	—	—	—	—	0.1	0.3	(0.2)	(66.7)
Tax Credit Reservation and Monitoring Fees	—	—	—	—	—	—	—	—	9.9	10.1	(0.2)	(2.0)
Rental Income and Vacancies	—	—	—	—	0.5	0.3	0.2	66.7	0.5	0.3	0.2	66.7
Other Income	1.4	—	1.4	100.0	—	—	—	—	22.0	20.6	1.4	6.8
Total Operating Revenues	234.9	137.6	97.3	70.7	0.5	0.3	0.2	66.7	347.4	250.4	97.0	38.7
<b>Operating Expenses:</b>												
Interest Expense	174.3	107.5	66.8	62.1	—	—	—	—	192.7	125.7	67.0	53.3
Salaries and Benefits	—	—	—	—	—	—	—	—	27.9	23.5	4.4	18.7
Professional Fees	—	—	—	—	—	—	—	—	5.7	2.7	3.0	111.1
Amortization Expense - Lease	—	—	—	—	—	—	—	—	—	1.3	(1.3)	(100.0)
Amortization Expense - SBITA	—	—	—	—	—	—	—	—	—	1.2	(1.2)	(100.0)
Depreciation and Amortization	—	—	—	—	—	—	—	—	4.4	—	4.4	100.0
Other General and Administrative	0.3	0.6	(0.3)	(50.0)	0.8	0.3	0.5	166.7	11.9	10.5	1.4	13.3
Financing Costs	10.3	12.8	(2.5)	(19.5)	—	—	—	—	13.8	15.2	(1.4)	(9.2)
Asset Under Management Expenses	8.2	—	8.2	100.0	—	—	—	—	11.7	—	11.7	100.0
Program Grants	5.3	—	5.3	100.0	—	—	—	—	5.7	14.9	(9.2)	(61.7)
Change in Accrual for Estimated Losses on Mortgage Participation Certificate Program	—	—	—	—	—	—	—	—	(0.1)	(1.6)	1.5	93.8
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	1.2	0.1	1.1	1100.0	—	—	—	—	0.3	4.4	(4.1)	(93.2)
Provision for Estimated Losses on Real Estate Held for Sale	0.2	0.3	(0.1)	(33.3)	—	—	—	—	0.3	0.3	—	—
Loss of Derivative Transaction	—	—	—	—	—	—	—	—	—	—	—	—
Total Operating Expenses	199.8	121.3	78.5	64.7	0.8	0.3	0.5	166.7	274.3	198.1	76.2	38.5
<b>Operating Income</b>	35.1	16.3	18.8	115.3	(0.3)	—	(0.3)	(100.0)	73.1	52.3	20.8	39.8
<b>Nonoperating Revenues and Expenses</b>												
Gain/(Loss) on Investment Sale Revenue	(4.2)	0.3	(4.5)	(1500.0)	—	—	—	—	(4.3)	8.3	(12.6)	(151.8)
Net Increase (Decrease) in Fair Value of Investments	95.0	(14.4)	109.4	759.7	—	—	—	—	96.1	(11.1)	107.2	965.8
Federal Assistance Programs Revenues	—	—	—	—	—	—	—	—	3.2	5.7	(2.5)	(43.9)
Federal Assistance Programs Expenses	—	—	—	—	—	—	—	—	(3.2)	(5.7)	2.5	43.9
Gain/(Loss) on SBITA Terminations	—	—	—	—	—	—	—	—	(0.2)	—	(0.2)	(100.0)
Loss on Disposition	—	—	—	—	(2.8)	—	(2.8)	(100.0)	(2.8)	—	(2.8)	(100.0)
Impairment Loss	—	—	—	—	(2.7)	—	(2.7)	(100.0)	(2.7)	—	(2.7)	(100.0)
Total Nonoperating Revenues and Expenses	90.8	(14.1)	104.9	744.0	(5.5)	—	(5.5)	(100.0)	86.1	(2.8)	88.9	3175.0
Capital Contribution	—	—	—	—	0.3	7.7	(7.4)	(96.1)	0.3	7.7	(7.4)	(96.1)
Transfers	118.7	3.7	115.0	3108.1	—	—	—	—	(9.0)	—	(9.0)	(100.0)
<b>Change in Net Position</b>	244.6	5.9	238.7	4045.8	(5.5)	7.7	(13.2)	(171.4)	150.5	57.2	93.3	163.1
Net Position at Beginning of Year	53.5	47.6	5.9	12.4	7.7	—	7.7	100.0	886.0	828.8	57.2	6.9
Change in Accounting Principle	—	—	—	—	—	—	—	—	(2.4)	—	(2.4)	(100.0)
Net Position at Beginning of Year, as Restated	53.5	47.6	5.9	12.4	7.7	—	7.7	100.0	883.6	828.8	54.8	6.6
<b>Net Position at End of Year</b>	<u>\$ 298.1</u>	<u>\$ 53.5</u>	<u>\$ 244.6</u>	<u>457.2 %</u>	<u>\$ 2.2</u>	<u>\$ 7.7</u>	<u>\$ (5.5)</u>	<u>(71.4)%</u>	<u>\$ 1,034.1</u>	<u>\$ 886.0</u>	<u>\$ 148.1</u>	<u>16.7 %</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

The net position of the Administrative Fund decreased by \$9.4 million, which includes \$2.4 million due to a Change in Accounting Principle, compared to prior year increase of \$21.1 million. Operating income was \$18.0 million, an increase of \$3.7 million compared to prior year operating income of \$14.3 million, and net transfers out were \$25.3 million, compared to \$3.7 million in the prior year, which reflected funding of issuance costs for five Revenue Bonds for Single Family Programs paid from the Administrative Fund. The increase in fiscal year 2025 operating income was primarily due to lower program grants of \$14.9 million.

The net position of the Mortgage Loan Program Fund decreased by \$81.6 million, compared to the prior year's increase of \$22.5 million. Operating income was \$20.3 million, a decrease of \$1.4 million from prior year, mainly due to an increase in interest earned on program loans of \$5.0 million, other income of \$1.1 million, and a decrease in provisions for estimated losses on program loans receivable of \$6.1 million offset by higher interest expense of \$2.7 million, lower interest income of \$2.3 million, higher assets under management expenses of \$3.5 million, higher financing costs of \$2.2 million, higher other general and administrative \$1.3 million and higher depreciation and amortization of \$1.3 million.

The net position of the Single Family Program Fund increased by \$244.6 million, compared to the prior year's increase of \$5.9 million. Operating income was \$35.1 million, an increase of \$18.8 million from prior year, primarily due to an increase in investments and higher short-term interest rates resulting in higher earnings of \$96.6 million and a decrease in financing costs of \$2.5 million, offset by higher interest expense of \$66.8 million, higher asset under management costs of \$8.2 million and higher program grants of \$5.3 million. Nonoperating income was \$90.8 million, an increase of \$104.9 million from the prior year, primarily reflecting a \$109.4 million improvement in fair value of investments, offset by a \$4.5 million higher loss on investment sale.

### Nonoperating Revenues and Expenses

Total fiscal year 2025 nonoperating revenues and expenses increased by \$88.9 million to \$86.1 million compared to fiscal year 2024 of \$2.8 million net expenses. The increase was primarily due to \$107.2 million improvement in fair value of investments and offset by a \$12.6 million higher loss on investment sale.

### Authority Debt

The Authority's debt increased by \$1.1 billion due to debt issuances and debt retirements during fiscal year 2025 are as follows (in millions):

	<u>Debt Issuances</u>	<u>Debt Retirements</u>
Administrative Fund	\$ 465.7	\$ 357.1
Single Family Program Fund	1,141.0	230.9
Premium on Revenue Bonds	29.6	10.9
Discount on Revenue Bonds	—	(0.1)
Mortgage Loan Program Fund	219.5	157.6
Discount on Multifamily Revenue Bonds	(1.9)	—
Total	\$ 1,853.9	\$ 756.4

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

For additional information, see Note 8 – Bonds and Notes Payable in the Notes to the Financial Statements.

As of June 30, 2025, the Authority's Issuer Credit Ratings were Aa3 (Stable) by Moody's Investors Service, AA (Stable) by Standard and Poor's (S&P) and AA (Stable) by Fitch Ratings.

### **Capital Asset Activity**

The Authority had no significant capital asset activity in fiscal year 2025. More details on capital asset activity can be found in Note 7 – Capital Assets in the Notes to the Financial Statements.

### **Economic Factors and Outlook**

During the majority of fiscal year 2025, tax-exempt bond rates were favorable for new issuance, which provided the Authority an opportunity to issue tax-exempt fixed/variable rate long-term bonds in the amount of \$437.7 million, and taxable fixed/variable rate long-term bonds in the amount of \$703.3 million in the Single Family Program. The Authority correspondingly issued tax-exempt fixed rate/variable rate long-term bonds in support of its Multifamily Program in the amount of \$218.5 million and taxable fixed/variable rate long-term bonds in the amount of \$1.0 million.

During fiscal year 2025, the Authority also financed a portion of its activity relating to homeownership in the State of Illinois through the sale of mortgage-backed securities to the secondary market. The Authority uses forward commitments to lock in the price of securities related to secondary market sales.

As the Authority moves into fiscal year 2026 and into the future, the Authority will continue to explore new methods to expand its Single Family and Multi-Family lending activities that are consistent with the State's housing needs. The Authority will collaboratively work with other housing entities and stakeholders to provide effective and efficient housing solutions. The Authority will continue to explore solutions to prevent foreclosures by providing assistance to eligible homeowners who have and may still be experiencing significant financial hardship.

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

### **Contacting the Authority's Financial Management**

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF NET POSITION (DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2025

<b>Assets</b>	Governmental Activities	Business-Type Activities	Total
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ —	\$ 34,682	\$ 34,682
Cash and Cash Equivalents - Restricted	284,230	580,078	864,308
Total Cash and Cash Equivalents	284,230	614,760	898,990
Investments	—	272,628	272,628
Investments - Restricted	13,237	316,898	330,135
Investment Income Receivable	—	1,093	1,093
Investment Income Receivable - Restricted	368	21,183	21,551
Program Loans Receivable	46,229	32,157	78,386
Grant Receivable	66,568	—	66,568
Interest Receivable on Program Loans	234	3,343	3,577
Other	12	11,854	11,866
Internal Balances	(419)	419	—
Total Current Assets	410,459	1,274,335	1,684,794
<b>Noncurrent Assets:</b>			
Investments	—	76,043	76,043
Investments - Restricted	36,614	4,382,355	4,418,969
Program Loans Receivable, Net of Current Portion	868,174	814,409	1,682,583
Less Allowance for Estimated Losses	(104,814)	(15,921)	(120,735)
Net Program Loans Receivable	763,360	798,488	1,561,848
Real Estate Held for Sale	—	2,364	2,364
Less Allowance for Estimated Losses	—	(22)	(22)
Net Real Estate Held for Sale	—	2,342	2,342
Due from Fannie Mae	—	28,100	28,100
Due from Freddie Mac	—	3,750	3,750
Capital Assets			
Capital Assets, not being Depreciated	—	16,400	16,400
Capital Assets, net of Accumulated Depreciation	—	12,203	12,203
Derivative Instrument Asset	—	29,724	29,724
Other	9	12,438	12,447
Total Noncurrent Assets	799,983	5,361,843	6,161,826
Total Assets	1,210,442	6,636,178	7,846,620
<b>Deferred Outflows of Resources</b>			
Accumulated Decrease in Fair Value of Hedging Derivatives	—	3,288	3,288
Total Deferred Outflows of Resources	\$ —	\$ 3,288	\$ 3,288

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF NET POSITION (CONTINUED)  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Due to Grantees	\$ 78,749	\$ —	\$ 78,749
Due to State of Illinois	152,881	—	152,881
Bonds and Notes Payable	—	289,620	289,620
Accrued Interest Payable	—	54,713	54,713
Unearned Revenue	104,195	257	104,452
Deposits Held in Escrow	—	178,555	178,555
Lease Liability	—	1,312	1,312
Subscription Liability	—	532	532
Accrued Compensated Absences	—	3,265	3,265
Accrued Liabilities and Other	100	27,574	27,674
Total Current Liabilities	335,925	555,828	891,753
<b>Noncurrent Liabilities:</b>			
Due to State of Illinois	374,907	—	374,907
Bonds and Notes Payable, Net of Current Portion	—	4,974,793	4,974,793
Unearned Revenue	—	513	513
Lease Liability, Net of Current Portion	—	564	564
Subscription Liability, Net of Current Portion	—	781	781
Accrued Compensated Absences, Net of Current	—	1,086	1,086
Derivative Instrument Liability	—	3,288	3,288
Total Noncurrent Liabilities	374,907	4,981,025	5,355,932
Total Liabilities	710,832	5,536,853	6,247,685
<b>Deferred Inflows of Resources</b>			
Accumulated Increase in Fair Value of Hedging			
Derivatives	—	29,724	29,724
Gain on Refinanced Debt	—	30,765	30,765
Deferred Revenue	—	8,040	8,040
Total Deferred Inflows of Resources	—	68,529	68,529
<b>Net Position</b>			
Net Investment in Capital Assets	—	16,629	16,629
Restricted for Bond Resolution Purposes	—	612,041	612,041
Restricted for Loan and Grant Programs	499,610	42,036	541,646
Restricted	—	68,274	68,274
Unrestricted	—	295,104	295,104
Total Net Position	\$ 499,610	\$ 1,034,084	\$ 1,533,694

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF ACTIVITIES (DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025

Functions/programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services and Interest Income	Operating Grant/Federal Revenues	Capital Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
Illinois Affordable Housing Trust Program	\$ 24,063	\$ 3,754	\$ 20,309	\$ —	\$ —	\$ —	\$ —
HOME Program	424	2,164	11,530	—	13,270	—	13,270
Rental Housing Support Program	22,790	2,486	20,304	—	—	—	—
Build Illinois Bond Program Fund	31,846	4,372	10,075	—	(17,399)	—	(17,399)
COVID 19 -State and Local Fiscal Recovery Fund	40,558	3,450	37,108	—	—	—	—
Illinois General Revenue Fund	72,870	390	72,480	—	—	—	—
Other Programs	34,218	4,214	36,982	—	6,978	—	6,978
Total Governmental Activities	226,769	20,830	208,788	—	2,849	—	2,849
<b>Business-Type Activities:</b>							
Administrative Programs	45,364	45,332	3,237	—	—	3,205	3,205
Mortgage Loan Programs	31,718	38,826	—	—	—	7,108	7,108
Single Family Mortgage Loan Programs	199,879	4,202	—	—	—	(195,677)	(195,677)
Other Programs	6,350	524	—	—	—	(5,826)	(5,826)
Total Business-Type Activities	283,311	88,884	3,237	—	—	(191,190)	(191,190)
Total Authority	<u>\$ 510,080</u>	<u>\$ 109,714</u>	<u>\$ 212,025</u>	<u>\$ —</u>	2,849	(191,190)	(188,341)
<b>General Revenues, Contributions, and Transfers:</b>							
Net Investment Gain					—	350,299	350,299
Contributions					—	322	322
Transfers					9,000	(9,000)	—
Total General Revenues and Capital Contributions					9,000	341,621	350,621
Change in Net Position					11,849	150,431	162,280
Net Position at Beginning of Year					487,761	886,003	1,373,764
Change in Accounting Principle					—	(2,350)	(2,350)
Net Position at Beginning of Year, as Restated					487,761	883,653	1,371,414
Net Position at End of Year					<u>\$ 499,610</u>	<u>\$ 1,034,084</u>	<u>\$ 1,533,694</u>

See accompanying notes to the financial statements.

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**BALANCE SHEET – GOVERNMENTAL FUNDS (DOLLARS IN THOUSANDS)**  
**AS OF JUNE 30, 2025**

Assets	Major Funds						Nonmajor Governmental Funds	Total
	Illinois Affordable Housing Trust Fund	HOME Program Fund	Rental Housing Support Program	Build Illinois Bond Program Fund	COVID-19 State and Local Fiscal Recovery Fund	Illinois General Revenue Fund		
<b>Current Assets:</b>								
Cash and Cash Equivalents - Restricted	\$ 88,149	\$ 15,188	\$ 9,300	\$ 59,801	\$ 65,631	\$ 4,247	\$ 41,914	\$ 284,230
Investments - Restricted	—	—	13,237	—	—	—	—	13,237
Investment Income Receivable - Restricted	—	—	368	—	—	—	—	368
Program Loans Receivable	18,355	27,618	—	25	—	—	231	46,229
Grant Receivable	47,273	—	19,295	—	—	—	—	66,568
Interest Receivable on Program Loans	81	126	—	—	—	—	27	234
Other	—	—	—	12	—	—	—	12
Due from Other Funds	—	—	—	941	592	38	416	1,987
Total Current Assets	153,858	42,932	42,200	60,779	66,223	4,285	42,588	412,865
<b>Noncurrent Assets:</b>								
Investments, restricted	—	—	36,614	—	—	—	—	36,614
Program Loans Receivable, Net of Current Less Allowance for Estimated Losses	430,612 (55,705)	324,143 (38,829)	—	13,780 (3,067)	—	—	99,639 (7,213)	868,174 (104,814)
Net Program Loans Receivable	374,907	285,314	—	10,713	—	—	92,426	763,360
Other	1	7	—	—	—	1	—	9
Total Noncurrent Assets	374,908	285,321	36,614	10,713	—	1	92,426	799,983
Total Assets	<u>\$ 528,766</u>	<u>\$ 328,253</u>	<u>\$ 78,814</u>	<u>\$ 71,492</u>	<u>\$ 66,223</u>	<u>\$ 4,286</u>	<u>\$ 135,014</u>	<u>\$ 1,212,848</u>
<b>Liabilities and Fund Balances</b>								
<b>Current liabilities:</b>								
Due to Grantees	\$ —	\$ —	\$ 78,749	\$ —	\$ —	\$ —	\$ —	\$ 78,749
Due to State of Illinois	152,881	—	—	—	—	—	—	152,881
Unearned Revenue	—	126	—	—	66,172	4,286	33,764	104,348
Accrued Liabilities and Other	—	4	—	—	51	—	45	100
Due to Other Funds	978	772	65	8	—	—	583	2,406
Total Current Liabilities	153,859	902	78,814	8	66,223	4,286	34,392	338,484
<b>Noncurrent Liabilities:</b>								
Due to State of Illinois	374,907	—	—	—	—	—	—	374,907
Total Liabilities	528,766	902	78,814	8	66,223	4,286	34,392	713,391
<b>Fund Balances:</b>								
Restricted	—	327,351	—	71,484	—	—	100,622	499,457
Total Fund Balances	—	327,351	—	71,484	—	—	100,622	499,457
Total Liabilities and Fund	<u>\$ 528,766</u>	<u>\$ 328,253</u>	<u>\$ 78,814</u>	<u>\$ 71,492</u>	<u>\$ 66,223</u>	<u>\$ 4,286</u>	<u>\$ 135,014</u>	<u>\$ 1,212,848</u>

Amounts reported for Governmental Activities in the Statement of Net Position are different due to:

Unearned Interest Receivable on Certain Program Loans Receivable		\$ 153
Net Position of Governmental Activities		<u>\$ 499,610</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025

	Major Funds							
	Illinois Affordable Housing Trust Fund	HOME Program Fund	Rental Housing Support Program Fund	Build Illinois Bond Program Fund	COVID-19 State and Local Fiscal Recovery Fund	Illinois General Revenue Fund	Nonmajor Governmental Funds	Total
<b>Revenues:</b>								
Grants from State of Illinois	\$ 20,309	\$ —	\$ 20,304	\$ 10,075	\$ 30	\$ 72,480	\$ —	\$ 123,198
Federal Funds	—	11,530	—	—	37,078	—	36,982	85,590
Interest and Other Investment Income	3,754	2,169	2,289	4,372	3,449	389	1,635	18,057
Net Inc/Dec Fair Value Investment	—	—	197	—	—	—	—	197
Other Income	—	—	—	—	1	1	2,564	2,566
Total Revenues	24,063	13,699	22,790	14,447	40,558	72,870	41,181	229,608
<b>Expenditures:</b>								
Debt Services:								
Principal	—	—	—	—	—	21	—	21
Interest	—	—	—	—	—	114	—	114
General and Administrative	9,624	2,106	986	—	2,498	8,541	7,072	30,827
Grants	10,309	431	21,780	32,221	34,546	63,704	26,303	189,294
Financing Costs	376	112	24	—	65	101	161	839
Program Income Transferred to State of Illinois	3,754	—	—	—	3,449	389	1,559	9,151
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	—	(2,225)	—	(375)	—	—	(877)	(3,477)
Total Expenditures	24,063	424	22,790	31,846	40,558	72,870	34,218	226,769
<b>Excess of Revenues Over (Under) Expenditures</b>	—	13,275	—	(17,399)	—	—	6,963	2,839
Other Financing Sources (Uses)								
Transfer In	—	—	—	9,000	—	—	—	9,000
Total Other Financing Sources (Uses)	—	—	—	9,000	—	—	—	9,000
<b>Net Change in Fund Balances</b>	—	13,275	—	(8,399)	—	—	6,963	11,839
Fund Balances at Beginning of Year	—	314,076	—	79,883	—	—	93,659	487,618
<b>Fund Balances at End of Year</b>	\$ —	\$ 327,351	\$ —	\$ 71,484	\$ —	\$ —	\$ 100,622	\$ 499,457
Amounts reported for Governmental Activities in the Statement of Activities are different due to:								
Unavailable Interest Receivable on Certain Program Loans Receivable								10
Change in Net Position of Governmental Activities								\$ 11,849

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2025

Assets	Major Funds			Nonmajor	Total
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	Proprietary Fund IHDA Dispositions LLC	
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 34,647	\$ —	\$ —	\$ 35	\$ 34,682
Cash and Cash Equivalents - Restricted	187,819	207,121	185,138	—	580,078
Total Cash and Cash Equivalents	222,466	207,121	185,138	35	614,760
Investments	272,628	—	—	—	272,628
Investments - Restricted	62,725	17,519	236,654	—	316,898
Investment Income Receivable	1,093	—	—	—	1,093
Investment Income Receivable - Restricted	679	883	19,621	—	21,183
Program Loans Receivable	10,471	11,558	10,128	—	32,157
Interest Receivable on Program Loans	222	2,438	683	—	3,343
Other Assets	11,854	—	—	—	11,854
Due from Other Funds	32,941	—	—	—	32,941
Total Current Assets	615,079	239,519	452,224	35	1,306,857
<b>Noncurrent Assets:</b>					
Investments	76,043	—	—	—	76,043
Investments – Restricted	9,312	44,436	4,328,607	—	4,382,355
Program Loans Receivable, Net of Current Portion	47,225	656,369	110,815	—	814,409
Less Allowance for Estimated Losses	(5,326)	(7,906)	(2,689)	—	(15,921)
Net Program Loans Receivable	41,899	648,463	108,126	—	798,488
Real Estate Held for Sale	—	—	248	2,116	2,364
Less Allowance for Estimated Losses	—	—	(22)	—	(22)
Net Real Estate Held for Sale	—	—	226	2,116	2,342
Due from Fannie Mae	—	28,100	—	—	28,100
Due from Freddie Mac	—	3,750	—	—	3,750
Capital Assets					
Capital Assets, not being Depreciated	—	16,400	—	—	16,400
Capital Assets, net of Accumulated Depreciation	2,973	9,230	—	—	12,203
Derivative Instrument Asset	904	5,207	23,613	—	29,724
Other	11,996	413	29	—	12,438
Total Noncurrent Assets	143,127	755,999	4,460,601	2,116	5,361,843
Total Assets	758,206	995,518	4,912,825	2,151	6,668,700
<b>Deferred Outflows of Resources</b>					
Accumulated Decrease in Fair Value of Hedging Derivatives	168	241	2,879	—	3,288
Total Deferred Outflows of Resources	\$ 168	\$ 241	\$ 2,879	\$ —	\$ 3,288

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2025

Liabilities	Major Funds			Nonmajor Proprietary Fund IHDA Dispositions LLC	Total
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund		
<b>Current Liabilities:</b>					
Bonds and Notes Payable	\$ 143,828	\$ 28,200	\$ 117,592	\$ —	\$ 289,620
Accrued Interest Payable	—	7,462	47,251	—	54,713
Unearned Revenue	257	—	—	—	257
Deposits Held in Escrow	178,555	—	—	—	178,555
Lease Liability	1,312	—	—	—	1,312
Subscription Liability	532	—	—	—	532
Compensated Absences	3,265	—	—	—	3,265
Accrued Liabilities and Other	13,464	8,563	5,547	—	27,574
Due to Other Funds	1,979	—	30,543	—	32,522
Total Current Liabilities	343,192	44,225	200,933	—	588,350
<b>Noncurrent Liabilities:</b>					
Bonds and Notes Payable, Net of Current Portion	8,119	584,508	4,382,166	—	4,974,793
Unearned Revenue	513	—	—	—	513
Lease Liability, Net of Current Portion	564	—	—	—	564
Subscription Liability, Net of Current Portion	781	—	—	—	781
Compensated Absences, Net of Current	1,086	—	—	—	1,086
Derivative Instrument Liability	168	241	2,879	—	3,288
Total Noncurrent Liabilities	11,231	584,749	4,385,045	—	4,981,025
Total Liabilities	354,423	628,974	4,585,978	—	5,569,375
<b>Deferred Inflows of Resources</b>					
Accumulated Increase in Fair Value of Hedging Derivatives	904	5,207	23,613	—	29,724
Gain on Refinanced Debt	—	30,765	—	—	30,765
Deferred Revenue	—	—	8,040	—	8,040
Total Deferred Inflows of Resources	904	35,972	31,653	—	68,529
<b>Net Position</b>					
Net Investment in Capital Assets	(216)	16,845	—	—	16,629
Restricted for Bond Resolution Purposes	—	313,968	298,073	—	612,041
Restricted for Loan and Grant Programs	42,036	—	—	—	42,036
Restricted	68,274	—	—	—	68,274
Unrestricted	292,953	—	—	2,151	295,104
Total Net Position	\$ 403,047	\$ 330,813	\$ 298,073	\$ 2,151	\$ 1,034,084

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET POSITION –  
PROPRIETARY FUNDS  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025

	Major Funds			Nonmajor Proprietary Fund IHDA Dispositions LLC	Total
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund		
<b>Operating Revenues:</b>					
Interest and Other Investment Income	\$ 14,685	\$ 13,148	\$ 230,678	\$ —	\$ 258,511
Interest Earned on Program Loans	375	23,659	2,848	—	26,882
Service Fees	10,499	55	—	—	10,554
Asset Under Management Fee Revenue	15,000	—	—	—	15,000
Development Fees	3,922	—	—	—	3,922
HUD Savings	119	—	—	—	119
Tax Credit Reservation and Monitoring Fees	9,909	—	—	—	9,909
Rental Income	—	—	—	515	515
Other Income	5,508	15,112	1,354	9	21,983
Total Operating Revenues	60,017	51,974	234,880	524	347,395
<b>Operating Expenses:</b>					
Interest Expense	751	17,554	174,326	—	192,631
Salaries and Benefits	27,922	—	—	—	27,922
Professional Fees	5,733	—	—	—	5,733
Other General and Administrative	3,273	7,356	356	830	11,815
Depreciation and Amortization	3,101	1,348	—	—	4,449
Financing Costs	1,220	2,311	10,327	—	13,858
Asset Under Management Expenses	—	3,500	8,167	—	11,667
Program Grants	41	398	5,280	—	5,719
Change in Accrual for Estimated Losses on Mortgage Participation Certificate Program	(66)	—	—	—	(66)
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(128)	(788)	1,227	—	311
Provision for Estimated Losses on Real Estate Held for Sale	75	39	196	—	310
Total Operating Expenses	41,922	31,718	199,879	830	274,349
Total Operating Income	18,095	20,256	35,001	(306)	73,046
<b>Nonoperating Revenues and Expenses</b>					
Gain/(Loss) on Investment Sales	(96)	2	(4,251)	—	(4,345)
Net Increase (Decrease) in Fair Value of Investments	585	508	95,040	—	96,133
Gain/(Loss) on SBITA Terminations	(205)	—	—	—	(205)
Federal Assistance Programs Revenues	3,237	—	—	—	3,237
Federal Assistance Programs Expenses	(3,237)	—	—	—	(3,237)
Loss on Disposition	—	—	—	(2,826)	(2,826)
Impairment Loss	—	—	—	(2,694)	(2,694)
Total Nonoperating Income (Loss)	284	510	90,789	(5,520)	86,063
<b>Income (Loss) Before Contributions and Transfers</b>	18,379	20,766	125,790	(5,826)	159,109
Contributions	—	—	—	322	322
Transfers In	28,500	7,247	208,047	—	243,794
Transfers Out	(53,835)	(109,647)	(89,312)	—	(252,794)
Total Capital Contributions and Transfers	(25,335)	(102,400)	118,735	322	(8,678)
<b>Change in Net Position</b>	(6,956)	(81,634)	244,525	(5,504)	150,431
Net Position at Beginning of Year	412,353	412,447	53,548	7,655	886,003
Change in Accounting Principle	(2,350)	—	—	—	(2,350)
Net Position at the Beginning of Year, as Restated	410,003	412,447	53,548	7,655	883,653
<b>Net Position at End of Year</b>	\$ 403,047	\$ 330,813	\$ 298,073	\$ 2,151	\$ 1,034,084

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025

	<b>Major Funds</b>			Nonmajor Proprietary Fund IHDA Dispositions LLC	Total
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund		
<b>Cash Flows From Operating Activities:</b>					
Receipts for Program Loans, Interest, and Service	\$ 61,695	\$ 46,037	\$ 18,226	\$ —	\$ 125,958
Payments for Program Loans	(42,013)	(154,021)	(30,371)	—	(226,405)
Receipts for Rental Operations	—	—	—	464	464
Payments for Rental Operations	—	—	—	(830)	(830)
Receipts for Federal Assistance Programs	—	55	—	—	55
Receipts for Credit Enhancements	—	1,016	—	—	1,016
Payments for Program Grants	(41)	(398)	(5,280)	—	(5,719)
Payments to Suppliers	(8,972)	(9,386)	(10,683)	—	(29,041)
Receipts for AUM fees	15,000	—	—	—	15,000
Payments for AUM fees	—	(3,500)	(8,167)	—	(11,667)
Payments to Employees	(24,597)	—	—	—	(24,597)
Receipts for Tax Credit Reservations and Monitoring Fees	9,909	—	—	—	9,909
Other Receipts	5,627	15,116	1,354	—	22,097
Net Cash Provided (Used) by Operating Activities	16,608	(105,081)	(34,921)	(366)	(123,760)
<b>Cash Flows from Noncapital Financing Activities:</b>					
Interest Paid on Revenue Bonds and Notes	(508)	(16,202)	(164,150)	—	(180,860)
Due to / from Other Funds	(13,144)	37,063	(22,131)	—	1,788
Proceeds from Sale of Bonds and Notes	465,684	248,381	1,170,584	—	1,884,649
Principal Paid on Bonds and Notes	(357,139)	(157,576)	(241,698)	—	(756,413)
Transfers In	28,500	7,247	157,384	—	193,131
Transfers Out	(53,835)	(88,637)	(59,659)	—	(202,131)
Net Cash Provided (Used) by Noncapital Financing Activities	69,558	30,276	840,330	—	940,164
<b>Cash Flows from Capital Financing and Related Activities:</b>					
Acquisition of Capital Assets	(458)	—	—	—	(458)
Principal and Interest Paid on Lease	(1,364)	—	—	—	(1,364)
Principal and Interest Paid on SBITA	(1,695)	—	—	—	(1,695)
Capital Contributions	—	—	—	322	322
Net Cash Provided (Used) by Capital Financing and Related Activities	(3,517)	—	—	322	(3,195)
<b>Cash Flows from Investing Activities:</b>					
Purchase of Investment Securities	(2,259,503)	(362,060)	(930,751)	—	(3,552,314)
Proceeds from Sales and Maturities of Investment Securities	1,026,045	305,337	1,158,337	—	2,489,719
Interest Received on Investments	1,310	6,444	228,530	—	236,284
Transfers Into Investments	—	—	(1,202,078)	—	(1,202,078)
Transfers Out of Investments	1,104,101	46,098	51,879	—	1,202,078
Net Cash Provided (Used) by Investing Activities	(128,047)	(4,181)	(694,083)	—	(826,311)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(45,398)	(78,986)	111,326	(44)	(13,102)
Cash and Cash Equivalents, Beginning of the Year	267,864	286,107	73,812	79	627,862
<b>Cash and Cash Equivalents, End of the Year</b>	<u>\$ 222,466</u>	<u>\$ 207,121</u>	<u>\$ 185,138</u>	<u>\$ 35</u>	<u>\$ 614,760</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2025

	<u>Major Funds</u>			Nonmajor Proprietary Fund IHDA Dispositions LLC	Total
	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund		
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>					
Operating Income (Loss)	\$ 18,095	\$ 20,256	\$ 35,001	\$ (306)	\$ 73,046
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Loss on disposition	—	—	—	(2,826)	(2,826)
Gain/(Loss) on SBITA Terminations	(205)	—	—	—	(205)
Investment income	(14,685)	(13,148)	(230,678)	—	(258,511)
Interest expense	751	17,554	174,326	—	192,631
Depreciation and amortization	3,101	1,348	—	—	4,449
Non-cash asset disposition	1,459	34	—	—	1,493
Change in accrual for estimated losses on mortgage participation certificate program	(66)	—	—	—	(66)
Changes in provision for (reversal of) estimated losses on program loans receivable	(128)	(788)	1,227	—	311
Changes in provision for estimated losses real estate held for sale	75	39	196	—	310
Changes in assets and liabilities:					
Program loans receivable	(136)	(133,172)	(12,917)	—	(146,225)
Interest receivable (payable) on program loans	(126)	(617)	(145)	—	(888)
Other assets	(4,665)	295	4,212	2,766	2,608
Other liabilities	13,583	2,332	1,281	—	17,196
Due from Fannie Mae	—	461	—	—	461
Due from Freddie Mac	—	555	—	—	555
Changes in Deferred Outflow of Resources	4	26	(615)	—	(585)
Changes in Deferred Inflow of Resources	(449)	(256)	(6,809)	—	(7,514)
Total adjustments	(1,487)	(125,337)	(69,922)	(60)	(196,806)
Net cash provided by (used in) operating activities	\$ 16,608	\$ (105,081)	\$ (34,921)	\$ (366)	\$ (123,760)
<b>Noncash investing capital and financing activities:</b>					
Transfer of foreclosed assets	\$ —	\$ 9	\$ 336	\$ —	\$ 345
Increase (decrease) in the fair value of investments	\$ 585	\$ 508	\$ 95,040	\$ —	\$ 96,133

See accompanying notes to the financial statements.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025

## Notes to the Financial Statements

Note 1 – Authorizing Legislation

Note 2 – Summary of Significant Accounting Policies

Note 3 – Cash and Investments

Note 4 – Interfund Balances and Transfers

Note 5 – Program Loans Receivable

Note 6 – Real Estate Held for Sale

Note 7 – Capital Assets

Note 8 – Bonds and Notes Payable

Note 9 – Deposits Held in Escrow

Note 10 – Leases

Note 11 – Subscription Based Information Technology Arrangements

Note 12 – Risk Management

Note 13 – Compensated Absences

Note 14 – Retirement Plan

Note 15 – Commitments and Contingencies

Note 16 – Subsequent Events

Note 17 – Restatement of Net Position

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 1      AUTHORIZING LEGISLATION**

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

The bonds and notes outstanding as of June 30, 2025, as shown on the Authority's financial statements consist of both general and special limited obligations of the Authority (see note 8). The full faith and credit of the Authority are pledged for payment of general obligation bonds and notes. The Authority has the power under the Act (20 ILCS 3805/22) to have up to \$11.5 billion of general and special limited obligation bonds and notes outstanding, excluding those issued to refund outstanding bonds and notes. See reference footnote 8 E - Other Financings that impact the Authority debt authorization. At June 30, 2025, amounts outstanding against this limitation were approximately \$7.2 billion.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

For financial reporting purposes, the Authority is a component unit of the State of Illinois. The Authority has one component unit, the IHDA Dispositions LLC (the LLC) which includes one real estate property held for sale ("Perry Portfolio") - see Note 2 N for further details. Separate financial statements are not prepared for the LLC.

The LLC was organized on September 25, 2012 as a member-managed limited liability company under the Illinois Limited Liability Company Act. The LLC was organized by, and is a component unit of the Authority, a body politic and corporate of the State of Illinois. The sole member of the LLC is the Authority. To the extent provided by the Illinois Limited Liability Company Act, the Authority's liability is limited. The LLC maintains, improves and disposes of multi-family properties, acquired through foreclosure or deed-in-lieu of foreclosure, that are owned by single asset entity LLC's of which the LLC will be the sole member. Since the LLC qualifies as a disregarded entity-single member LLC, income from the LLC would pass through to the 100% owner, the Authority.

With the creation of the LLC, a separate legal entity of the Authority, the criteria for reporting component unit was considered. Under Generally Accepted Accounting Principles, (GAAP), a component unit can be reported as a discretely presented or blended component unit of the primary government. In considering the criteria of both presentations, the Authority found the LLC to be a component unit of the Authority that should be reported as a blended component unit based on the following criteria defined as:

- (a) The Authority and the LLC share a common governing body. GAAP requires the boards be "substantively the same", and there is sufficient representation whereas the voting majority of the component unit's board also functions as a voting majority of the primary government's board.
- (b) There is an exclusive or almost exclusive benefit or burden to the Authority, as the LLC (1) provides service entirely or almost entirely to the primary government; or (2) otherwise exclusively or almost exclusively benefits or burdens the primary government even though it does not provide services directly to the primary government.

**B. Basis of Presentation**

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

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

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

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

The Authority reports the following major governmental funds:

**Illinois Affordable Housing Trust Fund**

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

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**HOME Program Fund**

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

**Rental Housing Support Program Fund**

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

**Build Illinois Bond Program Fund**

The Authority administers multiple programs with Build Illinois Bonds Program (BIBP) funds appropriated to the Illinois Department of Human Services, for the benefit of the Authority, by the General Assembly. BIBP funds are utilized for a variety of affordable housing activities. Activities include making loans, grants, and other investments for the benefit of income eligible families, senior citizens, persons with disabilities, and at-risk displaced veterans.

**COVID-19 State and Local Fiscal Recovery Fund**

The Authority administered the COVID-19 Affordable Housing Grant Program (CAHGP) and Opening Doors Program (ODP) from funds received by the State from the Treasury's State and Local Fiscal Recovery Fund Program. Eligible uses of the funds, for CAHGP and ODP, include providing grants, forgivable loans, administrative expenses associated with affordable housing development and down payment and/or closing cost assistance associated with purchasing a home.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Illinois General Revenue Fund**

In September 2024, the Authority administered the State Court-Based Rental Assistance Program (State CBRAP) from funds received from the Illinois Department of Human Services. State CBRAP utilized program funds to provide grants for emergency rental assistance to eligible tenants and housing providers throughout Illinois, with the purpose of preventing eviction, promoting housing stability, and supporting the continued availability of affordable rental housing.

The Authority reports the following major proprietary funds:

**Administrative Fund**

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

In addition, the Administrative Fund has provided for supplemental financing of certain developments through residual income loans and below market financing for various developments through the Authority's Housing Partnership Program (see Note 5), and its lending program in conjunction with a debt service savings sharing agreement (the FAF Savings Program) with the U.S. Department of Housing and Urban Development (HUD) (see Note 15). The Administrative Fund also includes Section 8 New Construction and Section 8 Mod Rehab.

**Mortgage Loan Program Fund**

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

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

**Single Family Program Fund**

The Single Family Program Fund accounts for the proceeds of Homeowner Mortgage Revenue Bonds, Housing Revenue Bonds, and Revenue Bonds, issued to provide funds for the purchase from lending institutions of mortgage loans on owner-occupied, one-to-four-unit dwellings acquired by eligible buyers. In most instances, it has been the Authority's practice to pool loans into mortgage-backed securities and either sell them in the secondary market or retain and pledge them as collateral for bonds. Unearned revenue includes fees earned from the buy down of homeowner mortgage interest rates to below market levels and amortized over the forgivable loan period of the down payment assistance provided. The use of tax-exempt financing to provide eligible borrowers with affordable rate mortgage loans involves federal restrictions on expenses chargeable to the program. Unless described otherwise in the indenture, any expenses incurred in the program more than such maximum amounts are absorbed by the Administrative Fund.

**C. Basis of Accounting**

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

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

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

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Adoption of New Accounting Principles**

In the fiscal year ended June 30, 2025, the Authority implemented the requirements of GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 101 requires that liabilities for compensated absences be recognized for leave that has been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off, otherwise paid in cash or settled through noncash means. The Authority adopted the requirements of the guidance that was effective for periods beginning after December 15, 2023. This has been reported for prior periods presented as a change in accounting principle. See Note 17.

In 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The provisions of this Statement became effective for the Authority during fiscal year 2025 with no material impact.

**E. Fund Balances**

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

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

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

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

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

**Unassigned** – This consists of residual deficit fund balances.

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Net Position**

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

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

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

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

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

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

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Net Position (Continued)**

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

Homeownership Mortgage Loan Program	
Provide funds to support Single Family Homeownership in the State of Illinois through second lien position loans and/or grants	\$      60,000
Multifamily Mortgage Loan Program	
To pay possible losses arising in the Multifamily Program attributable, but not limited to, delinquencies or defaults on uninsured or unsubsidized loans	20,000
Homeownership Mortgage Loan Program	
To pay possible losses arising in the Homeownership Program attributable, but not limited to, delinquencies or defaults on uninsured or unsubsidized loans	5,000
Homeownership Mortgage Loan Program	
Provide funds to purchase homeownership mortgage loans and/or mortgage-backed securities under the Program which may eventually be purchased with proceeds from future issuances of Authority debt or sold in the secondary market	130,000
Multifamily Mortgage Loan Program	
Provide funds to finance Multifamily loans originated under the Program	35,000
Multi-Family Preservation Program	
Provide funds for Preservation 2.0 that will assist qualified developments to preserve the long-term stability of affordable rental housing for the benefit of very low income or low-income households throughout the State	30,000
Provide funds for the Authority's planned technology and other enhancements	10,000
	<hr/>
	\$      290,000
	<hr/> <hr/>

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Use of Estimates**

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

**H. Deferred Outflows/Inflows of Resources**

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

Deferred outflows/inflows of resources include:

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

**I. Risk and Uncertainties**

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

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

**J. Cash and Cash Equivalents**

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Investments**

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

The Authority records investment transactions based on trade date.

The investment of funds is restricted by various bond and note resolutions of the Authority and the Act (20 ILCS 3805/7.13 & 7.26), generally, to direct obligations of the United States government; specific bank obligations, certain of which are fully secured as required by the bond and note resolutions; and obligations of other governmental entities that meet defined standards. The type of collateral instruments that secure the demand repurchase agreements held by the Authority are subject to the same restrictions described above. Generally, collateral instruments are held by third-party institutions.

**L. Program Loans Receivable**

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

**M. Capital Assets**

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

The Authority records depreciation against Lakeshore Plaza on a straight-line basis over forty years. At June 30, 2025, the net carrying value was \$9.2 million which is net of accumulated depreciation of \$30.7 million. Net depreciation expense for fiscal year 2025 was \$1.3 million. Although the Authority does not regularly own and operate properties as part of its normal business operations, for the benefit of furthering its affordable housing mission, it is within its scope to do so. Since its acquisition Lakeshore Plaza has continued to be owned and operated by the Authority as part of its business operations and therefore is reported as a capital asset of the Mortgage Loan Program Fund. This property is collateral for Housing Bond 2008B. The Authority will continue to evaluate the operation of Lakeshore Plaza and its impact on operations accordingly.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. IHDA Dispositions LLC Real Estate Held for Sale**

Property Name	Net Carrying Value (in 000's)	Acquired Date	Total No. of Units	Out-of-Service Units	Estimated Annual Real Estate Taxes (in 000's)	FY2025 Management Fees (in 000's)
IHDA Dispositions 2023-1 LLC Riverdale Development	\$ 2,116	4/2/2024	96	45	\$ 154	\$ 83
IHDA Dispositions 2023-2 LLC Galena Prestwick Development	—	3/14/2024	41	2	14	18
IHDA Dispositions 2023-3 LLC Lakeview (Watseka) Development	—	3/14/2024	37	2	20	16
IHDA Dispositions 2023-4 LLC Valley Ridge (Caseyville) Development	—	3/14/2024	41	5	37	18

These LLC properties ("Perry Portfolio") were subject to one or more land use restriction agreements (LURA) that restrict occupancy to households that are low income, very low income or extremely low income. However, by taking these properties via deed in lieu, the LURAs have been terminated, but certain restrictions continue to be effective for 3 years from the date of disposition. The LLC properties are shown in thousands, except units. The sale of Lakeview was finalized on January 23, 2025. Galena Prestwick and Valley Ridge sale was finalized on January 31, 2025. The Authority recognized an impairment loss on Riverdale of \$2.7M in fiscal year 2025.

**O. Real Estate Held for Sale**

Real estate held for sale arises from foreclosures or other mortgage default related actions on properties pledged as collateral on Single Family \$225,715, and IHDA Dispositions LLC (REO) \$2,116,000 - see property break-out noted above for further details. See Note 6 for analysis of real estate for sale, net of allowance for estimated losses. Real estate held for sale is recorded at the unpaid principal balance plus accrued interest on the loans as of the date the loans become real estate owned, plus subsequent expenses incurred less any insurance or other loan related payments received. Since several loans covered by pool insurance have reached maximum reimbursements allowable for loss claims and other loans in the portfolio are uninsured, it is anticipated that proceeds arising from the sale of such property and certain insurance proceeds may not fully cover any losses experienced.

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**Q. Operations**

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

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

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

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

A portion of the Authority's operating expenses of administering the Illinois Affordable Housing Trust Fund, HOME Program, Rental Housing Support Program, Build Illinois Bond Fund, COVID-19 State and Local Fiscal Recovery Fund, Illinois General Revenue Fund, and Nonmajor Governmental Funds are recorded within these governmental funds. Similarly, other related special assistance programs and resolutions of various bond programs allow for these program accounts to record a certain level of operating expenses. Expenses in excess of the allowable ceilings set forth in the resolutions are charged to the Administrative Fund. Expenses are shown in the statement of activities by identifiable programs.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. Compensated Absences**

The Authority grants personal, vacation and sick leave to all employees and accrues for unused compensated absences. Personal and vacation time are allotted on a calendar year basis and are intended to be taken during that year. Unused sick leave allowance is carried forward and accumulated. In the event of termination, employees are paid for all earned but unused vacation time, and of unused accumulated sick leave earned, to a maximum of 30 days at one-half of hourly pay rate. Personal leave is accrued only to the extent it is more likely than not to be used within the calendar year; any unused balance is forfeited at calendar year-end. Personal time is use or lose, therefore, IHDA does not pay-out for unused personal time. The Authority has no other post-employment benefits (OPEB).

**S. Provision for Estimated Losses on Program Loans**

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

**T. Income Taxes**

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 3 CASH AND INVESTMENTS**

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

- **Safety of principal** – Preservation and safety of principal is the foremost objective of the Authority's investments. Each investment transaction shall seek to ensure that capital losses within the investment portfolio are avoided, whether they are from securities defaults or erosion of fair value.
- **Liquidity** – The investments portfolio shall remain sufficiently flexible to enable the Authority to meet all operating requirements that may be reasonably anticipated in any fund. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demand.
- **Maximum rate of return** – The investment portfolio shall be designed with the purpose of regularly exceeding the average return of U.S. Treasury obligations of comparable maturities. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles.

**A. Interest Rate Risk**

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

As of June 30, 2025, the Authority had cash and cash equivalents totaling \$899 million which consists of cash of \$33 million and cash equivalents of \$866 million.

Investments	Carrying Amount	Investment Maturities (in Days)			
		Less Than 7	Less Than 30	Less Than 60	Less Than 90
Sweep Accounts- Money Market Fund - Restricted	\$ 834,605	\$ 834,605	\$ —	\$ —	\$ —
Sweep Accounts- Money Market Fund	31,562	31,562	—	—	—
<b>Total Cash Equivalents</b>	<b>\$ 866,167</b>	<b>\$ 866,167</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**A. Interest Rate Risk (Continued)**

As of June 30, 2025, the Authority had the following investments (in thousands):

Investment	Carrying Amount	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Certificate of Deposit	\$ 37,985	\$ 2,371	\$ 35,614	\$ —	\$ —
Commercial Paper	230,971	230,971	—	—	—
Federal Farm Credit Bank Bonds	31,305	24,806	6,499	—	—
Federal Home Loan Bank Bonds	20,244	9,889	9,904	451	—
Federal Home Loan Bank Discount Notes	—	—	—	—	—
Federal Home Loan Mortgage Corporation	900,821	31,980	32,995	1,254	834,592
Federal National Mortgage Association	1,541,498	12,361	10,131	—	1,519,006
Federal National Mortgage Association. Benchmark	1,345	—	1,345	—	—
Government National Mortgage Association	2,010,923	—	—	—	2,010,923
Municipal Bonds	44,247	13,579	30,668	—	—
U.S. Treasury Bills	213,669	213,669	—	—	—
U.S. Treasury Notes	63,137	63,137	—	—	—
U.S. Treasury Strips	1,630	—	1,549	—	81
Grand Total	<b>\$ 5,097,775</b>	<b>\$ 602,763</b>	<b>\$ 128,705</b>	<b>\$ 1,705</b>	<b>\$ 4,364,602</b>

**B. Credit Risk**

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**B. Credit Risk (Continued)**

The Authority's investments are primarily in U.S. Government and fully guaranteed obligations, which are exempt from rating requirements. Under the Illinois Public Funds Investment Act (30 ILCS 235), corporate obligations must be rated within the three highest categories by at least two rating agencies and municipal obligations within the four highest categories.

**C. Custodial Credit Risk**

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

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

The Authority's cash carrying value balance totaled \$32.8 million at June 30, 2025. The June 30, 2025, cash bank balance for the Authority totaled \$33.9 million. Additionally, the Authority's cash equivalents at June 30, 2025, consisted of sweep accounts, held in the Authority's name, with the funds in these accounts invested in money market funds that invest in U.S. Treasury securities, or were held in accounts that were either Federal Deposit Insurance Corporation FDIC insured or collateralized with U.S. government obligations. The Authority's investments at June 30, 2025, were held in the Authority's name in separate Authority custodial accounts. Collateral is pledged in the Authority's name and consists of U.S. Treasury obligations.

**D. Concentration of Credit Risk**

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 3      CASH AND INVESTMENTS (CONTINUED)**

**D. Concentration of Credit Risk (Continued)**

Investments which comprise more than 5% of the Authority's investments as of June 30, 2025, are as follows, in thousands:

<u>Investment</u>	<u>Fair Value</u>
U.S. Treasury	\$ 278,436
Federal Home Loan	921,065
Federal National Mortgage Association	1,542,843
Governmental National Mortgage Association	2,010,923

**E. Forward Commitments**

The Authority sells forward commitments to deliver Government National Mortgage Association (GNMA) certificates, Fannie Mae (FNMA) and Freddie Mac (FHLMC) mortgage-backed securities (MBS). Commitments are sold as mortgage loan reservations, and are taken to hedge against market fluctuations prior to loan origination and securitization. The Authority is subject to fair value fluctuations in the event that mortgage loans are not originated as expected and the committed securities cannot be delivered. A net decrease in fair value of \$2.4 million on these forward commitments, classified as investment derivative instruments, has been recorded in investment income in the Administrative Fund for the year ended June 30, 2025.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**E. Forward Commitments (Continued)**

The Authority is subject to credit risk with respect to counterparties for the forward commitment contracts, summarized below with their credit ratings as of June 30, 2025, in thousands:

Counterparty	Rating <sup>(1)</sup>	Number of Contracts	Par Amount
Bank of New York Mellon	AA- / A-1+ STABLE; Aa1(cr) / P-1(cr) STABLE	34	\$ 59,900
Bank of Oklahoma	A- / A-2 STABLE; A2(cr) / P-1(cr) STABLE	15	49,100
Jefferies LLC	BBB / BBB STABLE; Baa2 / STABLE	24	55,700
Morgan Stanley	A- / A-2 STABLE; A1 / P-1 STABLE	24	62,300
Piper Sandler	NR/NR	26	98,400
Raymond James	A- / STABLE; A3 / STABLE	5	16,200
Stifel	BBB / BBB STABLE; NR	9	22,500
Wells Fargo Securities, LLC	A+ / A-1 STABLE; Aa2(cr) / P-1(cr) STABLE	20	39,400
Total Forward Commitments		<u>157</u>	<u>\$ 403,500</u>

(1) S&P; Moody's

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 3      CASH AND INVESTMENTS (CONTINUED)**

**F. Fair Value Measurements**

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

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

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

*Level 1* – inputs are quoted prices in active markets for identical items;

*Level 2* – inputs are all inputs that are directly or indirectly observable, but not on Level 1; and

*Level 3* – inputs are all inputs that are unobservable.

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

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

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

The following is a description of the valuation methods and assumptions used by the Authority to estimate the fair value of its financial instruments. There have been no changes to the methods or assumptions used at June 30, 2025. The Authority management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**F. Fair Value Measurements (Continued)**

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

Investments and derivative instruments measured at fair value as of June 30, 2025, are as follows (in thousands):

	At June 30, 2025	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable (Level 3)
<u>Investments</u>				
Certificate of Deposit	\$ 37,985	\$ —	\$ 37,985	\$ —
Commercial Paper	230,971	—	230,971	—
Federal Home Loan Bank Bonds	20,244	—	20,244	—
Federal Farm Credit Bank Bonds	31,305	—	31,305	—
Federal Home Loan Mortgage Corp.	900,821	—	900,821	—
Federal National Mortgage Assn. Benchmark Notes	1,345	—	1,345	—
Federal Home Loan Bank Discount Notes	—	—	—	—
Government National Mortgage Association	2,010,923	—	2,010,923	—
Federal National Mortgage Assn.	1,541,498	—	1,541,498	—
Municipal Bonds	44,247	—	44,247	—
U.S. Treasury Bills	213,669	213,669	—	—
U.S. Treasury Strips	1,630	1,630	—	—
U.S. Treasury Notes	63,137	63,137	—	—
	<u>\$ 5,097,775</u>	<u>\$ 278,436</u>	<u>\$ 4,819,339</u>	<u>\$ —</u>
<u>Derivative Instruments</u>				
Interest Rate Caps	\$ 49	\$ —	\$ 49	\$ —
Interest Rate Swaps	26,387	—	26,387	—
	<u>\$ 26,436</u>	<u>\$ —</u>	<u>\$ 26,436</u>	<u>\$ —</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 4      INTERFUND BALANCES AND TRANSFERS**

**A. Interfund Balances**

The composition of interfund balances as of June 30, 2025, is as follows (in thousands):

Receivable to	Payable from												Total		
	Governmental Funds						Proprietary Funds								
	Illinois Affordable Housing Trust Fund	HOME Program Fund	Rental Housing Program Fund	Build Illinois Bond Program Fund	Nonmajor Governmental Funds	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund							
Governmental Funds:															
Build IL Bond Prog Fund	\$	—	\$	—	\$	—	\$	—	\$	941	\$	—	\$	941	
Illinois General Revenue Fund		—		—		—		—		38		—		38	
COVID-19 State and Local Fiscal Recovery Fund		—		—		—		—		592		—		592	
Nonmajor Governmental Funds		—		—		—		—		416		—		416	
Proprietary Funds:															
Administrative Fund		978		772		65		8		583		—		30,543	32,949
Mortgage Loan Program Fund		—		—		—		—		—		—		—	—
Single Family Program Fund		—		—		—		—		—		—		—	—
	\$	978	\$	772	\$	65	\$	8	\$	583	\$	—	\$	30,543	\$ 34,936

Interfund balances are created when a fund supports the expenses/expenditures of other funds, including operating activities, bond issuances, and bond redemptions in accordance with authority established for individual funds. The interfund balances result from timing differences between the date a disbursement is made and the date when the reimbursement is received from other funds.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 4 INTERFUND BALANCES AND TRANSFERS (CONTINUED)**

**B. Transfers**

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

Transfers (in thousands) for the year ended June 30, 2025, consisted of the following:

Proprietary Funds - Transfer Out			Proprietary Funds - Transfer In			Government Funds - Transfer In	Total
Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund (A)	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund (A)	Build Illinois Bond Program Fund	
\$ —	\$ (28,500)	\$ (88,822)	\$ 28,500	\$ —	\$ 88,822	\$ —	\$ —
(44,835)	(6,757)	—	—	6,757	44,835	—	—
—	(74,390)	(490)	—	490	74,390	—	—
(9,000)	—	—	—	—	—	9,000	—
\$ (53,835)	\$ (109,647)	\$ (89,312)	\$ 28,500	\$ 7,247	\$ 208,047	\$ 9,000	\$ —

(A) To increase efficiency as the Authority effectuates various financing activities for Single Family Program Fund in order to secure self-sufficiency and ensure future funding sources for the Down Payment Assistance Programs transfers from the Administrative Fund and Mortgage Loan Program Fund to Single Family Program Fund occurred during fiscal 2025.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 5      PROGRAM LOANS RECEIVABLE**

The following summarizes program loans receivable, net of allowance for estimated losses, activity for the Authority for the year ended June 30, 2025, in thousands:

	Net Program Loan Receivables June 30, 2024	Loan Disbursements	Loan Repayments	Loan Transfers In/(Out)	(Increase)/ Decrease in Loan Loss Allowance	Net Program Loan Receivables June 30, 2025
<b>Governmental Funds:</b>						
Illinois Affordable Housing						
Trust Fund	\$ 369,422	\$ 37,674	\$ (13,270)	\$ —	\$ (564)	\$ 393,262
HOME Program Fund	298,260	17,826	(5,427)	—	2,273	312,932
Build Illinois Bond Program	6,729	3,933	(299)	—	375	10,738
Nonmajor Governmental Funds	85,330	9,612	(3,162)	—	877	92,657
<b>Total Governmental Funds</b>	<b>\$ 759,741</b>	<b>\$ 69,045</b>	<b>\$ (22,158)</b>	<b>\$ —</b>	<b>\$ 2,961</b>	<b>\$ 809,589</b>
<b>Proprietary Fund:</b>						
Administrative Fund	\$ 52,040	\$ 53,111	\$ (52,942)	\$ —	\$ 161	\$ 52,370
<b>Mortgage Loan Program Fund:</b>						
Housing Bonds	154,377	59,727	(17,049)	(21,010)	2,216	178,261
Multifamily Initiative Bonds	14,149	—	(496)	—	97	13,750
Affordable Housing Program Trust Fund Bonds	4,716	134	(444)	—	21	4,427
Multifamily Revenue Bonds	373,834	96,267	(4,981)	—	(1,537)	463,583
<b>Total Mortgage Loan Program Fund</b>	<b>547,076</b>	<b>156,128</b>	<b>(22,970)</b>	<b>(21,010)</b>	<b>797</b>	<b>660,021</b>
<b>Single Family Program Fund:</b>						
Homeowner Mortgage Revenue Bonds	85,519	1,396	(10,992)	(29,653)	502	46,772
Revenue Bonds	34	28,975	(6,467)	50,663	(1,723)	71,482
<b>Total Single Family Program Fund</b>	<b>85,553</b>	<b>30,371</b>	<b>(17,459)</b>	<b>21,010</b>	<b>(1,221)</b>	<b>118,254</b>
<b>Total Proprietary Funds</b>	<b>\$ 684,669</b>	<b>\$ 239,610</b>	<b>\$ (93,371)</b>	<b>\$ —</b>	<b>\$ (263)</b>	<b>\$ 830,645</b>

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

The ability of the mortgagors to make required payments on the mortgage loans receivable depends principally upon the related developments achieving and sustaining sufficient occupancy and rental levels to support such payments. With respect to most developments financed from proceeds of the Mortgage Loan Program Funds, the Authority, HUD, and the owners of the developments have entered into agreements whereby HUD will make, under its Section 8 Program, housing assistance payments for the developments. Such federal subsidies,

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 5      PROGRAM LOANS RECEIVABLE (CONTINUED)**

together with the rents to be paid by the tenants, are estimated by the Authority prior to its issuing an initial mortgage loan commitment, to provide sufficient funds to pay the costs of operation, maintenance, administration, mortgage payments, and Authority fees with respect to each of the developments.

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

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

At June 30, 2025, for loans financed under the Mortgage Loan Program Fund, one loan was in arrears in amounts equal to more than three months debt service payments or required deposits to tax and insurance and/or replacement reserves, totaling \$1.1 million and \$3.1 million, respectively.

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

The Authority does not accrue interest income on loans in which payments are to be made from residual receipts of the development. Payments on such loans are recognized only as received. For loans receivable within the Single Family Mortgage Loan Program, the Authority accrues interest income on all loans unless they become real estate owned properties, at which time the accrual is suspended.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 5      PROGRAM LOANS RECEIVABLE (CONTINUED)**

The Authority does not accrue interest income on approximately \$3.6 million of mortgage loans recorded in the Administrative Fund. Payments made on such loans, which generally are payable from residual receipts, if any, of the affected development funds, are recognized only as received. The annual amount of interest on these loans is approximately \$76.8 thousand.

In fiscal year 2016, the Authority entered into a new financing agreement with the Federal Financing Bank (FFB), an arm of the United States Department of Treasury, for selling beneficial ownership interests in mortgage loans originated by housing finance agencies and insured under the FHA-HFA Risk Sharing Program. The Authority sells beneficial ownership interest in its mortgages under this program to FFB. Beneficial ownership interest in mortgage loans that the Authority sells to the FFB will be evidenced by certificates of participation from the Authority. The monthly mortgage payments from the borrower will be used to repay the interest to the FFB and principal payments will reflect the scheduled mortgage principal payments. Through fiscal year 2025, the Authority sold beneficial ownership interests in loans for 20 affordable Multi-Family developments totaling \$123.1 million to the FFB.

As of June 30, 2025, the Authority has the following Risk Sharing Loans outstanding (in millions):

	Number of loans	Amount
Housing Bonds	12	\$ 69.9
Multi-Family Initiative Bonds	1	13.8
Administrative Fund	1	1.8
Multi-Family Revenue Bonds	37	474.3
*Others	27	158.4
<b>Total</b>	<b>78</b>	<b>\$ 718.2</b>

\*Not included in the Authority's financial statements as the Authority sold 10% to 90% participation interest in the loans to outside parties.

At June 30, 2025, for loans financed under the FHA-HFA Risk Sharing Program where the Authority sold 100% participation interests in the loans to outside parties, there were no amounts in arrears equal to more than two months debt service payments or required deposits to tax and insurance and/or replacement reserves.

At June 30, 2025, for loans financed under the Mortgage Participation Certificate Program, where the Authority has sold 100% participation interests in the loans to outside parties, there were no amounts in arrears equal to more than three months of debt service payments or required deposits to tax and insurance and/or replacement reserves. The loss reserve for loans financed under this program, totaling \$683.7 thousand as of June 30, 2025, is recorded in accrued liabilities (and other) in the Administrative Fund.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 5      PROGRAM LOANS RECEIVABLE (CONTINUED)**

As of June 30, 2025, for mortgage loans insured with Ambac Assurance Corporation (Ambac) on Multi-Family housing developments under the Authority's Mortgage Participation Certificate Program, the Authority has outstanding three Ambac loans totaling \$5.2 million. These loans are not included in the Authority's financial statements as the Authority sold 100% participation interests in the loans to outside parties. Ambac has guaranteed repayment of principal and interest due on a timely or accelerated basis in accordance with the agreement between the Authority and Ambac. The agreement allows (or provides) the Authority to share its risk with Ambac on the aggregate loan portfolio after the satisfaction of certain requirements and thresholds.

At June 30, 2025, for loans financed under Ambac Assurance Corporation (Ambac), one loan was in arrears an amount equal to more than three months debt service payments or required deposits to tax and insurance and/or replacement reserves, totaling \$109.1 thousand and \$1.7 million, respectively.

The following summarizes the changes in the allowance for estimated losses on program loans receivable during the year ended June 30, 2025 (in thousands):

	Allowance for estimated losses June 30, 2024	Provision for/ (reversal of) estimated losses	Write-offs of uncollectible losses, net of recoveries	Allowance for estimated losses June 30, 2025
Governmental Funds:				
Illinois Affordable Housing Trust Fund	\$ 55,141	\$ 1,282	\$ (718)	\$ 55,705
HOME Program Fund	41,102	(2,225)	(48)	38,829
Build Illinois Bond Program	3,442	(375)	—	3,067
Nonmajor Governmental Funds	8,090	(877)	—	7,213
Total Governmental Funds	<u>\$ 107,775</u>	<u>\$ (2,195)</u>	<u>\$ (766)</u>	<u>\$ 104,814</u>
Proprietary Funds:				
Administrative Fund	\$ 5,487	\$ (128)	\$ (33)	\$ 5,326
Mortgage Loan Program Fund	8,703	(788)	(9)	7,906
Single Family Program Fund	1,468	1,227	(6)	2,689
Total Proprietary Funds	<u>\$ 15,658</u>	<u>\$ 311</u>	<u>\$ (48)</u>	<u>\$ 15,921</u>

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

State statute (30 ILCS 205/2) requires that all uncollected receivables due that exceed \$1,000 be submitted to the Illinois Attorney General to be certified as uncollectible before the Authority can delete such receivables from its records. As of June 30, 2025, the Authority has 21 loan certifications outstanding, totaling \$7.8 million. Certification requests are anticipated to be filed as loss amounts are determined following the conclusion of foreclosure or other loss mitigation activities. The Authority has established provisions for estimated losses against such loans

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 5      PROGRAM LOANS RECEIVABLE (CONTINUED)**

requested and to be requested for such certifications in amounts equal to the outstanding principal balances of the loans.

Scheduled receipts of principal on gross program loans receivable in certain governmental funds and proprietary funds in the five years subsequent to June 30, 2025, and thereafter are as follows (in thousands):

**Governmental Funds:**

	Illinois Affordable Housing Trust Fund	HOME Program Fund	Build Illinois Bond Program	Nonmajor Governmental Funds
2026	\$ 18,355	\$ 27,618	\$ 25	\$ 231
2027	9,650	10,422	25	3,005
2028	12,026	11,258	25	9,154
2029	12,662	12,530	25	6,549
2030	9,868	12,088	25	7,378
After 2030	386,406	277,845	13,680	73,553
	<u>\$ 448,967</u>	<u>\$ 351,761</u>	<u>\$ 13,805</u>	<u>\$ 99,870</u>

**Proprietary Funds:**

	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund
2026	\$ 10,471	\$ 11,558	\$ 10,128
2027	461	16,722	10,109
2028	873	11,568	10,109
2029	412	12,061	10,109
2030	1,259	12,557	10,109
After 2030	44,220	603,461	70,379
	<u>\$ 57,696</u>	<u>\$ 667,927</u>	<u>\$ 120,943</u>

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 6 REAL ESTATE HELD FOR SALE**

An analysis of real estate for sale, net of allowance for estimated losses, as of June 30, 2025, is shown below (in thousands):

Proprietary Funds:

	Administrative Fund	Mortgage Loan Program Fund	Single Family Program Fund	IHDA Dispositions LLC	Total
Balance at June 30, 2024	\$ 75	\$ 72	\$ 183	\$ 7,576	\$ 7,906
Close out of REO's (Roseville & Perry Portfolio)	(75)	—	—	(2,766)	(2,841)
Impairment loss (Riverdale)	—	—	—	(2,694)	(2,694)
Transfers of loans	—	9	336	—	345
Proceeds received/write-offs	—	(86)	(453)	—	(539)
Change in loan loss allowance	—	5	160	—	165
Balance at June 30, 2025	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 226</u>	<u>\$ 2,116</u>	<u>\$ 2,342</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 7 CAPITAL ASSETS**

Capital asset activity for year ended June 30, 2025, for governmental activities, was zero and capital asset activity for the fiscal year ended June 30, 2025, for business-type activities, was as follows (in thousands):

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets, not being depreciated				
Mortgage Loan Program Fund				
Land	\$ 16,400	\$ —	\$ —	\$ 16,400
Total capital assets, not being depreciated	16,400	—	—	16,400
Capital assets, being depreciated or amortized				
Administrative Fund				
Furniture and equipment	7,606	458	(395)	7,669
Right to use Equipment	118	—	(18)	100
Right to use Building	6,734	—		6,734
Right to use SBITAs	5,596	343	(3,211)	2,728
Mortgage Loan Program Fund				
Building, furniture and equipment	40,007	—	(34)	39,973
Total capital assets, being depreciated or amortized	60,061	801	(3,658)	57,204
Accumulated depreciation and amortization				
Administrative Fund				
Furniture and equipment	7,007	1,010	(252)	7,765
Right to use Equipment	77	33	(18)	92
Right to use Building	3,908	1,169		5,077
Right to use SBITAs	2,330	889	(1,895)	1,324
Lakeshore Plaza	—	—	—	—
Mortgage Loan Program Fund				
Building, furniture and equipment	29,395	1,348	—	30,743
Total accumulated depreciation and amortization	42,717	4,449	(2,165)	45,001
Total capital assets, net of depreciation and amortization	17,344	(3,648)	(1,493)	12,203
Total capital assets, net	\$ 33,744	\$ (3,648)	\$ (1,493)	\$ 28,603

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8 BONDS AND NOTES PAYABLE**

The following summarizes the debt activity for the Authority's proprietary funds for the fiscal year ended June 30, 2025, (in thousands):

	June 30, 2024	Additions	Deductions	June 30, 2025	Amount due within one year
Administrative Fund:					
Direct Borrowing					
Federal Home Loan Bank Advances	\$ 43,402	\$ 465,684	\$ (357,139)	\$ 151,947	\$ 143,828
Total Administrative Fund	43,402	465,684	(357,139)	151,947	143,828
Mortgage Loan Program Fund:					
Direct Placement					
Multifamily Initiative Bonds	47,470	—	(1,320)	46,150	1,300
Multifamily Revenue Bonds	205,375	52,590	(134,210)	123,755	1,080
Other Debt					
Housing Bonds	74,060	—	(7,165)	66,895	21,465
Discount on Multifamily Revenue Bonds	—	(1,884)	55	(1,829)	—
Multifamily Revenue Bonds	225,763	166,910	(14,936)	377,737	4,355
Total Mortgage Loan Program Fund	552,668	217,616	(157,576)	612,708	28,200
Single Family Program Fund:					
Other Debt					
Homeowner Mortgage Revenue Bonds	127,035	—	(20,650)	106,385	5,405
Premium on Homeowner Mortgage Revenue Bonds	1,598	—	(566)	1,032	—
Housing Revenue Bonds	37,269	—	(3,785)	33,484	1,295
Premium on Housing Revenue Bonds	3	—	—	3	—
Discount on Housing Revenue Bonds	(505)	—	79	(426)	—
Revenue Bonds	3,342,273	1,141,000	(206,485)	4,276,788	110,892
Premium on Revenue Bonds	63,199	29,584	(10,291)	82,492	—
Total Single Family Program Fund	3,570,872	1,170,584	(241,698)	4,499,758	117,592
Total Proprietary Funds	\$ 4,166,942	\$ 1,853,884	\$ (756,413)	\$ 5,264,413	\$ 289,620

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

Bonds and notes outstanding are general obligations (G.O.) of the Authority with the exception of Homeowner Mortgage Revenue Bonds, Housing Revenue Bonds, Revenue Bonds, Multi-Family Initiative Bonds and Multi-Family Revenue Bonds, which are special limited obligations (S.L.O.) of the Authority. S.L.O. bonds, other than Housing Revenue Bonds, Revenue Bonds, and specific series of Homeowner Mortgage Revenue Bonds are payable from pledged property as defined in their respective general resolutions. Housing Revenue Bonds, Revenue Bonds, and specific series of Homeowner Mortgage Revenue Bonds are payable from pledged mortgage-backed securities. Certain issues of Multi-Family Initiative Bonds are credit enhanced by FNMA and FHLMC. The Authority has also pledged its general obligations to a limited extent and amounts, of which there are no bonds or obligations outstanding as of June 30, 2025. Per GASB Statement No. 88 disclosure requirements, the Authority is required to disclose direct borrowings, direct placement of debt, as well as other debt that it may hold. As seen in the table above, the Authority currently holds \$151.9 million in direct borrowings of debt, all within the Administrative Fund. The Authority also holds \$169.9 million in direct placements of debt, all within the Mortgage Loan Program fund. The remainder of debt held by the Authority is classified as Other Debt of \$4.9 billion, and is located within the Mortgage Loan Program Fund, totaling \$444.6 million, and the Single Family Program Fund, totaling \$4.4 billion (excluding premium and discount).

The Authority has pledged future mortgage loan and mortgage-backed security revenues, net of specified operating expenses, to repay outstanding principal of \$5.0 billion of S.L.O. bonds as noted in the following schedules for the Mortgage Loan Program Fund and Single Family Program Fund. The total principal and interest remaining to be paid on the S.L.O. Bonds is \$9.0 billion. For S.L.O. bonds payable from pledged property, interest paid for the fiscal year ended June 30, 2025, was \$176.8 million, and total related mortgage loan principal and interest received were \$21.6 million and \$19.2 million, respectively.

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

Bonds and notes outstanding at June 30, 2025, are as follows. Listed maturity dates are indicated as calendar years. The June 30, 2024, amounts are shown for comparative purposes only.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**A. Mortgage Loan Program Fund**

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

	Maturity Dates	Interest Rate Range %	Debt Class	Amount	
				June 30, 2025	June 30, 2024
Housing Bonds:					
2008 Series A (1)	2025-2027	Variable	G.O.	\$ 8,410	\$ 8,770
2008 Series B (1)	2025-2027	Variable	G.O.	8,785	11,385
2008 Series C (1)	2025-2041	Variable	G.O.	3,800	3,945
2013 Series B (Taxable)	2024	3.605	G.O.	—	500
2015 Series A-1	2025–2027	2.95-3.40	G.O.	930	1,395
2015 Series A-3 (Taxable) (1)	2045	Variable	G.O.	14,970	18,065
2017 Series A-2 (Taxable) (1)	2025-2048	Variable	G.O.	30,000	30,000
Total Housing Bonds				\$ 66,895	\$ 74,060

1. In accordance with the indenture, interest rates on the bonds are determined weekly and are paid monthly at a rate established by the remarketing agents on each rate determination date. The variable rates paid on the subject bonds ranged from 1.70% to 4.35% at June 30, 2025. Pursuant to the liquidity agreements, the bonds are subject for purchase by liquidity providers in the event of a tender by bondholders (Bank Bonds). Subject to other provisions within the liquidity agreements, the Bank Bonds will bear interest at a rate specified within the agreements and continue to be subject for remarketing-by-remarketing agents. In the event the remarketing agents are unable to remarket the Bank Bonds over a certain period of time, the Bank Bonds are subject to a put whereby the Authority is required to purchase and redeem the Bank Bonds over a period stated within the agreements. The Authority has a take-out agreement with the liquidity providers to convert the bonds to an installment loan payable over a three-to-five-year period. The interest rate that is to be paid during the put periods is SOFR plus 175 basis points. The current liquidity agreements for 2008 Series A, B, and C expire on May 23, 2029. The current agreements for 2015 Series A-3 and 2017 Series A-2 expire on December 28, 2029, and November 3, 2026, respectively.

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**A. Mortgage Loan Program Fund (Continued)**

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

	Maturity Dates	Range %	Debt Class	Amount	
				June 30, 2025	June 30, 2024
Multi-Family Initiative Bonds:					
Series 2009 E	2025–2042	2.32	S.L.O.	\$ 3,750	\$ 3,850
Series 2009 F	2025–2041	2.32	S.L.O.	4,470	4,590
Series 2009 G	2025–2041	2.32	S.L.O.	6,690	6,870
Series 2009 H	2025–2041	2.32	S.L.O.	8,950	9,180
Series 2009 I	2025–2051	2.32	S.L.O.	7,990	8,170
Series 2009 J	2025–2043	3.84	S.L.O.	14,300	14,810
Total Multi-Family Initiative Bonds				46,150	47,470
Multi-Family Revenue Bonds:					
2017 Series A	2025–2059	4.05	S.L.O.	24,537	24,804
2017 Series B	2025–2043	3.21	S.L.O.	9,035	9,300
2019 Series A	2025–2063	1.75–3.40	S.L.O.	28,230	28,645
2020 Series A	2025–2060	2.20–3.85	S.L.O.	5,535	5,595
2020 Series B	2025–2062	2.65–4.15	S.L.O.	2,860	2,890
2020 Series C	2025–2052	2.70–4.10	S.L.O.	1,570	1,600
2020 Series D (Taxable)	2025–2062	3.57–4.65	S.L.O.	1,665	1,675
2021 Series A	2024–2041	2.07	S.L.O.	—	84,895
2021 Series B	2024–2042	0.40–2.06	S.L.O.	—	27,365
2021 Series C	2025–2065	0.60–3.05	S.L.O.	77,005	77,004
2022 Series A	2024–2062	2.65	S.L.O.	—	21,300
2022 Series B	2025–2062	3.00–4.45	S.L.O.	10,520	10,640
2022 Series C (1)	2025–2052	Variable	S.L.O.	20,880	21,575

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**A. Mortgage Loan Program Fund (Continued)**

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

				Amount	
				June 30,	June 30,
	Maturity Dates	Range %	Debt Class	2025	2024
Multi-Family Revenue Bonds:					
2023 Series A	2025-2064	1.10-2.90	S.L.O.	8,510	8,640
2023 Series B	2025-2042	2.75-4.35	S.L.O.	4,070	17,070
2023 Series C (1)	2025-2065	Variable	S.L.O.	11,730	11,730
2023 Series D	2025-2064	0.90-2.60	S.L.O.	4,760	4,840
2023 Series E	2025-2064	2.00-3.40	S.L.O.	12,820	12,940
2023 Series F (Taxable)	2025-2064	2.42-3.96	S.L.O.	6,535	6,600
2023 Series G	2025-2064	1.55-3.30	S.L.O.	8,010	8,100
2024 Series A (1)	2025-2064	Variable	S.L.O.	24,820	24,995
2024 Series B	2026-2066	3.54-5.05	S.L.O.	18,935	18,935
2024 Series C-1	2029-2068	3.50-4.90	S.L.O.	7,400	—
2024 Series C-2	2028-2032	3.60	S.L.O.	22,600	—
2024 Series D	2025-2055	1.20-2.65	S.L.O.	7,100	—
2024 Series E (1)	2025-2065	Variable	S.L.O.	12,725	—
2024 Series F	2026-2067	3.30-4.65	S.L.O.	23,770	—
2024 Series G	2025-2042	4.22	S.L.O.	16,490	—
2024 Series H-1	2026-2062	4.00-4.50	S.L.O.	100,585	—
2024 Series H-2 (Taxable)	2025-2026	4.48	S.L.O.	1,030	—
2024 Series I	2025-2055	1.00-2.65	S.L.O.	5,195	—
2025 Series A	2026-2065	3.50-5.15	S.L.O.	9,320	—
2025 Series B (1)	2026-2066	Variable	S.L.O.	13,250	—
				501,492	431,138
Less: Unamortized Discount				(1,829)	—
Total Multi-Family Revenue Bonds				499,663	431,138
Total Mortgage Loan Program Fund				\$ 612,708	\$ 552,668

1. In accordance with the indenture, interest rates on the bonds are determined weekly and are paid monthly at a rate established by the remarketing agents on each rate determination date. The variable rates paid on the subject bonds ranged from 1.94% to 4.35% at June 30, 2025. Pursuant to the liquidity agreements, the bonds are subject for purchase by liquidity providers in the event of a tender by bondholders (Bank Bonds). Subject to other provisions within the liquidity agreements, the Bank Bonds will bear interest at a rate specified within the agreements and continue to be subject for remarketing by remarketing agents. In the event the remarketing agents are unable to remarket the Bank Bonds over a certain period of time, the Bank Bonds are subject to a put whereby the Authority is required to purchase and redeem the Bank Bonds over a period stated within the agreements. The Authority has a take-out agreement with the liquidity providers to convert the bonds to an installment loan payable over a three-to-five-year period. The interest rate that is to be paid during the put periods is SOFR plus 175 basis points for 2022 Series C, 2023 Series C, and 2024 Series A. For Series 2024 E and 2025 B, the interest rate that is to be paid during the put periods is the Base Rate (meaning the greatest of, for any day, (a) the rate of interest per annum announced by State Street Bank plus 1.0%, (b) the Federal Funds Rate plus 2.0%, or (c) 7.0% per annum) for the purchase date through and including the 30th day after the purchase date; Base Rate plus 100 basis points for from and including the 31st day through and including the 90th day after the purchase date; and Base Rate plus 200 basis points for from and including the 91st day after that purchase date and thereafter. The liquidity agreement for 2022 Series C expires on May 12, 2027, the liquidity agreement for 2023 Series C expires on February 9, 2028, the liquidity agreement for 2024 Series A expires on January 25, 2029, the liquidity agreement for 2024 Series E expires August 8, 2028, and the liquidity agreement for 2025 Series B expires May 21, 2029.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**B. Single Family Program Fund**

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

	Maturity Dates	Interest Rate Range %	Debt Class	Amount	
				June 30, 2025	June 30, 2024
Homeowner Mortgage Revenue Bonds:					
2004 Series C-3 (1)	2025-2034	Variable	S.L.O.	\$ 7,615	\$ 8,575
2014 Series B	2024	3.40	S.L.O.	—	215
2016 Series A (Taxable)	2025-2034	4.00	S.L.O.	145	1,975
2016 Series B	2035-2046	3.50	S.L.O.	2,150	3,485
2016 Series C	2025-2046	2.20-3.50	S.L.O.	43,655	51,555
2018 Series A-1	2026-2048	2.95-4.00	S.L.O.	22,400	27,555
2018 Series A-2 (1)	2031-2038	Variable	S.L.O.	30,000	30,000
2018 Series A-3	2025	3.25	S.L.O.	420	3,675
				<u>106,385</u>	<u>127,035</u>
Plus: Unamortized Premium					
Thereon				<u>1,032</u>	<u>1,598</u>
Total Homeowner Mortgage Revenue Bonds				<u>\$ 107,417</u>	<u>\$ 128,633</u>

- (1) In accordance with the indenture, interest rates on the bonds are determined weekly and are paid monthly at a rate established by the remarketing agents on each rate determination date. The variable rates paid on the subject bonds ranged from 1.80% to 1.85% at June 30, 2025. Pursuant to the liquidity agreements, the bonds are subject for purchase by liquidity providers in the event of a tender by bondholders ("Bank Bonds"). Subject to other provisions within the liquidity agreements, the Bank Bonds will bear interest at a rate specified within the agreements and continue to be subject for remarketing by remarketing agents. In the event the remarketing agents are unable to remarket the Bank Bonds over a certain period of time, the Bank Bonds are subject to a put whereby the Authority is required to purchase and redeem the Bank Bonds over a period stated within the agreements. The Authority has a take-out agreement with the liquidity providers to convert the bonds to an installment loan payable over a three-to-five-year period. The interest rate that is to be paid during the put periods is SOFR plus 175 basis points. The liquidity agreement for 2004 Series C-3 expires on June 30, 2030. The liquidity agreement for 2018 Series A-2 expires on July 11, 2028.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**B. Single Family Program Fund (Continued)**

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

	Maturity Dates	Interest Rate Range %	Debt Class	Amount	
				June 30, 2025	June 30, 2024
Housing Revenue Bonds:					
Series 2011-1A	2025–2041	3.285%	S.L.O.	\$ 1,688	\$ 1,920
Series 2011-1C	2025–2041	3.285	S.L.O.	4,785	5,445
Series 2012A (Taxable)	2025–2042	2.625	S.L.O.	5,828	6,836
Series 2013A	2025–2043	2.450	S.L.O.	13,967	15,131
Series 2013B (Taxable)	2025–2043	2.750	S.L.O.	4,061	4,527
Series 2013C	2025–2043	3.875	S.L.O.	3,155	3,410
				<u>33,484</u>	<u>37,269</u>
Plus: Unamortized Premium					
Thereon				3	3
Less: Unamortized Discount					
				<u>(426)</u>	<u>(505)</u>
Total Housing Revenue Bonds				<u>\$ 33,061</u>	<u>\$ 36,767</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**B. Single Family Program Fund (Continued)**

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

					Amount	
	Maturity Dates	Interest Rate Range %	Debt Class			
				June 30, 2025	June 30, 2024	
Revenue Bonds:						
2016 Series A	2025-2046	2.40-4.00%	S.L.O.	\$ 6,600	\$ 9,975	
2017 Series A	2025-2047	3.13	S.L.O.	19,828	20,727	
2017 Series B	2025-2048	2.60-4.00	S.L.O.	27,175	32,895	
2018 Series A	2025-2048	2.95-4.50	S.L.O.	23,275	27,665	
2019 Series A	2025-2049	4.25	S.L.O.	11,020	15,245	
2019 Series B (1)	2033-2042	Variable	S.L.O.	30,000	30,000	
2019 Series C	2025-2049	1.90-5.00	S.L.O.	34,235	38,855	
2019 Series D	2025-2050	1.75-3.75	S.L.O.	48,980	56,960	
2020 Series A	2025-2050	1.125-3.75	S.L.O.	64,130	72,360	
2020 Series B	2025-2050	0.70-3.00	S.L.O.	37,875	45,760	
2020 Series C (1)	2032-2042	Variable	S.L.O.	40,000	40,000	
2021 Series A	2025-2051	0.50-3.00	S.L.O.	62,595	69,970	
2021 Series B	2025-2051	0.55-3.00	S.L.O.	90,875	100,390	
2021 Series C (taxable)	2025-2031	0.968-2.228	S.L.O.	13,165	15,130	
2021 Series D	2025-2051	0.55-3.00	S.L.O.	94,925	104,350	
2021 Series E (taxable)	2025-2031	0.95-2.08	S.L.O.	12,760	14,645	
2022 Series A	2025-2052	2.40-3.75	S.L.O.	101,525	111,180	
2022 Series B (taxable)	2025-2032	3.25-4.03	S.L.O.	15,845	17,800	
2022 Series C	2025-2052	3.00-4.50	S.L.O.	69,150	79,755	
2022 Series D	2034-2045	Variable	S.L.O.	59,860	59,861	
2022 Series E	2025-2052	2.70-5.25	S.L.O.	80,775	91,045	
2022 Series F	2035-2045	Variable	S.L.O.	50,000	50,000	
2022 Series G	2025-2052	5.50-6.25	S.L.O.	131,415	144,805	
2023 Series A	2025-2053	3.25-5.25	S.L.O.	110,510	116,455	
2023 Series B (taxable)	2025-2053	4.995-5.628	S.L.O.	31,505	35,440	
2023 Series C (taxable)	2032-2046	Variable	S.L.O.	37,500	37,500	
2023 Series D	2025-2053	3.20-5.50	S.L.O.	93,505	98,245	
2023 Series E (taxable)	2025-2053	4.558-5.750	S.L.O.	78,830	85,495	
2023 Series F (taxable)	2038-2046	Variable	S.L.O.	43,290	43,290	
2023 Series H	2025-2053	3.25-5.75	S.L.O.	153,300	159,060	
2023 Series I (taxable)	2025-2053	5.253-5.758	S.L.O.	72,635	76,665	
2023 Series J (taxable)	2041-2048	Variable	S.L.O.	38,335	38,335	
2023 Series K	2025-2053	3.95-6.25	S.L.O.	166,080	178,045	
2023 Series L (taxable)	2025-2048	5.552-6.558	S.L.O.	61,800	64,165	
2023 Series M (taxable)	2048-2053	Variable	S.L.O.	32,085	32,085	
2023 Series N	2025-2054	3.70-6.25	S.L.O.	121,995	129,325	
2023 Series O (taxable)	2025-2054	5.443-6.500	S.L.O.	91,730	95,140	
2023 Series P	2041-2049	Variable	S.L.O.	64,765	64,765	

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**B. Single Family Program Fund (Continued)**

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

	Maturity Dates	Interest Rate Range %	Debt Class	Amount	
				June 30, 2025	June 30, 2024
Revenue Bonds:					
2024 Series A	2025-2054	3.25-6.00	S.L.O.	141,490	145,000
2024 Series B (taxable)	2025-2054	4.929-6.000	S.L.O.	336,130	349,250
2024 Series C	2025-2054	3.45-6.25	S.L.O.	114,510	116,140
2024 Series D (taxable)	2025-2054	5.044-6.250	S.L.O.	221,500	228,500
2024 Series E	2025-2055	3.15-6.25	S.L.O.	65,990	—
2024 Series F (taxable)	2025-2054	4.533-6.250	S.L.O.	323,320	—
2024 Series G (taxable) (1)	2047-2050	Variable	S.L.O.	66,665	—
2024 Series H (1)	2043-2050	Variable	S.L.O.	33,335	—
2024 Series I	2029-2055	3.35-6.00	S.L.O.	199,975	—
2024 Series J (taxable)	2025-2055	4.513-5.875	S.L.O.	100,000	—
2025 Series A	2036-2055	3.95-6.25	S.L.O.	137,670	—
2025 Series B (taxable)	2026-2041	4.340-5.629	S.L.O.	116,665	—
2025 Series C (taxable)	2029-2055	5.879-6.250	S.L.O.	95,665	—
				<u>4,276,788</u>	<u>3,342,273</u>
Plus: Unamortized Premium					
Thereon				<u>82,492</u>	<u>63,199</u>
Total Revenue Bonds				<u>4,359,280</u>	<u>3,405,472</u>
Total Single Family					
Program Fund				<u>\$ 4,499,758</u>	<u>\$ 3,570,872</u>

- (1) In accordance with the indenture, interest rates on the bonds are determined weekly and are paid monthly at a rate established by the remarketing agents on each rate determination date. The variable rates paid on the subject bonds ranged from 1.75% to 4.35% at June 30, 2025. Pursuant to the liquidity agreements, the bonds are subject for purchase by liquidity providers in the event of a tender by bondholders (Bank Bonds). Subject to other provisions within the liquidity agreements, the Bank Bonds will bear interest at a rate specified within the agreements and continue to be subject for remarketing by remarketing agents. In the event the remarketing agents are unable to remarket the Bank Bonds over a certain period of time, the Bank Bonds are subject to a put whereby the Authority is required to purchase and redeem the Bank Bonds over a period stated within the agreements. The Authority has a take-out agreement with the liquidity providers to convert the bonds to an installment loan payable over a three-to-five-year period. The interest rate that is to be paid during the put periods is SOFR plus 175 basis points for all bonds issued prior to 2023; the interest rate that will be paid during the put periods on the 2023 Series C, 2023 Series F, 2023 Series M, and 2023 Series P is SOFR plus 275 basis points. The interest rate that will be paid during the put periods on 2023 Series J, 2024 Series G, and 2024 Series H is SOFR plus 300 basis points. The liquidity agreement for 2019 Series B expires on May 23, 2029, the liquidity agreement for 2020 Series C expires on October 15, 2025, the liquidity agreement for 2022 Series D expires on May 18, 2027, the liquidity agreement for 2022 Series F expires on September 21, 2027, the liquidity agreement for 2023 Series C expires on March 29, 2028, the liquidity agreement for 2023 Series F expires on June 1, 2028, the liquidity agreement for 2023 Series J expires on August 2, 2028, the liquidity agreement for 2023 Series M expires on October 25, 2028, the liquidity agreement for 2023 Series P expires on November 30, 2028, and the liquidity agreements for 2024 Series G and 2024 Series H expire on August 13, 2029.

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

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

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

On December 19, 2024, the Authority issued one (1) series, consisting of two (2) subseries, of fixed-rate, taxable and tax-exempt Multifamily Revenue Bonds, designated as Multifamily Revenue Bonds Series 2024 H (the “Bonds”), totaling \$101,615,000. The proceeds were used to refund three (3) prior bond series: Multifamily Revenue Bonds Series 2021 A, Series 2021 B, and Series 2022 C (collectively, the “Prior Bonds”). The Prior Bonds had originally financed the rehabilitation of three (3) multifamily and senior residential housing developments, comprising a total of 267 units located in Chicago and Decatur, Illinois. The Bonds have semiannual payment dates of January 1 and July 1 through final maturity on July 1, 2062. The refunding resulted in a total debt service savings of \$5,302,803 and an estimated economic gain (net present value savings) of \$2,680,873.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8        BONDS AND NOTES PAYABLE (CONTINUED)**

**D. Current Refundings of Debt (Continued)**

On August 14, 2024, the Authority issued four (4) series of fixed rate and variable rate, tax-exempt and taxable Single Family Revenue Bonds designated as Revenue Bonds Series 2024 EFGH ("Bonds"), totaling \$491 million to: (i) finance Mortgage-Backed Securities and down payment assistance loans or refinancing existing Mortgage Loans, (ii) refund at or in advance of maturity all or a portion of a number of series of the Authority's outstanding bonds or other obligations, and (iii) various other purposes as described in the corresponding Series Indenture. Within ninety (90) days of issuance, \$14.540 million of proceeds from the Bonds were used to redeem and/or refund prior series of Revenue Bonds and or obligation(s) ("Refunded Obligations"). Following the refunding of the Refunded Obligations, an approximate amount of \$14.540 million currently allocated to the Refunded Obligations were reallocated to the Bonds to purchase participation interest in Mortgage- Backed Securities. Due to the nature of this replacement refunding there is no economic gain.

On December 18, 2024, the Authority issued two (2) series of fixed rate, tax-exempt and taxable Single Family Revenue Bonds designated as Revenue Bonds Series 2024 IJ ("Bonds"), totaling \$300 million to: (i) finance Mortgage-Backed Securities and down payment assistance loans or refinancing existing Mortgage Loans, (ii) refund at or in advance of maturity all or a portion of a number of series of the Authority's outstanding bonds or other obligations, and (iii) various other purposes as described in the corresponding Series Indenture. Within ninety (90) days of issuance, \$81.582 million of proceeds from the Bonds were used to redeem and/or refund prior series of Revenue Bonds and or obligation(s) ("Refunded Obligations"). Following the refunding of the Refunded Obligations, an approximate amount of \$81.582 million currently allocated to the Refunded Obligations were reallocated to the Bonds to purchase participation interest in Mortgage- Backed Securities. Due to the nature of this replacement refunding there is no economic gain.

On April 10, 2025, the Authority issued three (3) series of fixed rate, tax-exempt and taxable Single Family Revenue Bonds designated as Revenue Bonds Series 2025 ABC ("Bonds"), totaling \$350 million to: (i) finance Mortgage-Backed Securities and down payment assistance loans or refinancing existing Mortgage Loans, (ii) refund at or in advance of maturity all or a portion of a number of series of the Authority's outstanding bonds or other obligations, and (iii) various other purposes as described in the corresponding Series Indenture. Within ninety (90) days of issuance, \$67.962 million of proceeds from the Bonds were used to redeem and/or refund prior series of Revenue Bonds and or obligation(s) ("Refunded Obligations"). Following the refunding of the Refunded Obligations, an approximate amount of \$67.962 million currently allocated to the Refunded Obligations were reallocated to the Bonds to purchase participation interest in Mortgage- Backed Securities. Due to the nature of this replacement refunding there is no economic gain.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**E. Other Financings**

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

As of June 30, 2025, there were 122 series of such bonds or notes outstanding, with an aggregate principal amount payable of \$1,975 million.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**F. Assets Restricted for Capital and Debt Service Reserves**

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

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

The amounts of such reserves, for measurement purposes against the various bond resolution reserve requirements, are valued at book value or par, or, if purchased at less than par, at their cost to the Authority. At June 30, 2025, these reserve amounts, which were not less than the amounts required are as follows, in thousands:

Housing Bonds	\$      3,038
Multifamily Initiative Bonds	561
Multifamily Revenue Bonds	13,430
Homeowner Mortgage Revenue Bonds	1,372
Total	<u>\$    18,401</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**G. Debt Service Requirements**

Debt service requirements through 2030 and in five year increments thereafter to maturity for the Authority's proprietary fund are as follows (in millions):

	Administrative Fund Direct Borrowing		Single Family Program Fund Other Debt	
	Principal	Interest	Principal	Interest
YEAR ENDING JUNE 30:				
2026	\$ 143.8	\$ 2.4	\$ 117.5	\$ 201.1
2027	0.4	1.3	98.7	198.1
2028	7.7	0.6	102.5	194.6
2029	—	—	106.0	190.9
2030	—	—	110.0	186.9
FIVE YEAR ENDED JUNE 30:				
2031-2035	—	—	604.6	867.2
2036-2040	—	—	663.3	737.6
2041-2045	—	—	816.9	575.9
2046-2050	—	—	973.6	375.7
2051-2055	—	—	817.0	112.9
2056-2060	—	—	6.6	0.2
	<u>\$ 151.9</u>	<u>\$ 4.3</u>	<u>\$ 4,416.7</u>	<u>\$ 3,641.1</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**G. Debt Service Requirements (Continued)**

Mortgage Loan Program Fund						
	Direct Placement of Debt:		Other Debt:		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
YEAR ENDING JUNE 30:						
2026	\$ 2.4	\$ 5.9	\$ 25.8	\$ 14.6	\$ 28.2	\$ 20.5
2027	10.6	6.6	18.3	14.2	28.9	20.8
2028	2.9	5.4	7.1	13.9	10.0	19.3
2029	3.0	5.4	29.5	13.7	32.5	19.1
2030	3.1	5.3	7.4	12.7	10.5	18.0
FIVE YEAR ENDED JUNE 30:						
2031-2035	17.2	24.9	39.8	59.2	57.0	84.1
2036-2040	20.8	21.9	43.4	51.8	64.2	73.7
2041-2045	40.2	16.3	120.7	35.3	160.9	51.6
2046-2050	14.6	12.1	35.3	21.7	49.9	33.8
2051-2055	15.5	9.4	37.4	15.8	52.9	25.2
2056-2060	20.4	5.9	40.2	9.6	60.6	15.5
2061-2065	15.2	2.6	36.1	3.4	51.3	6.0
2066-2070	4.0	0.3	3.6	0.2	7.6	0.5
	<u>\$ 169.9</u>	<u>\$ 122.0</u>	<u>\$ 444.6</u>	<u>\$ 266.1</u>	<u>\$ 614.5</u>	<u>\$ 388.1</u>

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

The Authority has a line of credit in the Administrative Fund for cash advances with the Federal Home Loan Bank of Chicago up to \$500 million. The current undrawn portion of the Authority's authorized amount is \$348 million. The drawn amount of \$152 million is included in Bonds and Notes Payable.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**H. Derivative Instruments**

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

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

As of June 30, 2025, the Authority has active swap and interest rate cap contracts. Details are shown in the following tables, in thousands.

	Changes in fair value		Fair Value at June 30, 2025		
	Classification	Amount	Classification	Amount	Notional
Business-Type Activities:					
Cash Flow Hedges:					
Pay-Fixed/Receive Variable, Interest Rate Swaps:					
HMRB	Deferred Inflow	\$ (751)	**	\$ 1,384	\$ 30,000
RB	Deferred Inflow	\$ (3,730)	**	\$ 22,229	\$ 398,985
RB 2023 M	Deferred Outflow	\$ (149)	*	\$ (1,633)	\$ 32,085
RB 2023 P	Deferred Outflow	\$ (466)	*	\$ (1,246)	\$ 64,765
MFRB Maywood	Deferred Inflow	\$ 40	**	\$ 3,514	\$ 24,820
MFRB Burnham Manor	Deferred Inflow	\$ 62	**	\$ 780	\$ 12,725
MFRB Autumn Ridge	Deferred Inflow	\$ —	**	\$ 864	\$ 11,730
MFRB South Park Plaza	Deferred Outflow	\$ 27	*	\$ (241)	\$ 13,250
General Obligation	Deferred Inflow	\$ (427)	**	\$ 904	\$ 23,183
General Obligation Quentin	Deferred Outflow	\$ 34	*	\$ (79)	\$ 4,126
General Obligation Lakeview Landing	Deferred Outflow	\$ 13	*	\$ (25)	\$ 1,008
General Obligation Parker Glen	Deferred Outflow	\$ (20)	*	\$ (20)	\$ 1,890
General Obligation Casa Yucatan	Deferred Outflow	\$ (44)	*	\$ (44)	\$ 1,845
Rate Caps					
HB	Deferred Inflow	\$ (11)	**	\$ 1	\$ 14,790
MFRB	Deferred Inflow	\$ (346)	**	\$ 48	\$ 21,735
Total		\$ (5,768)		\$ 26,436	\$ 656,937

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

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**H. Derivative Instruments (Continued)**

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**H. Derivative Instruments (Continued)**

June 30, 2025 (Dollars in Thousands)

Associated Bond Issue	Notional Amounts	Effective Date	Fixed Rate Paid (3)	Variable Rate Received	Fair Values (1)	Termination Date	Counter-Party Credit Rating (2)
Active Swap Contracts:							
Single Family Program Fund:							
HMRB**:							
HMRB 2018 A-2	\$ 30,000	8/1/2018	2.3940	70% SOFR	\$ 1,384	2/1/2038	Aa1/AA-/AA-
RB***:							
RB 2019B	30,000	3/7/2019	2.4310	100% SIFMA -> 70% LIBOR	1,912	4/1/2042	Aa2/A+/AA
RB 2020C	40,000	10/15/2020	1.0565	100% SIFMA -> 70% LIBOR	7,124	4/1/2042	Aa1 / AA- / AA-
RB 2022D	59,860	5/19/2022	2.4320	70% SOFR + 0.08%	4,300	4/1/2045	Aa2/ A+ / AA
RB 2022F	50,000	9/22/2022	2.5980	70% SOFR + 0.10%	3,015	4/1/2045	Aa1/ AA-/ AA-
RB 2023C	37,500	3/29/2023	4.4950	100% SOFR +0.15%	712	10/1/2046	Aa1/A+/AA
RB 2023F	43,290	6/1/2023	4.0650	100% SOFR + 0.15%	2,715	10/1/2046	Aa1 / AA- / AA
RB 2023J	38,335	8/3/2023	4.5690	100% SOFR + 0.15%	1,183	10/1/2048	Aa2/A+/AA
RB 2023M	32,085	10/25/2023	5.5275	100% SOFR + 0.15%	(1,633)	10/1/2053	Aa1/AA-/AA
RB 2023P	64,765	11/30/2023	3.5780	70% SOFR + 0.10%	(1,246)	4/1/2049	Aa2/A+/AA-
RB 2024G	66,665	8/14/2024	4.7990	100% SOFR +0.15%	932	10/1/2050	Aa1/AA-/AA
RB 2024H	33,335	8/14/2024	3.3075	70% SOFR + 0.10%	336	10/1/2050	Aa1/AA-/AA-
	<u>\$ 495,835</u>				<u>\$ 19,350</u>		
Active Swap Contracts:							
Mortgage Loan Program Fund:							
MFRB***:							
MFRB Maywood	\$ 24,820	7/1/2024	2.1470	70% SOFR + 0.08% -> 70%	\$ 3,514	7/1/2064	Aa1/AA-/AA-
MFRB Burnham Manor	12,725	10/1/2024	2.7755	70% SOFR + 0.08%	780	1/1/2065	Aa1/AA-/AA-
MFRB Autumn Ridge	11,730	2/9/2023	2.9750	70% SOFR + 0.10%	864	7/1/2065	Aa1/AA-/AA-
MFRB South Park Plaza	13,250	9/1/2025	3.5990	70% SOFR + 0.10%	(241)	1/1/2066	Aa1/AA-/AA-
	<u>\$ 62,525</u>				<u>\$ 4,917</u>		
Active Swap Contracts:							
General Obligation:							
GO Otto Veteran	\$ 4,835	3/1/2026	3.2730	100% SOFR	\$ 303	10/1/2053	A1/A+/A+
GO Wildwood Trace	2,600	8/1/2026	3.2500	100% SOFR	173	02/1/2054	A1/A+/A+
GO Quentin	4,126	10/1/2026	4.0650	100% SOFR	(79)	6/1/2054	A1/A+/A+
GO Harvey Rad	5,000	3/1/2027	3.8040	100% SOFR	62	10/1/2054	A1/A+/A+
GO Deville	1,712	4/1/2027	3.7740	100% SOFR	28	12/1/2053	A1/A+/A+
GO Lakeview Landing	1,008	5/1/2027	4.1740	100% SOFR	(25)	1/1/2055	A1/A+/A+
GO Trolley Circle	1,625	6/1/2027	3.8930	100% SOFR	9	1/1/2055	A1/A+/A+
GO Addison Horizon	2,500	8/1/2027	3.7500	100% SOFR	54	3/1/2055	A1/A+/A+
GO Starling Senior	2,484	9/1/2027	3.3821	100% SOFR	152	3/1/2055	A1/A+/A+
Go Eve B Lee	2,427	10/1/2027	3.4760	100% SOFR	123	4/1/2055	A1/A+/A+
GO Parker Glen	1,890	6/1/2028	4.1300	100% SOFR	(20)	2/1/2056	A1/A+/A+
GO Casa Yucatan	1,845	6/1/2028	4.2710	100% SOFR	(44)	5/1/2054	A1/A+/A+
	<u>\$ 32,052</u>				<u>\$ 736</u>		
Active Interest Rate Caps:							
Mortgage Loan Program Fund:							
HB****:							
Series 2008 A	\$ 10,930	1/1/2018	6.0000	100% SIFMA	\$ —	1/1/2027	A1/A+/A+
Series 2008 C	3,860	5/9/2022	4.0000	70% SOFR + 0.18%	1	7/1/2027	A1/A+/A+
MFRB****:							
Series 2022 C	21,735	5/12/2022	4.0000	100% SOFR + 0.11%	48	7/1/2025	Aa2/A+/AA
	<u>\$ 36,525</u>				<u>\$ 49</u>		

\*\* Homeowner Mortgage Revenue Bonds

\*\*\* Revenue Bonds

\*\*\*\* Housing Bonds

(1) Includes accrued interest.

(2) S&P/Moody's

(3) Represents rate for swap and cap rate for interest rate caps.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8      BONDS AND NOTES PAYABLE (CONTINUED)**

**H. Derivative Instruments (Continued)**

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

The terms, fair values, and credit ratings of the outstanding agreements as of June 30, 2025, are shown in the above table. The notional amount of the swap and caps match the principal amount of the associated debt except in the case of Series 2008 A where early redemption of bonds has reduced the outstanding bond amount leaving the notional amount of the interest rate cap at its original scheduled value.

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

Because interest rates have increased since the execution of the swap agreements in the Single Family Program Fund, they have positive fair values as of June 30, 2025. The positive fair value may be countered by increases in total interest payments required under the variable-rate bonds, creating higher synthetic interest rates. Because the coupons on the Authority's variable rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value changes.

As of June 30, 2025, the Authority was not exposed to credit risk for the swaps that had negative fair value of \$3.3 million. As interest rates change and the fair value becomes positive, the Authority is exposed to credit risk in the amount of the swap's or cap's fair value. The Authority is exposed to credit risk on the caps and swaps with positive fair value. The aggregate fair value of hedging derivative instruments with positive fair value on June 30, 2025, was \$29.7 million. This represents the maximum loss that would be recognized at the reporting date if all counter-parties failed to perform as contracted. Fair value is a factor only upon termination.

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 8 BONDS AND NOTES PAYABLE (CONTINUED)**

**H. Derivative Instruments (Continued)**

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

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

As of June 30, 2025, debt service requirements of the Authority's outstanding variable-rate debt and net swap payments, assuming current interest rates remain the same, for their term are as follows, in thousands:

	Variable-Rate Bonds		Interest Rate	
	Principal	Interest	Swap, Net	Total
Year Ending June 30:				
2026	\$ 1,950	\$ 17,746	\$ 3,291	\$ 22,987
2027	9,640	17,690	3,285	30,615
2028	1,650	17,500	3,281	22,431
2029	1,700	17,449	3,277	22,426
2030	1,765	17,396	3,273	22,434
	16,705	87,781	16,407	120,893
Year Ending June 30:				
2035	55,385	84,845	14,850	155,080
2040	129,445	73,781	13,499	216,725
2045	182,945	54,033	2,049	239,027
2050	175,685	26,980	(11,521)	191,144
2055	35,265	5,053	(5,885)	34,433
2060	11,615	2,033	(472)	13,176
2065	13,285	809	411	14,505
2070	1,120	15	11	1,146
	604,745	247,549	12,942	865,236
Total	\$ 621,450	\$ 335,330	\$ 29,349	\$ 986,129

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 9      DEPOSITS HELD IN ESCROW**

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

**NOTE 10      LEASES**

The Authority has entered into a lease for office facilities and leases for office equipment with remaining lease terms ranging from three to thirteen months. If renewal is reasonably assured, leases by the Authority are considered noncancelable leases for financial reporting purposes. Periods covered by renewal and termination options are not included in the right-to-use asset or lease liability balance until they are reasonably certain of exercise. There are no additional lease contracts or renewal in the current fiscal year. For further details see Note 7 Capital Assets.

Lease payments to maturity for the Authority's administrative fund are as follows (in thousands):

Fiscal Year Ended	Principal	Interest
June 30, 2026	\$ 1,312	\$ 54
June 30, 2027	564	6
Total lease payments	<u>\$ 1,876</u>	<u>\$ 60</u>

The following summarizes the lease liability activities for the Authority's funds for the fiscal year ended June 30, 2025, (in thousands):

	June 30, 2024	Additions	Deductions	June 30, 2025	Amount due within one year
Lease Liabilities	<u>\$ 3,131</u>	<u>\$ —</u>	<u>\$ 1,255</u>	<u>\$ 1,876</u>	<u>\$ 1,312</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 11      SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The Authority has entered into Subscription Based Information Technology Arrangements (SBITA's) with remaining subscription terms ranging from one to three years. Periods covered by renewal and termination options are not included in the right-to-use asset or subscription liability balance until they are reasonably certain of exercise. For additional contracts or renewal in the current fiscal year, see further details in Note 7 Capital Assets.

Subscription payments through 2028 are as follows (in thousands):

Fiscal Year Ended	Principal	Interest
June 30, 2026	\$ 532	\$ 52
June 30, 2027	382	29
June 30, 2028	399	13
Total	<u>\$ 1,313</u>	<u>\$ 94</u>

The following summarizes the SBITA liability activities for the Authority's funds for the fiscal year ended June 30, 2025, (in thousands):

	June 30, 2024	Additions	Deductions	June 30, 2025	Amount due within one year
SBITA Liabilities	<u>\$ 2,531</u>	<u>\$ 343</u>	<u>\$ 1,561</u>	<u>\$ 1,313</u>	<u>\$ 532</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 12      RISK MANAGEMENT**

The bonds issued by the Authority after 1980 are subject to a variety of Internal Revenue Service (IRS) regulations that limit the amount of income that may be earned with nonpurpose investments to an amount not greater than the amount that would have been earned had the funds been invested at the yield on the bonds as defined by the IRS. Excess earnings must be rebated annually, or every five years, depending on the date and type of bond issue. It has been determined that there is an estimated rebate liability of \$4.7 million as of June 30, 2025. The rebate liability are included in Accrued Liabilities and Other in the Authority's financial statement in the Single Family Program Fund and in the Mortgage Loan Program Fund.

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

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 13      COMPENSATED ABSENCES**

The accrued compensated absences liability reported in the statement of net position represents the accrued vacation and sick leave benefits that are payable upon termination of employment. Vacation leave is earned by employees and is fully payable at separation. Sick leave is accrued only to the extent it is more likely than not to be paid upon termination or used as time off. Personal leave is accrued only to the extent it is more likely than not to be used within the calendar year; any unused balance is forfeited at calendar year-end.

In 2025, the Authority implemented GASB Statement No. 101 – *Compensated Absences* (GASB 101), which requires that liabilities for compensated absences be recognized for leave that has been used and leave that has been used but not yet paid in cash or settled through noncash means. GASB 101 specifies that a reasonable method should be used to estimate this liability. An estimate was created for the current liability, based on five calendar years of historical leave usage data for sick leave and three calendar years of historical leave usage data for personal leave. Historically, the Authority averages usage of 6.5 days or 49 hours of sick leave, 27.4 hours of personal time and all vacation leave per employee per year. Detailed calculations based on the average were used in the determination of current and non-current liabilities, needed for the beginning balance restatement entries. Salary-related payments were estimated using the average bi-monthly rate of each employee for leave payout accruals plus benefits. Benefits include 401K payments at 6% of salary and social security and Medicare.

The following summarizes the changes in accrued compensated absences for the year ended, June 30, 2025, (in thousands).

Restated Balance		Balance	
July 1, 2024	Net Change	June 30, 2025	Due Within One Year
\$ 4,186	\$ 165	\$ 4,351	\$ 3,265

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 14      RETIREMENT PLAN**

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

The Authority's total payroll for the fiscal year 2025 was \$36.9 million. The Authority's contributions were calculated using the base salary amount of \$36.5 million. The Authority contributed \$2.2 million, or 6.0% of the base salary amount, in fiscal year 2025. Employee contributions amounted to \$3.1 million, in fiscal year 2025, or approximately 8.5% of the base salary amount.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 15      COMMITMENTS AND CONTINGENCIES**

**A. Loans**

At June 30, 2025, the Authority had authorized loans and grants totaling \$68.9 million for the Illinois Affordable Housing Trust Fund.

Under the HOME Program, \$619.7 million and \$15.9 million for federal fiscal years 1992 through 2024 and 2025, respectively, have been allocated to the State by HUD, to be administered by the Authority, under the HOME Program provisions of the 1990 National Affordable Housing Act. At June 30, 2025, the Authority had authorized loans and grants totaling \$30.7 million for the HOME Program.

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

In November 2006, the Authority entered into a new agreement (the FAF Refunding Agreement) with HUD at the time of delivery of the Authority's Housing Bonds, 2006 Series G to refund the Multi-Family Housing Bond refunding bonds. Pursuant to federal legislation and a written agreement with the Authority, HUD has agreed to share a portion of such savings (the FAF Savings Program) with the Authority in order to create and maintain affordable housing opportunities for individuals of "very low income" (as such term is defined in the 1937 Housing Act) in the State. These savings, which are to be used solely for the purposes stated above, are recorded as other income of the Administrative Fund. At June 30, 2025, loans receivable under this program were approximately \$44.5 million.

**B. Issuances**

As of June 30, 2025, the Authority had no outstanding commitments for future bond issuances. All prior commitments were fulfilled.

**C. Grant Funding**

The Authority participates in various federal and State grant programs, which are subject to program compliance audits. Accordingly, the Authority's compliance with applicable grants requirements will be established at a future date. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the Authority anticipates such amounts, if any, will be immaterial.

**D. Legal**

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 16      SUBSEQUENT EVENTS**

On August 13, 2025, the Authority issued Revenue Bonds, 2025 Series D, E, and F in the aggregate amount of \$350 million. Proceeds of the Series 2025 D, E, and F Bonds together with other funds of the Authority are expected to be used to: (a) finance Mortgage-Backed Securities (as defined herein) and down payment assistance loans or refinance existing Mortgage Loans (as defined herein); (b) make a deposit to the Series 2025D/E/F Costs of Issuance Subaccount (as defined herein) to pay a portion of the Costs of Issuance of the Series 2025D/E/F Bonds; (c) refund at or in advance of maturity all or a portion of a number of series of the Authority's outstanding bonds or other obligations; (d) fund servicing release premiums and payments to lenders; (e) finance second-lien loans for down payment assistance or closing cost assistance that will not be subject to the lien and pledge of the General Indenture; (f) finance deemed termination payments on qualified hedges related to the Variable Rate Bonds; (g) pay accrued interest and capitalized interest on the Series 2025D/E/F Bonds, if required; and (h) make a deposit to the Reserve Fund (as defined herein), if required.

On September 19, 2025, the Authority established the IHDA Preservation Limited Rehabilitation Program 2.0, allowing \$30 million of Administrative funds be used to provide financing for affordable housing rehabilitation grants under the program.

On November 10, 2025, the Authority issued tax-exempt Multifamily Revenue Bonds in an aggregate amount of \$15.61 million, the proceeds of which were used to finance the acquisition, rehabilitation, and equipping of 94-unit multifamily residential housing development known as Fox Shore Apartments located in Aurora, Illinois.

On November 19, 2025, the Authority issued Revenue Bonds, 2025 Series G and H in the aggregate amount of \$200 million. Proceeds of the Series 2025 G and H Bonds together with other funds of the Authority are expected to be used to: (a) purchase, and/or reimburse the Authority for its prior purchase of mortgage-backed securities guaranteed as to timely payment of principal and interest by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation (or participation interests in such mortgage-backed securities), and (b) pay/reimburse the Authority for certain costs incurred in connection with the issuance of the Series 2025 G and H Bonds.

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

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2025

**NOTE 17      RESTATEMENT OF NET POSITION**

The Authority implemented GASB Statement No. 101 – *Compensated Absences*, in the year ended June 30, 2025. This change in accounting principle was accounted for as a restatement of net position as of July 1, 2024, the earliest year presented.

The restatement of net position as of July 1, 2024, in thousands is as follows:

	Business-Type Activities	Administrative Fund
Net Position, July 1, 2024, as previously reported	\$ 886,003	\$ 412,353
Change in Accounting Principle, GASB Statement No. 101	(2,350)	(2,350)
Net Position at July 1, 2024, as Restated	<u>\$ 883,653</u>	<u>\$ 410,003</u>



# **SUPPLEMENTARY INFORMATION**

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2025  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

Assets	American Recovery and Reinvestment Act Fund	Neighborhood Stabilization Program Fund	Foreclosure Prevention Program Fund	Community Development Block Grant Fund	Cook County Mortgage Foreclosure Mediation Program Fund	Abandoned Property Program Fund	Section 811 Project Rental Assistance Demonstration Program Fund	National Housing Trust Fund	Foreclosure Prevention Graduated Program Fund	COVID-19 Emergency Rental Assistance Program Fund	COVID-19 Homeowner Assistance Fund	Housing Stability Counseling Program Fund	Housing Counseling Resource Program Fund	HOME ARP Fund	Total
<b>Current Assets:</b>															
Cash and Cash Equivalents - Restricted	\$ 1,187	\$ 7	\$ 435	\$ —	\$ —	\$ 6,092	\$ 26	\$ 516	\$ 112	\$ 12,683	\$ 16,990	\$ 57	\$ 3,809	\$ —	\$ 41,914
Program Loans Receivable	162	3	—	—	—	—	—	66	—	—	—	—	—	—	231
Interest Receivable on Program Loans	27	—	—	—	—	—	—	—	—	—	—	—	—	—	27
Due from Other Funds	—	—	—	—	—	—	—	—	—	—	351	—	65	—	416
Total Current Assets	1,376	10	435	—	—	6,092	26	582	112	12,683	17,341	57	3,874	—	42,588
<b>Noncurrent Assets:</b>															
Program Loans Receivable, Net of Current Portion	74,586	2,693	—	6,234	—	—	—	16,126	—	—	—	—	—	—	99,639
Less Allowance for Estimated Losses	(6,380)	(69)	—	(436)	—	—	—	(328)	—	—	—	—	—	—	(7,213)
Net program Loans Receivable	68,206	2,624	—	5,798	—	—	—	15,798	—	—	—	—	—	—	92,426
Total Noncurrent Assets	68,206	2,624	—	5,798	—	—	—	15,798	—	—	—	—	—	—	92,426
Total Assets	\$ 69,582	\$ 2,634	\$ 435	\$ 5,798	\$ —	\$ 6,092	\$ 26	\$ 16,380	\$ 112	\$ 12,683	\$ 17,341	\$ 57	\$ 3,874	\$ —	\$ 135,014
<b>Liabilities and Fund Balances</b>															
<b>Current Liabilities:</b>															
Unearned Revenue	\$ 27	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12,503	\$ 17,303	\$ 57	\$ 3,874	\$ —	\$ 33,764
Accrued Liabilities and Other	—	1	—	—	—	—	6	—	—	—	38	—	—	—	45
Due to Other Funds	—	7	—	—	—	—	20	376	—	180	—	—	—	—	583
Total Current Liabilities	27	8	—	—	—	—	26	376	—	12,683	17,341	57	3,874	—	34,392
<b>Fund Balances:</b>															
Restricted	69,555	2,626	435	5,798	—	6,092	—	16,004	112	—	—	—	—	—	100,622
Total Fund Balances	69,555	2,626	435	5,798	—	6,092	—	16,004	112	—	—	—	—	—	100,622
Total Liabilities and Fund Balances	\$ 69,582	\$ 2,634	\$ 435	\$ 5,798	\$ —	\$ 6,092	\$ 26	\$ 16,380	\$ 112	\$ 12,683	\$ 17,341	\$ 57	\$ 3,874	\$ —	\$ 135,014

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	American Recovery and Reinvestment Act Fund	Neighborhood Stabilization Program Fund	Foreclosure Prevention Program Fund	Community Development Block Grant Fund	Cook County Mortgage Foreclosure Mediation Program Fund	Abandoned Property Program Fund	Section 811 Project Rental Assistance Demonstration Program Fund	National Housing Trust Fund	Foreclosure Prevention Graduated Program Fund	COVID-19 Emergency Rental Assistance Program Fund	COVID-19 Homeowner Assistance Fund	Housing Stability Counseling Program Fund	Housing Counseling Resource Program Fund	HOME ARP Fund	Total
<b>Revenues:</b>															
Federal Funds	\$ —	\$ 440	\$ —	\$ —	\$ —	\$ —	\$ 2,992	\$ 25,340	\$ —	\$ 3,677	\$ 4,100	\$ —	\$ —	\$ 433	\$ 36,982
Interest and Other Investment Income	76	—	—	—	—	—	—	—	—	594	873	3	89	—	1,635
Other Income	—	—	—	—	726	—	—	—	—	1	—	—	1,837	—	2,564
<b>Total Revenues</b>	<b>76</b>	<b>440</b>	<b>—</b>	<b>—</b>	<b>726</b>	<b>—</b>	<b>2,992</b>	<b>25,340</b>	<b>—</b>	<b>4,272</b>	<b>4,973</b>	<b>3</b>	<b>1,926</b>	<b>433</b>	<b>41,181</b>
<b>Expenditures:</b>															
General and Administrative	—	8	—	—	674	—	244	2,690	—	1,267	1,706	—	59	424	7,072
Grants	—	438	—	—	34	—	2,742	16,565	—	2,387	2,359	—	1,778	—	26,303
Financing Costs	—	—	—	—	18	—	6	69	—	24	35	—	—	9	161
Program Income Transferred to State of Illinois	—	—	—	—	—	—	—	—	—	594	873	3	89	—	1,559
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(1,086)	(4)	—	72	—	—	—	141	—	—	—	—	—	—	(877)
<b>Total Expenditures</b>	<b>(1,086)</b>	<b>442</b>	<b>—</b>	<b>72</b>	<b>726</b>	<b>—</b>	<b>2,992</b>	<b>19,465</b>	<b>—</b>	<b>4,272</b>	<b>4,973</b>	<b>3</b>	<b>1,926</b>	<b>433</b>	<b>34,218</b>
<b>Net Change in Fund Balances</b>	<b>1,162</b>	<b>(2)</b>	<b>—</b>	<b>(72)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,875</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6,963</b>
Fund Balances at Beginning of Year	68,393	2,628	435	5,870	—	6,092	—	10,129	112	—	—	—	—	—	93,659
<b>Fund Balances at End of Year</b>	<b>\$ 69,555</b>	<b>\$ 2,626</b>	<b>\$ 435</b>	<b>\$ 5,798</b>	<b>\$ —</b>	<b>\$ 6,092</b>	<b>\$ —</b>	<b>\$ 16,004</b>	<b>\$ 112</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 100,622</b>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF NET POSITION – MORTGAGE LOAN PROGRAM FUND  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2025  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Housing Bonds	Multifamily Initiative Bonds	Multifamily Revenue Bonds	Affordable Housing Program Trust Fund Bonds	Total
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents - Restricted	\$ 119,464	\$ 2,099	\$ 60,626	\$ 24,932	\$ 207,121
Investments - Restricted	15,109	—	2,410	—	17,519
Investment Income Receivable - Restricted	77	—	806	—	883
Program Loans Receivable	4,487	517	6,275	279	11,558
Interest Receivable on Program Loans	641	49	1,710	38	2,438
Total Current Assets	139,778	2,665	71,827	25,249	239,519
<b>Noncurrent Assets:</b>					
Investments - Restricted	3,784	—	40,652	—	44,436
Program Loans Receivable, Net of Current Portion	178,002	13,233	459,934	5,200	656,369
Less Allowance for Estimated Losses	(4,228)	—	(2,626)	(1,052)	(7,906)
Net Program Loans Receivable	173,774	13,233	457,308	4,148	648,463
Due from Fannie Mae	—	28,100	—	—	28,100
Due from Freddie Mac	—	3,750	—	—	3,750
Capital Assets					
Capital assets, not being depreciated	16,400	—	—	—	16,400
Capital assets, net of accumulated Depreciation	9,230	—	—	—	9,230
Others	412	—	1	—	413
Derivative Instrument Asset	1	—	5,206	—	5,207
Total Noncurrent Assets	203,601	45,083	503,167	4,148	755,999
Total Assets	343,379	47,748	574,994	29,397	995,518
<b>Deferred Outflows of Resources:</b>					
Accumulated Decrease in Fair Value of Hedging Derivatives	—	—	241	—	241
Total Deferred Outflows of Resources	—	—	241	—	241
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Bonds and Notes Payable	21,465	1,300	5,435	—	28,200
Accrued Interest Payable	209	429	6,824	—	7,462
Accrued Liabilities and Other	275	6	8,277	5	8,563
Total Current Liabilities	21,949	1,735	20,536	5	44,225
<b>Noncurrent Liabilities:</b>					
Bonds and Notes Payable, Net of Current Portion	45,430	44,850	494,228	—	584,508
Derivative Instrument Liability	—	—	241	—	241
Total Noncurrent Liabilities	45,430	44,850	494,469	—	584,749
Total Liabilities	67,379	46,585	515,005	5	628,974
<b>Deferred Inflows of Resources:</b>					
Accumulated Increase in Fair Value of Hedging Derivatives	1	—	5,206	—	5,207
Gain on Refinanced Debt	—	—	30,765	—	30,765
Total Deferred Inflows of Resources	1	—	35,971	—	35,972
<b>Net Position</b>					
Net Investment in Capital Assets	16,845	—	—	—	16,845
Restricted for Bond Resolution Purposes	259,154	1,163	24,259	29,392	313,968
Total Net Position	\$ 275,999	\$ 1,163	\$ 24,259	\$ 29,392	\$ 330,813

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
MORTGAGE LOAN PROGRAM FUND (DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Housing Bonds	Multifamily Initiative Bonds	Multifamily Revenue Bonds	Affordable Housing Program Trust Fund Bonds	Total
<b>Operating Revenues:</b>					
Interest and Other Investment Income	\$ 7,336	\$ —	\$ 4,692	\$ 1,120	\$ 13,148
Interest Earned on Program Loans	6,693	601	16,253	112	23,659
Service Fees	8	—	47	—	55
Other Income	15,112	—	—	—	15,112
Total Operating Revenues	29,149	601	20,992	1,232	51,974
<b>Operating Expenses:</b>					
Interest Expense	2,758	756	14,040	—	17,554
Other General and Administrative	7,353	1	1	1	7,356
Depreciation and Amortization	1,348	—	—	—	1,348
Financing Costs	378	39	1,894	—	2,311
Asset Under Management Expenses	3,500	—	—	—	3,500
Program Grants	—	—	—	398	398
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(2,207)	(97)	1,537	(21)	(788)
Provision for Estimated Losses on Real Estate Held for Sale	11	—	—	28	39
Total Operating Expenses	13,141	699	17,472	406	31,718
Total Operating Income (Loss)	16,008	(98)	3,520	826	20,256
<b>Nonoperating Revenues and Expenses</b>					
Gain/(Loss) on Investment Sale Revenues	—	—	2	—	2
Net Increase (Decrease) in Fair Value of Investments	54	—	453	1	508
Federal Assistance Programs Revenues	—	—	—	—	—
Total Nonoperating Income	54	—	455	1	510
<b>Income (Loss) Before Transfers</b>	16,062	(98)	3,975	827	20,766
Transfers In	—	—	6,757	490	7,247
Transfers Out	(96,791)	(1,815)	(1,041)	(10,000)	(109,647)
Total Transfers	(96,791)	(1,815)	5,716	(9,510)	(102,400)
<b>Change in Net Position</b>	(80,729)	(1,913)	9,691	(8,683)	(81,634)
Net Position at Beginning of Year	356,728	3,076	14,568	38,075	412,447
<b>Net Position at End of Year</b>	\$ 275,999	\$ 1,163	\$ 24,259	\$ 29,392	\$ 330,813

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF CASH FLOWS – MORTGAGE LOAN PROGRAM FUND  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Housing Bonds	Multifamily Initiative Bonds	Multifamily Revenue Bonds	Affordable Housing Program Trust Fund Bonds	Total
<b>Cash flows from operating activities:</b>					
Receipts for program loans, interest, and service fees	\$ 23,643	\$ 1,099	\$ 20,756	\$ 539	\$ 46,037
Payments for program loans	(59,727)	—	(94,160)	(134)	(154,021)
Receipts for federal assistance programs	8	—	47	—	55
Receipts for credit enhancements	—	1,016	—	—	1,016
Payments for program grants	—	—	—	(398)	(398)
Payments to suppliers	(7,457)	(34)	(1,895)	—	(9,386)
Payments for AUM fees	(3,500)	—	—	—	(3,500)
Other receipts (Disbursements)	15,112	—	—	4	15,116
Net cash provided by (used in) operating activities	(31,921)	2,081	(75,252)	11	(105,081)
<b>Cash flows from noncapital financing activities:</b>					
Interest paid on revenue bonds and notes	(2,840)	(769)	(12,593)	—	(16,202)
Due to / from Other Funds	34,346	1,845	(9,023)	9,895	37,063
Proceeds from sale of housing bonds and notes	—	—	248,381	—	248,381
Principal paid on bonds and notes	(7,165)	(1,320)	(149,091)	—	(157,576)
Transfers in	—	—	6,757	490	7,247
Transfers out	(75,781)	(1,815)	(1,041)	(10,000)	(88,637)
Net cash provided by (used in) noncapital financing activities	(51,440)	(2,059)	83,390	385	30,276
<b>Cash flows from investing activities:</b>					
Purchase of investment securities	(252,775)	—	(109,285)	—	(362,060)
Proceeds from sales and maturities of investment securities	210,994	—	94,163	180	305,337
Interest received on investments	2,771	—	2,557	1,116	6,444
Transfers Out of Investments	37,985	—	8,113	—	46,098
Net cash provided by (used) in investing activities	(1,025)	—	(4,452)	1,296	(4,181)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(84,386)</b>	<b>22</b>	<b>3,686</b>	<b>1,692</b>	<b>(78,986)</b>
Cash and cash equivalents at beginning of year	203,850	2,077	56,940	23,240	286,107
<b>Cash and cash equivalents at end of year</b>	<b>\$ 119,464</b>	<b>\$ 2,099</b>	<b>\$ 60,626</b>	<b>\$ 24,932</b>	<b>\$ 207,121</b>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>					
Operating Income	\$ 16,008	\$ (98)	\$ 3,520	\$ 826	\$ 20,256
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Investment Income	(7,336)	—	(4,692)	(1,120)	(13,148)
Interest expense	2,758	756	14,040	—	17,554
Depreciation and amortization	1,348	—	—	—	1,348
Non-cash asset disposition	34	—	—	—	34
Changes in provision for (reversal of) estimated losses on program loans receivable	(2,207)	(97)	1,537	(21)	(788)
Changes in provision for Estimated Losses on Real Estate Held for Sale	11	—	—	28	39
Changes in assets and liabilities:					
Program loans receivable	(42,691)	496	(91,286)	309	(133,172)
Interest receivable on program loans	(130)	2	(477)	(12)	(617)
Other assets	55	—	244	(4)	295
Other liabilities	240	6	2,081	5	2,332
Due from Fannie Mae	—	461	—	—	461
Due from Freddie Mac	—	555	—	—	555
Changes in Deferred Outflow of Resources	—	—	26	—	26
Changes in Deferred Inflow of Resources	(11)	—	(245)	—	(256)
Total adjustments	(47,929)	2,179	(78,772)	(815)	(125,337)
Net cash provided by (used in) operating activities	\$ (31,921)	\$ 2,081	\$ (75,252)	\$ 11	\$ (105,081)
<b>Noncash investing capital and financing activities:</b>					
Transfer of foreclosed assets	\$ 6	\$ —	\$ —	\$ 3	\$ 9
Increase (decrease) in the fair value of investments	\$ 54	\$ —	\$ 453	\$ 1	\$ 508

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF NET POSITION – SINGLE FAMILY PROGRAM FUND  
(DOLLARS IN THOUSANDS)  
AS OF JUNE 30, 2025  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT))

	Homeowner Mortgage Revenue Bonds	Housing Revenue Bonds	Revenue Bonds	Inter-Account Eliminations	Total
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents - Restricted	\$ 6,871	\$ 8,751	\$ 169,516	\$ —	\$ 185,138
Investments - Restricted	29,560	—	207,094	—	236,654
Investment Income Receivable - Restricted	216	102	19,303	—	19,621
Program Loans Receivable	4,948	—	5,180	—	10,128
Interest Receivable on Program Loans	683	—	—	—	683
Due from Other Funds	21,754	—	—	(21,754)	—
Total Current Assets	64,032	8,853	401,093	(21,754)	452,224
<b>Noncurrent Assets:</b>					
Investments - Restricted	53,602	32,366	4,242,639	—	4,328,607
Program Loans Receivable, Net of Current Portion	42,783	—	68,032	—	110,815
Less Allowance for Estimated Losses	(959)	—	(1,730)	—	(2,689)
Net Program Loans Receivable	41,824	—	66,302	—	108,126
Real Estate Held for Sale	248	—	—	—	248
Less Allowance for Estimated Losses	(22)	—	—	—	(22)
Net Real Estate Held for Sale	226	—	—	—	226
Derivative Instrument Assets	1,384	—	22,229	—	23,613
Other Receivables	—	—	29	—	29
Total Noncurrent Assets	97,036	32,366	4,331,199	—	4,460,601
Total Assets	161,068	41,219	4,732,292	(21,754)	4,912,825
<b>Deferred Outflow of Resources</b>					
Accumulated Decrease in Fair Value of Hedging Derivatives	—	—	2,879	—	2,879
Total Deferred Outflows of Resources	—	—	2,879	—	2,879
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Bonds and Notes Payable	5,405	1,295	110,892	—	117,592
Accrued Interest Payable	915	78	46,258	—	47,251
Accrued Liabilities and Other	1,705	—	3,842	—	5,547
Due to Other Funds	5,690	2,325	44,282	(21,754)	30,543
Total Current Liabilities	13,715	3,698	205,274	(21,754)	200,933
<b>Noncurrent Liabilities:</b>					
Bonds and Notes Payable, Net of Current Portion	102,012	31,766	4,248,388	—	4,382,166
Derivative Instrument Liability	—	—	2,879	—	2,879
Total Noncurrent Liabilities	102,012	31,766	4,251,267	—	4,385,045
Total Liabilities	115,727	35,464	4,456,541	(21,754)	4,585,978
<b>Deferred Inflow of Resources</b>					
Accumulated Increase in Fair Value of Hedging Derivatives	1,384	—	22,229	—	23,613
Deferred Revenue	—	—	8,040	—	8,040
Total Deferred Inflows of Resources	1,384	—	30,269	—	31,653
<b>Net Position</b>					
Restricted for Bond Resolution Purposes	43,957	5,755	248,361	—	298,073
Total Net Position	\$ 43,957	\$ 5,755	\$ 248,361	\$ —	\$ 298,073

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
SINGLE FAMILY PROGRAM FUND (DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Homeowner Mortgage Revenue Bonds	Housing Revenue Bonds	Revenue Bonds	Total
<b>Operating Revenues:</b>				
Investment and Other Investment Income	\$ 3,477	\$ 1,687	\$ 225,514	\$ 230,678
Interest Earned on Program Loans	2,847	—	1	2,848
Other Income	227	—	1,127	1,354
Total Operating Revenues	6,551	1,687	226,642	234,880
<b>Operating Expenses:</b>				
Interest Expense	2,533	1,067	170,726	174,326
Other General and Administrative	356	—	—	356
Financing Costs	901	144	9,282	10,327
Asset Under Management Expenses	1,167	—	7,000	8,167
Program Grants	—	—	5,280	5,280
Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(502)	—	1,729	1,227
Provision for Estimated Losses on Real Estate Held for Sale	156	—	40	196
Total Operating Expenses	4,611	1,211	194,057	199,879
Operating Income	1,940	476	32,585	35,001
<b>Nonoperating Revenues and Expenses</b>				
Gain (Loss) on Investment Sale Revenues	81	(14)	(4,318)	(4,251)
Net Increase in Fair Value of Investments	1,216	875	92,949	95,040
Total Nonoperating Income	1,297	861	88,631	90,789
<b>Income (Loss) Before Transfers</b>	3,237	1,337	121,216	125,790
Transfers In	2,000	—	206,047	208,047
Transfers Out	(88,137)	(685)	(490)	(89,312)
Total Transfers	(86,137)	(685)	205,557	118,735
<b>Change in Net Position</b>	(82,900)	652	326,773	244,525
Net Position at Beginning of Year	126,857	5,103	(78,412)	53,548
<b>Net Position at End of Year</b>	\$ 43,957	\$ 5,755	\$ 248,361	\$ 298,073

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF CASH FLOWS – SINGLE FAMILY PROGRAM FUND  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Homeowner Mortgage Revenue Bonds	Housing Revenue Bonds	Revenue Bonds	Total
<b>Cash Flows From Operating Activities:</b>				
Receipts for Program Loans, Interest and Service Fees	\$ 14,162	\$ —	\$ 4,064	\$ 18,226
Payments for Loan Program Loans	(1,396)	—	(28,975)	(30,371)
Payments for Program Grants	—	—	(5,280)	(5,280)
Payments to Suppliers	(1,257)	(144)	(9,282)	(10,683)
Payments for AUM fees	(1,167)	—	(7,000)	(8,167)
Other Receipts	227	—	1,127	1,354
Net Cash Provided (Used) by Operating Activities	10,569	(144)	(45,346)	(34,921)
<b>Cash Flows From Noncapital Financing Activities:</b>				
Interest Paid on Revenue Bonds and Notes	(3,257)	(1,077)	(159,816)	(164,150)
Due To / From Other Funds	5,670	611	(28,412)	(22,131)
Proceeds From Sale of Revenue Bonds and Notes	—	—	1,170,584	1,170,584
Principal Paid on Revenue Bonds and Notes	(21,216)	(3,706)	(216,776)	(241,698)
Transfers In	2,000	—	155,384	157,384
Transfers Out	(58,484)	(685)	(490)	(59,659)
Net Cash Provided (Used) by Noncapital Financing Activities	(75,287)	(4,857)	920,474	840,330
<b>Cash Flows From Investing Activities:</b>				
Purchase of Investment Securities	(53,806)	—	(876,945)	(930,751)
Proceeds From Sales and Maturities of Investment Securities	62,850	11,401	1,084,086	1,158,337
Interest Received on Investments	2,811	1,458	224,261	228,530
Transfers Into Investments	—	—	(1,202,078)	(1,202,078)
Transfers Out of Investments	51,879	—	—	51,879
Net Cash Provided (Used) by Investing Activities	63,734	12,859	(770,676)	(694,083)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(984)	7,858	104,452	111,326
Cash and Cash Equivalents at Beginning of the Year	7,855	893	65,064	73,812
<b>Cash and Cash Equivalents at End of the Year</b>	<u>\$ 6,871</u>	<u>\$ 8,751</u>	<u>\$ 169,516</u>	<u>\$ 185,138</u>
<b>Reconciliation of Operating Income to Net Cash provided (Used) by Operating Activities:</b>				
Operating Income	\$ 1,940	\$ 476	\$ 32,585	\$ 35,001
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Investment Income	(3,477)	(1,687)	(225,514)	(230,678)
Interest Expense	2,533	1,067	170,726	174,326
Changes in Provision for (Reversal of) Estimated Losses on Program Loans Receivable	(502)	—	1,729	1,227
Changes in Provision for Estimated Losses on Real Estate Held for Sale	156	—	40	196
Changes in Assets and Liabilities:				
Program Loans Receivable	9,596	—	(22,513)	(12,917)
Interest Receivable on Program Loans	(145)	—	—	(145)
Other Assets	552	—	3,660	4,212
Other Liabilities	666	—	615	1,281
Changes in Deferred Outflow of Resources	—	—	(615)	(615)
Changes in Deferred Inflow of Resources	(750)	—	(6,059)	(6,809)
Total Adjustments	8,629	(620)	(77,931)	(69,922)
Net Cash Provided (Used) by Operating Activities	<u>\$ 10,569</u>	<u>\$ (144)</u>	<u>\$ (45,346)</u>	<u>\$ (34,921)</u>
<b>Noncash Investing Capital and Financing Activities:</b>				
Transfer of Foreclosed Assets	\$ 296	\$ —	\$ 40	\$ 336
Decrease in Fair Value of Investments	<u>\$ 1,216</u>	<u>\$ 875</u>	<u>\$ 92,949</u>	<u>\$ 95,040</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF NET POSITION –  
NONMAJOR PROPRIETARY FUND - IHDA DISPOSITIONS LLC  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Lakeview Apartments LLC	Valley Ridge Apartments LLC	Galena Prestwick Apartments LLC	Riverdale Sr Apartments LLC	Total
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ —	\$ —	\$ —	\$ 35	\$ 35
Total Current Assets	—	—	—	35	35
<b>Noncurrent Assets:</b>					
Real Estate Held for Sale	—	—	—	2,116	2,116
Less Allowance for Estimated Losses	—	—	—	—	—
Net Real Estate Held for Sale	—	—	—	2,116	2,116
Total Noncurrent Assets	—	—	—	2,116	2,116
Total Assets	—	—	—	2,151	2,151
<b>Net Position</b>					
Unrestricted	—	—	—	2,151	2,151
Total Net Position	\$ —	\$ —	\$ —	\$ 2,151	\$ 2,151

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION -  
NONMAJOR PROPRIETARY FUND - IHDA DISPOSITIONS LLC  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Lakeview Apartments LLC	Valley Ridge Apartments LLC	Galena Prestwick Apartments LLC	Riverdale Sr Apartments LLC	Total
<b>Operating Revenues:</b>					
Rental Income	\$ 63	\$ 104	\$ 93	\$ 255	\$ 515
Other Income	1	1	4	3	9
Total Operating Revenues	64	105	97	258	524
<b>Operating Expenses:</b>					
Other General and Administrative	84	76	116	554	830
Total Operating Expenses	84	76	116	554	830
Total Operating Income (Loss)	(20)	29	(19)	(296)	(306)
<b>Nonoperating Expenses</b>					
Loss on Disposition	(345)	(1,512)	(969)	—	(2,826)
Impairment Loss	—	—	—	(2,694)	(2,694)
Total Nonoperating Loss	(345)	(1,512)	(969)	(2,694)	(5,520)
<b>Income (Loss) before Contributions</b>	(365)	(1,483)	(988)	(2,990)	(5,826)
Contributions	—	—	—	322	322
Total Contributions	—	—	—	322	322
<b>Change in Net Position</b>	(365)	(1,483)	(988)	(2,668)	(5,504)
Net Position at Beginning of Year	365	1,483	988	4,819	7,655
<b>Net Position at End of Year</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,151</u>	<u>\$ 2,151</u>

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
COMBINING SCHEDULE OF CASH FLOWS –  
NONMAJOR PROPRIETARY FUND - IHDA DISPOSITIONS LLC  
(DOLLARS IN THOUSANDS)  
YEAR ENDED JUNE 30, 2025  
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)

	Lakeview Apartments LLC	Valley Ridge Apartments LLC	Galena Prestwick Apartments LLC	Riverdale Sr Apartments LLC	Total
<b>Cash Flows from Operating Activities:</b>					
Receipts for Rental Operations	\$ 83	\$ 37	\$ 86	\$ 258	\$ 464
Payments for Rental Operations	(84)	(76)	(116)	(554)	(830)
Net Cash Provided (Used) by Operating Activities	(1)	(39)	(30)	(296)	(366)
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Capital Contributions	—	—	—	322	322
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(1)	(39)	(30)	26	(44)
Cash and Cash Equivalents at Beginning of the Year	1	39	30	9	79
<b>Cash and Cash Equivalents at End of the Year</b>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 35</u>	<u>\$ 35</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	(20)	29	(19)	(296)	(306)
Loss on disposition	(345)	(1,512)	(969)	—	(2,826)
Adjustments to Reconcile Operating Loss to Net Cash provided (Used) by Operating Activities:					
Other Assets	364	1,444	958	—	2,766
Total Adjustments	19	(68)	(11)	—	(60)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1)</u>	<u>\$ (39)</u>	<u>\$ (30)</u>	<u>\$ (296)</u>	<u>\$ (366)</u>



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

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

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Illinois Housing Development Authority (the Authority), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 5, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

### **Report on Compliance and Other Matters**

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

### **Purpose of This Report**

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

**SIGNED ORIGINAL ON FILE**

**CliftonLarsonAllen LLP**

Oak Brook, Illinois  
December 5, 2025

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
PRIOR YEAR FINDINGS NOT REPEATED – *GOVERNMENT AUDITING STANDARDS*  
FOR THE YEAR ENDED JUNE 30, 2025**

**A. Inadequate Controls Over Subscription-Based Information Technology Agreements**

During the prior year financial audit, the Illinois Housing Development Authority (Authority) did not have adequate internal controls in place to ensure their accounting over Subscription-Based Information Technology Agreements (SBITA) was properly recorded for financial reporting purposes.

During the current financial audit, we noted no similar internal control weaknesses in the Authority's controls over SBITAs and that the Authority had strengthened its controls over this area. (Finding Code No. 2024-001)

