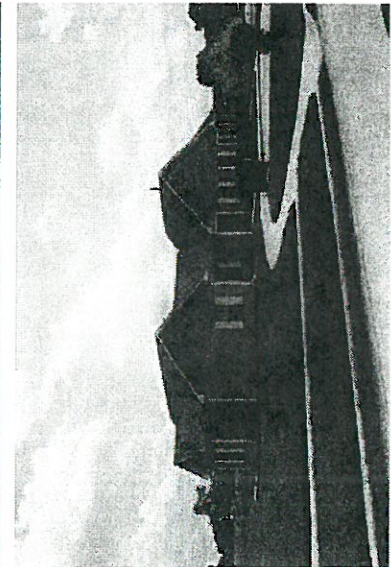
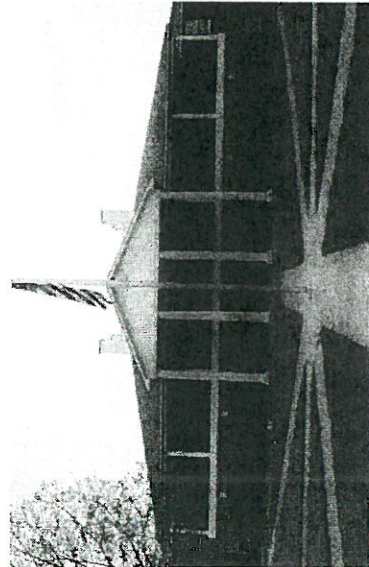
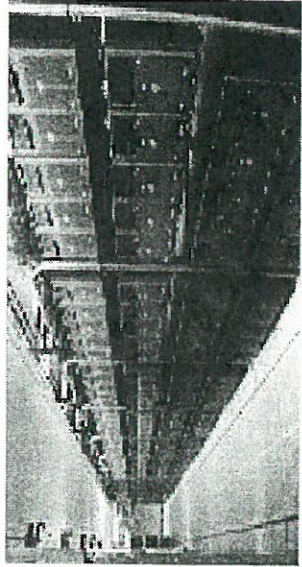


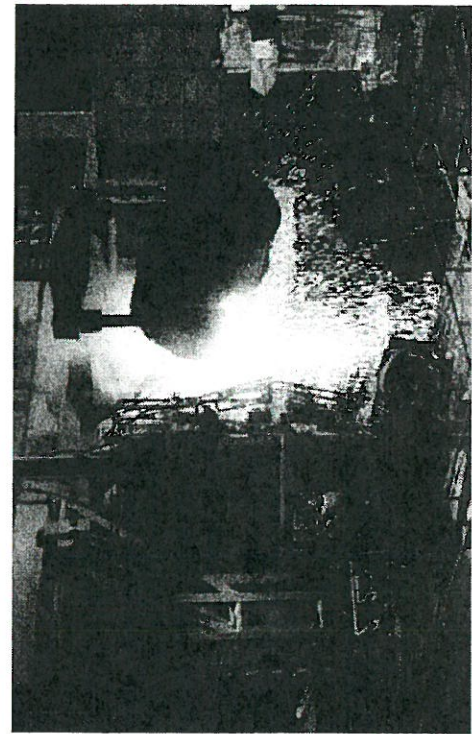
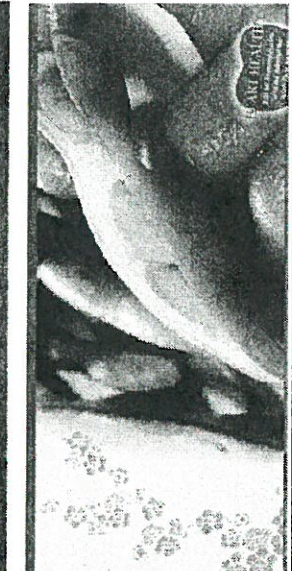
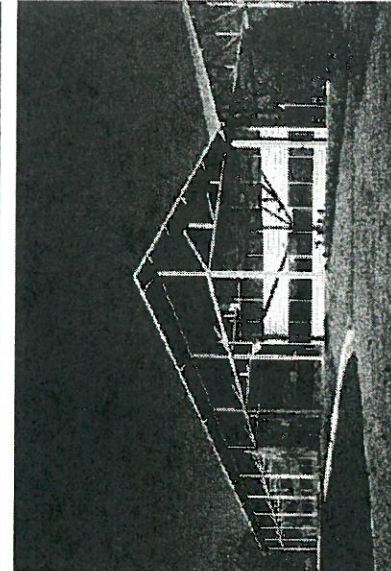
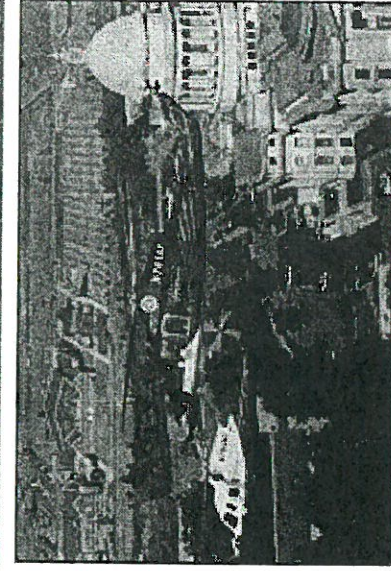
# Arkansas Development Finance Authority

## EXHIBIT F1

Enhancing Quality of Life in Arkansas by Providing Access to Capital and Cost-Efficient Financing Since 1985

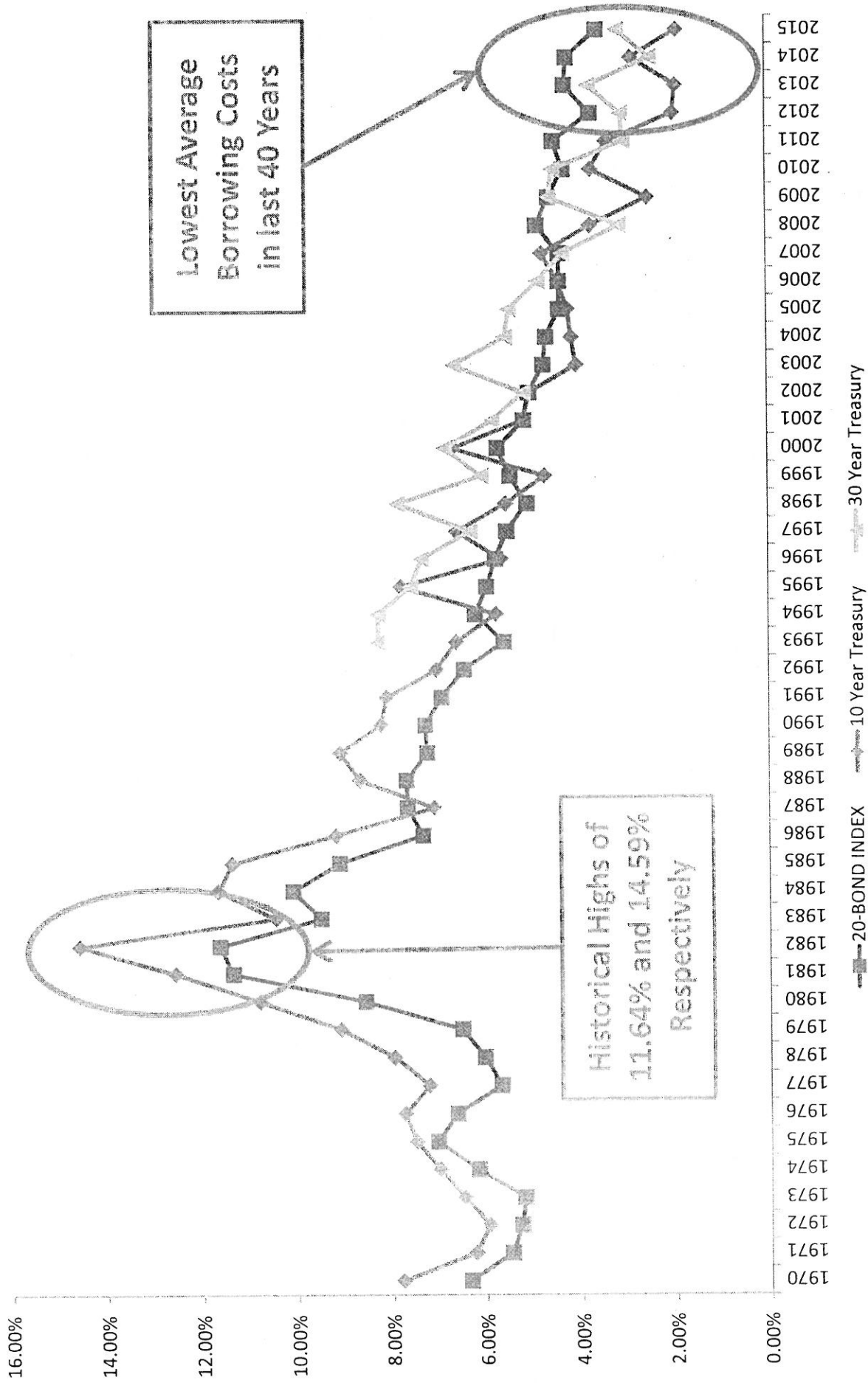


Single and Multi-Family Housing  
Economic Development  
Agriculture  
State Government  
Nonprofits  
Education  
Health Care  
Small Business  
Venture Capital





# Current and Historical Interest Rate Environment



# How the Rating Agencies View Arkansas

## GO Rating Framework

- Government Framework
  - Fiscal Policy Framework
- Financial Management
  - Budget Management
- State's Economy
  - Demographic Profile
  - Economic Structure
  - Wealth and Income
  - Economic Development
- Budgetary Performance
  - Budget Reserves
  - Liquidity
  - Tax/Revenue Structure
  - Revenue Forecasting
  - Service Levels/Structural Performance
- Debt and Liability Profile
  - Debt Burden
  - Pension Liabilities
  - OPEB Risk Assessment

## Arkansas's Strengths

- History of strong GAAP-basis fund balance
- Statutory budgetary framework that supports conservative financial management
  - Due to Revenue Stabilization
- Low debt levels relative to other states
  - Maintaining this strategy is important factor in maintaining current rating.

## Challenges to Securing a Higher Rating

- Overall economic health of the State
  - Low wealth levels and high economic concentration compared to nation
- Existing level of "Rainy day" Fund
  - Currently adequate to maintain existing rating
- Unfunded or underfunded pension liabilities and OPEBs.

