

August 14, 2012

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Gila J. Bronner
James J. Fuentes
Norman M. Gold
Edward H. Leonard, Sr.

Michael W. Goetz, Vice-Chairman
Terrence M. O'Brien
Heather D. Parish
Mayor Barrett F. Pedersen
Roger E. Poole
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

IFA Staff on the National Stage

The Authority proudly continues to play a part in national policy matters.

Rich Frampton, Vice President and long-time Board Member of the Council of Development Finance Agencies (“CDFA”), was recently appointed to a national Task Force on Clean Energy Bond Finance, launched by the Clean Energy Group and CDFA to increase clean energy investments across the country.

Pam Lenane, Vice President and Acting General Counsel and President of the National Association of Health and Educational Facilities Finance Authorities, was recently invited to attend a White House Rural Council Symposium on “Access to Capital for Rural Health Care.”

Please join me in congratulating both Rich and Pam on their recognition.

Midwestern Disaster Area Bonds: An Effective Financing Tool

Continuing on national policy matters, the Authority is working with its partners in the Midwest and in Washington D.C. to extend the Midwestern Disaster Area Bonds (“MDABs”) Program, which is currently set to expire on January 1, 2013.

MDABs have proven to be an effective financing tool for private companies located in areas damaged by the 2008 disasters. Just recently, I had the privilege of touring the KONE Centre, a project financed by, among other sources, more than \$20 million in MDABs issued by the IFA. This project is a stellar example of what MDABs can do for businesses in Illinois.

Improving Illinois’ Business Climate

IFA is proud to have assisted the Governor’s Office of Management and Budget and the Illinois Department of Employment Security on its unemployment insurance bond transaction, which will save Illinois companies nearly \$200 million a year in unemployment insurance taxes.

Additionally, we continue to support calls for action on pension reform and commend Governor Quinn’s leadership, as he courageously works to solve this momentous problem with the Illinois General Assembly by August 17.

Conclusion

As always, we look forward to continuing to work with all of you to fulfill our mission of financing projects that create and retain jobs for the people of Illinois.

Respectfully,



Christopher B. Meister
Executive Director

Attachment: Monthly Bonds Activity Report; Schedule of Debt



Bonds Issued and Outstanding as of July 31, 2012

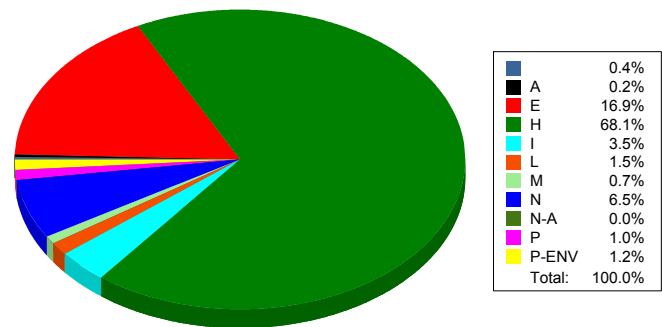
Bonds Issued Since Inception of Illinois Finance Authority

#	Market Sector	Principal Amount (\$)
420	Agriculture **	67,259,708
87	Education	4,518,193,100
187	Healthcare *	18,312,661,708
84	Industrial	958,703,853
26	Local Government	420,155,000
17	Multifamily/Senior Housing	194,047,900
121	501(c)(3) Not-for Profits	1,774,870,041
8	Exempt Facilities Bonds	275,700,000
8	Environmental issued under 20 ILCS 3515/9	326,630,000
958		\$ 26,848,221,309

* Includes CCRC's

** Number of Agriculture bonds has been adjusted to reflect the actual number of Beginner Farmer Bonds

Bonds Issued Since Inception

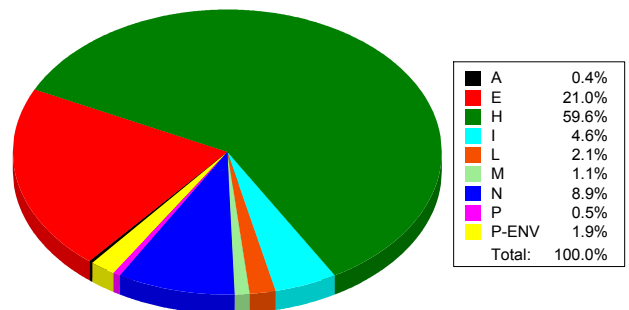


Schedule of Bonds Outstanding by Market Sector Includes IFA and it's Predecessor Authorities

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	305,729,414	91,251,408
Education	5,998,100,730	5,200,925,658
Healthcare *	16,695,758,159	14,752,030,176
Industrial	1,348,687,939	1,126,606,305
Local Government	960,473,413	514,072,144
Multifamily/Senior Housing	708,325,396	269,224,257
501(c)(3) Not-for Profits	2,765,726,842	2,204,408,212
Exempt Facilities Bonds	130,500,000	130,090,000
Environmental issued under 20 ILCS 3515/9	555,195,000	469,810,962
	\$ 29,468,496,892	\$ 24,758,419,123

* Includes CCRC's

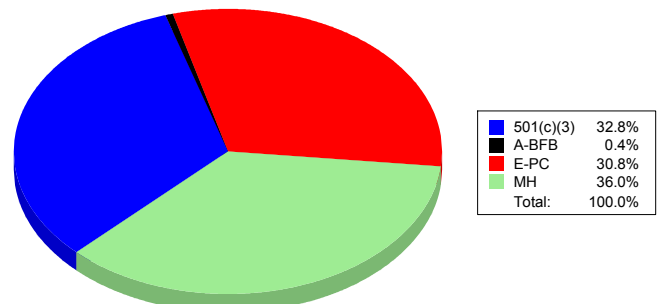
Principal Outstanding by Market Sector



Bonds Issued - Current Fiscal Year

#	Market Sector	Principal Issued
1	Agriculture - Beginner Farmer	209,000
1	Education	15,960,000
1	501(c)(3) Not-for-Profit	17,000,000
1	MultiFamily/Senior Housing	18,630,000
4		\$ 51,799,000

Bonds Issued - Current Fiscal Year



Bonds Issued between July 01, 2012 and July 31, 2012

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginner Farmer Bonds, Series 2013A	07/01/2012	Various-See Below	209,000	0
501(c)(3) Carmel Catholic High School, Series 2012	07/10/2012	DP-VRB 1.23%	17,000,000	8,500,000
MH St. Anthony of Lansing, Series 2012	07/13/2012	6.50%	18,630,000	0
E-PC Lake Forest College, Series 2012	07/24/2012	4.25% to 5.75%	15,960,000	0
Total Bonds Issued as of July 31, 2012			\$ 51,799,000	\$ 8,500,000

Legend: Fixed Rate Bonds as shown

DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond

VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.

Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds Funded between July 01, 2012 and July 31, 2012

<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
Justison, Patricia	07/25/2012	3.75%	209,000	38.00	Macon
Total Beginner Farmer Bonds Issued			\$ 209,000	38.00	

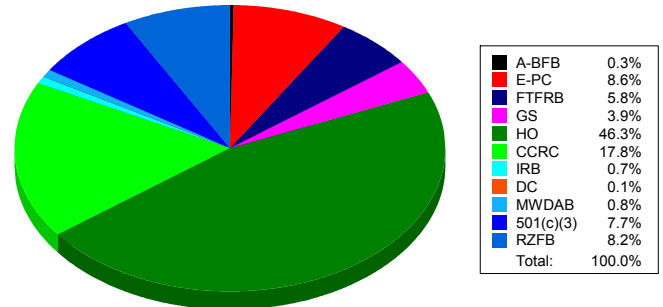
As of January 1, 2012, the amount of private activity volume cap available to the Illinois Finance Authority and allocable to Beginning Farmer Bonds is \$15,000,000. In addition, the maximum of any Beginning Farmer Bond is \$488,600.

Bonds Issued - Fiscal Year Comparison for the Period Ending July 31, 2012

Fiscal Year 2011

#	Market Sector	Principal Issued
40	Agriculture - Beginner Farmer	7,002,064
5	Education	221,290,000
1	Freight Transfer Facilities Bonds	150,000,000
2	Gas Supply	100,000,000
15	Healthcare - Hospital	1,195,055,000
5	Healthcare - CCRC	458,705,000
3	Industrial Revenue	17,329,184
1	Financially Distressed Cities	1,985,000
1	Midwest Disaster Area Bonds	20,200,000
4	501(c)(3) Not-for-Profit	199,535,000
8	Recovery Zone Facilities Bonds	211,488,000
85		\$ 2,582,589,248

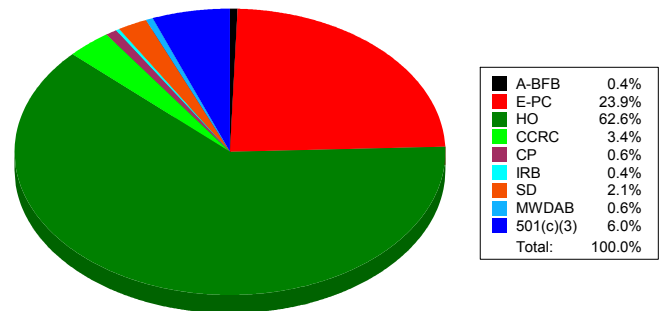
Bonds Issued in Fiscal Year 2011



Fiscal Year 2012

#	Market Sector	Principal Issued
41	Agriculture - Beginner Farmer	8,764,759
3	Education	474,685,000
14	Healthcare - Hospital	1,242,038,200
2	Healthcare - CCRC	66,765,000
1	Healthcare-Community Provider	12,700,000
2	Industrial Revenue	7,295,000
1	Local Government Schools	42,010,000
1	Midwest Disaster Area Bonds	11,066,000
13	501(c)(3) Not-for-Profit	118,256,846
78		\$ 1,983,580,805

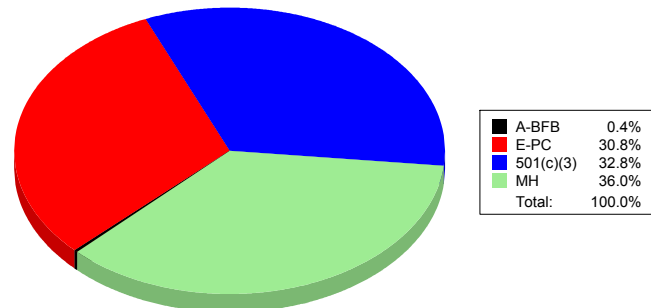
Bonds Issued in Fiscal Year 2012



Fiscal Year 2013

#	Market Sector	Principal Issued
1	Agriculture - Beginner Farmer	209,000
1	Education	15,960,000
1	501(c)(3) Not-for-Profit	17,000,000
1	MultiFamily/Senior Housing	18,630,000
4		\$ 51,799,000

Bonds Issued in Fiscal Year 2013



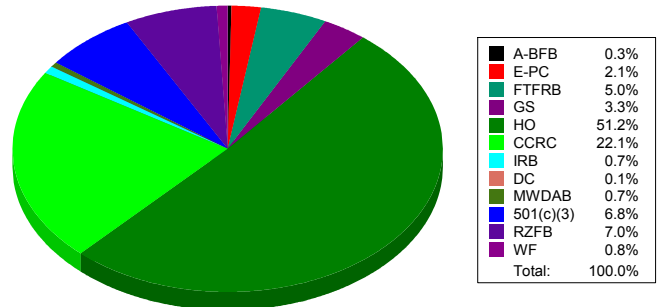


Bonds Issued - Calendar Year Comparison as of July 31, 2012

Calendar Year 2010

#	Market Sector	Principal Issued
52	Agriculture - Beginner Farmer	9,374,497
5	Education	64,000,000
1	Freight Transfer Facilities Bonds	150,000,000
2	Gas Supply	100,000,000
20	Healthcare - Hospital	1,545,643,433
7	Healthcare - CCRC	667,855,000
4	Industrial Revenue	20,029,184
1	Financially Distressed Cities	1,985,000
1	Midwest Disaster Area Bonds	20,200,000
9	501(c)(3) Not-for-Profit	205,356,062
8	Recovery Zone Facilities Bonds	211,488,000
1	Water Facilities	25,000,000
111		\$ 3,020,931,176

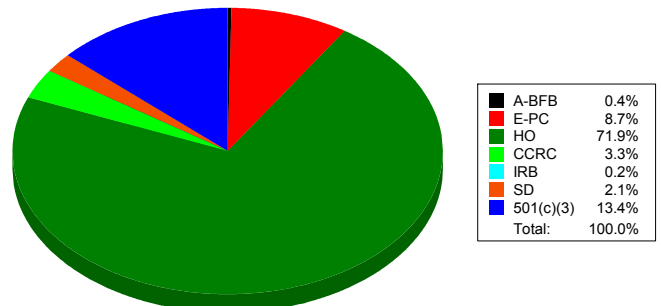
Bonds Issued in Calendar Year 2010



Calendar Year 2011

#	Market Sector	Principal Issued
40	Agriculture - Beginner Farmer	7,832,465
2	Education	177,390,000
13	Healthcare - Hospital	1,459,760,000
2	Healthcare - CCRC	66,765,000
1	Industrial Revenue	3,795,000
1	Local Government Schools	42,010,000
9	501(c)(3) Not-for-Profit	272,851,846
68		\$ 2,030,404,311

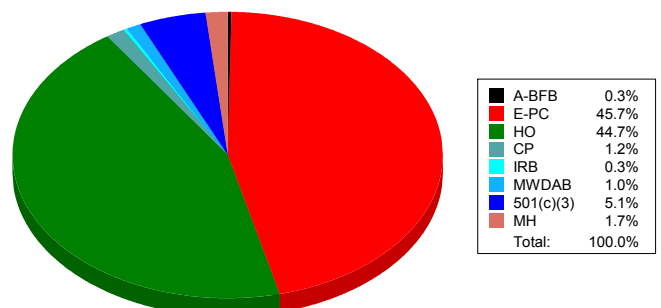
Bonds Issued in Calendar Year 2011



Calendar Year 2012

#	Market Sector	Principal Issued
16	Agriculture - Beginner Farmer	3,617,689
4	Education	490,645,000
7	Healthcare - Hospital	479,513,200
1	Healthcare-Community Provider	12,700,000
1	Industrial Revenue	3,500,000
1	Midwest Disaster Area Bonds	11,066,000
7	501(c)(3) Not-for-Profit	54,240,000
1	MultiFamily/Senior Housing	18,630,000
38		\$ 1,073,911,889

Bonds Issued in Calendar Year 2012

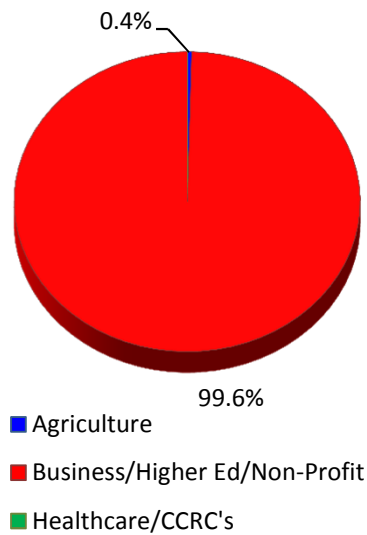




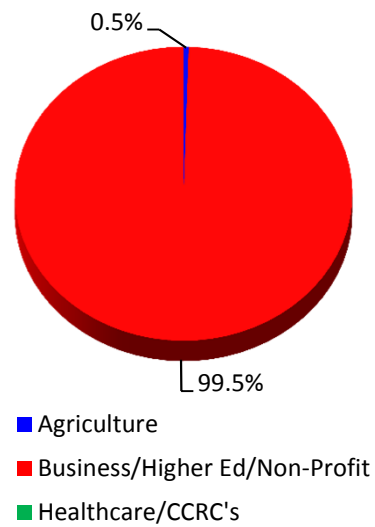
Illinois Finance Authority Project Revenue Fiscal Year 2013

Market Sector	Principal Amount (\$)	New Money (\$)	#	Revenue (\$)
Agriculture	\$ 209,000.00	\$ 209,000.00	1	\$ 3,035.00
Business/Higher Ed/Non-Profit	51,590,000.00	43,090,000.00	3	250,446.00
Healthcare/CCRC's	-	-	0	-
	\$ 51,799,000.00	\$ 43,299,000.00	4	\$ 253,481.00

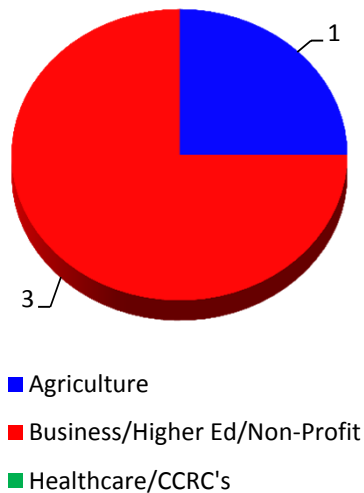
Principal Amount (\$)



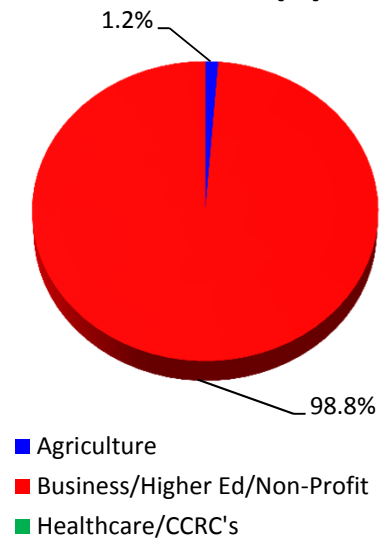
New Money Principal(\$)



of Projects



Revenue (\$)

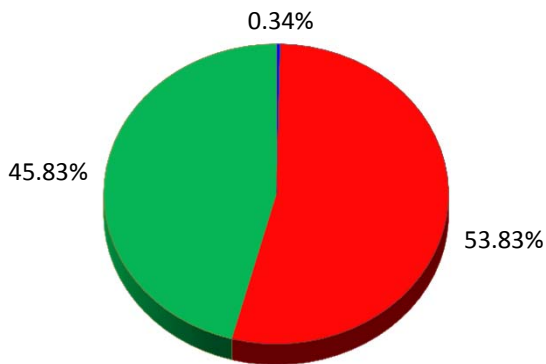




Illinois Finance Authority Project Revenue Calendar Year 2012

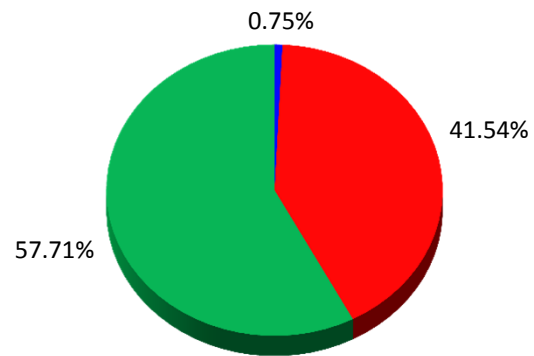
Market Sector	Principal Amount (\$)	New Money (\$)	#	Revenue (\$)
Agriculture	\$ 3,617,689.00	\$ 3,617,689.00	16	\$ 52,665.34
Business/Higher Ed/Non-Profit	578,081,000.00	201,031,000.00	14	842,750.60
Healthcare/CCRC's	492,213,200.00	279,293,200.00	8	746,244.75
	\$ 1,073,911,889.00	\$ 483,941,889.00	38	\$ 1,641,660.69

Principal Amount (\$)



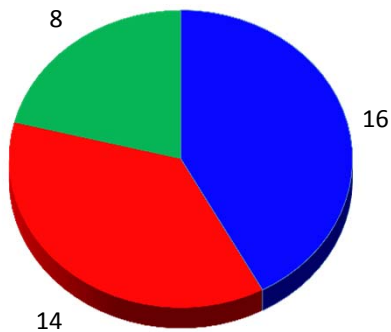
- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

New Money Principal(\$)



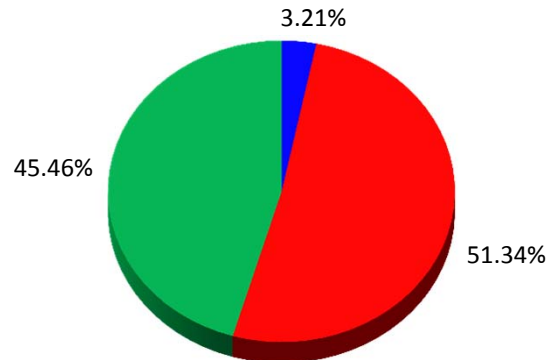
- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

of Projects



- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

Revenue (\$)



- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

Conduit debt issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)] which does not constitute an indebtedness or an obligation, either general or moral, or a pledge of the full faith or a loan of the Authority, the State of Illinois or any Political Subdivision of the State within the purview of any constitutional or statutory limitation or provisions with special limited obligations of the Authority secured under provisions of the individual Bond Indentures and Loan Agreements with the exception of the bonds identified below in Section I (b) -- General Purpose Moral Obligation/State Component Parts -- which are subject to the \$28.15B cap in Section 845-5(a).

Section I (a)	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
Illinois Finance Authority "IFA" ^[b]				
383	Agriculture	\$ 56,105,900	\$ 56,314,900	
90	Education	4,096,631,500	4,101,928,300	
258	Healthcare	12,735,868,400	12,726,819,200	
71	Industrial Development [includes Recovery Zone/Midwest Disaster]	793,261,000	789,878,300	
20	Local Government	235,995,000	235,995,000	
18	Multifamily/Senior Housing	157,841,200	176,397,600	
100	501(c)(3) Not-for Profits	1,249,377,700	1,261,545,200	
5	Exempt Facilities Bonds	130,090,000	130,090,000	
945	Total IFA Principal Outstanding	\$ 19,455,170,700	\$ 19,478,968,500	
Illinois Development Finance Authority "IDFA" ^[b]				
2	Education	13,666,400	13,666,400	
5	Healthcare	198,620,000	198,620,000	
54	Industrial Development	337,338,600	336,728,000	
20	Local Government	261,252,100	261,252,100	
10	Multifamily/Senior Housing	95,496,700	92,826,700	
82	501(c)(3) Not-for Profits	879,441,900	869,138,000	
171	Total IDFA Principal Outstanding	\$ 1,785,815,700	\$ 1,772,231,200	
Illinois Rural Bond Bank "IRBB" ^[b]				
14	Bond Bank Revenue Bonds	16,825,000	16,825,000	
14	Total IRBB Principal Outstanding	\$ 16,825,000	\$ 16,825,000	
74	Illinois Health Facilities Authority "IHFA"	\$ 1,833,151,000	\$ 1,826,591,000	
45	Illinois Educational Facilities Authority "IEFA"	\$ 1,169,912,000	\$ 1,159,056,000	
561	Illinois Farm Development Authority "IFDA" ^[f]	\$ 34,935,500	\$ 34,935,500	
1,810	Total Illinois Finance Authority Debt	\$ 24,295,809,900	\$ 24,288,607,200	\$ 28,150,000,000

 Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)]

Section I (b)	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
14	Issued through IRBB - Local Government Pools	16,825,000	\$ 16,825,000	
7	Issued through IFA - Local Government Pools	25,305,000	25,305,000	
2	Issued through IFA - Illinois Medical District Commission	39,120,000	39,120,000	
23	Total General Moral Obligations	\$ 81,250,000	\$ 81,250,000	\$ 150,000,000
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
2	Issued through IFA	\$ 3,240,000	\$ 3,240,000	
1	Issued through IDFA	2,430,000	2,430,000	
3	Total Financially Distressed Cities	\$ 5,670,000	\$ 5,670,000	\$ 50,000,000
State Component Unit Bonds ^[c]				
14	Issued through IRBB	\$ 16,825,000	\$ 16,825,000	
2	Issued through IDFA ^[j]	69,685,000	69,685,000	
10	Issued through IFA ^[j]	97,810,900	97,810,900	
26	Total State Component Unit Bonds	\$ 184,320,900	\$ 184,320,900	

 Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwest Disaster Area Bonds in Illinois, February 11, 2010.

Section I (c)	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
2	Midwest Disaster Bonds [Flood Relief]	\$ 20,685,435	\$ 30,680,000	\$ 1,515,271,000

 Designated by the Governor of the State of Illinois to manage and coordinate the re-allocation of Federal ARRA Volume Cap and the issuance of Recovery Zone Bonds in the State of Illinois to fully utilize RZBs before December 31, 2010.

Section I (d)	ARRA Act of 2009 Volume Cap Allocated ^[h]	City/Counties Ceded Voluntarily to IFA	Bonds Issued as of July 31, 2012	Available "Ceded" Volume Cap
	-	Recovery Zone Economic Development Bonds;	\$ 666,972,000	\$ 16,940,000
8	Recovery Zone Facilities Bonds	\$ 1,000,457,000	\$ 292,400,000	\$ 216,488,000
-	Qualified Energy Conservation Bonds	\$ 133,846,000	\$ -	\$ 12,500,000

 Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(b)]

Section II	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
Illinois Power Agency	\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

Illinois Finance Authority Act [20 ILCS 3501 Section 825-65(f); 825-70 and 825-75] - see also P.A. 96-103 effective 01/01/2010

Section III

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
Clean Coal, Coal ,Renewable Energy and Energy Efficiency Projects	\$ -	\$ -	\$ 3,000,000,000 ^[d]	\$ 3,000,000,000

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 830-25 (see also P.A.96-103); 830-30; 830-35; 830-45 and 830-50]

Section IV

	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2012	July 31, 2012			
Agri Debt Guarantees [Restructuring Existing Debt]	\$ 14,991,100	\$ 14,894,300	\$ 160,000,000	\$ 145,105,700	\$ 12,645,500
83 Fund # 994 - Fund Balance \$ 10,033,838					
AG Loan Guarantee Program	\$ 15,186,800	\$ 15,034,000	\$ 225,000,000 ^[e]	\$ 209,966,000	\$ 12,778,900
38 Fund # 205 - Fund Balance \$ 7,749,024					
10 Agri Industry Loan Guarantee Program	\$ 8,207,725	\$ 8,207,700			6,976,600
2 Farm Purchase Guarantee Program	956,064	956,100			812,700
16 Specialized Livestock Guarantee Program	3,812,465	3,659,500			3,110,600
10 Young Farmer Loan Guarantee Program	2,210,585	2,210,600			1,879,000
121 Total State Guarantees	\$ 30,177,900	\$ 29,928,300	\$ 385,000,000	\$ 355,071,700	\$ 25,424,400

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 825-80 and 825-85]

Section V

	Fund #	Principal Outstanding		Appropriation Fiscal Year 2013	Fund Balance
		June 30, 2012	July 31, 2012		
133 Fire Truck Revolving Loan Program	Fund # 572	\$ 16,140,930	\$ 19,760,930	\$ 6,003,342	\$ 886,812
10 Ambulance Revolving Loan Program	Fund # 334	\$ 671,227	\$ 671,227	\$ 7,006,800	\$ 3,487,904

Note: Due to deposits in transit, the Cash Balance at the Illinois Office of the Comptroller may differ from the Illinois Finance Authority's General Ledger.

Issued under the Illinois Environmental Facilities Financing Act [20 ILCS 3515/9]

Section VI

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2012	July 31, 2012		
Environmental [Large Business]				
6 Issued through IFA	122,988,800	122,941,000		
17 Issued through IDFA	346,870,000	346,870,000		
23 Total Environmental [Large Business]	\$ 469,858,800	\$ 469,811,000	\$ 2,425,000,000	\$ 1,955,189,000
Environmental [Small Business]				
23 Total Environment Bonds Issued under Act	\$ 469,858,800	\$ 469,811,000	\$ 2,500,000,000	\$ 2,030,189,000

Illinois Finance Authority Funds at Risk

Section VII

#	Original Amount	Principal Outstanding	
		June 30, 2012	July 31, 2012
Participation Loans			
22 Business & Industry	23,020,157.95	5,105,506.90	5,066,292.68
8 Agriculture	6,079,859.01	1,759,093.06	1,753,766.24
30 Participation Loans excluding Defaults & Allowances	\$ 29,100,016.96	\$ 6,864,599.96	\$ 6,820,058.92
Plus: Legacy IDFA Loans in Default		910,631.89	966,265.91
Less: Allowance for Doubtful Accounts		1,377,989.75	1,433,624.45
Total Participation Loans		\$ 6,397,242.10	\$ 6,352,700.38
0 Illinois Facility Fund	\$ 1,000,000.00	\$ -	-
4 Local Government Direct Loans	\$ 1,289,750.00	\$ 218,423.96	218,423.96
3 FmHA Loans	\$ 963,250.00	\$ 265,068.23	265,068.23
2 Renewable Energy [RED Fund]	\$ 2,000,000.00	\$ 1,579,752.12	1,572,310.53
39 Total Loans Outstanding	\$ 34,353,016.96	\$ 8,460,486.41	\$ 8,408,503.10

[a] Total subject to change; late month payment data may not be included at issuance of report.

[b] State Component Unit Bonds included in balance.

[c] Does not include Unamortized issuance premium as reported in Audited Financials.

[d] Program Limitation reflects the increase to \$3 billion effective 01/01/2010 under P.A. 96-103.

[e] Program Limitation reflects the increase from \$75 million to \$225 million effective 01/01/2010 under P.A. 96-103.

[f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.

[g] Midwest Disaster Bonds - Illinois Counties eligible for Midwest Disaster Bonds include Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.

[h] Recovery Zone Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]

[i] IFA is working with all of the 110 entities to encourage voluntary waivers to ensure that these resources are used to support project financing before the program expires on December 31, 2010.

[j] Includes EPA Clean Water Revolving Fund