CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

(A Component Unit of the State of California)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

California Infrastructure and Economic Development Bank

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CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION

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April 26, 2021

To the Board of Directors:

I am pleased to submit for the fiscal year ended June 30, 2020 the Comprehensive Annual Financial Report (CAFR) of the California Infrastructure and Economic Development Bank (IBank), a component unit of the State of California.

The CAFR includes the financial activities of the following IBank funds and related programs:

- California Infrastructure and Economic Development Bank Fund (CIEDB Fund)
  - Infrastructure State Revolving Fund (ISRF) Program
    - Including California Lending for Energy and Environmental Needs (CLEEN) Center Program
  - Bond Financing Program
- California Infrastructure Guarantee Trust Fund (Guarantee Trust Fund)
- California Small Business Expansion Fund (Expansion Fund) in the Small Business Finance Center (SBFC)
  - California Small Business Loan Guarantee (SBLG) Program
  - Farm Loan Program
  - Jump Start Loan Program
  - Disaster Relief Loan Guarantee Program
  - Surety Bonds Guarantee Program
  - Secondary Market for Guaranteed Loans Program

The continuing disclosure agreements related to IBank's revenue bonds that provided funding for the ISRF Program (ISRF Program Bonds) require annual audited financial statements and this CAFR fulfills that requirement.

The net position of IBank was $431,513,922 as of June 30, 2020 all of which was restricted. Net position increased by $60,873,704 over the previous fiscal year as a result of positive earnings from operating activities. $50 million of this increase is attributable to a State General Fund allocation for the purpose of issuing loan guarantees to small businesses negatively affected by COVID-19. The volume of ISRF Program financings continue to increase.

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

CliftonLarsonAllen LLP has issued an unmodified ("clean") opinion on IBank's basic financial statements for the fiscal year ended June 30, 2020. The independent auditors' report is located at the front of the financial section of this report. The Management's Discussion and Analysis (MD&A) follows this letter of transmittal and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of IBank

IBank was created in 1994 pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act contained in the California Government Code section 63000 *et seq*. to finance public infrastructure and private development that promote economic revitalization and public improvements necessary to maintain and create employment within the State. IBank is a component unit of the State of California located within the Governor's Office of Business and Economic Development (GO-Biz) and is governed by a five-member Board of Directors, consisting of the Director of GO-Biz, the State Treasurer, the Secretary of State Transportation Agency, the Director of the Department of Finance, or their respective designees, and an appointee of the Governor.

IBank has broad authority to provide a wide array of financings, including issuing tax-exempt and taxable revenue bonds, providing direct financing to public agencies and certain tax-exempt nonprofit organizations that are sponsored by public agencies, providing credit enhancements (including guarantees), acquiring or leasing facilities, and leveraging State and Federal funds. IBank's current programs consist of the ISRF Program, including the CLEEN Center, which is a sub-program of the ISRF Program, the Bond Financing program, and the SBFC's Programs, including the SBLG Program, the Farm Loan Program, the Jump Start Loan Program, and the Disaster Relief Loan Guarantee Program. IBank issues tax-exempt and taxable revenue bonds, loans under the Bond Financing Program, including direct revenue bonds for IBank, 501(c)(3) revenue bonds, industrial development revenue bonds, exempt facility revenue bonds, and public agency revenue bonds. The SBFC was established within IBank during the 2013-2014 fiscal year and the Expansion Fund in the SBFC is included in this CAFR.

IBank funds are generally continuously appropriated for IBank's programs without regard to fiscal years.

Continuous appropriation authority means that no further appropriations are necessary to expend funds held in either the CIEDB Fund, the Guarantee Trust Fund, or the Expansion Fund.

Economic Condition

In a year over year comparison (August 2019 – August 2020), nonfarm payroll employment in California decreased by 1,586,300 jobs (a 9.1 percent increase). The number of unemployed Californians was 2,087,000 in August, a decrease of 456,000 persons over the month, and up by 1,323,000 compared with August of last year. All eleven of California's industry sectors lost jobs over the year.

The largest losses were in leisure and hospitality, down 625,600 jobs; trade, transportation, and utilities, down 211,200 jobs; and professional and business services, down 159,400 jobs.

At the Governor's Budget in January of 2020, the state was projecting a surplus of $5.6 billion. At the May Revision, the state confronted a budget deficit of $54.3 billion—a four-month swing of $60 billion caused by the COVID-19 Recession. The Budget closes this gap and brings the state's resources and spending into balance while preserving reserves for future years. The Budget is balanced with $8.8 billion from reserves; $11.1 billion in reductions and deferrals, $4.4 billion in revenues, $9.3 billion in special fund borrowing and transfers, $10.1 billion in federal funds; and $10.6 billion in cancelled expansions, updated assumptions, and other solutions.

Still, the Budget makes critical investments to save lives and promote economic recovery by continuing critical purchases of personal protective equipment and other safeguards necessary to safely reopen the economy during the COVID-19 pandemic. It protects public education and supports Californians facing the greatest hardships – a priority given the disproportionate the COVID-19 Recession is having on lower-wage workers and how it is further exacerbating income inequality. Finally, the Budget supports job creation, economic recovery and opportunity by recognizing and supporting the role small businesses play in job creation in the state.

IBank experienced an increase in demand for the ISRF program with 176 loan inquiries in fiscal year 2019-2020 for over $1 billion in infrastructure, economic development, clean energy, water, and environmental projects. We anticipate a period of volatility of demand for IBank's various programs as the State's economy adjusts to and recovers from the crisis precipitated by COVID-19. Prospective borrowers will reassess their needs arising from the evolving circumstances, but will continue to seek to finance public infrastructure, clean energy, water, environmental, and private development projects through IBank's low-cost programs.

All required repayments were made by the borrowers on ISRF Program Loans, including all CLEEN Center Loans, during the fiscal year and continued timely repayments are expected. However, the depth and duration of this economic recession may significantly affect the revenue sources of several borrowers.

While the ratings agencies are assessing the implications of COVID-19 on the broad sectors of municipal bonds, all ISRF Revenue Bonds outstanding as of June 30, 2020 continue to have the top rating from each of the 'Big Three' Rating Agencies–Standard & Poor's Rating Services (S&P) ("AAA"), Fitch Ratings (Fitch) ("AAA"), and Moody's Investors Service (Moody's) ("Aaa"). These strong ratings reflect the ISRF Program's extremely strong financial risk score and very strong enterprise risk score. S&P, Fitch and Moody's cited pool diversity, sound program management, financial policies, and market position, among other factors, as support for the ratings.

Long-term Financial Planning

IBank's priorities for the upcoming years include, but are not limited to, the following: providing funding to infrastructure, clean energy, water, environmental, and economic development projects, creating and capitalizing sector-specific financing instruments and funds, such as the Climate Catalyst Revolving Loan Fund, and facilitating state-wide outreach to potential customers for all of IBank's programs. These priorities will provide access to more affordable funds for California infrastructure, clean energy, water, environmental, and economic development projects, while maintaining IBank's positive net position.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the California Infrastructure and Economic Development Bank for its CAFR for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized CAFR. This year's CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

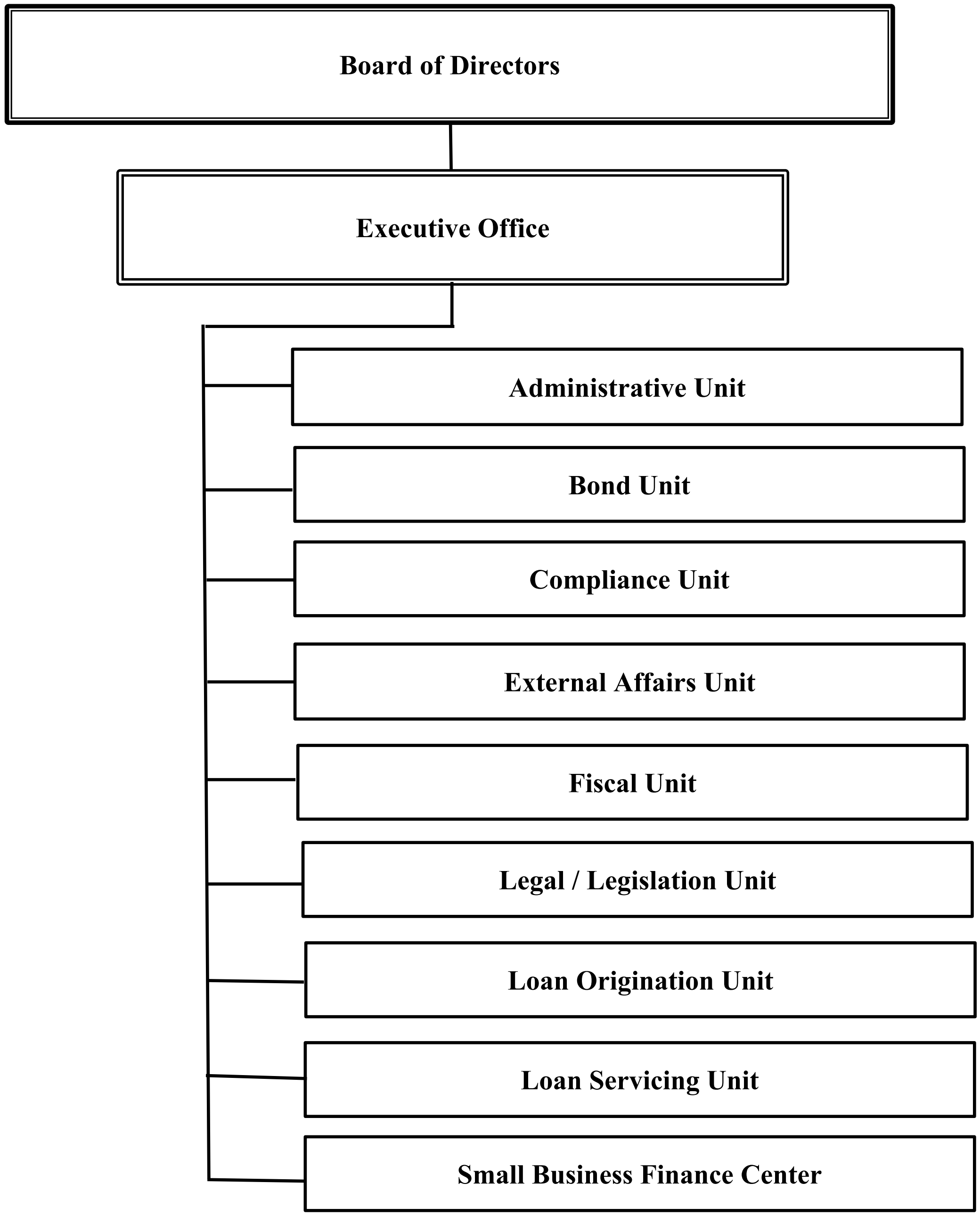
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I wish to acknowledge all of the staff of the California Infrastructure and Economic Development Bank for their consistent dedication and contribution to the success of IBank and the State, especially given the dislocation involved with the remote work requirements beginning this spring. I wish to acknowledge the Fiscal Unit staff for the preparation of this CAFR and the members of IBank Executive Committee for their continued care and support in the management and guidance of IBank's programs.

Respectfully submitted,

Scott Wu
Executive Director

ORGANIZATION CHART



PRINCIPAL OFFICIALS

IBank Board of Directors

Dee Dee Myers, Director, Governor's Office of Business and Economic Development – effective 12/15/20

Fiona Ma, State Treasurer

David S. Kim, Secretary of the California State Transportation Agency

Keely Bosler, Director of the Department of Finance

Marc Steinorth, Governor's Appointee

IBank Executive Office and Management Staff

Scott Wu, Executive Director – effective 1/15/2020

Clint Kellum, Chief Deputy Executive Director – effective 1/25/21

Michelle Jones, Fiscal Unit Manager – effective 2/24/2020

William D. Pahland, Jr., General Counsel

Stefan R. Spich, Deputy Director of Legislative Affairs

Jeffrey L. Ingles, Deputy Director of Compliance and Chief Risk Officer

Fariba A. Khoie, Bond Unit Manager

Lina Benedict, Loan Origination Unit Manager – effective 11/4/2019

Amarjit Singh, Loan Servicing Unit Manager

Emily R. Burgos, Small Business Finance Center Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

California Infrastructure and Economic Development Bank

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
California Infrastructure and Economic Development Bank
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the California Infrastructure and Economic Development Bank Fund, Guarantee Trust Fund and the California Small Business Expansion Fund of the California Infrastructure and Economic Development Bank (IBank), a component unit of the State of California, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise IBank's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Directors
California Infrastructure and Economic Development Bank

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the California Infrastructure and Economic Development Bank Fund, Guarantee Trust Fund and the California Small Business Expansion Fund as of June 30, 2020, and the respective changes in financial position and cash flows thereof for the fiscal year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise IBank's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2021, on our consideration of IBank'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 IBank'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 IBank's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
April 14, 2021

Introduction

The following Management's Discussion and Analysis (MD&A) provides an overview to the financial statements of the California Infrastructure and Economic Development Bank (IBank), a description of its activities, and an analysis of the financial position for the fiscal year ended June 30, 2020. IBank is within the Governor's Office of Business and Economic Development (GO-Biz). IBank is under the direction of its Executive Director, who is appointed by the Governor. IBank is governed by and its corporate powers are exercised by a board of directors consisting of the Director of Finance, the Treasurer, the Director of the GO-Biz, the Secretary of Transportation, and a Governor's appointee.

The information presented in this section should be read in conjunction with the information in our letter of transmittal on pages 3-6 of this report and the financial statements and notes that follow this section.

IBank and Current Programs

IBank's funds are the California Infrastructure and Economic Development Bank Fund (CIEDB Fund), the California Infrastructure Guarantee Trust Fund (Guarantee Trust Fund), and the California Small Business Expansion Fund (Expansion Fund).

IBank is a State of California financing entity whose mission is to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong California economy, and improve the quality of life in California communities. IBank has broad authority to, among other things, issue tax-exempt and taxable bonds, provide financing to a variety of entities, provide credit enhancements, including guarantees, acquire or lease facilities, and leverage State and Federal funds. IBank's current operations are funded generally from fees, investment earnings, and Infrastructure State Revolving Fund Program financing repayments. IBank is a component unit of the State (State) and the financial statements are included in the State's Comprehensive Annual Financial Report.

IBank's programs include the Infrastructure State Revolving Fund (ISRF) Program, which is a revolving financing program that is authorized to provide financing to governmental and certain non-profit entities for a variety of public infrastructure and economic expansion projects, and conduit Bond Financing Program, including Industrial Development Bonds (IDBs) for manufacturing companies, 501(c)(3) Revenue Bonds for nonprofit public benefit corporations, State School Fund Bonds, Exempt Facility Bonds for projects authorized under Internal Revenue Code Section 142(a), and Public Agency Revenue Bonds for governmental entities. Conduit bonds issued by IBank are a limited obligation of IBank payable solely from the revenues generated by, and security provided by, the underlying borrower.

On October 4, 2013, the Small Business Financial Assistance Act of 2013 (SBFC Act) created the California Small Business Finance Center (SBFC) within IBank and transferred the administration of the California Small Business Loan Guarantee Program (SBLGP), the Farm Loan Program, the Surety Bonds Guarantee Program, the Disaster Relief Loan Guarantee Program, and the Secondary Market for Guaranteed Loans Program to IBank's Expansion Fund. Except for certain amounts spent for program administration support that require an annual appropriation by the State Legislature for the SBLG programs, the Expansion Fund is continuously appropriated without regard to the fiscal year and is available for expenditure for SBFC related purposes as stated in the SBFC Act.

On August 25, 2015, the IBank Board of Directors approved the criteria, priorities, and guidelines to select and underwrite projects for financing under the California Lending for Energy and Environmental Needs (CLEEN) Center. IBank's CLEEN Center provides low-cost financing to eligible State and local governments, and public universities, schools, and hospitals. The approved eligible projects include commercially proven technologies that are expected to result in carbon reduction benefits, water conservation, or other environmental benefits within the State, including energy efficiency, renewable energy, energy storage, alternative technologies, alternative fuels, transportation, water, and environmental projects.

Small businesses in California's low-wealth communities generally suffer from economic and educational disadvantages not typically present with their competitors in higher-wealth communities, including inadequate access to capital, limited technical assistance resources, and a lack of business training. On September 27, 2016, the IBank Board of Directors approved the establishment of the Jump Start Loan Program to help ameliorate the economic and competitive disadvantages suffered by small businesses in California's low-wealth communities. The Jump Start Loan Program provides access to capital, financial literacy training, and technical business training.

In the aftermath of the unprecedented wildfires plaguing California in the Fall of 2017, IBank became aware that small businesses in areas affected by the wildfires had suffered severe harm, loss to real and personal property, and faced potentially ruinous financial injury, and were located in areas affected by a state of emergency as declared by the Governor of the State of California or in areas affected by a state of disaster as declared by the President of the United States, the Administrator of the United States Small Business Administration, or the United States Secretary of Agriculture (collectively, Disaster Areas). IBank also became aware that many small business entrepreneurs in these areas who had suffered severe harm, loss to real and personal property, or faced potentially ruinous financial injury may not be able to obtain access to capital through traditional financing sources to recover from the disaster-caused injury and losses.

On October 24, 2017, the IBank Board of Directors consented to permitting all small businesses located in Disaster Areas to apply for direct financing under IBank's Jump Start Loan Program irrespective of whether such Disaster Areas are in low-wealth communities. In addition, the IBank Board reactivated and funded at that time the administration of the previously inactive and underfunded Disaster Relief Loan Guarantee Program (Disaster Relief Program) to provide necessary financial assistance to eligible small businesses in Disaster Areas by authorizing the transfer of up to $10,000,000 from the SBLGP to the Disaster Relief Program at the times and in the amounts appropriate for the ongoing success of each Program. On April 2, 2020 IBank received a $50 Million allocation from the State to mitigate barriers to capital for those small businesses that do not qualify for federal disaster funds, including businesses in low-wealth and immigrant communities.

Financial Highlights 2019-2020

- The net position of IBank was $431.5 million as of June 30, 2020, all of which was restricted. Net position increased by $60.9 million from the previous fiscal year. $50 million of this increase is attributable to a State General Fund allocation for the purpose of issuing loan guarantees to small businesses negatively affected by COVID-19.
- Total cash, cash equivalents, and investments increased during the fiscal year by $46.1 million. The increase is primarily a result of new state revenues of $50 million received in April 2020.
- Total loans receivable decreased during the fiscal year by $14.1 million primarily because loan repayments exceeded new loans during the fiscal year.
- The revenue bonds payable decreased by $14.2 million due to payments of principal and amortization of bond premiums.
- The net pension liability as of June 30, 2020 was $5.9 million.
- The net OPEB liability as of June 30, 2020 was $5.2 million.

Overview of the Basic Financial Statements

The financial section of this annual financial report consists of this MD&A, the basic financial statements, and the notes to the basic financial statements. This MD&A is a discussion of many aspects of the IBank's operations and financial status and its information was compiled from IBank's basic financial statements and accompanying notes.

The basic financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting in accordance with generally accepted accounting principles and include the following three statements:

- The *Statement of Net Position* presents information on the assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position are expected to serve as a useful indicator of whether the financial position is improving or deteriorating.
- The *Statement of Revenues, Expenses, and Changes in Fund Net Position* presents information reflecting how the net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.
- The *Statement of Cash Flows* reports the cash flows from operating activities, noncapital financing activities, and investing activities, and the resulting impacts to cash and cash equivalents for the fiscal year.

The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. These notes can be found immediately following the basic financial statements.

Statement of Net Position

The net position was $431.5 million as of June 30, 2020, all of which was restricted. Net position increased by $60.9 million from the previous fiscal year directly as a result of operating revenues exceeding operating expenditures by $54.1 million and investment earnings of $6.8 million from nonoperating activities.

The following table presents a condensed, combined Statement of Net Position as of June 30, 2020 and 2019, and the dollar and percentage change from the prior year.

	2020	2019	$ Change	% Change
Cash, cash equivalents, and investments - restricted	$ 418,106,799	$ 371,993,293	$ 46,113,506	12.4%
Loans receivable	427,237,132	441,396,425	(14,159,293)	-3.2%
Other assets	6,679,819	6,543,883	135,936	2.1%
Total Assets	852,023,750	819,933,601	32,090,149	3.9%
Total Deferred Outflows of Resources	4,511,817	5,025,050	(513,233)	-10.2%
Total Assets and Deferred Outflows of Resources	$ 856,535,567	$ 824,958,651	$ 31,576,916	3.8%
Revenue bonds payable	$ 320,921,072	$ 335,144,709	$ (14,223,637)	-4.2%
Net pension liability	5,872,380	6,253,202	(380,822)	-6.1%
Net OPEB liability	5,244,000	10,183,000	(4,939,000)	-48.5%
Other liabilities	12,276,092	15,153,569	(2,877,477)	-19.0%
Undisbursed loan commitments	79,071,081	85,368,359	(6,297,278)	-7.4%
Total Liabilities	423,384,625	452,102,839	(28,718,214)	-6.4%
Total Deferred Inflows of Resources	1,637,020	2,215,594	(578,574)	-26.1%
Net Position - Restricted - Expendable by Statute	431,513,922	370,640,218	60,873,704	16.4%
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 856,535,567	$ 824,958,651	$ 31,576,916	3.8%

Assets

Total cash, cash equivalents, and investments increased during the fiscal year by $46.1 million. The increase is primarily a result of new state revenue received in April 2020 of $50 million in the Small Business Expansion Fund to assist California small businesses that are experiencing extreme financial hardship due to the COVID-19 pandemic.

Loans receivable (including pledged, non-pledged, CLEEN, Jump Start and Farm Loans) totaled $427.2 million as of June 30, 2020, which is a decrease of $14.1 million from the prior year. The decrease is primarily because loan repayments exceeded new loans issued during the fiscal year.

Liabilities

Total liabilities were $423.4 million as of June 30, 2020, a decrease of 6.4% over the prior fiscal year. The largest liability is revenue bonds payable, which consists of three series of ISRF Program Bonds, one issued in February 2014, one issued in June 2015, and one issued in June 2016. Revenue bonds payable decreased by $14.2 million due to the payments of principal and amortization of bond premiums. Undisbursed loan commitments decreased by $6.3 million due to loan issuances.

Deferred Outflows of Resources, Net Pension Liability, Net OPEB Liability, and Deferred Inflows of Resources

Deferred outflows of resources decreased by $0.5 million and deferred inflows of resources decreased by $0.6 million. While the net pension liability decreased by $0.4 million mostly as a result of a decrease in the CalPERS Plan total net pension liability as of the measurement period ended June 30, 2019, the net OPEB liability decreased by $4.9 million due to a change in IBANK's proportionate share of the OPEB plans liability.

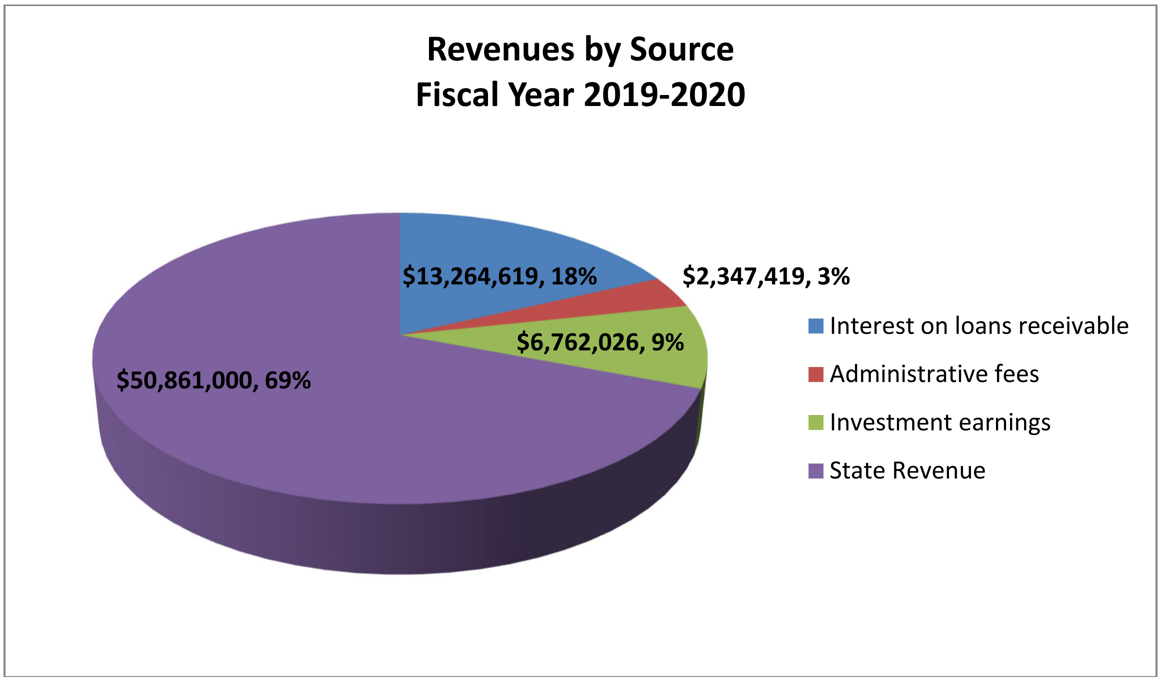
Statement of Revenues, Expenses, and Changes in Fund Net Position

The operating income was $54.1 million and net position increased $60.9 million for the fiscal year ended June 30, 2020. The following table presents the condensed, combined Statement of Revenues, Expenses, and Changes in Fund Net Position for the 2019-2020 and 2018-2019 fiscal years.

	2020	2019	$ Change	% Change
Interest on loans	$ 13,264,619	$ 11,615,471	$ 1,649,148	14.2%
State revenue	50,861,000	861,000	50,000,000	5807.2%
Administration fees and other income	2,347,419	2,622,789	(275,370)	-10.5%
Total operating revenues	66,473,038	15,099,260	51,373,778	340.2%
Interest on revenue bond debt	10,502,915	10,892,119	(389,204)	-3.6%
Nonexchange financial guarantee	1,565,217	6,304,248	(4,739,031)	-75.2%
Program support	293,228	9,276,948	(8,983,720)	-96.8%
Total operating expenses	12,361,360	26,473,315	(14,111,955)	-53.3%
Operating income (loss)	54,111,678	(11,374,055)	65,485,733	-575.7%
Total nonoperating revenue	6,762,026	9,726,800	(2,964,774)	-30.5%
Change in net position	60,873,704	(1,647,255)	62,520,959	-3795.5%
Net position, beginning of year, restated	370,640,218	372,287,473	(1,647,255)	-0.4%
Net position, end of year	$ 431,513,922	$ 370,640,218	$ 60,873,704	16.4%

Revenues

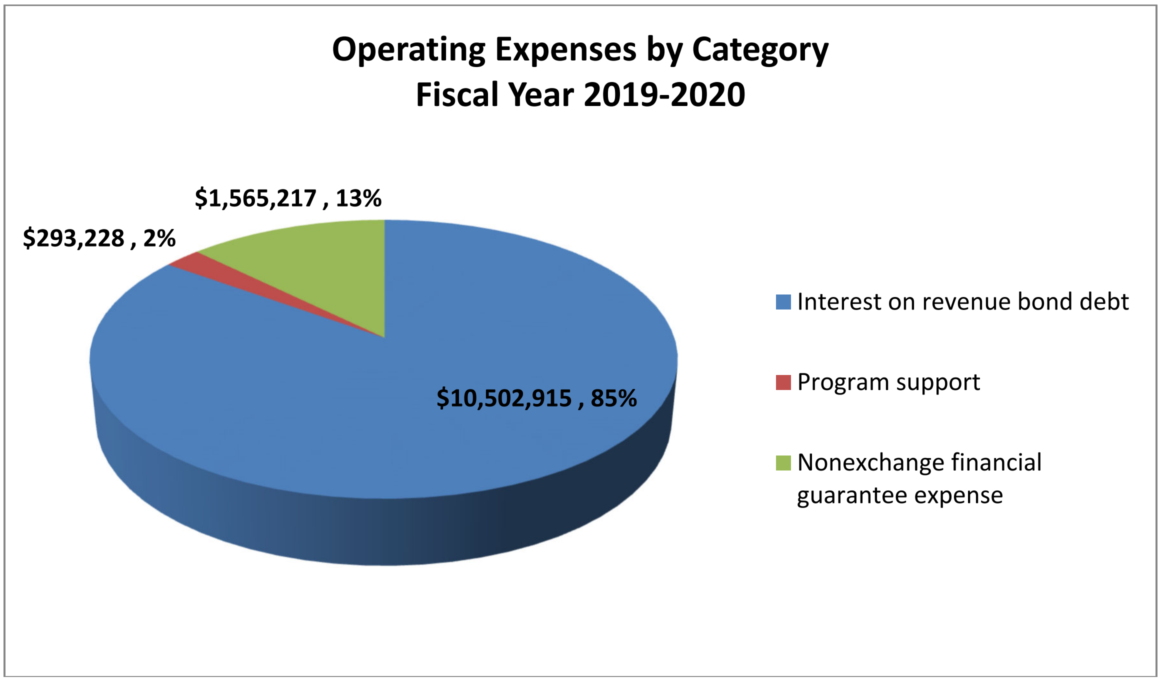
The following chart presents operating and nonoperating revenues by source:



Total operating revenues were $66.5 million during the fiscal year compared to $15.1 million for the prior fiscal year, an increase of $51.4 million is primarily due to an increase in State Revenue.

Operating Expenses

The following chart presents operating expenses by category:



Total operating expenses were $12.4 million during the fiscal year compared to $26.5 million for the prior fiscal year, which is a decrease of $14.1 million, primarily due to decreases of $8.9 million in program support, $4.7 million in nonexchange financial guarantee expenses in the Expansion Fund, and $0.4 million in interest on revenue bond debt.

Budgetary Information

With the exception of funds for program support, which must be annually appropriated by the State Legislature, all other funds are continuously appropriated without regard to fiscal year. Continuous appropriation authority means that no further appropriations are necessary to expend funds held in either the CIEDB Fund, the Guarantee Trust Fund, or the Expansion Fund.

Debt Administration

IBank administers the ISRF Program, a leveraged revolving financing program. The initial ISRF Program Financings were funded with previous State General Fund appropriations. IBank issued $51.37 million in ISRF Program Revenue Bonds in March 2004, $52.80 million in December 2005, $48.37 million in September 2008, $95.96 million in February 2014, $90.07 million in June 2015, and $141.60 million in June 2016 (collectively, ISRF Program Bonds) to provide additional funding for ISRF Program financings. The 2014A ISRF Program Bonds were issued to refund the 2004 and 2005 ISRF Program Bonds and to reimburse existing bond anticipation loans. The 2015A ISRF Program Bonds were issued to refund the 2008 ISRF Program Bonds and to reimburse existing bond anticipation loans. The 2016A ISRF Program

Bonds were issued to finance new loans and to reimburse existing bond anticipation loans. The ISRF Program Bonds were sold without a credit enhancement, and in 2004 and 2005, were initially rated AA, Aa2, and AA by Standard & Poor's Rating Services (S&P), Moody's Investors Service (Moody's), and Fitch Ratings (Fitch), respectively. Upon the issuance of the 2008 ISRF Program Bonds, S&P and Fitch raised the ratings on the ISRF Program Bonds to AA+, citing proactive and strong program oversight and management, and thorough ongoing surveillance of existing Loans as key factors to the high credit ratings on the bonds. The 2014A and 2015A ISRF Program Bonds were assigned a rating of AAA, Aa1, and AAA by S&P, Moody's, and Fitch, respectively. S&P and Fitch assigned a stable outlook to the 2014A and 2015A ISRF Program Bonds. Moody's assigned a stable outlook to the 2014A ISRF Program Bonds and a positive outlook to the 2015A ISRF Program Bonds. Moody's rated the 2016A ISRF Program Bonds Aaa. In addition, Moody's upgraded IBank's Series 2014A and Series 2015A Bonds to Aaa, from Aa1. S&P and Fitch each rated the 2016A ISRF Program Bonds AAA and affirmed their respective AAA rating on the 2014A and 2015A ISRF Program Bonds. The credit rating agencies cited pool diversity, sound program management, financial policies, and market position, among other factors, as support for the ratings. All outstanding ISRF Program Bonds now have the top rating from S&P (AAA), Fitch (AAA), and Moody's (Aaa). These strong ratings reflect the ISRF Program's extremely strong financial risk score and very strong enterprise risk score. In addition, these strong ratings reflect the ISRF Program's ability to withstand defaults by the ISRF Program's borrowers while the ISRF Program could continue to pay the ISRF Program's bondholders.

Existing ISRF Program Financings were funded from previous State General Fund appropriations, interest earned on the ISRF Program Financings, the repayment of principal on ISRF Program Financings receivable, investment earnings, administration fee revenue, or the proceeds of ISRF Program Bonds. The 2014A, 2015A and 2016A ISRF Program Bonds are each structured under an open-indenture model. All ISRF Program Bonds are limited obligations of IBank payable solely from and secured solely by pledged ISRF Program Financing repayments, certain funds and accounts under the ISRF Indenture, and interest earnings on such funds and accounts. Note 4 of the Notes to the Financial Statements contains additional information about the outstanding ISRF Program Bonds.

IBank also issues conduit bonds including Industrial Development Bonds for certain privately-owned manufacturing and processing businesses, 501(c)(3) Revenue Bonds for nonprofit entities, State School Fund Bonds for financially troubled public school districts, exempt facility bonds , and Public Agency Revenue Bonds for other state and local governmental entities During the fiscal year, IBank served as the issuer for nearly $881 million of conduit revenue bonds. Conduit bonds are a limited obligation of IBank payable solely from the pledged revenues of the conduit borrower, collateral of the conduit borrower or related entities, and third-party guarantees or credit support facilities. As such, except for administration fee revenue related to the conduit bond programs, conduit bond financial activities are not reflected in IBank's financial statements.

Coronavirus Disease (COVID-19)

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to IBank, COVID-19 may impact ISRF Program borrowers' ability to timely repay outstanding loans, the demand for IBank's financing programs, and nonexchange financial guarantees due to business closures and potential bankruptcies. Management believes IBank is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

Requests for Information

This financial report is designed to provide interested parties with a general overview of the finances of IBank. Questions concerning the information provided in this report or requests for additional information should be addressed to Scott Wu, Executive Director, California Infrastructure and Economic Development Bank, P.O. Box 2830, Sacramento, California 95812-2830.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

STATEMENT OF NET POSITION
JUNE 30, 2020

	California Infrastructure and Economic Development Bank Fund	California Infrastructure Guarantee Trust Fund	California Small Business Expansion Fund	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and cash equivalents - restricted	$ 232,188,060	$ 26,258,841	$ 44,039,642	$ 302,486,543
Investments - restricted	-	-	22,649,857	22,649,857
Prepaid expenses	-	-	310,733	310,733
Pledged loans receivable - disbursed	18,090,727	-	-	18,090,727
Non-pledged loans receivable - disbursed	172,448	-	-	172,448
CLEEN pledged loans receivable - disbursed	423,305	-	-	423,305
Interest and other receivables	5,535,987	84,061	749,038	6,369,086
Total current assets	256,410,527	26,342,902	67,749,270	350,502,699
NON-CURRENT ASSETS				
Investments - restricted	6,597,876	-	86,372,523	92,970,399
Pledged loans receivable - disbursed	318,097,234	-	-	318,097,234
Pledged loans receivable - undisbursed	78,273,044	-	-	78,273,044
CLEEN pledged loans receivable - disbursed	4,591,218	-	-	4,591,218
CLEEN pledged loans receivable - undisbursed	798,037	-	-	798,037
Non-pledged loans receivable - disbursed	2,666,481	-	-	2,666,481
Jump Start loans receivable, net	-	-	260,799	260,799
Farm loans receivable	-	-	3,863,839	3,863,839
Total non-current assets	411,023,890	-	90,497,161	501,521,051
Total assets	667,434,417	26,342,902	158,246,431	852,023,750
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pension	1,450,467	-	201,188	1,651,655
Deferred outflows of resources related to OPEB	294,000	-	77,000	371,000
Loss on refunding debt	2,489,162	-	-	2,489,162
Total deferred outflows of resources	4,233,629	-	278,188	4,511,817
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 671,668,046	$ 26,342,902	$ 158,524,619	$ 856,535,567
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	$ 1,485,993	$ -	$ 469,089	$ 1,955,082
Compensated absences payable	23,240	-	-	23,240
Loan payable - SMIF (SB 84)	128,000	-	12,000	140,000
Revenue bond interest payable	3,355,531	-	-	3,355,531
Revenue bonds payable, net of bond premiums	14,623,854	-	-	14,623,854
Nonexchange financial guarantees	-	-	4,841,080	4,841,080
Funds held on behalf of others - BAAQMD Funding	-	-	1,002,302	1,002,302
Undisbursed loan commitments - ISRF	46,284,663	-	-	46,284,663
Undisbursed loan commitments - CLEEN	798,037	-	-	798,037
Total current liabilities	66,699,318	-	6,324,471	73,023,789
NON-CURRENT LIABILITIES				
Compensated absences payable	396,513	-	-	396,513
Loan payable - SMIF (SB 84)	512,344	-	50,000	562,344
Net OPEB liability	3,991,000	-	1,253,000	5,244,000
Net pension liability	5,636,787	-	235,593	5,872,380
Undisbursed loan commitments - ISRF	31,988,381	-	-	31,988,381
Revenue bonds payable, net of bond premiums	306,297,218	-	-	306,297,218
Total non-current liabilities	348,822,243	-	1,538,593	350,360,836
Total liabilities	415,521,561	-	7,863,064	423,384,625
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension	767,669		23,351	791,020
Deferred inflows of resources related to OPEB	644,000	-	202,000	846,000
Total deferred inflows of resources	1,411,669	-	225,351	1,637,020
NET POSITION				
Restricted - Expendable:				
Statute	254,734,816	26,342,902	150,436,204	431,513,922
Total net position	254,734,816	26,342,902	150,436,204	431,513,922
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 671,668,046	$ 26,342,902	$ 158,524,619	$ 856,535,567

 The accompanying notes are an integral part of these financial statements.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	California Infrastructure and Economic Development Bank Fund	California Infrastructure Guarantee Trust Fund	California Small Business Expansion Fund	Total
OPERATING REVENUES				
Interest on loans receivable	$ 13,142,380	$ -	$ 122,239	$ 13,264,619
State revenue	-	-	50,861,000	50,861,000
Administration fees and other income	2,156,526	-	190,893	2,347,419
Total operating revenues	15,298,906	-	51,174,132	66,473,038
OPERATING EXPENSES				
Interest on revenue bond debt	10,502,915	-	-	10,502,915
Nonexchange financial guarantee expense	-	-	1,565,217	1,565,217
Program support	268,538	-	24,690	293,228
Total operating expenses	10,771,453	-	1,589,907	12,361,360
OPERATING INCOME	4,527,453	-	49,584,225	54,111,678
NONOPERATING REVENUE				
Investment earnings	2,720,647	467,962	3,573,417	6,762,026
Total nonoperating revenue	2,720,647	467,962	3,573,417	6,762,026
Changes in net position	7,248,100	467,962	53,157,642	60,873,704
NET POSITION, Beginning of year	247,486,716	25,874,940	97,278,562	370,640,218
NET POSITION, End of year	$ 254,734,816	$ 26,342,902	$ 150,436,204	$ 431,513,922

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	California Infrastructure and Economic Development Bank Fund	California Infrastructure Guarantee Trust Fund	California Small Business Expansion Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipt of interest on loans receivable	$ 12,924,503	$ -	$ 112,969	$ 13,037,472
Receipt of administration fees	2,156,526	-	-	2,156,526
Receipt of program support	-	-	50,861,893	50,861,893
Receipt of recovered guarantee payments	-	-	190,893	190,893
Receipt of principal on loans receivable	28,071,379	-	1,243,549	29,314,928
Payment of loan guarantees	-	-	(4,696,044)	(4,696,044)
Payment of outstanding loan commitments	(20,597,278)	-	(863,025)	(21,460,303)
Payment of program support	(3,885,237)	-	(1,669,684)	(5,554,921)
Net cash provided by operating activities	18,669,893	-	45,180,551	63,850,444
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payment of principal on revenue bond debt	(10,855,000)	-	-	(10,855,000)
Payment of interest on revenue bond debt	(13,681,675)	-	-	(13,681,675)
Net cash used by noncapital financing activities	(24,536,675)	-	-	(24,536,675)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	15,929,303	-	187,546,077	203,475,380
Purchase of investments	-	-	(213,486,742)	(213,486,742)
Interest on investments	2,602,078	529,062	2,369,021	5,500,161
Net cash provided (used) by investing activities	18,531,381	529,062	(23,571,644)	(4,511,201)
CHANGE IN CASH AND CASH EQUIVALENTS	12,664,599	529,062	21,608,907	34,802,568
CASH AND CASH EQUIVALENTS, Beginning of year	219,523,461	25,729,779	22,430,735	267,683,975
CASH AND CASH EQUIVALENTS, End of year	$ 232,188,060	$ 26,258,841	$ 44,039,642	$ 302,486,543
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating income	$ 4,527,453	$ -	$ 49,584,225	$ 54,111,678
Adjustments to reconcile operating income to net cash provided by operating activities:				
Interest on revenue bond debt	10,502,915	-	-	10,502,915
Bad debt expense	-	-	7,390	7,390
Changes in assets, liabilities, and deferred outflows/inflows:				
Prepaid expenses	-	-	53,500	53,500
Loans receivable	13,771,379	-	380,524	14,151,903
Interest on loans receivable	(217,877)	-	(9,270)	(227,147)
Accounts payable	152,677	-	226,747	379,424
Nonexchange financial guarantees liability	-	-	(3,130,827)	(3,130,827)
Funds held on behalf of others - BAAQMD Funding	-	-	893	893
Loan payable - SMIF (SB 84)	(47,656)	-	-	(47,656)
Due to General Fund - SMIF (SB84)	(17,344)	-	-	(17,344)
Compensated absences payable	100,294	-	(32,486)	67,808
Net OPEB liability	(3,367,000)	-	(1,572,000)	(4,939,000)
OPEB related deferred outflows/inflows	(916,000)	-	(372,000)	(1,288,000)
Net pension liability and related deferred outflows/inflows	478,330	-	43,855	522,185
Undisbursed loan commitments	(6,297,278)	-	-	(6,297,278)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 18,669,893	$ -	$ 45,180,551	$ 63,850,444
NONCASH FINANCING AND INVESTING ACTIVITIES				
Amortization of revenue bond premiums	$ 3,368,637	$ -	$ -	$ 3,368,637
Amortization of deferred outflows of resources on refunding of debt	319,652	-	-	319,652

 The accompanying notes are an integral part of these financial statements.

1. THE FINANCIAL REPORTING ENTITY

The California Infrastructure and Economic Development Bank (IBank), a component unit of the State of California (State), is a public instrumentality of the State, organized and existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Division 1 of Title 6.7 of the California Government Code commencing with Section 63000 (Act). IBank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide loans, credit enhancements, including guarantees, acquire or lease facilities, and leverage State funds. The mission of IBank is to finance public infrastructure, clean energy, water, environmental, and economic development projects that promote a healthy climate for job creation and retention, contribute to a strong California economy and a healthy environment, and improve the quality of life in California communities. IBank is governed by a five-member Board of Directors (Board) consisting of the Director of the Governor's Office of Business and Economic Development, who serves as the chair, the Director of the Department of Finance, the State Treasurer, the Secretary of the State Transportation Agency, and an appointee of the Governor.

IBank has reviewed criteria to determine whether other entities with activities that benefit the IBank should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity is financially accountable for the legally separate organization (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship. Based upon these criteria, IBank determined that there are no other entities that are required to be included in IBank's financial reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

IBank operates in a similar manner as private sector businesses and is classified as an enterprise fund. The accounts of IBank are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of accounts in a separate column comprising of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses. IBank's funds are organized as follows:

The **California Infrastructure and Economic Development Bank Fund (CIEDB Fund) -** The CIEDB Fund is continuously appropriated, without regard to fiscal year, and is available for expenditure for the program related purposes stated in the Act.

The ***Infrastructure State Revolving Fund (ISRF) Program*** provides financing to State and local government entities for a wide variety of infrastructure projects throughout the State. Eligible ISRF Program borrowers include any State or local governmental entities, and any departments, agencies, commissions, cities, counties, special districts, assessment districts, joint powers authorities, enhanced infrastructure special districts, and sub-divisions thereof, and nonprofit public benefit organizations formed on behalf of or sponsored by any such governmental entity. IBank issues revenue bonds (ISRF Program Bonds) to provide additional funding for the ISRF Program. The ISRF Program Bond indentures require an independent audit of the ISRF Programs. IBank also serves as a conduit issuer of tax-exempt and taxable revenue bonds, loans, and commercial paper for private manufacturing, nonprofit and other governmental entities (Bond Financing Program). Legislation requires an audit of IBank's activities under the Bond Financing Program.

The ***California Lending for Energy and Environmental Needs (CLEEN) Center*** is a sub-program of the ISRF Program and provides low-cost financing to eligible State and local governments, public universities, schools, and hospitals. The approved eligible projects include commercially proven technologies that are expected to result in carbon reduction benefits, water conservation, or other environmental benefits within the State, including energy efficiency, renewable energy, energy storage, alternative technologies, alternative fuels, transportation, and water.

The **California Infrastructure Guarantee Trust Fund** is continuously appropriated to IBank without regard to fiscal year for the purpose of insuring all or a portion of the accounts and subaccounts within the Guarantee Trust Fund, any contracts or obligations of IBank or a sponsor, as that term is defined in the Act, and all or a part of any series of bonds issued by IBank, by a special purpose trust or by a sponsor, and is available for expenditure for the Guarantee Trust Fund related purposes stated in the Act.

The **California Small Business Expansion Fund (Expansion Fund) in the Small Business Finance Center (SBFC)** helps small businesses create and retain jobs, and encourages investment in low- to moderate-income communities. Effective October 4, 2013, the Small Business Financial Assistance Act of 2013 (SBFC Act) established the SBFC within IBank and transferred the Expansion Fund, which accounts for the activities of the California Small Business Loan Guarantee (SBLG) Program, the Farm Loan Program, the Jump Start Program, the Surety Bonds Program, the Disaster Relief Program, and the Secondary Market Program to IBank. The Surety Bonds and Secondary Market Programs are currently inactive. With the exception of certain amounts spent for program administration support that require an annual appropriation by the State Legislature for the SBLG program, the Expansion Fund is continuously appropriated without regard to fiscal year and is available for expenditure for the program-related purposes stated in the SBFC Act.

The ***California Small Business Loan Guarantee (SBLG) Program*** was established in the State in 1968 to provide access to capital and create jobs and opportunities for small businesses primarily owned by minorities, women, and disabled persons. The term loans and lines of credit are made by financial institutions, typically banks, credit unions and federally chartered community development financial institutions. Seven nonprofit financial development corporations (FDC) contract with IBank to administer the guarantees issued under the SBLG Program. The SBLG Program enables participating small businesses to secure financing for their business plans, including expanding operations, purchasing new equipment and inventory, and accessing working capital. The guarantee provided by IBank serves as a credit enhancement and an incentive for financial institutions to make term loans and lines of credit to small businesses that otherwise may not be able to obtain such financing.

In 2011, the State of California was approved for an allocation of $168 million in federal funds from the U.S. Treasury under the State Small Business Credit Initiative (SSBCI), a component of President Obama's Small Business Jobs Act of 2010. The allocation was divided equally between two State agencies, with the SBLG Program receiving four disbursements (tranches) since inception. The SSBCI funds have unique federal requirements. Consequently, the SSBCI funded collection guarantees are administered by IBank separately as a subset of the SBLG Program. Thus, since 2011, the SBLG Program has consisted of two subsets: the state-funded portion of the SBLG program and the federal SSBCI-funded portion. As of June 30, 2019, IBank has expended for small businesses in the State loan guarantees and permissible administrative costs, all of the SSBCI funds allocated by the U.S Treasury to IBank under SSBCI.

The ***Farm Loan Program*** supports direct loans by IBank to small farms through participating FDCs. The term loans and lines of credit provide capital for farms that are primarily engaged in producing crops, livestock products, or aquatic organisms through the utilization and management of land, water, labor, capital, and basic materials including seed, feed, fertilizer, and fuel. The farm loans are 90% guaranteed by the U.S. Department of Agriculture, Farm Service Agency. Two FDCs are currently participating in the Farm Loan Program.

The ***Jump Start Loan Program*** is a micro-loan and financial literacy/technical assistance program exclusively for low-wealth entrepreneurs in low-wealth communities and areas affected by a state of emergency within California and declared a disaster by the President of the United States, the Administrator of the United States Small Business Administration, or the United States Secretary of Agriculture, or declared to be in a state of emergency by the Governor of the State of California (Disaster Area). IBank's goal is to make more small business micro-loans available to low-wealth entrepreneurs, including low-wealth businesses owned by women, minorities, veterans, persons with disabilities, and persons previously incarcerated, and small businesses in the State that have suffered significant actual physical damage to real or personal property and/or have suffered significant economic injury, as a result of a disaster in a Disaster Area. Five FDCs are currently participating in the Jump Start Loan Program.

B. ACCOUNTING PRINCIPLES

The accompanying financial statements have been prepared using the economic resources measurement focus and accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

IBank distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing financial services in connection with principal ongoing operations. The primary operating revenue reported is financing income, representing interest on financing provided to borrowers. Also recognized in operating revenue are the fees charged to ISRF Program borrowers, conduit Bond Financing Program borrowers, Expansion Fund guarantee recoveries, and Expansion Fund federal and state revenue including interest on Jump Start Loans and Farm Loans. Operating expenses primarily include interest expense on the ISRF Program Bonds, Expansion Fund nonexchange financial guarantee expenses, and program support expenses. Investment income is reported as nonoperating revenue.

C. CASH AND EQUIVALENTS AND INVESTMENTS

IBank considers all short-term investments with an original maturity of three months or less at the time of purchase to be cash equivalents. In addition, the investment in the State's Surplus Money Investment Fund (SMIF), an investment pool within the State's centralized treasury system, is considered to be highly liquid and cash equivalents. All investment income, including changes in the fair value of investments, is recognized as revenue in the Statement of Revenues, Expenses, and Changes in Fund Net Position.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements, if applicable, for deposits and investment risks are specified relating to the following risks: interest rate, credit, custodial credit, concentrations of credit, and foreign currency. In addition, other disclosures are specified including, but not limited to, the use of certain methods to present deposits and investments and highly sensitive investments at year-end.

Certificates of deposit are recorded at cost. It is the intent of IBank to hold these certificates of deposit until maturity. IBank holds investments that are measured at fair value on a recurring basis. IBank categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

D. LOANS RECEIVABLE

ISRF Loans - IBank is authorized to enter into loan agreements, installment sale agreements, and lease agreements (Loans) to finance public infrastructure and economic development projects and projects for non-profit organizations sponsored by governmental entities pursuant to the ISRF Program. A majority of the Loans are pledged to the 2014A ISRF Program Bonds, 2015A ISRF Program Bonds, and the 2016A ISRF Program Bonds (Series Pledged Loans). Loans receivable includes pledged and non-pledged Loans. Pledged and non-pledged Loans receivable consists of two components – the disbursed and the undisbursed amount of Loans. The disbursed amount of pledged Loans receivable includes amounts drawn by the borrower for reimbursement or payment of project costs. The undisbursed amount of pledged Loans receivable includes the balance available to be drawn by the borrowers and draws submitted for payment but unpaid at year-end, and is offset by a liability for outstanding undisbursed loan commitments. Prior to the issuance of the ISRF Program Bonds, Loans were funded solely by General Fund appropriations received from the State, Loan repayments, fee revenue, and investment income. Since the issuance of the ISRF Program Bonds, Loans have been funded from the proceeds of the ISRF Program Bonds and/or from proceeds of Loan repayments, fee revenue, and investment income.

The current portion of loan commitments is an estimate and is generally based upon projections provided by borrowers. These estimates are subject to change due to unforeseen weather conditions, construction delays related to change orders, delayed material shipment, subcontractor performance problems, and other factors that cannot be reasonably predicted. There is no provision for uncollectible accounts as all Loans are current and expected at this time to be repaid according to the scheduled terms. ISRF Loans interest rates range from 1.73% to 4.07% and the loan terms are 10 to 30 years.

Farm Loans - IBank provides funding for direct loans to small farms through participating FDCs in the Farm Loan Program under the Expansion Fund. The disbursed amount of the Farm Loans receivable includes amounts drawn by the borrower for reimbursement or payment of farm costs. Farm loans are funded from the accounts dedicated to the Farm Loan Program under the Expansion Fund. Farm Loans interest rates range from 3.00% to 3.50% and the loan terms are 6 months to 30 years.

Jump Start Loans - During the 2019-2020 fiscal year, IBank made a total of $144,000 of Jump Start Loans in California to 15 small businesses. Five FDCs under contract with IBank provided 481 hours of technical assistance to small businesses throughout California. Jump Start Loans interest rates range from 8.25% to 10.50% and the loan terms are 1 to 6 years.

There is a provision for uncollectible accounts of $50,000 at June 30, 2020 for Jump Start loans receivables. There are no other provisions for uncollectible accounts as all other loans are current and expected at this time to be repaid according to the scheduled terms.

E. ISSUANCE COSTS

Costs associated with the issuance of each series of the ISRF Program Bonds included bond counsel and disclosure counsel fees, trustee fees, rating agency fees, underwriting costs, financial advisor fees, and other miscellaneous expenses. The ISRF Program bond issuance costs are recognized as an expense when incurred.

F. REVENUE BONDS PAYABLE

Revenue bonds payable are stated at their unpaid balance plus any remaining unamortized premiums. Bond premiums are amortized using the effective-interest method over the terms of the respective ISRF Program Bonds. The ISRF Program Bonds are subject to mandatory and optional redemption prior to their stated maturity. The ISRF Program Bonds are not obligations of the State, and the taxing power of the State is not pledged for their payments. The obligation of IBank to make such payments is a limited obligation, payable solely from the ISRF Program Bonds collateral pledged by IBank.

G. LOAN AND CONDUIT BOND FEES

IBank charges an origination fee and an annual servicing fee to ISRF Program borrowers. The origination fee is due upon execution of the Loan agreement and is collected no later than the date of the borrower's first disbursement. Loan origination fees are recognized as revenue when due. The annual servicing fee is recognized as revenue when earned. IBank also charges application, bond issuance, and annual fees to conduit Bond Financing Program borrowers. Conduit bond fees are recognized as revenue when earned.

H. COMPENSATED ABSENCES PAYABLE

Compensated absences payable represents employees' earned but unused vacation, annual leave, and other similar leave program balances, which are eligible for payment upon separation from State service. Unused sick leave balances are not included as they are converted to additional service credit used in the calculation of postemployment benefits. Compensated absences payable is a long-term obligation because leave earned in the current period is considered to be used before any unused leave from prior years (LIFO) and it is anticipated that employees will not generally use more leave than the amount earned in the current period.

I. NONEXCHANGE FINANCIAL GUARANTEES LIABILITY

A nonexchange financial guarantee is a financial guarantee for obligations without receiving equal or approximately equal value in exchange (a nonexchange transaction). The nonexchange financial guarantee liability represents amounts that will more likely than not be required for the guarantees based on consideration of the likelihood of default of individual loan violations of agreements and initiation of the process of financial reorganization.

J. DEFERRED OUTFLOWS/DEFERRED INFLOWS OF RESOURCES

In addition to assets and liabilities, the Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The loss on refunding debt, resulting from the difference in the carrying value and reacquisition price of the refunded debt, is reported as a deferred outflow of resources and is amortized over the shorter of the life of the refunded bond or refunding bond.

Contributions made to the pension and OPEB plans after the measurement date but before the fiscal year-end are recorded as a deferred outflow of resources and will reduce the net pension and OPEB liabilities in the next fiscal year.

Additional factors involved in the calculation of IBank's pension and OPEB expenses and net liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between IBank's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Notes 7 and 8 for further details related to these deferred outflows and inflows.

K. PENSIONS

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

L. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of IBank's portion of the State Plan (OPEB Plan) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. CLASSIFICATION OF NET POSITION

Restricted net position represents amounts restricted due to external restrictions imposed by creditors, laws or regulations of the government, and restrictions imposed by law through constitutional provisions or enabling legislation. The net position reported by IBank is restricted by statute for programs established by IBank and for programs administered pursuant to the Act.

N. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

IBank follows GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This statement requires the disclosure of the interest rate, credit, custodial credit, concentration of credit and foreign currency risks to the extent that they exist at the date of the Statement of Net Position. Additional disclosure detail required by GASB Statement No. 40 for cash deposits, investments, and derivatives within the State's centralized treasury system can be found in the State's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019 at https://sco.ca.gov/ard_state_cafr_sup.html, which is the latest available.

Due to the specified nature of the activities reported in IBank as established in the Act and the SBFC Act, all cash, cash equivalents, and investments are considered restricted at June 30, 2020, since these funds cannot be spent for any purpose other than as established in the Act and SBFC Act.

Investments are made pursuant to an investment policy initially adopted by the Board in March 2006. IBank's current investment policy contains a requirement for the Board to review the investment policy on an annual basis. The investment policy was last reviewed and approved by the Board on October 23, 2019. The Investment Policy provides guidelines for the prudent investment while maximizing efficiency and financial return in conformance with all applicable State statutes governing the investment of public funds, with the foremost objectives being safety and liquidity.

Pursuant to the Investment Policy, IBank may, from time to time, direct the State Treasurer (Treasurer) to invest monies in the CIEDB Fund and Guarantee Trust Fund held within the State's centralized treasury system that are not required for its current needs, in any eligible securities specified in Government Code Section 16430 as IBank shall designate. IBank may direct the Treasurer to invest monies in the Guarantee Trust Fund in certain repurchase agreements, investment agreements, and subordinated securities as specified in Government Code Section 63062(a). IBank may direct the Treasurer to deposit monies in interest-bearing accounts in qualified public depositories as established by State law, including any bank in the State or in any savings and loan association in the State. IBank may alternatively require the transfer of monies to SMIF for investment.

Government Code Sections 63052(e) and 5922(d) provide that bond proceeds and monies set aside and pledged to the repayment of bonds may be invested in securities or obligations described in the indenture for those bonds. Monies in each of the accounts with respect to the 2014A ISRF Program Bonds, 2015A ISRF Program Bonds, and 2016A ISRF Program Bonds issued under the Indenture, dated as of February 1, 2014, between IBank and US Bank National Association, as trustee (ISRF Trustee), as supplemented and amended by the First Supplemental Indenture dated as of February 1, 2014 between IBank and the ISRF Trustee, the Second Supplemental Indenture dated as of June 1, 2015 between IBank and the ISRF Trustee, and the Third Supplemental Indenture dated as of June 1, 2016 between IBank and the ISRF Trustee (Indenture) are held by the ISRF Trustee and shall be invested and reinvested by the ISRF Trustee in permitted investments, as that term is defined in the Indenture. The permitted investments mature or are subject to redemption by the owner thereof prior to the date such funds are expected to be needed.

Government Code Section 63089.5 provides for the continued existence in the State Treasury of the Expansion Fund and also provides that all of the funds in the Expansion Fund may be paid out to a financial institution that will establish a trust fund and act as trustee of the funds. Monies in each account with respect to the Expansion Fund under the SBFC have been paid out to and are held by Fiduciary Trust International, as trustee (SBFC Trustee), and are invested and reinvested by the SBFC Trustee in permitted investments pursuant to the Investment Policy.

Investments Authorized by the California Government Code and the Investment Policy

The following table identifies the investment types that are authorized by Government Code sections 16430, 5922(d), 63052(d) and (e), and 63062(a) or the Investment Policy, where more restrictive. The table below also identifies certain provisions of the California Government Code, or the Investment Policy, where more restrictive, that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds and other monies held by the ISRF Trustee that are governed by the provisions of the Indenture, but rather the general provisions of the California Government Code or the Investment Policy.

Authorized Investments

Authorized Investment Type	Maximum Maturity[1]	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Credit Rating[3]
U.S. Treasury Securities	5 Years	N/A[2]	N/A	N/A
Federal Agency Securities	5 Years	N/A	40%	N/A
State of California Securities	5 Years	30%	N/A	N/A
Local Agency Securities	5 Years	30%	5%	N/A
Commercial Paper	270 Days	30%	5%	A1/P1/F1
Bankers Acceptances	5 Years	40%	5%	N/A
Negotiable Certificates of Deposit	5 Years	30%	5%	N/A
U.S. SBA or U.S. FHA Securities	5 Years	30%	5%	N/A
Export-Import Bank Securities	5 Years	30%	5%	N/A
Guaranteed Student Loan Program Securities	5 Years	N/A	N/A	N/A
Development Bank Securities	5 Years	N/A	N/A	N/A
Corporate Debt Securities	5 Years	30%	5%	A
Investment Agreements	5 Years	N/A	N/A	N/A
Repurchase Agreements	5 Years	N/A	N/A	N/A
Reverse Repurchase Agreements	5 Years	N/A	N/A	N/A

1 Where the Investment Policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a collateral security underlying a repurchase agreement or collateral for an investment agreement, which at the time of the investment has a term remaining to maturity in excess of five years.

2 N/A means neither the Government Code nor the Investment Policy sets a limit.

3 A rating by any nationally recognized rating agency will meet this requirement. The nationally recognized rating agencies include Standard & Poor's (S&P), Moody's Investors Services (Moody's), and Fitch Ratings (Fitch) (collectively, Rating Agencies). Per Government Code, Investment agreements, repurchase agreements, and reverse repurchase agreements are required to be within the top three rating categories of a nationally recognized rating service.

Investments Authorized by the ISRF Program Bond Series Indentures or the Indenture

Investment of debt proceeds and Loan repayments that are held by the ISRF Trustees are governed by the provisions of the Indenture. Such investments are referenced in the Investment Policy, which references Government Code sections 63052(e) and 5922(d).

IBank has invested excess cash held within the State's centralized treasury system in SMIF. All of the resources in SMIF are invested through the Pooled Money Investment Account (PMIA). The PMIA investment program is overseen by the Pooled Money Investment Board and is administered by the Treasurer. The Treasurer values participants' shares in the pooled program on an amortized cost basis.

Cash and cash equivalents at June 30, 2020 were as follows:

SMIF	$ 36,237,091
Cash and Cash Equivalents with Financial Institutions	
Money Market Funds	223,161,897
Deposits	1,168
Held on behalf of others	1,002,302
U.S. Treasury Securities	42,084,085
Total Cash and Cash Equivalents	$ 302,486,543

Investments at June 30, 2020 were as follows:

Corporate Debt Securities	$ 33,706,638
Local Agency Securities	42,231,222
U.S. Treasury Securities	39,652,338
U.S. SBA or U.S. FHA Securities	5,434
Federal Agency Securities	24,624
Total Investments	$ 115,620,256

Fair Value Measurement

GASB Statement No. 72 requires IBank to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs.

SMIF, being an investment pool, and Money Market Funds are subject to fair value measurement; however, they are not subject to the fair value hierarchy. The remaining investments are classified as Level 2 of the fair value hierarchy because they are valued using a matrix pricing model.

Deposit and Investment Risk Disclosures

Interest Rate Risk. Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity, measured by weighted average to maturity, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with a shorter duration. As of June 30, 2020, the weighted average maturity of the investments contained in SMIF is approximately 191 days. SMIF is considered to be highly liquid and a cash equivalent.

Information about the sensitivity of the fair values of investments to market interest rate fluctuations is provided by the following table that shows the distribution of the investments by maturity as of June 30, 2020:

		Remaining Maturity (in Months)			
Investment Type	**Fair Value**	**12 Months or Less**	**13-24 Months**	**25-60 Months**	**More Than 60 Months**
Corporate Debt Securities	$ 33,706,638	$ 4,740,867	$ 13,984,807	$ 14,980,964	$ -
Local Agency Securities	42,231,222	5,918,621	11,012,437	25,300,164	-
U.S. Treasury Securities	81,736,421	54,074,454	20,262,007	7,399,960	-
U.S. SBA or U.S. FHA Securities	5,434	-	-	5,030	404
Federal Agency Securities	24,624	-	-	24,076	548
Money Market Funds	223,163,065	223,163,065	-	-	-
Total	$ 380,867,404	$ 287,897,007	$ 45,259,251	$ 47,710,194	$ 952

Credit Risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. SMIF and the certificate of deposit do not have a rating provided by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each of the remaining investment types as of June 30, 2020:

		Rating as of Year-End			
Investment Type	**Fair Value**	**AAA to AA**	**AA- to A-**	**BBB+- to BB-**	**Not Rated**
Corporate Debt Securities	$ 33,706,638	$ 4,503,038	$ 26,595,788	$ 1,560,547	$ 1,047,265
Local Agency Securities	42,231,222	27,262,748	8,958,176	-	6,010,298
U.S. Treasury Securities	81,736,421	81,736,421	-	-	-
U.S. SBA or U.S. FHA Securities	5,434	5,434	-	-	-
Federal Agency Securities	24,624	24,624	-	-	-
Money Market Funds	223,163,065	223,163,065	-	-	-
Total	$ 380,867,404	$336,695,330	$ 35,553,964	$ 1,560,547	$ 7,057,563

Custodial Credit Risk. Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, IBank will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2020, IBank reported $1,168 in deposit accounts, all of which was covered by federal deposit insurance.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, IBank will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of June 30, 2020, the investments were not subject to custodial credit risk.

4. REVENUE BONDS PAYABLE

On February 6, 2014, IBank issued $95,960,000 in ISRF Program Bonds. A portion of the proceeds, $82,184,703, was used to advance refund $78,440,000 of outstanding 2004 and 2005 ISRF Program Bonds. These proceeds were deposited in an irrevocable trust with an escrow agent to pay the future debt service on the refunded bonds. As a result, the 2004 and 2005 ISRF Program Bonds are considered defeased and the liability for those bonds was removed from the Statement of Net Position. The remaining proceeds were used to fund ISRF Program Loans that were made in anticipation of the issuance of the 2014 ISRF Program Bonds.

The reacquisition price (amount placed in escrow to repay the 2004 and 2005 ISRF Program Bonds) exceeded the net carrying amount of those bonds by $896,045. This loss on the bond refunding is reported as a deferred outflow of resources on the Statement of Net Position and will be amortized over the remaining life of the refunded bonds. As of June 30, 2020, the balance of the loss on bond refunding was $393,199.

The defeased 2004 and 2005 ISRF Program Bonds were redeemed on their October 1, 2014 call date.

On June 17, 2015, IBank issued $90,070,000 in ISRF Program Bonds. A portion of the proceeds, $39,285,137, was used to advance refund $35,435,000 of outstanding 2008 ISRF Program Bonds. These proceeds were deposited in an irrevocable trust with an escrow agent to pay the future debt service on the refunded bonds. As a result, the 2008 ISRF Program Bonds are considered defeased and the liability for those bonds was removed from the Statement of Net Position. The remaining proceeds were used to fund ISRF Program Loans that were made in anticipation of the issuance of the 2015 ISRF Program Bonds.

The reacquisition price (amount placed in escrow to repay the 2008 ISRF Program Bonds) exceeded the net carrying amount of those bonds by $3,587,748. This loss on the bond refunding is reported as a deferred outflow of resources on the Statement of Net Position and will be amortized over the remaining life of the refunded bonds. As of June 30, 2020, the balance of the loss on bond refunding was $2,095,963.

On June 14, 2016, IBank issued $141,600,000 in ISRF Program Bonds to provide funds for the ISRF Program Loans.

The defeased 2008 ISRF Program Bonds were redeemed on their October 1, 2018 call date.

The principal and interest payments received during the fiscal year from the Series-Pledged Loans are paid to the ISRF Trustees in amounts and at times sufficient to make the semi-annual debt service payments on the ISRF Program Bonds as they become due through 2046. The total principal and interest remaining to be paid on the ISRF Program Bonds is $439,579,576. For the fiscal year ended June 30, 2020, Series Pledged Loan repayments and reserve account earnings were $41,004,377. The debt service payments on ISRF Program Bonds for the fiscal year were $24,406,900, resulting in a bond debt coverage ratio for the fiscal year of 1.68 times.

The following is a summary of bonds payable at June 30, 2020:

Infrastructure State Revolving Fund Revenue Bonds, Series 2014A, issued $95,960,000 bearing 2.00% to 5.00% interest payable semi-annually, final maturity October 1, 2043 (2014 ISRF Program Bonds)	$ 74,545,000
Infrastructure State Revolving Fund Revenue Bonds, Series 2015A, issued $90,070,000 bearing 1.00% to 5.00% interest payable semi-annually, final maturity October 1, 2043 (2015A ISRF Program Bonds)	71,015,000
Infrastructure State Revolving Fund Revenue Bonds, Series 2016A, issued $141,600,000 bearing 2.00% to 5.00% interest payable semi-annually, final maturity October 1, 2045 (2016A ISRF Program Bonds)	136,380,000
Plus: Unamortized Net Premium	38,981,072
Net ISRF Program Bonds Payable	$ 320,921,072

The following is a schedule of the debt service requirements for the 2014 ISRF Program Bonds as of June 30, 2020:

Year Ending June 30	Principal	Interest	Total Debt Service
2021	$ 4,275,000	$ 3,603,068	$ 7,878,068
2022	4,470,000	3,384,444	7,854,444
2023	4,480,000	3,160,694	7,640,694
2024	4,165,000	2,944,569	7,109,569
2025	4,365,000	2,731,319	7,096,319
2026-2030	25,325,000	10,057,094	35,382,094
2031-2035	18,820,000	4,004,481	22,824,481
2036-2040	7,270,000 [1]	1,018,859	8,288,859
2041-2044	1,375,000 [2]	85,532	1,460,532
Total	**$ 74,545,000**	**$ 30,990,060**	**$ 105,535,060**

[1] Principal payments in the amount of $5,190,000 will be made from sinking fund payments for the 2039 term bond.
[2] Principal payments in the amount of $1,375,000 will be made from sinking fund payments for the 2043 term bond.

The following is a schedule of the debt service requirements for the 2015A ISRF Program Bonds as of June 30, 2020:

Year Ending June 30	Principal	Interest	Total Debt Service
2021	$ 4,655,000	$ 3,351,556	$ 8,006,556
2022	4,750,000	3,116,431	7,866,431
2023	4,835,000	2,876,807	7,711,807
2024	4,830,000	2,635,181	7,465,181
2025	4,705,000	2,396,806	7,101,806
2026-2030	19,050,000	9,022,656	28,072,656
2031-2035	17,420,000	4,393,931	21,813,931
2036-2040	8,235,000[3]	1,440,747	9,675,747
2041-2044	2,535,000[4]	251,376	2,786,376
Total	**$ 71,015,000**	**$ 29,485,491**	**$ 100,500,491**

[3] Principal payments in the amount of $4,030,000 will be made from sinking fund payments for the 2040 term bonds.
[4] Principal payments in the amount of $635,000 and $1,900,000 will be made from sinking fund payments for the 2040 and 2043 term bonds, respectively.

The following is a schedule of the debt service requirements for the 2016A ISRF Program Bonds as of June 30, 2020:

Year Ending June 30	Principal	Interest	Total Debt Service
2021	$ 2,460,000	$ 6,182,750	$ 8,642,750
2022	2,465,000	6,084,275	8,549,275
2023	2,660,000	5,994,100	8,654,100
2024	2,775,000	5,871,525	8,646,525
2025	2,920,000	5,729,150	8,649,150
2026-2030	17,105,000	26,228,875	43,333,875
2031-2035	26,245,000	20,992,750	47,237,750
2036-2040	33,110,000[5]	14,221,800	47,331,800
2041-2045	38,395,000[6]	5,693,900	44,088,900
2046	8,245,000[7]	164,900	8,409,900
Total	**$ 136,380,000**	**$ 97,164,025**	**$ 233,544,025**

[5] Principal payments in the amount of $20,460,000 will be made from sinking fund payments for the 2041 term bonds.
[6] Principal payments in the amount of $15,430,000 and $22,965,000 will be made from sinking fund payments for the 2041 and 2045 term bonds, respectively.
[7] Principal payments in the amount of $8,245,000 will be made from sinking fund payments for the 2045 term bonds.

5. LONG-TERM OBLIGATIONS

The changes in long-term obligations for the fiscal year ended June 30, 2020 were as follows:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion June 30, 2020
Revenue Bonds Payable:					
2014A ISRF Program Bonds	$ 78,610,000	$ -	$ 4,065,000	$ 74,545,000	$ 4,275,000
2015A ISRF Program Bonds	75,440,000	-	4,425,000	71,015,000	4,655,000
2016A ISRF Program Bonds	138,745,000	-	2,365,000	136,380,000	2,460,000
Unamortized Net Premium	42,349,709	-	3,368,637	38,981,072	3,233,854
Total Revenue Bonds Payable	335,144,709	-	14,223,637	320,921,072	14,623,854
Loan Payable – SMIF (SB 84)	750,000	-	47,656	702,344	140,000
Compensated Absences Payable	351,945	215,769	147,961	419,753	23,240
Total	**$ 336,246,654**	**$ 215,769**	**$ 14,419,254**	**$ 322,043,169**	**$ 14,787,094**

6. CONDUIT BOND INFORMATION AND DEBT OBLIGATIONS

IBank has served as the conduit bond issuer for many private, nonprofit, and governmental entities. Conduit bonds are a limited obligation of IBank payable solely from the pledged revenues of the conduit borrower. As such, the balance of outstanding conduit bonds is not reflected in the Statement of Net Position due to the conduit bond borrower's repayment pledges for those bonds.

Conduit Bond information [1]:

• Fees earned from 7/1/19 thru 6/30/20:		
o Application Fees	$	43,500
o Issuance Fees	$	590,000
o Annual Fees	$	68,871
o Other	$	16,100
• Conduit Bond Support Operating Expenses	$	831,673[2]
• Amount of conduit bonds authorized but unsold as of 6/30/20	$	3,835,370,000
• Amount of conduit bond debt issued from 7/1/19-6/30/20	$	880,572,000
• Amount of conduit bonds outstanding as of 6/30/20	$	5.8 Billion[3]
• Number of conduit bonds transactions outstanding as of 6/30/20		139

[1] This information is provided pursuant to Government Code section 5872(a).

[2] Conduit Bond Support Operating Expenses include expenses such as salaries and benefits, administrative services, rent, utilities, travel, training, equipment and external services.

[3] Includes bonds issued by the former California Economic Development Financing Authority, which were assumed by IBank pursuant to Chapter 4, Statutes of 1998, bonds issued by the California Consumer Power and Conservation Financing Authority, which were assumed by IBank pursuant to Resolution 04-37 adopted by the IBank Board on September 28, 2004.

7. RETIREMENT PLAN

Plan Description

All of the employees of IBank participate in the California Public Employees' Retirement System (CalPERS), which is included in the State of California's (State) Comprehensive Annual Financial Report as a fiduciary component unit. CalPERS administers the Public Employees' Retirement Fund (PERF). PERF is an agent multiple-employer defined benefit retirement plan. Departments and agencies within the State, including IBank, are in a cost-sharing arrangement in which all risks and costs are shared proportionately by participating State agencies. Since all State agencies and certain related organizations, including IBank, are considered collectively to be a single employer for plan purposes, the actuarial present value of vested and non-vested accumulated plan benefits attributable to the IBank employees cannot be determined. The significant actuarial assumptions used to compute the actuarially determined State contribution requirements are the same as those used to compute the State pension benefit obligation as defined by CalPERS. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

The California Legislature passed and the Governor signed the "Public Employees' Pension Reform Act of 2013" (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 2012. Benefit provisions and other requirements are established by State statute.

Benefits Provided

The benefits for the Plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five or ten years of credited service.

The Plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

First Tier:

Hire date	Prior to January 15, 2011	January 15, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 to 67	50 to 67	52 to 67
Monthly benefits, as a % of eligible compensation	1.1 to 2.5%	1.092 to 2.418%	1.0 to 2.5%

Second Tier:

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	1.25% @ 65	1.25% @ 67
Benefit vesting schedule	10 years service	10 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 to 67	52 to 67
Monthly benefits, as a % of eligible compensation	0.5 to 1.25%	0.65 to 1.25%

Contributions

Section 20814(c) of the California Public Employees Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1st following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. IBank is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by IBank to satisfy contribution requirements are classified as plan member contributions.

For the measurement period ended June 30, 2019 (the measurement date), the employer's contribution rate is 29.298% of annual payroll.

These rates reflect Section 20683.2, which mandates that certain employees must contribute more as of July 1, 2013. Furthermore, any reduction in employer contributions due to the increase in the employee contributions must be paid by the employer towards the unfunded liability. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution. IBank's contributions to the plan were $780,339 for the fiscal year ended June 30, 2020.

Included in IBank's contributions to the plan, during the fiscal year ended June 30, 2018, the State Surplus Money Investment Fund (SMIF) made a contribution to the Plan of $750,000, on behalf of IBank, as required by Senate Bill No. 84 (SB 84) to fund future net pension liabilities. IBank established a loan payable to SMIF for this contribution as required by SB 84. This loan payable is required to be repaid by IBank by June 30, 2030 and payments began during the June 30, 2020 fiscal year end. See Note 5 for further details related to this loan payable.

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pension

As of June 30, 2020, IBank reported a net pension liability for its proportionate share of the net pension liability of $5,872,380. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. IBank's proportion of the net pension liability was based on the State Controller's Office (SCO) projection for IBank. The SCO identified a total of 29 entities that are reported in the State's CAFR which are proprietary funds (enterprise and internal service) and fiduciary funds (pension and other employee benefit trust funds), component units (discretely presented and fiduciary), and related organizations, that have State employees with pensionable compensation (covered payroll). The SCO calculated and provided these funds/organizations with their allocated pensionable compensation percentages by plan. IBank's proportionate share of the net pension liability for the Plan as of the measurement date June 30, 2020 and 2019 was 0.01746% and 0.01991%, respectively.

For the fiscal year ended June 30, 2020, IBank recognized pension expense of $1,302,523. At June 30, 2020, IBank reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 308,158	$ (16,893)
Changes in assumptions	247,375	(123,188)
Changes in proportion and differences between IBank contributions and proportionate share of contributions	315,783	(607,209)
Net differences between projected and actual investment earnings of pension plan investments	-	(43,731)
IBank's contributions subsequent to measurement date	780,339	-
Total	$ 1,651,655	$ (791,020)

The $780,339 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized as pension expense as follows:

Year Ending June 30		
2021	$	268,717
2022		(119,686)
2023		(79,078)
2024		10,343

Actuarial Assumptions

For the measurement period ended June 30, 2019 (the measurement date), the Total Pension Liability (TPL) was determined by rolling forward the June 30, 2018 TPL. The June 30, 2019 TPL was based on the following actuarial method and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality Rate Table[1]	Derived using CalPERS' Membership data for all Funds
Post Retirement Benefit Increase	The lesser of Contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

[1] The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries 90% of Scale MP-2016. For more details on this table, please refer to the 2017 CalPERS Experience Study and Review of Actuarial Assumptions report (Experience Study) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website at www.calpers.ca.gov.

Change of Assumptions

For the measurement period ended June 30, 2019 (the measurement date), there were no changes in assumptions.

Discount Rate

The discount rate used to measure the TPL was 7.15%. The projection of cash flows used to determine the discount rate assumed the contributions from plans members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefits payments to determine the total pension liability. CalPERS' approach for the cash flow projections are presented in the GASB 67 and 68 Crossover Testing Report, which may be obtained from the CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all the PERF asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation used to measure the total pension liability.

Asset Class[(a)]	Current Target Allocation	Real Return Years 1 – 10[(b)]	Real Return Years 11+[(c)]
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(b) An expected inflation of 2.0% was used for this period.

(c) An expected inflation of 2.92% was used for this period.

Sensitivity of IBank's Proportionate Share Net Pension Liability to Changes in the Discount Rate

The following presents IBank's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what IBank's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
IBank's Proportionate Share of Plan's Net Pension Liability	$ 8,367,499	$ 5,872,380	$ 3,782,280

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The State also provides postemployment medical and prescription drug benefits to retired employees and dependents through CalPERS under the Public Employees' Medical and Hospital Care Act, and dental benefits under the State Employees' Dental Care Act. The State, and certain bargaining units and judicial employees (valuation groups) have agreed to prefund retiree healthcare benefits. Assets are held in separate accounts by valuation group within the California Employers' Retiree Benefit Trust (CERBT) administered by CalPERS, an agent multiple-employer defined benefit other postemployment benefits plan (State's Plan). Assets within each valuation group benefit retirees and dependents associated with that valuation group. CalPERS reports on the CERBT as part of it separately issued annual financial statements, which can be obtained from CalPERS on its website, at www.calpers.ca.gov.

The State has identified 25 separate valuation groups within the State Plan. For each agency and/or fund, the SCO determined the proportion of OPEB employer contributions attributable to employees within these valuation groups. SCO then used these proportions to allocate the OPEB accounting elements from the June 30, 2019 State of California Retiree Health Benefits Program Actuarial Valuation Report to State agencies and their funds.

Benefits Provided

In accordance with the California Government Code, the State generally pays 100% of the health insurance premium cost for annuitants, plus 90% of the additional premium required for the enrollment of annuitants' family members. The State generally pays all or a portion of the dental insurance premium cost for annuitants, depending upon the completed years of credited state service at retirement and the dental coverage selected by the annuitant, as specified in the California Government Code. The maximum 2019 monthly State contribution was $734 for one-party, $1,398 for two-party coverage, and $1,788 for family coverage. To be eligible for these benefits, primary government first-tier plan annuitants must retire on or after age 50 with at least five years of service, and second tier plan annuitants must retire on or after age 55 with at least 10 years of service. In addition, annuitants must retire within 120 days of separation from employment to be eligible to receive these benefits.

Contributions

The design of the postemployment health and dental benefit programs can be amended by the CalPERS Board of Administration and the California Department of Human Resources, respectively. Employer and retiree contributions are governed by the State and may be amended by the Legislature.

IBank participates in the State's Plan on a cost-sharing basis. The State funds the cost of providing health and dental insurance to annuitants primarily on a pay-as-you-go basis, with a modest amount of prefunding for members. The State obtains an annual actuarial valuation of the State's Plan which can be found on the SCO's website, at www.sco.ca.gov. Contributions to the State's Plan from IBank were $221,000 for the fiscal year ended June 30, 2020.

Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2020, IBank reported a liability of $5,244,000 for its proportionate share of the State's Plan net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. IBank's proportion of the net OPEB liability was based on the SCO's projection for IBank. IBank's combined proportionate share, based on its attributable employee valuation groups OPEB employer contributions, as of June 30, 2019 was 0.006613%.

For the fiscal year ended June 30, 2020, IBank recognized OPEB expense of $(6,006,000). At June 30, 2020, IBank reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 139,000	$ (474,000)
Differences between Expected and Actual Experience	11,000	(372,000)
IBank's contributions subsequent to measurement date	221,000	-
Total	$ 371,000	$ (846,000)

The $221,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in IBank's OPEB expense as follows:

Year Ending June 30	
2021	$ (160,900)
2022	(160,900)
2023	(160,900)
2024	(145,800)
2025	(75,800)
Thereafter	8,300

Actuarial Assumptions

For the measurement period ended June 30, 2019 (the measurement date), the total OPEB liability was determined using a June 30, 2019 valuation date. The June 30, 2019 total OPEB liability was based on the following actuarial methods and assumptions:

Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	Blended rate of each valuation group, consisting of 6.75% when assets are available to pay benefits, otherwise 20-year Municipal G.O. Bond AA Index rate of 3.13%
Inflation	2.25%
Salary Increases	Varies by entry age and service
Investment Rate of Return	6.75%, net of OPEB plan investment expenses but without reduction for OPEB plan administrative expenses
Health care cost trend rates	*Pre-Medicare coverage*: Actual rates for 2020, increasing to 7.50% in 2021, then decreasing 0.50% per year to an ultimate rate of 4.50% for 2027 through 2036, then 4.25% for 2037 and later years *Post-Medicare coverage*: Actual rates for 2020, increasing to 7.50% in 2021, then decreasing 0.50% per year to an ultimate rate of 4.50% for years 2027 through 2036, then to 4.25% for 2037 and later years *Dental coverage*: 0.01% in 2012 and 4.50% for 2021 through 2036, then 4.25% thereafter
Mortality Rate Table	Derived using CalPERS' Membership data for all members

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries 90% Scale MP 2016. For more details on this table, refer to the 2017 *CalPERS Experience Study and Review of Actuarial Assumptions* report (Experience Study) for the period from 1997 to 2015. Other demographic assumptions used in the June 30, 2019 valuation were also based on the results of the Experience Study, including updates to termination, disability, and retirement rates. The Experience Study report can be obtained from CalPERS' website at www.calpers.ca.gov.

Healthcare related assumptions such as plan participation, aging factors, adjustments for disabled members, and adjustments for children of current retirees and survivors are based on the State of California Retiree Health Benefits Program 2018 Experience Review performed by Gabriel, Roeder, Smith and Company (GRS) for the period from 2014 to 2018. Other healthcare assumptions such as member healthcare plan selection, coverage and continuance, select and ultimate healthcare cost trend rates, and per capita claim costs and expenses, are based on the most current information available. The GRS 2018 Experience Review is available at www.sco.ca.gov.

Changes in Assumptions

For the actuarial valuation as of June 30, 2019, the discount rate was lowered from 7.00% to 6.75%. In addition, both the price inflation assumption and the wage inflation assumption were reduced by 0.25%.

Discount Rate

The blended rate used to measure the June 30, 2019 total OPEB liability consists of the 20-year Municipal G.O. Bond AA Index rate of 3.13% as of June 30, 2019, as reported by Fidelity, when prefunding assets are not available to pay benefits, and 6.75% when prefunding assets are available to pay benefits. The cash flow projections used to calculate the blended discount rate were developed assuming that prefunding agreements in which actuarially determined normal costs are shared between employees and the State will continue and that the required contributions will be made on time and as scheduled in future years. The prefunding agreements are subject to collective bargaining and legislative approval. Detailed information on the blended discount rates by valuation group is available in the *State of California Retiree Health Benefits Program GASB Nos. 74 and 75 Actuarial Valuation Report as of June 30, 2019*, on the State Controller's Office website, at www.sco.ca.gov.

The long-term expected rate of return on OPEB plan investments was determined by GRS using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense, and inflation) are developed for each major asset class. Expected compound (geometric) returns were calculated over a closed period. Based on separate expected nominal returns for the short-term (first 10 years) and the long-term (11-40 years), and an average inflation assumption of 2.25%, a single expected nominal return rate of 6.75% was calculated for the combined short-term and long-term periods. If applied to expected cash flows during that period, the resulting present value of benefits is expected to be consistent with the present value of benefits that would be determined by applying the short and long-term expected rates to the same cash flows.

The following table reflects the long-term expected real rate of return by asset class:

Asset Class	Target Allocation	Real Return Years 1 - 10	Real Return Years 11+
Global Equity	59.00%	4.80%	5.98%
Fixed Income	25.00%	1.10%	2.62%
Treasury Inflation-Protected Securities	5.00%	0.25%	1.46%
Real Estate Investment Trusts	8.00%	3.50%	5.00%
Commodities	3.00%	1.50%	2.87%

GRS used an expected inflation rate of 7.75% for the real return rates in years 1 – 10 and 2.67% for the real return rates in years 11 – 40.

Sensitivity of IBank's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents IBank's proportionate share of the net OPEB liability, as well as what IBank's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

	Blended Discount Rate –1%	Blended Discount Rate	Blended Discount Rate +1%
Net OPEB liability	$ 6,175,565	$ 5,244,000	$ 4,500,358

Sensitivity of IBank's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Costs Trend Rates

The following presents IBank's proportionate share of the net OPEB liability, as well as what IBank's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates –1%	Healthcare Cost Trend Rates	Healthcare Cost Trend Rates +1%
Net OPEB liability	$ 4,447,794	$ 5,244,000	$ 6,264,805

OPEB Plan Fiduciary Net Position

Detailed information about the State's Plan fiduciary net position is available on CalPERS website in an annual report titled "California Employers' Retiree Benefit Trust, Agent Multiple-Employer Other Postemployment Benefits Plan, Schedule of Changes in Fiduciary Net Position by Employer". Additionally, CalPERS annually issues a Comprehensive Annual Financial Report which includes the CERBT fund's financial statements.

9. NONEXCHANGE FINANCIAL GUARANTEES

Nonexchange financial guarantees are executed in accordance with the Directives and Requirements that were adopted as of October 24, 2017 pursuant to the SBFC Act of 2013 (California Government Code 63088, and California Corporations Code Sections 1400 and following) (Law) to amend and restate the Directives and Requirements adopted by the IBank Board on May 24, 2016. As of June 30, 2020, IBank has guaranteed a specified percentage of outstanding loans in the amount of $504 million. All of the guarantees under the SBLG Program are collection guarantees. Notwithstanding the maturity of the loans, the guarantees cannot extend beyond seven years. In the event that the borrower defaults on the term loan or line of credit for more than 60 days or files for bankruptcy, the lender may make a claim on IBank and, if the lender has satisfied the conditions of the guarantee, IBank is required to make the specified guarantee percentage payment of the loan. IBank considered individual loans risk of default and qualitative factors in determining the guarantee liability.

IBank entered into an agreement with the Bay Area Air Quality Management District ("BAAQMD") to guarantee a specified additional percentage of loans above the SBLG Program guarantee. All guarantees issued in part with BAAQMD's funds are subject to approved projects and the same maturity and default requirements for all SBLG loan guarantees.

The activity related to the liability recognized for nonexchange financial guarantees at June 30, 2020 is as follows:

Liability balance - – beginning of year July 1, 2019	$ 7,971,907
Increase in estimates for previously reported liabilities	277,434
Increase for additional liabilities	5,030,300
Guarantee payments made	(4,696,044)
Decrease in estimates for previously reported liabilities	(3,742,517)
Liability balance - end of year June 30, 2020	$ 4,841,080

IBank does not expect to recover any of these amounts in future years.

10. COMMITMENTS AND CONTINGENCIES

Guarantee Trust Fund

In June 2003, the Board approved a preliminary loan guarantee commitment for the Imperial Irrigation District (IID). The preliminary loan guarantee commitment established a conditional obligation to guarantee a future issuance of revenue bonds by IID (IID Bonds) for the purpose of financing a water supply project (IID Guarantee). During the 2003-2004 fiscal year, IBank transferred $20 million from the CIEDB Fund to the Guarantee Trust Fund in conjunction with the preliminary loan guarantee commitment for the IID. In October 2010, the State Legislature enacted Senate Bill 856 (SB 856) that directed IBank to deposit a specified amount required for the IID Guarantee in a reserve account within the Guarantee Trust Fund. SB 856 further directed that this IID Guarantee amount be held for the benefit of bondholders of potential IID Bonds. At June 30, 2020, the required IID Guarantee amount was on deposit in a reserve account within the Guarantee Trust Fund, and no IID Guarantee or IID Bonds have been issued.

Coronavirus Disease (COVID-19)

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities.

Specific to IBank, management anticipates a period of volatility of demand for IBank's various programs as the State's economy adjusts to and recovers from the crisis precipitated by COVID-19. Prospective borrowers will reassess their needs arising from the evolving circumstances, but will continue to seek to finance public infrastructure, clean energy, water, environmental, and private development projects through IBank's low-cost programs. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

11. SUBSEQUENT EVENT

Series 2020A Revenue Bonds

In December 2020, IBank issued ISRF Revenue Bonds, Series 2020A (Series 2020A Bonds) in the amount of $324,340,000 to advance refund and defease all of the outstanding ISRF Revenue Bonds Series 2014A, Series 2015A, and Series 2016A. The Series 2020A Bonds bear interest at rates ranging from 0.178% to 2.786% and mature through October 2043.

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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF IBANK'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY LAST 10 YEARS*

	Measurement Date					
	2019	**2018**	**2017**	**2016**	**2015**	**2014**
IBank's proportion of the net pension liability	0.01746%	0.01991%	0.01865%	0.01885%	0.01397%	0.01269%
IBank's proportionate share of the net pension liability	$ 5,872,380	$ 6,253,202	$ 6,813,695	$ 6,241,230	$ 3,945,940	$ 3,200,240
IBank's covered payroll	$ 2,254,513	$ 2,439,306	$ 2,161,772	$ 2,109,056	$ 1,486,735	$ 1,249,884
IBank's proportionate share of the net pension liability as a percentage of its covered payroll	260.47%	256.35%	315.19%	295.93%	265.41%	256.04%
Plan fiduciary net position as a percentage of the total pension liability	71.34%	71.83%	66.42%	66.81%	70.68%	73.05%

Notes to Schedule:

Change of benefit terms – For the measurement dates ended June 30, 2019, 2018, 2017, 2016, 2015 and 2014, there were no changes to the benefit terms.

Changes in assumptions – For the measurement dates ended June 30, 2019, 2016 and 2014, there were no changes in assumptions. For the measurement date ended June 30, 2015, the discount rate changed from 7.50% (net of administrative expenses in 2014) to 7.65% to correct an adjustment which previously reduced the discount rate for administrative expenses. For the measurement date ended June 30, 2017, the financial reporting discount rate for the Plan lowered from 7.65% to 7.15%. For the measurement date ended June 30, 2018, demographic assumptions and inflation rate were changed.

* Fiscal year 2015 was the first year of implementation, therefore only six years are presented. The Expansion Fund is included in the financial statements for the first time during fiscal year 2017. As a result, the Expansion fund is excluded from the measurement periods prior to the measurement period ended June 30, 2016.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SCHEDULE OF IBANK'S CONTRIBUTIONS
PENSION PLAN
LAST 10 YEARS*

	Fiscal Year					
	2020	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution (actuarially determined)	$ 780,339	$ 730,441	$ 655,348	$ 598,686	$ 472,733	$ 356,434
Contributions in relation to the contractually required contributions	(780,339)	(730,441)	(1,405,348)	(598,686)	(472,733)	(356,434)
Contribution deficiency (excess)	$ -	$ -	$ (750,000)	$ -	$ -	$ -
IBank's covered payroll	$ 2,519,092	$ 2,254,513	$ 2,439,306	$ 2,161,772	$ 2,075,028	$ 1,486,735
Contributions as a percentage of covered payroll	30.98%	32.40%	57.61%	27.69%	22.78%	23.97%

Notes to Schedule:

* Fiscal year 2015 was the first year of implementation, therefore only six years are presented. The Expansion Fund is included in the financial statements for the first time during fiscal year 2017. As a result, the Expansion fund is excluded from the fiscal years prior to fiscal year ended June 30, 2017.

SCHEDULE OF IBANK'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY LAST 10 YEARS*

	Measurement Date		
	2019	**2018**	**2017**
IBank's proportion of the net OPEB liability	0.006613%	0.046308%	0.013441%
IBank's proportionate share of the net OPEB liability	$ 5,244,000	$ 10,183,000	$ 9,809,000
IBank's covered payroll	$ 2,408,108	$ 2,557,412	$ 2,416,466
IBank's proportionate share of the net OPEB liability as a percentage of its covered payroll	217.76%	398.18%	405.92%
Plan fiduciary net position as a percentage of the total OPEB liability	1.693%	1.011%	0.546%

Notes to Schedule:

Change of benefit terms – For the measurement dates ended June 30, 2019, 2018 and 2017, there were no changes to the benefit terms.

Changes in assumptions – For the measurement period ended June 30, 2018 and 2017, healthcare related assumptions were updated based on experience through June 30, 2018 and 2017, respectively. For measurement period ended June 30, 2019, the discount rate was lowered from 7.00% to 6.75% and inflation assumptions were reduced by 0.25%.

* Fiscal year 2018 was the first year of implementation, therefore only three years are presented.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SCHEDULE OF IBANK'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN
LAST 10 YEARS*

	Fiscal Year		
	2020	**2019**	**2018**
Contractually required contribution	$ 221,000	$ 153,000	$ 253,348
Contributions in relation to the contractually required contributions	(221,000)	(153,000)	(253,348)
Contribution deficiency (excess)	$ -	$ -	$ -
IBank's covered payroll	$ 2,352,790	$ 2,408,108	$ 2,557,412
Contributions as a percentage of covered payroll	9.39%	6.35%	9.91%

Notes to Schedule:

* Fiscal year 2018 was the first year of implementation, therefore only three years are presented.

STATISTICAL SECTION

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

STATISTICAL SECTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

This part of the comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements and note disclosures as it relates to the financial health.

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Financial Trends

These schedules contain trend information to help the reader understand how the financial performance has changed over time.

Revenue Capacity

This schedule contains information to help the reader assess the most significant revenue source.

Debt Capacity

These schedules contain information to help the reader assess the current level of outstanding debt and capacity to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the financial activities take place.

Operating Information

These schedules contain data to help the reader understand how the information in the financial report relates to the programs provided and the activities performed.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SCHEDULE OF NET POSITION [1]

FOR THE PAST TEN FISCAL YEARS

	2010-11	2011-12	2012-13	2013-14	2014-15
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash, cash equivalents, and investments	$ 103,701,676	$ 99,283,799	$ 93,685,407	$ 143,080,564	$ 214,344,782
Program loans receivable, net	320,958,196	323,333,231	314,813,422	291,868,218	310,513,224
Other assets	5,493,189	5,401,190	4,371,482	3,747,020	3,765,003
Total assets	430,153,061	428,018,220	412,870,311	438,695,802	528,623,009
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pension [4]	-	-	-	-	356,434
Deferred outflows of resources related to OPEB [5]	-	-	-	-	-
Loss on refunding debt [2]	-	-	-	864,910	4,362,447
Total deferred outflows of resources	-	-	-	864,910	4,718,881
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 430,153,061	$ 428,018,220	$ 412,870,311	$ 439,560,712	$ 533,341,890
LIABILITIES. DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
LIABILITIES					
Revenue bonds payable	$ 135,189,315	$ 129,526,688	$ 123,683,680	$ 146,507,706	$ 208,290,797
Undisbursed loan commitments	18,955,223	19,307,372	7,880,252	6,562,703	37,666,191
Net pension liability [4]	-	-	-	-	3,200,240
Net OPEB liability [5]	-	-	-	-	-
Other liabilities [3]	5,272,741	5,415,247	2,787,755	4,794,542	3,296,412
Total liabilities	159,417,279	154,249,307	134,351,687	157,864,951	252,453,640
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pension [4]	-	-	-	-	596,410
Deferred inflows of resources related to OPEB [5]	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	596,410
NET POSITION					
Restricted - Expendable by statute	270,735,782	273,768,913	278,518,624	281,695,761	280,291,840
Total net position	270,735,782	273,768,913	278,518,624	281,695,761	280,291,840
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 430,153,061	$ 428,018,220	$ 412,870,311	$ 439,560,712	$ 533,341,890

[1] This schedule is condensed from its original format. Prior to fiscal year 2016-17, this schedule combined the California Infrastructure and Economic Development Bank Funds and the California Infrastructure Guarantee Trust Fund. Beginning in fiscal year 2016-17, the Expansion Fund is also combined.

[2] In fiscal years 2013-14 and 2014-15, Series 2014A and Series 2015A ISRF Program Bonds were issued in part to refund the Series 2004, Series 2005 and Series 2008 ISRF Program Bonds. These advance refundings resulted in a loss that is amortized over the life of the refunded bonds.

[3] Beginning in fiscal year 2012-13, bond issuance costs were recognized as expense when incurred and loan origination fees were recognized as revenue when due.

[4] Beginning in fiscal year 2014-15, GASB 68 required the recognition of the net pension liability and the related deferred outflows of resources, deferred inflows of resources, and pension expenses, decreasing beginning of the year net position.

[5] Beginning in fiscal year 2017-18, GASB 75 required the recognition of the net OPEB liability and the related deferred outflows of resources, deferred inflows of resources, and OPEB expenses, decreasing beginning of the year net position.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SCHEDULE OF NET POSITION [1]

FOR THE PAST TEN FISCAL YEARS

2015-16	2016-17	2017-18	2018-19	2019-2020	
					ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
					ASSETS
$ 409,467,388	$ 490,991,716	$ 442,887,794	$ 371,993,293	$ 418,106,799	Cash, cash equivalents, and investments
308,116,217	335,510,902	361,864,933	441,396,425	427,237,132	Program loans receivable, net
3,848,492	5,792,421	5,666,895	6,543,883	6,679,819	Other assets
721,432,097	832,295,039	810,419,622	819,933,601	852,023,750	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
830,397	2,494,949	3,163,636	2,052,236	1,651,655	Deferred outflows of resources related to pension [4]
-	-	329,494	164,000	371,000	Deferred outflows of resources related to OPEB [5]
3,887,765	3,508,964	3,149,034	2,808,814	2,489,162	Loss on refunding debt [2]
4,718,162	6,003,913	6,642,164	5,025,050	4,511,817	Total deferred outflows of resources
$ 726,150,259	$ 838,298,952	$ 817,061,786	$ 824,958,651	$ 856,535,567	**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**
					LIABILITIES. DEFERRED INFLOWS OF RESOURCES AND NET POSITION
					LIABILITIES
$ 372,570,634	$ 361,018,026	$ 349,036,910	$ 335,144,709	$ 320,921,072	Revenue bonds payable
63,432,168	75,529,338	68,481,432	85,368,359	79,071,081	Undisbursed loan commitments
3,945,940	6,241,230	6,813,695	6,253,202	5,872,380	Net pension liability [4]
-	-	9,809,000	10,183,000	5,244,000	Net OPEB liability [5]
5,789,170	10,290,489	9,373,263	15,153,569	12,276,092	Other liabilities [3]
445,737,912	453,079,083	443,514,300	452,102,839	423,384,625	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
86,138	31,570	123,013	288,594	791,020	Deferred inflows of resources related to pension [4]
-	-	1,137,000	1,927,000	846,000	Deferred inflows of resources related to OPEB [5]
86,138	31,570	1,260,013	2,215,594	1,637,020	Total deferred inflows of resources
					NET POSITION
280,326,209	385,188,299	372,287,473	370,640,218	431,513,922	Restricted - Expendable by statute
280,326,209	385,188,299	372,287,473	370,640,218	431,513,922	Total net position
$ 726,150,259	$ 838,298,952	$ 817,061,786	$ 824,958,651	$ 856,535,567	**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION [1]

FOR THE PAST TEN FISCAL YEARS

	2010-11	2011-12	2012-13	2013-14	2014-15
OPERATING REVENUES					
Interest on loans receivable	$ 10,442,066	$ 10,419,722	$ 10,270,967	$ 10,421,447	$ 9,206,557
Other income	1,535,375	1,826,084	1,428,048	1,726,297	1,552,859
Total operating revenues	11,977,441	12,245,806	11,699,015	12,147,744	10,759,416
OPERATING EXPENSES					
Interest on bond debt	5,708,393	5,552,600	5,379,682	5,031,074	4,632,101
Amortization of bond issuance costs [2]	152,327	110,719	-	-	-
Nonexchange financial guarantee expense	-	-	-	-	-
Program support	2,673,325	3,968,784	3,058,486	4,158,113	4,206,661
Total operating expenses	8,534,045	9,632,103	8,438,168	9,189,187	8,838,762
OPERATING INCOME (LOSS)	3,443,396	2,613,703	3,260,847	2,958,557	1,920,654
NONOPERATING REVENUE					
Investment earnings	481,030	419,428	212,302	218,580	241,235
Total nonoperating revenue	481,030	419,428	212,302	218,580	241,235
Changes in net position	3,924,426	3,033,131	3,473,149	3,177,137	2,161,889
NET POSITION, Beginning of year [3]	262,922,673	266,847,099	275,045,475	278,518,624	278,129,951
NET POSITION, End of year	$ 266,847,099	$ 269,880,230	$ 278,518,624	$ 281,695,761	$ 280,291,840

[1] This schedule is condensed from its original format. Prior to fiscal year 2016-17, this schedule combined the California Infrastructure and Economic Development Bank Funds and the California Infrastructure Guarantee Trust Fund. Beginning in fiscal year 2016-17, the Expansion Fund is also combined.

[2] Beginning in fiscal year 2012-13, bond issuance costs were recognized as expense when incurred and loan origination fees were recognized as revenue when due.

[3] Restated in fiscal years 2012-13, 2014-15, 2016-17, and 2017-18.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION [1]

FOR THE PAST TEN FISCAL YEARS

2015-16	2016-17	2017-18	2018-19	2019-2020	
					OPERATING REVENUES
$ 9,170,753	$ 10,894,101	$ 10,388,706	$ 11,615,471	$ 13,264,619	Interest on loans receivable
1,768,708	3,639,058	3,040,404	3,483,789	53,208,419	Other income
10,939,461	14,533,159	13,429,110	15,099,260	66,473,038	Total operating revenues
					OPERATING EXPENSES
7,422,037	11,080,582	11,197,364	10,892,119	10,502,915	Interest on bond debt
-	-	-	-	-	Amortization of bond issuance costs [2]
-	1,892,608	2,681,577	6,304,248	1,565,217	Nonexchange financial guarantee expense
4,227,415	8,554,904	7,889,940	9,276,948	293,228	Program support
11,649,452	21,528,094	21,768,881	26,473,315	12,361,360	Total operating expenses
(709,991)	(6,994,935)	(8,339,771)	(11,374,055)	54,111,678	**OPERATING INCOME (LOSS)**
					NONOPERATING REVENUE
744,360	1,796,035	4,229,945	9,726,800	6,762,026	Investment earnings
744,360	1,796,035	4,229,945	9,726,800	6,762,026	Total nonoperating revenue
34,369	(5,198,900)	(4,109,826)	(1,647,255)	60,873,704	Changes in net position
280,291,840	390,387,199	376,397,299	372,287,473	370,640,218	**NET POSITION, Beginning of year [3]**
$ 280,326,209	$ 385,188,299	$ 372,287,473	$ 370,640,218	$ 431,513,922	**NET POSITION, End of year**

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND AND CALIFORNIA INFRASTRUCTURE GUARANTEE TRUST FUND, ENTERPRISE FUNDS OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FUND

INFRASTRUCTURE STATE REVOLVING FUND (ISRF) PROGRAM
TEN LARGEST BORROWERS [3]

AS OF JUNE 30, 2020 AND JUNE 30, 2011

	June 30, 2020			June 30, 2011		
	ISRF Program Loans Receivable [1]	Rank	Percentage of Total ISRF Program Loans Receivable	ISRF Program Loans Receivable [1]	Rank	Percentage of Total ISRF Program Loans Receivable
City of Fresno Airport	$ 35,000,000	1	8.27%			
City of Santa Cruz	30,802,008	2	7.28%			
City of San Luis Obispo	25,588,098	3	6.05%	$ 15,819,301	4	4.93%
City of San Diego	24,768,027	4	5.85%			
City of Del Mar	18,038,710	5	4.26%			
City of Escondido	15,000,000	6	3.55%			
22nd District Agricultural Association	15,000,000	7	3.55%			
Las Gallinas Valley Sanitary District	11,670,866	8	2.76%			
County of Sonoma Airport Terminal	11,556,820	9	2.73%			
City of Paramount	10,860,410	10	2.57%			
City of Hawthorne				16,672,456	1	5.19%
Orange County School of the Arts [2]				16,631,455	2	5.18%
Fresno Metropolitan Flood Control District				16,192,780	3	5.05%
City of San Bernardino Municipal Water Department				15,517,628	5	4.83%
City of Porterville				12,949,422	6	4.03%
North Tahoe Fire Protection District				10,000,000	7	3.12%
City of Davis				9,811,201	8	3.06%
Bakersfield Redevelopment Agency				9,558,473	9	2.98%
City of San Bernardino				9,306,004	10	2.90%
Total of ten largest ISRF Program borrowers	198,284,939		46.86%	132,458,720		41.27%
All other ISRF Program borrowers	224,827,555		53.14%	188,499,476		58.73%
Total ISRF Program Loans receivable	$ 423,112,494		100.00%	$ 320,958,196		100.00%

[1] These amounts represent the total ISRF Program Loans receivable from each borrower and may include one or more Loans and may involve more than one type of revenue stream pledged to repay the Loans.
[2] Formerly Orange County High School of the Arts. The loan was paid in full during fiscal year 2013-14.
[3] Includes CLEEN loans.

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CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SCHEDULE OF ISRF AND CLEEN PROGRAM LOANS RECEIVABLE AND INTEREST RATES

FOR THE PAST TEN FISCAL YEARS

	2010-11	2011-12	2012-13	2013-14	2014-15
Total ISRF Program Loans receivable	$320,958,196	$323,333,231	$314,813,422	$291,868,218	$310,513,224
Weighted-average interest rate on total ISRF Program Loans receivable [1]	3.29%	3.26%	3.25%	3.18%	3.17%
Number of new ISRF Program Loans [2]	1	3	1	3	5
Range of interest rates on new ISRF Program Loans	3.24%	2.61 - 3.37%	2.29%	2.26 - 2.77%	1.73 - 3.51%
Range of loan term on new ISRF Program Loans	30 years	20 - 30 years	30 years	20 - 30 years	10 - 30 years

	2010-11	2011-12	2012-13	2013-14	2014-15
Total CLEEN Program Loans receivable					
Weighted-average interest rate on total CLEEN Program Loans receivable [1]					
Number of new CLEEN Program Loans [2]					
Range of interest rates on new CLEEN Program Loans					
Range of loan term on new CLEEN Program Loans					

[1] The weighted-average interest rate on Program Loans receivable is calculated by multiplying each loan's outstanding balance by its interest rate, then dividing the sum of those individual amounts by the respective Program Loans receivable balance at June 30.

[2] Determined based upon the effective date of the Loan agreement.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SCHEDULE OF ISRF AND CLEEN PROGRAM LOANS RECEIVABLE AND INTEREST RATES

FOR THE PAST TEN FISCAL YEARS

2015-16	2016-17	2017-18	2018-19	2019-20	
$305,116,217	$327,858,501	$350,074,426	$430,658,881	$417,299,934	Total ISRF Program Loans receivable
3.13%	3.17%	3.19%	3.18%	3.15%	Weighted-average interest rate on total ISRF Program Loans receivable [1]
4	5	7	9	1	Number of new ISRF Program Loans [2]
2.17- 3.84%	3.24-3.59%	3.00-3.61%	3.00-3.58%	2.50%	Range of interest rates on new ISRF Program Loans
20 - 30 years	20 - 30 years	20 - 30 years	20 - 30 years	30 years	Range of loan term on new ISRF Program Loans

2015-16	2016-17	2017-18	2018-19	2019-20	
$3,000,000	$4,050,000	$6,626,840	$6,224,992	$5,812,560	Total CLEEN Program Loans receivable
2.32%	2.42%	2.46%	2.46%	2.46%	Weighted-average interest rate on total CLEEN Program Loans receivable [1]
1	1	1	0	0	Number of new CLEEN Program Loans [2]
2.32%	2.70%	3.47%	N/A	N/A	Range of interest rates on new CLEEN Program Loans
20 years	30 years	20 years	N/A	N/A	Range of loan term on new CLEEN Program Loans

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SCHEDULE OF STATUTORY DEBT LIMIT CAPACITY [1]

FOR THE PAST TEN FISCAL YEARS

	2010-11	2011-12	2012-13	2013-14	2014-15
IBank's legal limit on public development facility debt and rate reduction bonds [4]	$5.00 billion	$5.00 billion	$5.00 billion	$5.00 billion	$5.00 billion
Total amount outstanding on bonds issued to finance public development facilities [2]	$ 135,189,315	$ 129,526,688	$ 123,683,680	$ 146,507,706	$ 208,290,797
Total amount outstanding on rate reduction bonds [3]					
Remaining capacity for public development facility debt and rate reduction bonds [4]	$4.86 billion	$4.87 billion	$4.88 billion	$4.85 billion	$4.79 billion
IBank's legal limit on rate reduction bonds	$10.00 billion	$10.00 billion	$10.00 billion	$10.00 billion	$10.00 billion
Total amount outstanding on rate reduction bonds [3]	$ -	$ -	$ -	$ -	$ -
Remaining capacity for rate reduction bonds	$10.00 billion	$10.00 billion	$10.00 billion	$10.00 billion	$10.00 billion

[1] Pursuant to California Government Code section 63071(b) and pertains only to bonds issued to finance public development facilities and for rate reduction bonds. There is no statutory debt limit on conduit revenue bonds issued for economic development facilities.

[2] The amount outstanding represents the ISRF Program Bonds shown in the Schedule of Outstanding ISRF Program Bonds and related Debt Ratio.

[3] Rate reduction bonds are conduit revenue bonds.

[4] Pursuant to Assembly Bill No. 78, effective June 28, 2020, the bill limits the "total amount of rate reduction bonds and bonds issued to finance public development facilities that may be outstanding at any one time under that auhtority to $15 billion."

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SCHEDULE OF STATUTORY DEBT LIMIT CAPACITY [1]

FOR THE PAST TEN FISCAL YEARS

2015-16	2016-17	2017-18	2018-19	2019-20 [4]	
$5.00 billion	$5.00 billion	$5.00 billion	$5.00 billion	$15.00 billion	IBank's legal limit on public development facility debt and rate reduction bonds [4]
$ 372,570,634	$ 361,018,026	$ 349,036,910	$ 335,144,709	$ 320,921,072	Total amount outstanding on bonds issued to finance public development facilities [2]
				$ -	Total amount outstanding on rate reduction bonds [3]
$4.63 billion	$4.64 billion	$4.65 billion	$3.28 billion	$13.37 billion	Remaining capacity for public development facility debt and rate reduction bonds [4]
$10.00 billion	$10.00 billion	$10.00 billion	$10.00 billion		IBank's legal limit on rate reduction bonds
$ -	$ -	$ -	$ -		Total amount outstanding on rate reduction bonds [3]
$10.00 billion	$10.00 billion	$10.00 billion	$10.00 billion		Remaining capacity for rate reduction bonds

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SCHEDULE OF OUTSTANDING ISRF PROGRAM BONDS AND RELATED DEBT RATIO

FOR THE PAST TEN FISCAL YEARS

	2010-11	2011-12	2012-13	2013-14	2014-15
Series 2004 ISRF Program Bonds [1]	$ 43,515,000	$ 42,055,000	$ 40,525,000	$ -	$ -
Series 2005 ISRF Program Bonds [1]	44,835,000	43,140,000	41,360,000	-	-
Series 2008 ISRF Program Bonds [2]	44,500,000	42,330,000	40,095,000	37,795,000	-
Series 2014A ISRF Program Bonds	-	-	-	95,960,000	93,320,000
Series 2015A ISRF Program Bonds	-	-	-	-	90,070,000
Series 2016A ISRF Program Bonds	-	-	-	-	-
Unamortized Net Premium	2,339,315	2,001,688	1,703,680	12,752,706	24,900,797
Total ISRF Program Bonds outstanding	$ 135,189,315	$ 129,526,688	$ 123,683,680	$ 146,507,706	$ 208,290,797
Series-pledged ISRF Program Loans receivable [3]	$ 195,160,107	$ 185,227,425	$ 189,272,085	$ 254,251,622	$ 305,562,752
Ratio of ISRF Program Bonds outstanding to series-pledged ISRF Program Loans receivable	0.69	0.70	0.65	0.58	0.68

[1] The Series 2014A ISRF Program Bonds issued in fiscal year 2013-14 refunded the Series 2004 and Series 2005 ISRF Program Bonds.
[2] The Series 2015A ISRF Program Bonds issued in fiscal year 2014-15 refunded the Series 2008 Program Bonds.
[3] Excludes non-pledged loans.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SCHEDULE OF OUTSTANDING ISRF PROGRAM BONDS AND RELATED DEBT RATIO

FOR THE PAST TEN FISCAL YEARS

2015-16	2016-17	2017-18	2018-19	2019-20	
$ -	$ -	$ -	$ -	$ -	Series 2004 ISRF Program Bonds [1]
-	-	-	-	-	Series 2005 ISRF Program Bonds [1]
-	-	-	-	-	Series 2008 ISRF Program Bonds [2]
89,805,000	86,175,000	82,470,000	78,610,000	74,545,000	Series 2014A ISRF Program Bonds
87,590,000	83,780,000	79,685,000	75,440,000	71,015,000	Series 2015A ISRF Program Bonds
141,600,000	141,600,000	141,035,000	138,745,000	136,380,000	Series 2016A ISRF Program Bonds
53,575,634	49,463,026	45,846,910	42,349,709	38,981,072	Unamortized Net Premium
$ 372,570,634	$ 361,018,026	$ 349,036,910	$ 335,144,709	$ 320,921,072	Total ISRF Program Bonds outstanding
$ 302,696,519	$ 325,589,256	$ 347,960,854	$ 428,703,384	$ 414,461,007	Series-pledged ISRF Program Loans receivable [3]
1.23	1.11	1.00	0.78	0.77	Ratio of ISRF Program Bonds outstanding to series-pledged ISRF Program Loans receivable

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

SCHEDULE OF AGGREGATE PLEDGED RESOURCES COVERAGE FOR ISRF PROGRAM BONDS [1]

FOR THE PAST TEN FISCAL YEARS

Fiscal Year	Series-pledged ISRF Program Loan Repayments [2]	Reserve Account Earnings [3]	Total Amount Available for Debt Service [4]	ISRF Program Bonds Debt Service			Debt Service Coverage Ratio [6]
				Principal	Interest	Total	
2010-11	$ 14,863,784	$ 3,005	$ 14,866,789	$ 5,135,000	$ 6,242,953	$ 11,377,953	1.31
2011-12	14,964,643	44,480	15,009,123	5,325,000	6,044,653	11,369,653	1.32
2012-13	14,716,041	70,085	14,786,126	5,545,000	5,838,753	11,383,753	1.30
2013-14	14,588,257	228,364	14,816,621	5,745,000	5,624,003	11,369,003	1.30
2014-15	25,441,134	67,309	25,508,443	5,000,000	6,841,797	11,841,797	2.15
2015-16	42,476,585	334,764	42,811,349	5,995,000	7,723,181	13,718,181	3.12
2016-17	49,271,490	61,002	49,332,492	7,440,000	13,274,552	20,714,552	2.38
2017-18	29,475,583	375,729[5]	29,475,583	8,365,000	14,534,375	22,899,375	1.29
2018-19	25,943,543	432,354	26,375,897	10,395,000	14,049,100	24,444,100	1.08
2019-20	40,586,228	418,149	41,004,377	10,855,000	13,551,900	24,406,900	1.68

[1] Schedule reflects the aggregate of the ISRF Program Bond series outstanding at the end of each fiscal year.
[2] Includes interest and principal paid on Series-Pledged Loans
[3] Investment income includes only that amount received on funds pledged to ISRF Program Bonds debt service.
[4] Includes unscheduled full repayment of a Series-Pledged Loan.
[5] Beginning with fiscal year 2017-18, the Reserve Account Earnings column will reflect only actual cash interest earnings.
[6] Debt Service Coverage Ratio is calculated as of June 30 fiscal year ended and therefore will not agree with the Debt Service Coverage Ratio prepared for the Bond Indenture annual reporting which is prepared as of September 30 annually.

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CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

CALIFORNIA DEMOGRAPHIC AND ECONOMIC INDICATORS

FOR THE PAST TEN CALENDAR YEARS

	2010	2011	2012	2013	2014
State population (in thousands)	37,309	37,570	37,872	38,205	38,499
Personal income (in millions)	$ 1,579,148	$ 1,683,204	$ 1,768,039	$ 1,817,010	$ 1,944,369
Per capita personal income[1]	$ 42,326	$ 44,802	$ 46,685	$ 47,559	$ 50,504
Labor force and employment (in thousands):					
Civilian labor force	18,336	18,418	18,519	18,597	18,811
Employed	16,068	16,250	16,590	16,933	17,397
Unemployed	2,268	2,168	1,929	1,664	1,414
Unemployment rate	12.4%	11.8%	10.4%	8.9%	7.5%

Sources: Population as of December 2019 - Demographic Research Unit, California Department of Finance

Personal income as of March 27, 2020 - Bureau of Economic Analysis, United States Department of Commerce
Industry Employment & Labor force - by Annual Average as of March 2019 - Labor Market Information Division, California Employment Development Department

[1] Calculated by dividing total personal income by population.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

CALIFORNIA DEMOGRAPHIC AND ECONOMIC INDICATORS

FOR THE PAST TEN CALENDAR YEARS

2015	2016	2017	2018	2019	
39,071	39,354	39,613	39,825	39,512	State population (in thousands)
$ 2,061,337	$ 2,197,492	$ 2,303,870	$ 2,475,728	$ 2,632,280	Personal income (in millions)
$ 52,759	$ 55,839	$ 58,159	$ 62,165	$ 66,620	Per capita personal income [1]
					Labor force and employment (in thousands):
18,982	19,103	19,312	19,398	19,412	Civilian labor force
17,799	18,065	18,388	18,583	18,627	Employed
1,183	1,038	924	815	784	Unemployed
6.2%	5.4%	4.8%	4.2%	4.0%	Unemployment rate

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

CALIFORNIA EMPLOYMENT BY INDUSTRY

FOR CALENDAR YEARS 2019 AND 2010

INDUSTRY	2019 Employees	2019 Percentage of Total State Employment	2010 Employees	2010 Percentage of Total State Employment
Farming	424,100	2.376%	381,600	2.673%
Mining and logging	22,500	0.126%	26,800	0.188%
Construction	882,600	4.945%	559,800	3.921%
Manufacturing	1,322,500	7.409%	1,242,400	8.701%
Trade, transportation & utilities	3,051,900	17.098%	2,616,800	18.327%
Information	562,600	3.152%	429,000	3.005%
Financial activities	841,200	4.713%	759,800	5.321%
Professional & business services	2,721,100	15.245%	2,069,400	14.494%
Educational & health services	2,803,400	15.706%	1,786,900	12.515%
Leisure and hospitality	2,033,200	11.391%	1,493,700	10.462%
Other services	576,100	3.228%	484,700	3.395%
Government:				
Federal	248,400	1.392%	267,900	1.876%
State	543,000	3.042%	482,800	3.381%
Local	1,816,500	10.177%	1,676,400	11.741%
TOTALS	17,849,100	100.000%	14,278,000	100.000%

Source: Labor Market Information Division, California Employment Development Department
Industry Employment and Labor Force - by Annual Average as of March 27, 2020

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

NUMBER OF EMPLOYEES BY IDENTIFIABLE ACTIVITY [1]

FOR THE PAST TEN FISCAL YEARS

	2010-11	2011-12	2012-13	2013-14[2]	2014-15	2015-16	2016-17	2017-18 [6]	2018-19	2019-20
Executive/ Administration/ Legal[4]	7	7	7	9	5	4	4	4	2	3
Bond Programs[5]	4	4	4	3	4	4	4	4	3	3
Compliance[3]					2	2	1	2	2	2
External Affairs[3]					2	2	2	2	2	2
Fiscal[3]					3	3	4	3	3	4
Legal/Legislation[3]					3	3	2	2	2	2
Loan Programs[5]	13	13	12	11	6	6	9	7	6	8
Small Business Finance Center[3]					2	3	4	3	3	4
Total Employees	24	24	23	23	27	27	30	27	23	28

[1] Data represents filled permanent, full-time positions.

[2] Beginning for fiscal year 2013-14, IBank had two employees that were assigned to the Small Business Loan Guarantee Program, the activities of which were not included in this report prior to fiscal year 2016-17.

[3] Beginning fiscal year 2014-15, employee activity categories were broken out further to specifically identify Compliance, External Affairs, Fiscal, Legal/Legislation and Small Business Finance Center.

[4] Legal will be included in the title until fiscal year 2013-14.

[5] Beginning fiscal year 2014-15, activity category title Conduit Financing Programs was changed to Bond Programs and Infrastructure State Revolving Fund Program and Support was changed to Loan Programs.

[6] One Employee included in fiscal year 2017-18 is a Full-Time Limited-Term Position.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

MAJOR PROGRAM ACTIVITY

FOR THE PAST TEN FISCAL YEARS

	2010-11	2011-12	2012-13	2013-14	2014-15
Infrastructure State Revolving Fund (ISRF) Program:					
Preliminary Applications: [1]					
Number of applications received	9	2	8	-	-
Financing amount requested	$ 49,887,500	$ 5,470,231	$ 27,908,700	-	-
Financing Applications:					
Number of applications received	2	1	6	7	7
Financing amount requested	$ 7,737,500	$ 10,000,000	$ 18,722,500	$ 48,243,460	$ 63,575,501
Approved Loans:					
Number of loans approved	2	2	3	3	7
Financing amount approved	$ 3,500,000	$ 16,756,500	$ 12,122,500	$ 12,050,000	$ 56,356,772
Loan Disbursements:					
Number of transactions	44	38	27	14	16
Total amount disbursed	$ 19,861,726	$ 16,151,949	$ 18,927,120	$ 6,540,050	$ 4,263,908
Number of outstanding loans	86	88	88	90	94
CLEEN:					
Financing Applications:					
Number of applications received	-	-	-	-	-
Financing amount requested	-	-	-	-	-
Approved Loans:					
Number of loans approved	-	-	-	-	-
Financing amount approved	-	-	-	-	-
Loan Disbursements:					
Number of transactions	-	-	-	-	-
Total amount disbursed	-	-	-	-	-
Number of outstanding loans	-	-	-	-	-
Conduit Financing Programs:					
Preliminary Applications: [2]					
Number of applications received	2	-	-	1	3
Financing amount requested	$ 11,500,000	-	-	$ 5,950,000	$ 16,351,499
Financing Applications:					
Number of applications received	13	6	7	10	14
Financing amount requested	$ 695,065,000	$ 753,925,000	$ 719,080,000	$ 481,250,000	$ 429,181,499
Bonds Sold:					
Number of bonds sold	10	9	5	11	10
Financing amount sold	$ 203,300,000	$ 851,100,000	$ 328,780,000	$ 735,423,063	$ 270,300,000

[1] Beginning in fiscal year 2013-14, the ISRF Program no longer required Preliminary Applications.

[2] Industrial development conduit revenue bonds are the only Conduit Bond Financing Program applicants that submit a Preliminary Application. All other Conduit Bond Financing Program applicants submit only a Financing Application.

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

MAJOR PROGRAM ACTIVITY

FOR THE PAST TEN FISCAL YEARS

2015-16	2016-17	2017-18	2018-19	2019-20	
					Infrastructure State Revolving Fund Program:
					Preliminary Applications: [1]
-	-	-	-	-	Number of applications received
-	-	-	-	-	Financing amount requested
					Financing Applications:
8	5	9	12	2	Number of applications received
$ 82,138,379	$ 42,677,200	$ 136,400,000	$ 107,410,500	$ 24,300,000	Financing amount requested
					Approved Loans:
7	2	7	9	2	Number of loans approved
$ 86,569,301	$ 6,020,200	$ 62,400,000	$ 95,230,150	$ 24,300,000	Financing amount approved
					Loan Disbursements:
13	27	41	39	42	Number of transactions
$ 7,854,117	$ 50,439,569	$ 48,370,285	$ 75,768,953	$ 20,024,755	Total amount disbursed
91	90	95	103	98	Number of outstanding loans
					CLEEN:
					Financing Applications:
1	2	1	-	-	Number of applications received
$ 7,769,350	$ 4,070,000	$ 30,000,000	-	-	Financing amount requested
					Approved Loans:
1	2	-	-	-	Number of loans approved
$ 7,692,425	$ 3,920,000	-	-	-	Financing amount approved
					Loan Disbursements:
-	-	2	9	2	Number of transactions
-	-	$ 3,347,621	$ 2,201,819	$ 572,524	Total amount disbursed
1	2	3	3	3	Number of outstanding loans
					Conduit Financing Programs:
					Preliminary Applications: [2]
1	1	-	-	-	Number of applications received
$ 3,810,000	$ 8,000,000	-	-	-	Financing amount requested
					Financing Applications:
14	9	11	9	13	Number of applications received
$1,344,600,000	$ 957,403,000	$ 970,650,000	$ 331,940,000	$1,186,295,592	Financing amount requested
					Bonds Sold:
17	16	14	17	12	Number of bonds sold
$ 916,542,000	$ 766,418,000	$ 610,070,000	$ 540,265,000	$ 880,572,259	Financing amount sold

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

CALIFORNIA SMALL BUSINESS EXPANSION FUND[1]

Dollars in Millions (rounded)

FOR THE PAST SIX FISCAL YEARS

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
California Small Business Expansion Fund:						
Guaranteed Loans in SSBCI Program						
Number of loans guarantees	252	291	252	275	N/A[3]	N/A[3]
Loan guarantee amount	$ 92.8	$ 100.5	$ 74.1	$ 62.5	N/A[3]	N/A[3]
Supporting Small Business loans	$ 130.1	$ 143.2	$ 97.4	$ 82.3	N/A[3]	N/A[3]
Overall capital into small business community	$ 211.6	$ 244.0	$ 207.0	$ 126.6	N/A[3]	N/A[3]
Number of jobs created or retained	11,781	11,236	6,847	4,957	N/A[3]	N/A[3]
Default Rate	0.02%	0.03%	0.42%	N/A[2]	N/A[3]	N/A[3]
Guaranteed Loans in State-Funded Program						
Number of loans guarantees	124	78	82	125	579	470
Loan guarantee amount	$ 21.1	$ 27.4	$ 46.9	$ 60.4	$ 223.0	$ 165.0
Supporting Small Business loans	$ 37.4	$ 44.4	$ 67.6	$ 78.7	$ 317.2	$ 240.0
Overall capital into small business community	$ 197.4	$ 69.0	$ 95.0	$ 127.1	$ 509.6	$ 303.0
Number of jobs created or retained	2,813	2,132	2,302	4,342	15,780	15,403
Default Rate	0.34%	0.09%	0.23%	0.55%[2]	0.29%	0.69%
Farm Loans						
Number of loans		6	13	15	23	8
Amount of loans		$ 1.3	$ 1.2	$ 5.2	$ 7.5	$ 2.0
Total outstanding balance in trust fund		$ 5.5	$ 3.1	$ 2.8	$ 4.3	$ 3.8
Number of jobs created or retained		84	258	375	478	144
Number of defaults		0	0	0	0	0
Jump Start Loans						
Number of loans				22	30	15
Amount of loans				$ 0.2	$ 0.3	$ 0.1
Total outstanding balance in trust fund				$ 0.2	$ 0.2	$ 1.1
Number of jobs created or retained				66	92	37
Number of defaults				0	0	4

[1] The SBFC was created at IBank during the fiscal year 2013-14.
[2] Beginning in fiscal year 2017-18, the Default Rates for both the SSBCI Program and the State Funded Program are combined.
[3] Federal SSBCI Funds were exhausted during the 18-19 fiscal year.

Farm Loan data not published in fiscal years 2013-14 and 2014-15.
Jump Start Loan data not published in fiscal years 2013-14, 2014-15, 2015-16, and 2016-17.
All figures as reported in respective Annual Activity Reports.

This Comprehensive Annual Financial Report was prepared by the California Infrastructure and Economic Development Bank's Fiscal Unit.

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The Fiscal Unit was assisted by other IBank staff and the staff of the Governor's Office of Business and Economic Development, the California Department of General Service Contracted Fiscal Services Unit, and the California Department of Resources Recycling and Recovery Information Technology Services Branch.

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This report is also available on IBank's website at www.ibank.ca.gov.

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