ILLINOIS FINANCE AUTHORITY

A Component Unit of the
State of Illinois

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2014

Prepared by the Department of Finance

Pat Quinn, Governor, State of Illinois*
William A. Brandt, Jr., Board Chairman
Christopher B. Meister, Executive Director

Printed/Created by Authority of the State of Illinois

*As of December 24, 2014

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street.
Suite C-800
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

December 24, 2014

Members of the Authority:

In Fiscal Year 2014, the Illinois Finance Authority ("Authority") celebrated ten years of its longstanding commitment to transparency and accountability, by issuing the Authority's inaugural Comprehensive Annual Financial Report (CAFR). By issuing a CAFR, the Authority is afforded an opportunity to tell its own story and celebrate its own achievements, while maintaining compliance with all accounting, auditing and financial reporting guidelines. Moreover, it is important to ensure that the People of Illinois, along with the Executive Branch and the General Assembly, have an accurate understanding of the Authority's important role in facilitating capital investment in Illinois. The Authority's stakeholders should also understand that unlike the vast majority of the public entities in Illinois, we operate fully on an enterprise or "business" model, without one penny of appropriated State taxpayer dollars to support our operations. The Authority generates its own revenue from fees charged in connection with the facilitation and issuance of tax-exempt bonds to support qualified capital investment in hospitals, colleges and universities, factories, senior living, and farming in Illinois, as well as from interest generated by the Authority's loan and investment portfolio. The Authority both supports itself by providing a vital service within a broader competitive market and assists various Illinois employers create thousands of jobs. In short, the Illinois Finance Authority is the infrastructure bank for the Land of Lincoln.

Stakeholders should note that the Authority is a rare case of successful governmental consolidation that both reduces costs and preserves services. On January 1, 2004, the Authority became the successor to seven, separate, independent State governmental organizations, each with its own board, staff, audit requirements, and funding models. Today, conduit tax-exempt bond issuance, from a State-wide perspective, is consolidated into a single, transparent and accountable entity. The Authority currently operates with a single volunteer board of fifteen citizen members and a staff of approximately the same size.

The Authority's major accomplishments in Fiscal Year 2014 included, on a consolidated basis, continuing its track record of ending the fiscal year with positive net income and exceeding overall budgetary expectations. In the General Operating Fund, our total revenues of $3.8 million exceeded expenses by $105 thousand and 28% above the budget adopted by the Authority in July 2013. Overall, the Authority's net position increased by $21.5 million, mainly due to statutory changes effective in FY2014 for the Fire Truck and Ambulance Revolving Loan programs. These programs are operated in partnership with the Office of the State Fire Marshal.

In addition, the Authority issued over $2 billion in conduit debt (obligations solely of the borrower, not the Authority or the State of Illinois) for various individual projects. Projects financed in FY2014 include $140 million for the Memorial Health System financing in Springfield, IL (Sangamon County) to build a new 114 bed Patient Tower, the Memorial Center for Learning and Innovation, expansion of the hospital's main operating room and to renovate and equip the hospital's existing energy plant and related infrastructure. The Authority also approved financing for the $10.0 million Sterling Lumber Industrial Development Revenue Bond project in Phoenix, IL (Cook County) that will result in the retention and expansion of Sterling Lumber's wood products manufacturing operations, and additional capital investment and employment opportunities in the state-designated Harvey/Phoenix/Hazel Crest Enterprise Zone.

The Authority also partnered with the Illinois Environmental Protection Agency ("IEPA") to transform the existing State Revolving Fund into the Clean Water Initiative. The issuance of over $140 million in triple "A" rated bonds nearly doubled program capacity and allowed IEPA to implement important program changes to provide these "lowest cost of capital" funds to local communities to build or renovate essential clean and drinking water facilities. The 2013 Clean Water Initiative Bonds were just the beginning, as there is more than $2 billion available in additional, lowest cost-of-funds lending capacity under the Clean Water Initiative that still remains to be tapped by Illinois communities.

Further, in FY2014, the Authority continued its longstanding policy to responsibly reduce contingent and direct risk to Illinois taxpayers, by defeasing more than $36.3 million in bonds previously guaranteed by the State's "moral obligation". With respect to the bonds for the City of East St. Louis, $3.9 million of "moral obligation" outstanding debt was paid off and Illinois taxpayers also benefited by the elimination of a redundant State agency. Lastly, the entire portfolio, $32.4 million, of outstanding Illinois Rural Bond Bank bonds were defeased and redeemed by the Authority using its own currently available and unrestricted funds. The majority of these "moral obligation" backed local government bonds originated with the Rural Bond Bank, one of the Authority's predecessors, and the Authority both removed an unnecessary risk to Illinois taxpayers and strengthened the Authority's balance sheet for the next several years.

Looking ahead to Fiscal Year 2015 and beyond, the Authority will work to expand its commitment to provide expert, hands-on assistance in utilizing federally tax-exempt conduit bonds and other forms of capital financing for projects within the State of Illinois, and in limited cases, through the Authority's statutory "multi-state issuance" power. This commitment includes embracing new opportunities to develop and expand innovative, first-in-the-nation financing programs. The pilot medical school loan program with the Loyola University of Chicago's Stritch School of Medicine is an example of such innovation. Students attending the school under the federal Deferred Action for Childhood Arrivals (DACA) program, similar to the U.S. Public Health Service model, agree to work in medically underserved communities in Illinois after becoming doctors and completing their residencies.

It has been an honor and privilege to serve the Authority's borrowers and the citizens of Illinois again this year. We believe that the Authority is uniquely positioned to continue delivering innovative results in the future.

Your partners in economic development in Illinois,

William A. Brandt, Jr.
Board Chairman

Christopher B. Meister
Executive Director

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(A COMPONENT UNIT OF THE STATE OF ILLINOIS)

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STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

PRINCIPAL OFFICIALS

Governor, State of Illinois
Pat Quinn*

Illinois Finance Authority Board

William A. Brandt, Jr., Chairman

Michael W. Goetz, Vice Chairman

Board Members:

Gila J. Bronner

James J. Fuentes

Norman M. Gold

Lerry J. Knox, Jr.

Edward H. Leonard, Sr.

Carmen Lonstein

Terrence M. O'Brien

Heather D. Parish

Barrett F. Pedersen

Roger E. Poole

Mordecai Tessler

Brad A. Zeller

Senior Staff:

Christopher B. Meister, Executive Director

Pamela A. Lenane, Vice President and Acting General Counsel

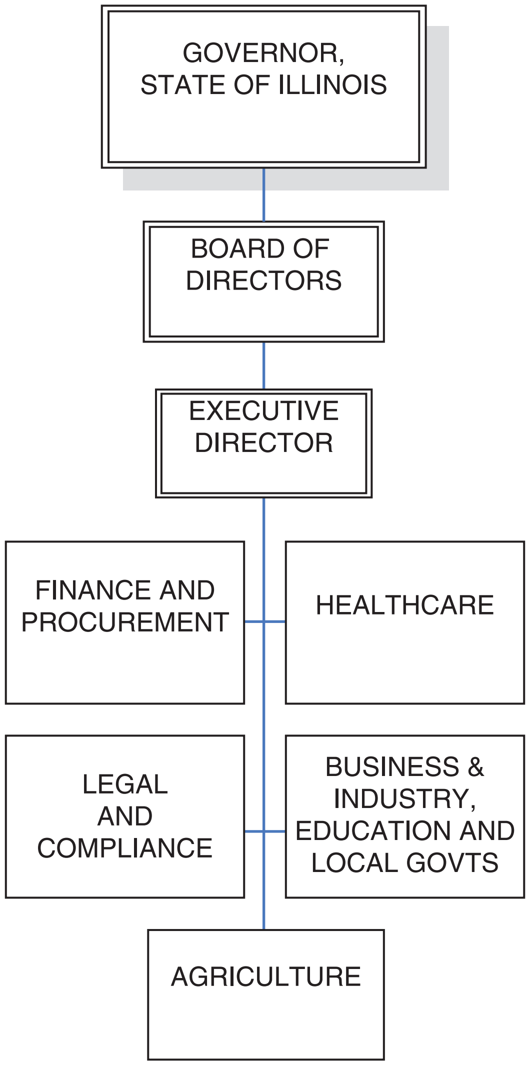
Richard Frampton, Vice President and Credit Review Committee Chair

Melinda M. Gildart, Chief Financial Officer and Agency Procurement Officer

*As of December 24, 2014

ILLINOIS FINANCE AUTHORITY

ORGANIZATIONAL CHART
AS OF JUNE 30, 2014



Agency offices are located at:

Chicago Office
160 North LaSalle Street, Suite C-800
Chicago, Illinois 60601

Mount Vernon Office
2929 Broadway Street, #7B
Mount Vernon, Illinois 62864

Springfield Office
500 East Monroe Street, 3rd Floor
Springfield, Illinois 62701

ILLINOIS FINANCE AUTHORITY

BOARD MEMBER PROFILES

Chairman William A. Brandt, Jr.

Mr. Brandt is President and CEO of Development Specialists, Inc. ("DSI"), a firm specializing in management, consulting and turnaround assistance to troubled or reorganizing enterprises. He is widely recognized as one of the foremost practitioners in the field of corporate restructuring, bankruptcy and related public policy issues. He currently resides in the Chicagoland area.

Vice Chairman Michael W. Goetz

Mr. Goetz is currently the Executive Director of the Laborers' Home Development Corporation (1997-Present). His experience includes: Director of the Midwest Region Foundation for Fair Contracting; Vice President of the Chicago Corporation; and Executive Director of the Illinois Public Treasurer's Investment Pool. He currently resides in Springfield, Illinois.

Gila J. Bronner

Ms. Bronner is President and CEO of Bronner Group, LLC, multi-disciplined professional services company that delivers comprehensive strategy, transformation and accountability consulting services to state and local governments and federal agencies. Ms. Bronner is a highly respected expert on auditor independence and related accountability and internal control issues and is a nationally recognized authority on governmental accounting, auditing, compliance and oversight. She also is a recognized thought leader on public sector implementation and compliance issues. Appointed to the United States Holocaust Memorial Museum's original governing board, Ms. Bronner has chaired its Audit and Finance Committees. She also served as an initial member of NASA's Advisory Council Financial Audit Committee.

James J. Fuentes

Mr. Fuentes is an entrepreneur currently serving as a Trustee for the Museum of Science and Industry. He is the former CEO of Clarity Communication Systems, Inc. and a former board member and chairman of ISCO International. Mr. Fuentes is a recipient of the Hispanic Engineer of the Year Award for Technical Innovation and has received six patents while at Bell Laboratories.

Norman M. Gold

Mr. Gold has a sophisticated corporate and real estate transactional practice that includes securities, tax, corporate governance and corporate finance issues, mergers & acquisitions and formation of partnerships and joint ventures. He has particular proficiency in general corporate counseling and advisory work representing boards of directors, special committees of boards, and bidders and investors in such transactions as IPOs, sales and going private transactions, strategic and financial acquisitions, mergers, financings, tender offers and related matters. He is routinely involved in the organization of venture capital and private equity funds for U.S. and foreign investors, as well as the implementation of their investment activity.

Lerry J. Knox, Jr.

Mr. Knox is the CEO of Unplugged Capital ("UPC"). UPC is a private equity impact investment fund focused on governmental special situation investment in hard and soft municipal infrastructure assets. Mr. Knox has over 20 years of experience as an engineer, venture capitalist, and investment banker leading national organizations that provide solutions at the complex intersection of business, technology, infrastructure, innovation, and public policy. Mr. Knox's diverse background allows him to creatively develop unique solutions to some of the most complex engineering, business, and financial challenges that many organizations are facing.

Edward H. Leonard, Sr.

Mr. Leonard is President of Leonard Farms, a fourth generation farm near the City of Decatur. Mr. Leonard has served on several boards and commissions in the last 40 years, including Macon County Regional Planning Commission (1977-Present) and Niantic Farmers Grain Company Board of Directors (1972-2003, President 1995-1993). He currently resides in Niantic, Illinois.

Carmen Lonstein

Ms. Lonstein serves as Vice President, General Counsel of Clayco Inc., a global architectural, engineering, design-build, and construction firm doing business in 43 states and 3 foreign countries. She was previously at Baker & McKenzie LLP, where she was a partner and chair of the firm's Financial Restructuring Practice Group in North America. She has more than 26 years of experience representing clients in complex commercial, real estate and corporate matters, and related litigation in US courts. Ms. Lonstein has been recognized as being in the Top 100 Women Business Lawyers from 2006-2013. She also serves as a commissioner of the Great Lakes Commission and as a trustee of the Frank Lloyd Wright Foundation.

Terrence M. O'Brien

Mr. O'Brien is owner and President of Terrence O'Brien & Co., a real estate appraisal, brokerage and consulting services firm. His expertise includes appraisal of fee, leasehold and partial interest as well as equity investment analysis, feasibility, market and highest and best use studies. Mr. O'Brien previously served on the Board of Directors of the Illinois Development Finance Authority, the Board of Banks and Trust Companies for the State of Illinois, and the Board of Directors of a Chicago bank. He resides in the Chicagoland area.

Heather D. Parish

Ms. Parish is an independent consultant who specializes in developing strategies and capacity-building initiatives for non-profit organizations and foundations engaged in community economic development and finance, housing and entrepreneurial/business development. Previously, Ms. Parish worked as a fiscal and policy analyst for the California Legislative Analyst's Office, as a senior consultant in KPMG Peat Marwick's Government Services Practice, and as a public finance investment banking associate with Prudential Securities. She holds a Bachelor of Arts degree in Applied Mathematics from the University of California at Berkeley, and a Master of Public Policy degree from Harvard University's John F. Kennedy School of Government, where she specialized in housing, community development, and urban economic development. Ms. Parish currently holds memberships in the Association of Consultants to Non Profits (Chicago), Women in Planning and Development (Chicago), the Harvard Club of Chicago, and the California Alumni Association. Ms. Parish also serves as a board member of the Wieboldt Foundation, and recently served as a board member for the Illinois State Board of Investment during 2009-2010.

Barrett F. Pedersen

Mr. Pedersen is the Village President of Franklin Park. Mayor Pedersen is the host and producer of the long running cable public affairs program, "Illinois Issues in Review". Mayor Pedersen is also an attorney specializing in real estate and estate planning. His passion for the preservation and improvement of our environment has made him a respected advocate for smart technology, plug-in vehicles, and chemical-free landscaping. Mayor Pedersen was appointed by Governor Quinn to the Elgin-O'Hare West Bypass Advisory Council. As Mayor, he is active in the Franklin Park / Schiller Park Chamber of Commerce and has successfully recruited new jobs and investment to Franklin Park, the 4th largest industrial employer in Illinois.

Roger E. Poole

Mr. Poole, who recently retired after 30 years of service, was the Directing Business Representative for Machinists District No. 9. He has received the Labor Man of the Year Award from the Southwestern Illinois Central Labor Council, the Community Services Labor Man of the Year Award from the St. Louis Labor Council, and the Labor Man of the Year Award from the St. Louis Port Council.

Mordecai Tessler

Mr. Tessler is one of the founders of Chicago-based real estate firm Royal Imperial Group Inc., which has over 40 years of extensive experience in all asset classes of real estate including office, residential, senior housing, healthcare, historic renovation and mixed use. He resides in Chicago.

Brad A. Zeller

Mr. Zeller is chairman of the Morgan County Board of Commissioners and serves on the Emergency 911 Board and the Jacksonville Regional Economic Development Corporation Board. He is a member of the Jacksonville Area Chamber of Commerce and formerly Vice President of the Alexander Businessmen's Association. Zeller's background is in agricultural economics including farming 1,300 acres among which are his family's 700-acre Centennial Farm. He resides in Alexander.

BOARD MEMBER TERMS

NAME (LAST, FIRST)	TERM EXPIRES	MEMBER SINCE	POSITION	COUNTY
Brandt, Jr., William A.	07/19/2013	01/01/2008	Chair, Member	Cook
Bronner, Gila J.	07/21/2014	10/08/2010	Member	Cook
Fuentes, James J.	07/17/2009	04/06/2005	Member	Cook
Goetz, Michael	07/21/2014	08/25/2005	Vice Chair	Sangamon
Gold, Norman M.	07/17/2012	09/14/2010	Member	Cook
Knox, Jr., Lerry J.	07/16/2013	10/05/2012	Member	Cook
Leonard, Sr., Edward H.	07/17/2015	01/01/2004	Member	Macon
Lonstein, Carmen	07/21/2014	06/21/2013	Member	Cook
O'Brien, Terrence M.	07/21/2014	03/29/2004	Member	Cook
Parish, Heather D.	07/16/2013	08/25/2010	Member	Cook
Pedersen, Barrett F.	07/16/2013	05/09/2011	Member	Cook
Poole, Roger E.	07/17/2015	12/07/2009	Member	St. Clair
Tessler, Mordecai	07/16/2013	10/05/2012	Member	Cook
Zeller, Brad A.	07/17/2015	02/28/2005	Member	Morgan

Pursuant to section 801-15 of the Illinois Finance Authority Act, a member shall serve until his or her successor shall be duly appointed and qualified.

ILLINOIS FINANCE AUTHORITY

SENIOR STAFF PROFILES

Christopher B. Meister has served as Executive Director of the Authority since 2009. Mr. Meister leads a professional staff that provides hands-on support to help businesses, 501(c)(3) organizations, local government units, individual farmers, and agri-businesses obtain affordable capital they need to undertake capital investment in Illinois to drive business expansion, growth and stability in the agri-business sector, and to provide for general improvements of essential health, education, recreational, and public services. His focus as Executive Director has been to develop creative new financing tools to help spur economic development and to create and retain jobs in Illinois. He is responsible for leading, directing, and managing IFA to execute its statutory mandate, develop and execute business and operating strategies. Mr. Meister has more than 10 years of experience in state government. Mr. Meister joined the Authority in 2007 as General Counsel prior to his appointment as Executive Director in 2009. Prior to his tenure with the Authority, Mr. Meister served as Counsel for the Illinois Department of Commerce & Economic Opportunity. Prior to entrance into public service, Mr. Meister practiced law in private practice, including work at Holland & Knight LLP which focused on municipal law, litigation, and contract law. Mr. Meister has a BA from DePaul University and JD from the University of Illinois College of Law.

Pamela A. Lenane is Vice President of the Authority's Healthcare Segment and presently serves at the Authority's Acting General Counsel. Ms. Lenane has over 40 years of experience in corporate, banking and real estate law and over 18 years of experience working in hospital and healthcare finance. Ms. Lenane has closed approximately $3.4 billion in healthcare facilities revenue bonds over the past 10 years including tax-exempt and taxable financings for hospitals, nursing homes, and senior living projects. Prior to joining the Authority, Ms. Lenane served as Acting Executive Director of the Illinois Housing Development Authority where she was directly responsible for providing $2 billion in bond financing for both (i) affordable multi-family housing projects, and (ii) affordable single family homeowner mortgages to income-qualified households. Ms. Lenane has served on many board positions during her career including: the Chicago Public Schools, Children's Home and Aid Society of Illinois, Dominican University, and the Illinois Savings and Residential Finance Board. Ms. Lenane has a BA in Political Science and History from Dominican University and a JD from Northwestern University School of Law. She currently serves as the immediate Past President of the National Council of Health and Education Facilities Finance Authorities.

Richard Frampton is a Vice President at IFA and manages the Authority's conduit bond financing and loan programs offered to for-profit industrial companies, multi-family housing project owners, various 501(c)(3) entities (including educational, cultural, human service, and other community service providers), and units of local government. During his 29-year career, Mr. Frampton has closed 438 tax-exempt bond issues and 18 on-credit loans comprising $9.6 billion of volume across these sectors. Mr. Frampton serves as the Chair of the Authority's internal Credit Review Committee and his prior experience has included originating, undertaking due diligence reviews, structuring, and closing loans for capital projects primarily for middle market companies and 501(c)(3) entities. He currently serves on the governing boards of the Council of Development Finance Agencies and the Science and Arts Academy, an independent K-8 school in Des Plaines, Illinois.

Melinda M. Gildart joined the Authority as its Chief Financial Officer in March 2014. Ms. Gildart is responsible for overseeing the Accounting, Auditing, Financial Reporting, Compliance and Procurement functions for IFA. Ms. Gildart has more than 15 years' experience in governmental accounting and finance, with positions held at large and small federal, state and local units of government. She has previously held positions with the Chicago Public Schools, where she served as Controller, the City of Chicago, where Ms. Gildart served as Managing Deputy Comptroller (for Accounting and Financial Reporting), and as Comptroller for the Chicago Park District. A long-time member of the Government Finance Officer’s Association of the U.S. and Canada, Ms. Gildart is the Vice Chair of the Committee on Accounting, Auditing and Financial Reporting. Her role on the committee is to assist GFOA develop best practices and provide guidance to states and local governments on implementing new GASB accounting standards and GAO, U.S. Office of Management and Budget and other Federal agency regulations. Ms. Gildart received a B.S. in Business Administration: Accounting from Chicago State University, a Master’s of Business Administration (MBA) from Roosevelt University, and she is a licensed certified public accountant. Ms. Gildart is also a long-time member of the American Institute of Certified Public Accountants and the Illinois CPA Society.

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LETTER OF TRANSMITTAL

December 24, 2014

William A. Brandt, Jr.
Members of the Illinois Finance Authority Board
And Residents of the State of Illinois

The Comprehensive Annual Financial Report (CAFR) of Illinois Finance Authority (The "Authority") for the fiscal year ended June 30, 2014, is hereby submitted. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position as well as the financial condition of the Authority.

The role of the auditors is to audit the basic financial statements to determine if they are free of material misstatements and to assess the accounting principles used. Based on their findings, they express an opinion on the fairness of the statements and disclose any material weaknesses or significant deficiencies. Responsibility for the accuracy of the data presented as well as completeness and fairness of presentation of this report rests with the Authority's management.

The CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory section includes this transmittal letter, a list of principal officials, and an organization chart. The Financial section includes the basic financial statements as well as the unmodified opinion of independent public accountants on the basic financial statements. The Statistical section contains selected financial and demographic information, generally presented over a multi-year basis. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE ILLINOIS FINANCE AUTHORITY

The Illinois Finance Authority is a "body politic and corporate" created by the State of Illinois as of January 1, 2004 pursuant to Public Act 93-205, and constitutes a component unit of the State of Illinois for financial reporting purposes. As a self-supporting entity, the Authority follows enterprise fund financial reporting.

The Authority is an independent, non-appropriated agency governed by a Board of Directors constituted by no more than 15 Members appointed by the Governor, with the advice and consent of the Senate. The Board of Directors establishes official policies and reviews and approves requests for financing assistance. Its membership is prescribed by statute and includes private business leaders and individuals with experience managing public organizations. The mission of the Authority as statutorily defined in the Illinois Finance Authority Act (20 ILCS 3501/801 et. seq.) is to foster economic development to the public and private institutions that create and retain jobs, and improve the quality of life in Illinois by providing access to capital. Other statutory powers are granted to the Authority through the Illinois Environmental Facilities Financing Act, 20 ILCS 3515/801-1 et seq. and the Higher Education Loan Act, 110 ILCS 945/0.01 et seq.

PRIMARY BUSINESS OPERATIONS

The Authority operates under an enterprise model and/or in a manner similar to a private business. Borrowers are charges fees for their individual transactions, and in turn, the Authority facilitates the financing required for the borrower's specific need(s).

The Authority's primary business operations comprise of programs designed to serve various business segments and products authorized pursuant to the Authority's corporate powers by statute. In order for the Authority's statutory powers to be of utility, the products must generate a net benefit to the underlying Borrower as compared to conventional financing. The Authority's financing products will facilitate a lower interest rate on a capital asset financing project than available through a conventional bank loan or taxable debt under normal market conditions.

LOCAL ECONOMIC OUTLOOK

Illinois is a national center for manufacturing, transportation and tourism. The state ranked third in the country for corporate location and expansion by Site Selection Magazine and is home to several of the world's largest corporations in addition to top ranking universities, major airports and premier financial institutions.

According to the Illinois Department of Employment Security, as of June 2014, the State's seasonally unemployment rate was 7.1%, (compared to 6.1% nationally), down from 9.2% as of June 2013 (compared to 7.6% nationally). Hence, Illinois' unemployment rate declined by 2.1% from June 2013 to June 2014, compared to a 1.5% decline in unemployment nationally from June 2013 to June 2014.

By June 2014, unemployment rates fell in every metro area in the state for the third consecutive month and remain at six year lows, according to preliminary data released by the U.S. Bureau of Labor Statistics (BLS) and the Illinois Department of Employment Security (IDES). Additionally, unemployment rates also fell in all 102 counties for the first time since February 2011.

The top five major industries for non-farm job growth from June 2013 to June 2014 are reported in the following table:

Illinois' Top 5 Major Industries for Non-Farm Job Growth

from June 2013 to June 2014 (Seasonally Adjusted)

Industry Title	June 2014	June 2013	Increase / (Decrease)
Construction	197,700	186,600	11,100
Professional and Business Services	892,800	882,500	10,300
Leisure and Hospitality	547,100	540,000	7,100
Trade, Transportation, & Utilities	1,162,500	1,160,200	2,300
Educational and Health Services	883,600	881,900	1,700

Source: Illinois Department of Employment Security

Current Condition

The Authority receives revenues from the management and closing of financial bond issues and other transactions; evaluating, documenting, and closing loan applications; bond and loan application fees; annual maintenance fees for ongoing agreements; interest on loans; and, investment income. Primarily, due to the reduced spread between taxable and tax-exempt interest rates, the annual number of bond transactions closed and related closing fee revenues have declined over the last few years, but the Authority has responded with offsetting reductions in spending and new revenue streams. As a result, applications fees have increased, as have annual fees generated from the

Authority's new and ongoing agreements with local governments, as well as increased conduit local government revenue bond issuance volume (including conduit school district and community college district bond issues). Overall, the Authority reported an ending FY14 net position of nearly $116.9 million, an increase of nearly $21.5 million from fiscal year 2013.

One-Time Resources

In FY2014, the Authority defeased its Illinois Rural Bond Bank bonds which resulted in net transfers of prior year equity from the Bond Fund and IRBB Special Reserve Fund to the General Operating Fund of $2.4 million. In addition, the transfer and receipt of funds and the release of the obligation to the State of Illinois, per Public Act 97-0901, for Fire Truck and Ambulance Revolving Funds, of $25.8 million, were recorded.

RELEVANT FINANCIAL POLICIES

Basis of Accounting and Measurement

The Authority employs generally accepted accounting principles, similar to those used by private business enterprises, i.e., the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the periods in which they are earned, and expenses are recognized in the periods in which they are incurred (See Notes 1 and 2 of the Notes to the Basic Financial Statements for a summary of significant accounting policies and a description of fund types).

Internal Control Structure

The Authority's financial management officials are responsible for implementing and enforcing a system of internal controls to protect the assets of the Authority from loss, theft, or misuse and to ensure that reliable accounting data are available for the timely preparation of financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

MAJOR INITIATIVES AND LONG-TERM FINANCIAL PLANNING

Major Initiatives

Currently, major initiatives of the Illinois Finance Authority include:

Commitment to Reducing the State of Illinois' Moral Obligations — As of June 30, 2014, the Authority defeased $32.4 million of IFA's Moral Obligation Local Government Bond Bank Revenue Bonds and negotiated the payoff of the remaining $3.8 million of City of East St. Louis bonds. This marks the 7th year in a row the balance of outstanding Moral Obligation bonds has decreased and from fiscal year 2013 to 2014, the balance was reduced by $41.9 million or 53%. The current outstanding amount for the Moral Obligation bonds is $37.6 million.

Clean Water Initiative-State Revolving Fund — The Authority issued $141.7 million of Conduit Revenue Bonds, on behalf of the Illinois Environmental Protection Agency ("IEPA"), to restructure and expand the IEPA's Clean Water and Drinking Water State Revolving Fund Programs. The IFA bonds enabled the IEPA to pledge repayments from the IEPA's existing $1.8 billion portfolio of loans, to credit enhance the newly issued debt. The bonds were assigned Triple-A bond credit ratings by both Standard & Poor's and Fitch Ratings. As a result of the IFA Series 2013 Clean Water Initiative structure, no additional state-appropriated funds were required to fund the expansion of lending capacity for IEPA.

Under the Clean Water Initiative, IEPA originates below-market, fixed-interest rate loans to eligible local government units for drinking water or waste water treatment facilities for terms of up to 20 years (i.e., 1.995% for loans closed during the year ended September 30, 2014 and 2.210% for loans closed in the year ending September 30, 2015).

New Markets Tax Credit Program — The Illinois Finance Authority Development Fund NFP was established in fiscal year 2014 to pursue development of a New Markets Tax Credit Program, which will seek to supplement the Authority's financing products to manufacturing companies and healthcare facilities (with a special focus on safety-net hospitals), by facilitating subordinate loans to these markets.

Financial Planning and Program Development

The Authority's management and its Board of Directors continually seek to bolster and restructure the Authority's Program offerings, in order to increase revenues and to help offset declines in conduit bond issuance volume. Since 2009, these activities have been impacted by the national recession and borrower initiatives to de-leverage balance sheets and reduce risk. The objectives of the Authority's ongoing program development and evaluation initiatives are to help bolster the Illinois economy, as well as enhancing the Authority's financial stability with focus on serving the Authority's traditional operating segments (i.e., manufacturers, 501(c)(3) entities, units of local government, and farmers/ agri-businesses).

Primary Business Segments Served and Financing Programs

The Authority's Programs primarily focus on financing projects that serve four primary business segments: (i) industrial (primarily manufacturing companies and industrial distributorships), (ii) 501(c)(3) not-for-profit corporations, (iii) units of Local Government (and certain other eligible governmental units), and (iv) individual farmers and agri-businesses.

The Authority's primary financing tools include conduit revenue bonds, loans and loan participations (which generally supplement bank financing for specific projects and targeted borrowers), loan guarantees (limited to individual farmers and small agri-businesses to support loans of up to $500,000), and non-conduit bonds (i.e., bonds secured by a Moral Obligation pledge of the State). The Authority's Moral Obligation Bonds have principally been used to support government purpose financings and are discussed further below.

Conduit Debt — The Authority's principal financing product (both in the number of financings closed and the dollar amount of financings closed) involves the issuance of conduit revenue bonds (either on a tax-exempt bonds and taxable basis). The proceeds from these single issue or composite series conduit bonds are used to provide long-term, below-market interest loans to eligible entities, which include certain 501(c)(3) not-for-profit organizations, exempt public facilities, solid waste facilities, first-time farmers, and units of Government for capital improvements such as real estate acquisition, equipment, machinery, building construction and renovations. The Authority's "Government" financing programs focus on financing essential purpose infrastructure projects for units of local government and state government in Illinois.

The Authority's Conduit Revenue Bonds are special nonrecourse debt obligations of the Authority, issued on behalf of eligible third party governmental or non-governmental entities (i.e., the "underlying borrower"). The Authority's Conduit Revenue Bonds, are payable solely from the revenues pledged by the underlying borrower, and do not constitute an obligation against the general credit of the Authority or the State of Illinois.

- Industrial and Commercial Projects and 501(c)(3) Not-for-Profit Projects
- Public Infrastructure Projects
- First-Time (Beginning) Farmers
- Environmental Facilities Projects

Other Programs — The Authority's other principal programs (including non-conduit bond issues, direct lending programs, and loan guarantee programs) also focus on providing below-market interest rates to assist eligible borrowers in financing the acquisition of land and other long term assets.

- Agri-Debt Guarantee Programs for Farmers and Agri-Business — Includes these five initiatives:
  - Young Farmer (Farm Purchase) Guarantee Program
  - Agri-Debt Restructuring Guarantee Program
  - Agri-Industry Guarantee Program
  - Specialized Livestock Guarantee Program, and
  - Working Capital Guarantee Program
- Financially Distressed Cities Revenue Bonds
- Local Government Bond Bank Financing Program
- Participation Loan Program
- USDA Rural Development Loan Program

Cooperative Direct Loan Programs — Fire Truck and Ambulance Revolving Loan Fund Programs — The Authority jointly manages these Programs with the Office of the State Fire Marshal (OSFM), who is responsible for marketing these Programs to eligible borrowers statewide (i.e., fire departments and fire protection districts and eligible non-profit ambulance / paramedic service providers). Unlike other loan funds managed by the Authority, the Fire Truck and Ambulance Revolving Loan Fund Programs were each funded by an appropriation from the Illinois General Assembly. The OSFM evaluates eligible borrowers based on need, while the Authority is responsible for undertaking a financial due diligence review and for closing, funding, servicing, and collecting payments for each loan. The loans bear interest at below-market fixed interest rates.

AWARDS AND ACKNOWLEDGEMENTS

In preparation of its first CAFR, the Authority has applied for the Government Finance Officers Association of the United States and Canada (GFOA), Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to accounting principles and applicable program requirements. A Certificate of Achievement is valid for a period of one year only. We believe our report conforms to the Certificate of Achievement program requirements.

This report could not have been prepared without the dedication of the entire staff of the Department of Finance. We wish to express our gratitude and appreciation to them and to all the Illinois Finance Authority staff who contributed to this report for their tireless efforts and professionalism.

Respectfully submitted,

Melinda Gildart　　X. Granda

Melinda M. Gildart, CPA, MBA
Chief Financial Officer

Ximena Granda
Controller

II. FINANCIAL SECTION

Independent Auditors' Report
Management's Discussion and Analysis
Basic Financial Statements
Notes to the Basic Financial Statements

IFA
ILLINOIS FINANCE AUTHORITY

E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Honorable William G. Holland
Auditor General
State of Illinois

and

Board of Directors
Illinois Finance Authority

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the State of Illinois, Illinois Finance Authority, a component unit of the State of Illinois, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State of Illinois, Illinois Finance Authority'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 audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditor's 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 auditor considers 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information for the State of Illinois, Illinois Finance Authority, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, in Fiscal Year 2014, the State of Illinois, Illinois Finance Authority adopted new accounting guidance within Governmental Accounting Standards Board (GASB) Statement No. 65*, Items Previously Reported as Assets and Liabilities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 18-33 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 opinions on the financial statements that collectively comprise the State of Illinois, Illinois Finance Authority's basic financial statements. The Combining Statement of Net Position — Nonmajor Funds, Combining Statement of Revenues, Expenses, and Changes in Fund Net Position — Nonmajor Funds, Combining Statement of Cash Flows — Nonmajor Funds, and Statement of Changes in Assets and Liabilities of Fiduciary Agency Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statement of Net Position — Nonmajor Funds, Combining Statement of Revenues, Expenses, and Changes in Fund Net Position — Nonmajor Funds, Combining Statement of Cash Flows — Nonmajor Funds, and Statement of Changes in Assets and Liabilities of Fiduciary Agency Fund are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Net Position — Nonmajor Funds, Combining Statement of Revenues, Expenses, and Changes in Fund Net Position — Nonmajor Funds, Combining Statement of Cash Flows — Nonmajor Funds, and Statement of Changes in Assets and Liabilities of Fiduciary Agency Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 it.

E. C. Ortiz & Co. LLP

Chicago, Illinois
December 24, 2014

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
June 30, 2014

Our discussion and analysis of the financial performance of the Illinois Finance Authority, a component unit of the State of Illinois, provides an overview of financial activities for the fiscal year ended June 30, 2014. Because the intent of this management discussion and analysis is to look at financial performance as a whole, readers should also review the financial statements, and notes to the basic financial statements to further enhance their understanding of the Authority's financial performance.

Financial Highlights

On the basic financial statements, statement of net position, liabilities totaled $269.3 million, while assets and deferred outflows equaled $386.2 million, with increases of $29.6 million and $50.1 million from FY2013, respectively. The overall increase in total assets was driven by higher cash balances from bond issuances and the transfer of Ambulance and Fire Truck funds from the State Treasurer. Current assets specifically, were $48.3 million higher than last year. The increase in total liabilities also directly resulted from new bond issuances. Current liabilities, specifically, were $57.1 million higher than FY2013 primarily due to the current amount due to the State of Illinois for the Clean Water Initiative bonds.

On the statement of revenues, expenses and net position, total revenues were $37.6 million or 132.2% higher and total expenses were $16.1 million, or 17.4% higher than the previous fiscal year. Nonoperating revenues of $28.1 million included the transfer and receipt of Fire Truck and Ambulance funds of $8.3 million and the release of the obligation to the State of Illinois per Public Act 97-0901 of $17.5 million; both were major drivers in the overall increase in net position. Operating expenses were greater than FY2013 by only $44 thousand, which included activities such as the loss on defeasance of debt. Nonoperating expenses included the transfer of unused Department of Commerce and Economic Opportunity (DCEO) grant funds back to the State of Illinois. This transaction was a major driver in the overall $2.4 million dollar increase in total expenses.

Overall net position was $21.5 million or 22.5% higher than FY2013 due to overall higher revenues and the implementation of GASB Statement No. 65, which resulted in an increase of prior year's net position of $31 thousand.

The Authority is reporting four new major funds for FY2014, the Other State of Illinois Debt Fund, Fire Truck Revolving Loan Fund, Ambulance Revolving Loan Fund and the Illinois Energy Fund. The Other State of Illinois Debt Fund's activities were previously reported in the Bond Fund. All other new major funds were previously reported as nonmajor funds on the Authority's financial statements. New for FY2014 is also the presentation of the Metro East Police District Commission as a fiduciary fund.

During Fiscal Year 2014, the Authority issued $141 million revenue bonds on behalf of the Clean Water Initiative for the State of Illinois, Environmental Protection Agency's State Revolving Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic proprietary fund financial statements including the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows and Statement of Fiduciary Net Position—Agency Fund provide both short-term and long-term information about the Authority's financial status. The accompanying notes to the financial statements provide essential information that is not disclosed on the face of the financial statements, and as such, are an integral part of the basic financial statements.

Proprietary funds

These funds are used to show activities that operate more like those of commercial enterprises. Because these funds charge user fees for services provided to outside customers, including local governments, they are known as enterprise funds. Proprietary funds use the accrual basis of accounting and provide both long and short-term financial information. The proprietary fund financial statements provide separate information for the General Operating Fund, Bond Fund, Other State of Illinois Debt Fund, Fire Truck Revolving Loan Fund, Ambulance Revolving Loan Fund, and the Illinois Energy Fund are included on:

- The **Statement of Net Position** presents the financial position of the Authority as of June 30, 2014, and includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Authority.
- The **Statement of Revenues, Expenses and Changes in Net Position** present the Authority's results of operations. The Authority's revenues and expenses are classified into three categories: operating, nonoperating, or fund transfers.
- The **Statement of Cash Flows** provides additional information about the Authority's financial results by reporting the major sources and uses of the Authority's cash.

Fiduciary funds

Fiduciary funds are used primarily to account for resources held for the benefit of parties outside of the primary government. The Authority is the agent, or fiduciary, for specific transactions attributable to the Metro East Police District Commission (MEPDC). The Authority uses a fiduciary fund to account for transactions for assets held by the Authority as agent for MEPDC. For the transactions authorized by the Metro East Police District Act (70 ILCS 1750/15) and the Illinois Finance Authority Act (20 ILCS 3501/825-115), the Authority is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are reported in a separate statement of fiduciary net position with the fund accounting being much like that used for proprietary funds.

Notes to the basic financial statements

The notes provide additional information that is essential for a full understanding of data provided in the Authority's financial statements. The notes to the basic proprietary fund financial statements can be found immediately following the fiduciary fund basic financial statements.

Additional Information

The combining statements, which include nonmajor funds, are presented immediately following the notes to the basic financial statements.

Condensed Statement of Net Position
(Amounts in Thousands)

	Business-type Activities			
	2014	2013*	Difference ($)	Change (%)
Current assets	$196,164	$147,857	$ 48,307	32.7%
Capital assets, net	119	117	2	1.7%
Noncurrent assets	188,980	187,235	1,745	0.9%
Total assets	385,263	335,209	50,054	14.9%
Total deferred outflow of resources	971	—	971	100.0%
Current liabilities	97,632	40,534	57,098	140.9%
Noncurrent liabilities	171,656	199,180	(27,524)	(13.8%)
Total liabilities	269,288	239,714	29,574	12.3%
Net Position:				
Net investment in capital assets	119	117	2	1.7%
Restricted	48,224	26,723	21,501	80.5%
Unrestricted	68,603	68,655	(52)	(0.1%)
Total net position, as restated	$116,946	$ 95,495	$ 21,451	22.5%

* *Restated for GASB Statement No.65 implementation (see Notes 1 and 17)*

Current assets of $196.2 million increased $48.3 million or 32.7% primarily due to increased cash on hand from the current portion of state match (Clean Water Initiative) loan funds held on behalf of the State of Illinois and the repayment of outstanding loans from borrowers.

Capital assets, net of depreciation increased $2 thousand or 1.7% due to several projects still in process and not yet completed as of year-end.

Non-current assets of $189.0 million increased $1.7 million or 0.9%**.**

Current liabilities of $97.6 million increased $57.1 million or 140.9% primarily due to bonds issued for the Clean Water Initiative with the current portion of $54 million due to the State of Illinois. Included in the net change was the release of the current portion of the obligation to the State of Illinois, for the Fire Truck and Ambulance Funds, per Public Act 97-0901, of $1.5 million.

Non-current liabilities decreased $27.5 million or 13.8%, due to the defeasance of bonds for the Illinois Rural Bond Bank Program, the State of Illinois Environmental Protection Agency 2002 and 2004 bonds and the Northern Illinois University 1999 bond; and the release of the long-term portion of the obligation to the State of Illinois, for the Fire Truck and Ambulance Funds, per Public Act 97-0901, of $15.9 million.

Net position may serve, over a period of time, as a useful indicator of the Authority's financial position. As of June 30, 2014, total net position was $116.9 million, an increase of $21.5 million or 22.5% from the restated balance of $95.5 million in FY2013. Of this amount, $119 thousand represents the Authority's net investment in capital assets. Restricted net position of $48.2 million is reported separately to present legal constraints from debt covenants, grantors and enabling legislation. The $68.6 million of unrestricted net position represents the excess the Authority would experience if it had to liquidate all of its non-capital liabilities as of June 30, 2014.

The following table presents the changes in net position from Fiscal Year 2013 to 2014:

Changes in Net Position
(Amounts in Thousands)

	Business-type Activities			
	2014	2013*	Difference ($)	Change (%)
Revenues:				
Administrative service and closing fees	$ 2,757	$ 3,851	$ (1,094)	(28.4%)
Annual fees	433	409	24	5.9%
Application fees	46	53	(7)	(13.2%)
Miscellaneous fees	337	63	274	434.9%
Interest income-loans	5,944	8,072	(2,128)	(26.4%)
Transfer of funds and program interest from the State of Illinois	25,806	—	25,806	100.0%
Grant income	—	841	(841)	(100.0%)
Bad debt recoveries and other	52	375	(323)	(86.1%)
Interest and invesment income	2,209	2,523	(314)	(12.4%)
Total revenues	37,584	16,187	21,397	132.2%
Expenses:				
Employee related expenses	1,712	1,790	(78)	(4.4%)
Professional services	1,658	1,351	307	22.7%
Occupancy costs	316	319	(3)	(0.9%)
General and administrative	325	318	7	2.2%
Depreciation and amortization	46	48	(2)	(4.2%)
Interest Expense	7,821	9,921	(2,100)	(21.2%)
Loss on defeasance of debt	1,913	—	1,913	100.0%
Transfer of unused grant funds to State of Illinois	2,342	—	2,342	100.0%
Total expenses	16,133	13,747	2,386	17.4%
Change in net position	21,451	2,440	19,011	779.1%
Net position-beginning, as restated	95,495	93,055	2,440	2.6%
Net position-ending	$116,946	$95,495	$21,451	22.5%

* *Restated for GASB Statement No. 65 implementation (see Notes 1 and 17)*

Operating revenues such as administrative and closing fees saw decreases of $1.1 million or 28.4%, while other miscellaneous fees were $274 thousand higher than FY2013. Nonoperating revenues included $25.8 million recorded for the transfer and receipt of Ambulance and Fire Truck Revolving Funds and the release of the obligation to the State of Illinois per Public Act 97-0901. This was a major factor in the overall increase in revenues. Expenses were higher in FY2014 by $2.4 million due to the loss on defeasance of the Illinois Rural Bond Bank bonds of $1.9 million and the transfer of unused Department of Commerce and Economic Opportunity funds of $2.3 million back to the State of Illinois. In accordance with GASB Statement No. 62, the loss on defeasance is expensed in the current period.

Capital Assets

The Authority has established a policy of capitalizing assets as described in Note 1 to the financial statements. The Authority's investment in capital assets, net of accumulated depreciation, for business-type activities as of June 30, 2014 was $119 thousand. Amounts shown are in thousands.

Additional information about capital assets can be found in Note 9 to the financial statements.

	2014	2013	Difference	% Change
Furniture and equipment	$ 222	$ 223	$ (1)	(0.4%)
Computers	128	124	4	3.2%
Software	284	240	44	18.3%
Total capital assets	634	587	47	8.0%
Less: accumulated depreciation	(515)	(470)	(45)	9.6%
Total capital assets, net	$ 119	$ 117	$ 2	1.7%

Long Term Debt Obligations

Long-term debt is incurred only to raise the capital necessary to provide low cost financing to businesses, agribusinesses, health care facilities, educational facilities, municipalities, and other organizations in order to stabilize and strengthen the Illinois economy in areas of job creation and job retention. The majority of the Authority's debt is classified as conduit debt. Under Generally Accepted Accounting Principles conduit debt refers to certain limited-obligation revenue bonds issued for the express purpose of providing capital financing for a specific third party. All of the Authority's conduit debt is payable solely from revenues or funds pledged or available for their repayment as authorized by the Illinois Finance Authority Act. Neither the faith and credit nor the taxing power of the State of Illinois is pledged to the payment of the principal or interest on these bonds. In accordance with Generally Accepted Accounting Principles, the Authority's conduit debt obligations are not reported as liabilities in the Authority's basic financial statements. The Authority issued 34 separate conduit debt issues in Fiscal Year 2014 with an aggregate principal amount of $1.95 billion.

The Authority also issues revenue bonds for the purpose of providing loans to other agencies and component units of the State of Illinois. Although similar to conduit bonds, since these bonds are issued for the benefit of third parties that are part of the Authority's financial reporting entity, they do not meet the definition of conduit debt under Generally Accepted Accounting Principles and thus are reported as liabilities on the Authority's basic financial statements. As of June 30, 2014, the aggregate amount of intra-state debt outstanding is $185.5 million.

The Illinois Finance Authority Act also allows the Authority to issue revenue bonds with the State's moral obligation attached. This pledge states that in the event that money will not be available for the payment of principal and interest of these obligations, the Governor is to request the shortfall amount be appropriated by the General Assembly. The Authority did not issue any revenue bond with the State's moral obligation in Fiscal Year 2014. As of June 30, 2014 the aggregate amount of revenue bonds with the State's moral obligation attached is $37.6 million.

In addition to its revenue bonds, the Authority also has outstanding loans with the U.S. Department of Agriculture for $428 thousand. These loans were incurred to provide the funding for the Authority's Rural Development Loan Program.

Additional information about long-term debt can be found in Note 1 and Note 10 to the financial statements.

Financial Analysis of the Authority's Funds

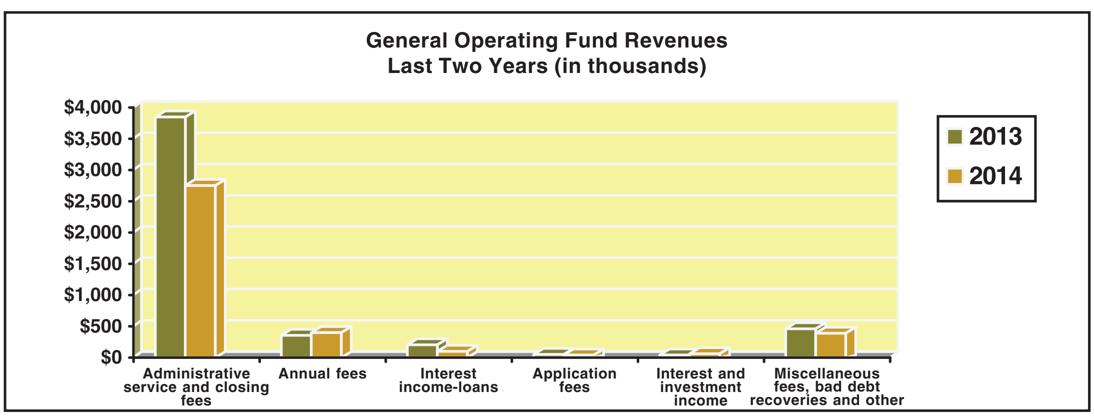
The Authority has six major enterprise funds.

General Operating Fund — This fund is the primary operating fund of the Authority, which receives all revenues from program applications. All administrative expenses for establishing and monitoring the Authority's programs are paid out of this fund. In Fiscal Year 2014, administrative service and closing fees accounted for 73.3% of total revenues in the fund, but were lower than the prior year by $1.1 million, or 28.4%. The reason for the decrease is the reduced number of closings and/or bonds issued. Interest income on loans also decreased by $108 thousand, or 51.4 %, as a result of the Authority's lower number of outstanding loans. Interest and investment income were higher due to the Authority's policy decision to shift available cash to investment managers, who, in turn, generated higher returns. Net investment income in this fund totaled $63 thousand which is an increase of $22 thousand or 53.7% from prior year. Miscellaneous fees totaled $337 thousand in the current year versus $62 thousand in FY2013. Various settlements and the receipt of prior year fees were reasons for the $275 thousand or 443.5% increase. Overall, revenues in the fund totaled $3.8 million, which was $1.2 million lower than FY2013. But with spending held to just under $3.7 million, the General Operating Fund realized an increase in net position of $106 thousand.

Revenues
(Amounts in Thousands)

	2014	2013*	2014 % of Total	Increase/ (Decrease) from 2013 ($)	Increase/ (Decrease) from 2013 (%)
Administrative service and closing fees	$2,757	$3,851	73.3%	$(1,094)	(28.4%)
Annual fees	406	362	10.8%	44	12.2%
Application fees	46	53	1.2%	(7)	(13.2%)
Miscellaneous fees	337	62	9.0%	275	443.5%
Interest income-loans	102	210	2.7%	(108)	(51.4%)
Bad debt recoveries and other	51	375	1.3%	(324)	(86.4%)
Interest and investment income	63	41	1.7%	22	54.7%
Total revenues	$3,762	$4,954	100.0%	$(1,192)	(24.1%)

* *Restated for GASB Statement No. 65 implementation (see Notes 1 and 17)*

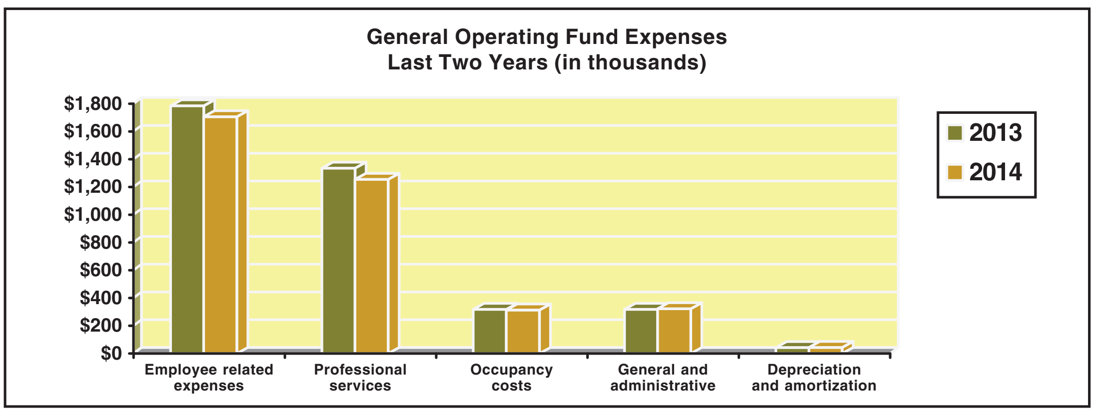


Employee related expenses were down $78 thousand or 4.4% from FY2013 due to lower labor costs and professional services were lower by $93 thousand or 6.9% due to reduced spending on outside contractors. Occupancy costs also fell by $3 thousand or 0.9% and general and administrative expenses were $7 thousand or 2.2% higher due to increased insurance costs. Overall, spending in the general operating fund was reduced from FY2013 by $169 thousand or 4.4%, which offsets declining closing fees.

Expenses
(Amounts in Thousands)

	2014	2013*	2014 % of Total	Increase/ (Decrease) from 2013 ($)	Increase/ (Decrease) from 2013 (%)
Employee related expenses	$1,712	$1,790	46.8%	$ (78)	(4.4%)
Professional services	1,258	1,351	34.4%	(93)	(6.9%)
Occupancy costs	316	319	8.6%	(3)	(0.9%)
General and administrative	325	318	8.9%	7	2.2%
Depreciation and amortization	46	48	1.3%	(2)	(4.2%)
Total expenses	$3,657	$3,826	100.0%	$(169)	(4.4%)

* *Restated for GASB Statement No.65 implementation (see Notes 1 and 17)*

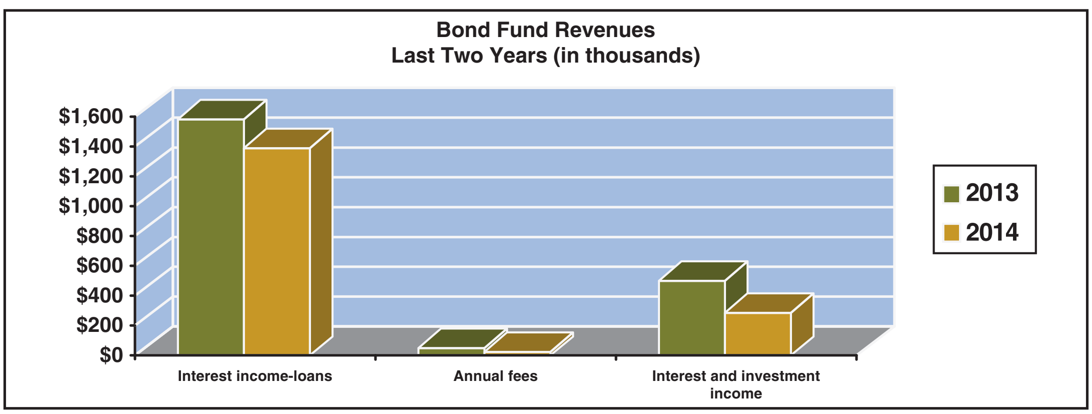


Bond Fund — The purpose of the bond fund is to account for debt proceeds, principal and interest payments, purchase participating institutions securities and other debt related activity specific to the Illinois Finance Authority. The fund also collects interest and principal payments from the participating institutions and makes payments and interest on the outstanding bonds payable. In FY2014, bonds from the Illinois Rural Bond Bank Program were defeased, and the remaining notes receivables (from the local governments) and respective equity, were transferred to the General Operating Fund. These funds are now unrestricted and available to the Authority for any use. Annual fees totaled $26 thousand versus $47 thousand from FY2013, a decrease of $21 thousand or 44.7%. The reason for the decrease is a result of the Authority discontinuing the billing of annual fees for the remaining local government loans following the Illinois Rural Bond Bank's defeasance.

Interest income on loans accounted for 81.7% of the revenues in the bond fund and the total amount received in FY2014 was $1.3 million. This presents a 12.2% or $184 thousand dollar reduction from prior year. Interest and investment income was also lower in the current year as revenues totaled $270 thousand, which is 43.5% or $208 thousand lower than FY2013. Overall, revenues in the bond fund were $413 thousand or 20.3% lower than FY2013. The ending net position for this fund is zero.

Revenues
(Amounts in Thousands)

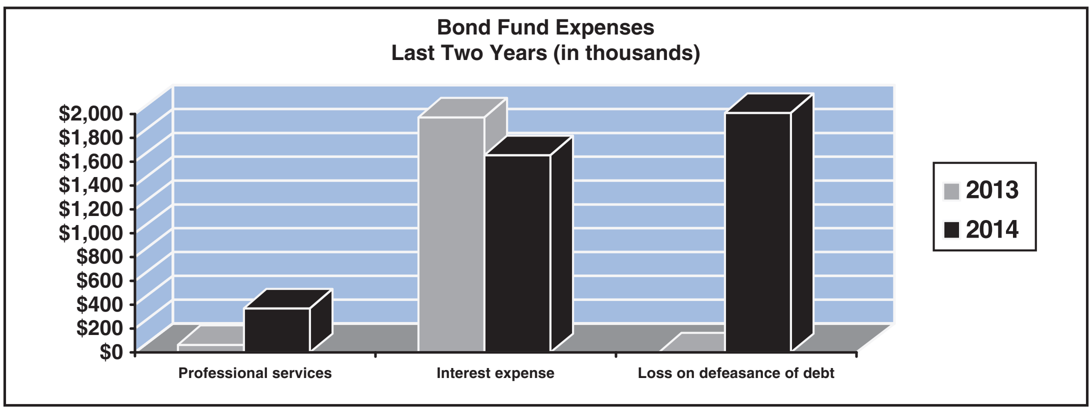
	2014	2013	2014 % of Total	Increase/ (Decrease) from 2013 ($)	Increase/ (Decrease) from 2013 (%)
Annual fees	$ 26	$ 47	1.6%	$ (21)	(44.7%)
Interest income-loans	1,323	1,507	81.7%	(184)	(12.2%)
Interest and investment income	270	478	16.7%	(208)	(43.5%)
Total revenues	$1,619	$2,032	100.0%	$(413)	(20.3%)



Professional services expenses in the bond fund totaled $362 thousand, which is an increase of $299 thousand from FY2013. The increase is due to legal, financial advisory, and accounting fees related to the defeasance of the Illinois Rural Bond Bank bonds. The loss on bond defeasance resulting from this transaction, of $1.9 million, was expensed in the current year. Interest expense of $1.6 million, which makes up 40.9% of the total bond fund expenses in FY2014, decreased $306 thousand or 16.3% from the prior year.

Expenses
(Amounts in Thousands)

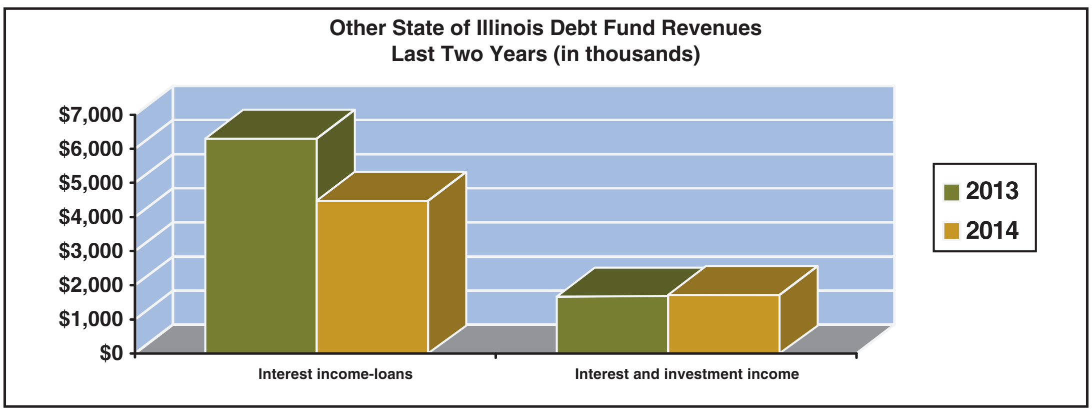
	2014	2013	2014 % of Total	Increase/ (Decrease) from 2013 ($)	Increase/ (Decrease) from 2013 (%)
Professional services	$ 362	$ 63	9.4%	$ 299	474.6%
Interest expense	1,576	1,882	40.9%	(306)	(16.3%)
Loss on defeasance of debt	1,913	—	49.7%	1,913	100.0%
Total expenses	$3,851	$1,945	100.0%	$1,906	98.0%



Other State of Illinois Debt Fund — The purpose of this fund is to account for bond proceeds, principal and interest payments, purchase participating institutions securities and other debt related activity for other entities within the State of Illinois' reporting entity. These agencies include the State of Illinois Environmental Protection Agency, Illinois Medical District Commission, Northern Illinois University, and Northern Illinois University Foundation. The fund also collects interest and principal payments from the participating institutions and makes payments and interest on the bonds payable. All activity in this fund is of a conduit nature on behalf of the other State agencies and/or units. Interest income from loans totaled $4.5 million versus $6.3 million from FY2013, a decrease of $1.8 million or 29.1%. The reason for the decrease is due to the payoff of outstanding loans from the Northern Illinois University for bonds issued in 1999. Interest and investment income was higher for this fund as net investment revenues totaled $1.7 million, which is 2.2% or $39 thousand higher than FY2013. Overall, revenues in the bond fund were $1.8 million or 22.3% lower than FY2013. The ending net position for this fund is zero.

Revenues
(Amounts in Thousands)

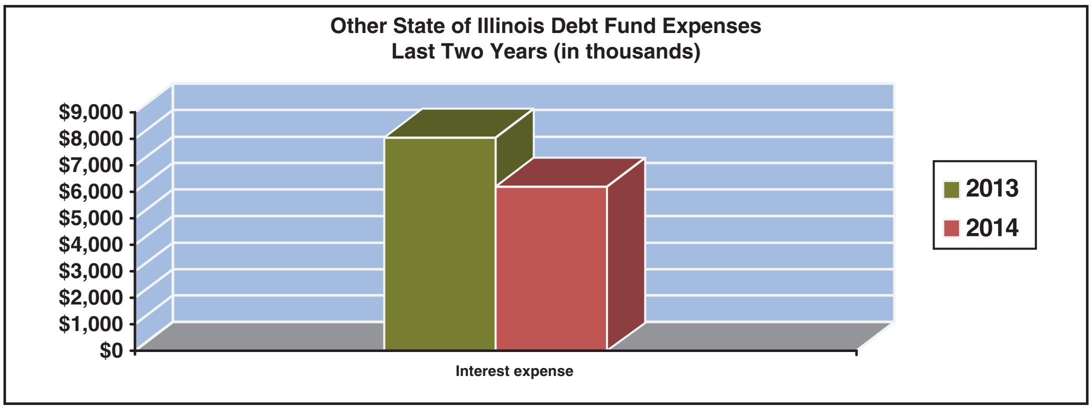
	2014	2013	2014 % of Total	Increase/ (Decrease) from 2013 ($)	Increase/ (Decrease) from 2013 (%)
Interest income-loans	$4,467	$6,300	71.6%	$(1,833)	(29.1%)
Interest and investment income	1,773	1,734	28.4%	39	2.2%
Total revenues	$6,240	$8,034	100.0%	$(1,794)	(22.3%)



Interest expense in the fund totaled $6.2 million, which is a decrease of $1.8 million from FY2013. The decrease is due to the reduction in the interest rate after the December 2013 refunding of the State of Illinois, Environmental Protection Agency's 2002 and 2004 bonds. Interest expense is the only outflow shown in this fund on the Authority's financial statements. Other activity specifically related to the other State of Illinois agencies and units are reported on the financial statements of the primary government and/or the unit itself.

Expenses
(Amounts in Thousands)

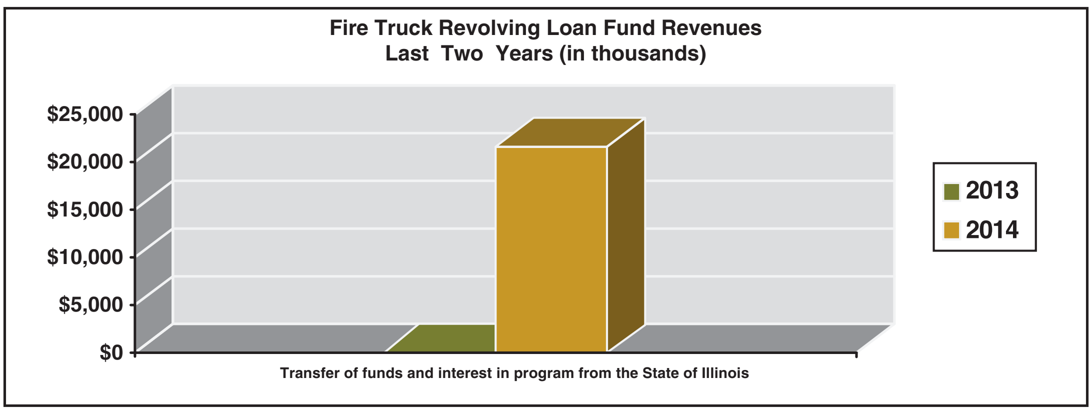
	2014	2013	2014 % of Total	Increase/ (Decrease) from 2013 ($)	Increase/ (Decrease) from 2013 (%)
Interest expense	$6,240	$8,034	100.0%	$(1,794)	(22.3%)



Fire Truck Revolving Loan Fund — The purpose of the Fire Truck Revolving Loan Fund is to account for activity related to the application, issuance and management of loans made to local government entities to purchase fire trucks. In FY2014, program funds of $4.5 million, previously held by the Treasurer of the State of Illinois, were transferred to the custody of the Authority. In addition, the release of the obligation to the State of Illinois, per Public Act 97-0901, of $17.1 million, was recorded in this fund. As of June 30, 2014, the fund contains net position of $21.6 million which is restricted for public safety loans. In prior years, revenue and expense activity for this fund was reported on the financial statements of the State of Illinois.

Revenues
(Amounts in Thousands)

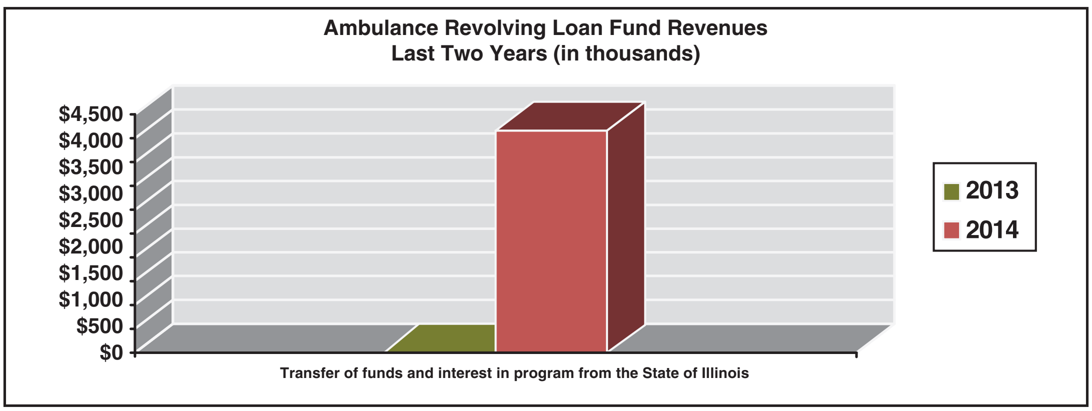
	2014	2013	2014 % of Total	Increase/ (Decrease) from 2013 ($)	Increase/ (Decrease) from 2013 (%)
Transfer of funds and interest in program from the State of Illinois	$21,620	$—	100.0%	$21,620	100.0%



Ambulance Revolving Loan Fund — The purpose of the ambulance revolving loan fund is to account for activity related to the application, issuance and management of loans made to local government and non-profit entities to purchase ambulances. In FY2014, program funds of $3.8 million, previously held by the Treasurer of the State of Illinois, were transferred to the custody of the Authority. In addition, the release of the obligation to the State of Illinois, per Public Act 97-0901, of $416 thousand, was recorded in this fund. As of June 30, 2014, the fund contains net position of $4.2 million, which is restricted for public safety loans. In prior years, revenue and expense activity for this fund was reported on the financial statements of the State of Illinois.

Revenues
(Amounts in Thousands)

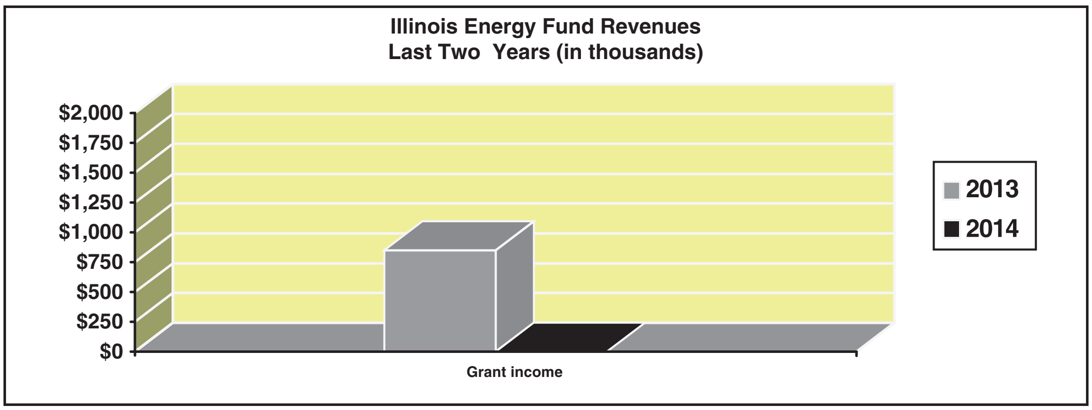
	2014	2013	2014 % of Total	Increase/ (Decrease) from 2013 ($)	Increase/ (Decrease) from 2013 (%)
Transfer of funds and interest in program from the State of Illinois	$4,186	$—	100.0%	$4,186	100.0%



Illinois Energy Fund — The purpose of the fund, is to account for the activity of the U.S. Department of Energy's Revolving Loan Fund. The U.S. Department of Energy's Revolving Loan program was established to finance energy efficiency and renewable projects throughout the State.

Revenues
(Amounts in Thousands)

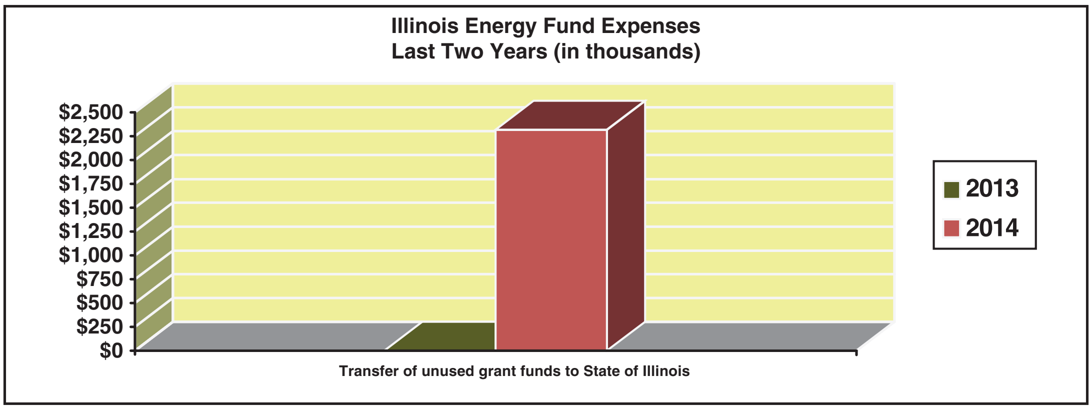
	2014	2013	2014 % of Total	Increase/ (Decrease) from 2013 ($)	Increase/ (Decrease) from 2013 (%)
Grant income	$—	$841	—%	$(841)	(100.0%)



Expenses in the Illinois Energy Fund include a $2.3 million transfer of these funds back to the State of Illinois Department of Commerce and Economic Opportunity. The program was discontinued as of April 2014 when the funds were returned.

Expenses
(Amounts in Thousands)

	2014	2013	2014 % of Total	Increase/ (Decrease) from 2013 ($)	Increase/ (Decrease) from 2013 (%)
Transfer of unused grant funds to State of Illinois	$2,342	$—	100.0%	$2,342	100.0%



Economic Factors, Decisions and Conditions

All Funds — The Authority receives revenues from the management and closing of financial bond issues and other transactions; evaluating, documenting, and closing loan applications; bond and loan application fees; annual maintenance fees for ongoing agreements; interest on loans; and, investment income. Primarily, due to the reduced spread between taxable and tax-exempt interest rates, the annual number of bond transactions closed and related closing fee revenues have declined over the last few years, but the Authority has responded with offsetting reductions in spending and new revenue streams. As a result, applications fees have increased, as have annual fees generated from the Authority's new and ongoing agreements with local governments, as well as increased conduit local government revenue bond issuance volume (including conduit school district and community college district bond issues). Overall, the Authority reported an ending FY2014 net position of nearly $116.9 million, an increase of $21.5 million from Fiscal Year 2013. In FY2014, the Authority defeased its Illinois Rural Bond Bank bonds which resulted in net transfers of prior year equity from the Bond Fund and IRBB Special Reserve Fund to the General Operating Fund of $2.4 million. In addition, the transfer and receipt of funds and the release of the obligation to the State of Illinois, per Public Act 97-0901, for Fire Truck Revolving Loan Fund and Ambulance Revolving Loan Fund, of $25.8 million were recorded.

Nonmajor Funds — As of June 30, 2014 the Authority's nonmajor funds in aggregate reported unrestricted net position of $16.8 million and restricted net position of $22.4 million. The net position restricted in the nonmajor funds is for agricultural and rural development loans, renewable energy development, and credit enhancement.

Notes to Basic Financial Statements

The Notes to Basic Financial Statements follow the statements in the report and complement the financial statements by describing qualifying factors and changes throughout the fiscal year.

Requests for Information

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the funds it receives. Additional details may be requested by mail at the following address:

Illinois Finance Authority
Department of Finance
160 N. LaSalle Street
Suite C-800
Chicago, Illinois, 60601

Or visit our website at: http://www.il-fa.com/public-access/financial-reports/2014 for a complete copy of this report and other financial information.

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)
Statement of Net Position
June 30, 2014

	GENERAL OPERATING FUND	BOND FUND	OTHER STATE OF ILLINOIS COMPONENT UNIT DEBT FUND	FIRE TRUCK REVOLVING LOAN FUND
ASSETS				
Current assets:				
Current unrestricted assets:				
Cash and cash equivalents	$ 6,098,624	$—	$ —	$ —
Investments	4,850,555	—	—	—
Accounts receivable, net	303,621	—	—	—
Loans receivables, net	418,617	—	—	—
Accrued interest receivable	511,210	—	—	—
Bonds and notes receivable	2,173,000	—	—	—
Due from other funds	17,403	—	—	—
Due from other local government agencies	—	—	—	—
Prepaid expenses	53,217	—	—	—
Total current unrestricted assets	14,426,247	—	—	—
Current restricted assets:				
Cash and cash equivalents	—	—	104,740,864	4,507,453
Investments	—	—	45,427,031	—
Securities lending collateral equity with the State Treasurer	—	—	—	—
Accrued interest receivable	—	—	256,762	—
Due from primary government	—	—	—	60,000
Bonds and notes receivable from State component units	—	—	1,738,486	—
Loans receivables, net	—	—	—	1,430,544
Total current restricted assets	—	—	152,163,143	5,997,997
Total current assets	14,426,247	—	152,163,143	5,997,997
Noncurrent assets:				
Noncurrent unrestricted assets:				
Investments	13,614,900	—	—	—
Loans receivables, net	1,534,282	—	—	—
Bonds and notes receivable	22,987,037	—	—	—
Capital assets, net of accumulated depreciation	119,372	—	—	—
Total noncurrent unrestricted assets	38,255,591	—	—	—
Noncurrent restricted assets:				
Cash and cash equivalents	—	—	—	—
Investments	—	—	5,479,875	—
Accrued interest receivable	—	—	—	—
Loans receivables, net	—	—	—	15,622,269
Bonds and notes receivable from primary government	—	—	65,239,515	—
Bonds and notes receivable from State component units	—	—	35,124,403	—
Total noncurrent restricted assets	—	—	105,843,793	15,622,269
Total noncurrent assets	38,255,591	—	105,843,793	15,622,269
Total assets	52,681,838	—	258,006,936	21,620,266
DEFERRED OUTFLOWS OF RESOURCES				
Net loss on debt refundings	—	—	971,113	—
Total deferred outflows of resources	—	—	971,113	—
Total assets and deferred outflows of resources	52,681,838	—	258,978,049	21,620,266

See accompanying notes to the basic financial statements.

AMBULANCE REVOLVING LOAN FUND	ILLINOIS ENERGY FUND	NONMAJOR FUNDS	TOTAL
$ —	$—	$ 1,278,447	$ 7,377,071
—	—	3,808,371	8,658,926
—	—	—	303,621
—	—	31,689	450,306
—	—	56,238	567,448
—	—	—	2,173,000
—	—	19,126	36,529
—	—	3,000,000	3,000,000
—	—	—	53,217
—	—	8,193,871	22,620,118
3,770,096	—	1,980,088	114,998,501
—	—	336,438	45,763,469
—	—	9,079,000	9,079,000
—	—	8,425	265,187
—	—	—	60,000
—	—	—	1,738,486
94,320	—	114,089	1,638,953
3,864,416	—	11,518,040	173,543,596
3,864,416	—	19,711,911	196,163,714
—	—	8,502,813	22,117,713
—	—	125,999	1,660,281
—	—	—	22,987,037
—	—	—	119,372
—	—	8,628,812	46,884,403
—	—	18,519,129	18,519,129
—	—	405,242	5,885,117
—	—	7,000	7,000
321,600	—	1,495,932	17,439,801
—	—	—	65,239,515
—	—	—	35,124,403
321,600	—	20,427,303	142,214,965
321,600	—	29,056,115	189,099,368
4,186,016	—	48,768,026	385,263,082
—	—	—	971,113
—	—	—	971,113
4,186,016	—	48,768,026	386,234,195

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)
Statement of Net Position (continued)
June 30, 2014

	GENERAL OPERATING FUND	BOND FUND	OTHER STATE OF ILLINOIS COMPONENT UNIT DEBT FUND	FIRE TRUCK REVOLVING LOAN FUND
LIABILITIES				
Current liabilities:				
Payable from unrestricted current assets:				
Accounts payable	292,674	—	—	—
Accrued liabilities	173,525	—	—	—
Due to employees	89,452	—	—	—
Due to other funds	19,126	—	—	—
Unearned revenue, net of accumulated amortization	87,505	—	—	—
Total current liabilities payable from unrestricted current assets	662,282	—	—	—
Payable from restricted current assets:				
Due to primary government	—	—	54,343,893	—
Obligation under securities lending of the State Treasurer	—	—	—	—
Accrued interest payable	—	—	4,309,275	—
Bonds and notes payable, primary government	—	—	22,550,000	—
Bonds and notes payable, State component units	—	—	2,838,581	—
Current portion of long term debt	—	—	—	—
Unamortized bond premium	—	—	3,769,340	—
Total current liabilities payable from restricted current assets	—	—	87,811,089	—
Total current liabilities	662,282	—	87,811,089	—
Noncurrent liabilities:				
Payable from unrestricted noncurrent assets:				
Accrued liabilities	120,000	—	—	—
Total noncurrent liabilities payable from unrestricted noncurrent assets	120,000	—	—	—
Payable from restricted noncurrent assets:				
Due to primary government	—	—	—	—
Bonds and notes payable, primary government	—	—	119,150,000	—
Bonds and notes payable, State component units	—	—	40,959,074	—
Noncurrent portion of long term debt	—	—	—	—
Unamortized bond premium	—	—	11,057,886	—
Total noncurrent liabilities payable from restricted noncurrent assets	—	—	171,166,960	—
Total noncurrent liabilities	120,000	—	171,166,960	—
Total liabilities	782,282	—	258,978,049	—
NET POSITION				
Net investment in capital assets	119,372	—	—	—
Restricted for:				
Public safety loans	—	—	—	21,620,266
Agricultural and rural development loans	—	—	—	—
Renewable energy development	—	—	—	—
Credit enhancement	—	—	—	—
Unrestricted	51,780,184	—	—	—
Total net position	$51,899,556	$—	$ —	$21,620,266

See accompanying notes to the basic financial statements.

AMBULANCE REVOLVING LOAN FUND	ILLINOIS ENERGY FUND	NONMAJOR FUNDS	TOTAL
—	—	—	292,674
—	—	—	173,525
—	—	—	89,452
—	—	17,403	36,529
—	—	—	87,505
—	—	17,403	679,685
—	—	—	54,343,893
—	—	9,079,000	9,079,000
—	—	2,435	4,311,710
—	—	—	22,550,000
—	—	—	2,838,581
—	—	59,390	59,390
—	—	—	3,769,340
—	—	9,140,825	96,951,914
—	—	9,158,228	97,631,599
—	—	—	120,000
—	—	—	120,000
—	—	—	—
—	—	—	119,150,000
—	—	—	40,959,074
—	—	369,080	369,080
—	—	—	11,057,886
—	—	369,080	171,536,040
—	—	369,080	171,656,040
—	—	9,527,308	269,287,639
—	—	—	119,372
4,186,016	—	—	25,806,282
—	—	19,610,133	19,610,133
—	—	2,207,902	2,207,902
—	—	600,000	600,000
—	—	16,822,683	68,602,867
$4,186,016	$—	$39,240,718	$116,946,556

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2014

	GENERAL OPERATING FUND	BOND FUND	OTHER STATE OF ILLINOIS DEBT FUND	FIRE TRUCK REVOLVING LOAN FUND
Operating revenues:				
Administrative service and closing fees	$ 2,756,871	$ —	$ —	$ —
Annual fees	406,452	26,323	—	—
Application fees	46,050	—	—	—
Miscellaneous fees	336,749	—	—	—
Interest income — loans	101,942	1,323,044	4,467,414	—
Total operating revenue	3,648,064	1,349,367	4,467,414	—
Operating expenses:				
Employee related expenses	1,711,969	—	—	—
Professional services	1,257,761	361,934	—	—
Occupancy costs	316,080	—	—	—
General and administrative	325,391	—	—	—
Interest expense	—	1,576,091	6,240,126	—
Loss on defeasance of debt	—	1,912,955	—	—
Depreciation and amortization	45,807	—	—	—
Total operating expenses	3,657,008	3,850,980	6,240,126	—
Operating income (loss)	(8,944)	(2,501,613)	(1,772,712)	—
Nonoperating revenue (expenses):				
Transfer of unused grant funds to the State of Illinois	—	—	—	—
Transfer of funds and interest in program from the State of Illinois	—	—	—	21,620,266
Interest and investment income	63,284	270,162	1,772,712	—
Other	51,229	—	—	—
Total nonoperating revenues (expenses)	114,513	270,162	1,772,712	21,620,266
Net income before transfers	105,569	(2,231,451)	—	21,620,266
Transfers:				
Transfers in from other funds	26,361,930	26,619,275	—	—
Transfers out to other funds	(23,978,327)	(26,361,930)	—	—
Total transfers in (out)	2,383,603	257,345	—	—
Change in net position	2,489,172	(1,974,106)	—	21,620,266
Net position — beginning of year, as restated (See Note 17)	49,410,384	1,974,106	—	—
Net position — end of year	$ 51,899,556	$ —	$ —	$21,620,266

See accompanying notes to the basic financial statements.

	AMBULANCE REVOLVING LOAN FUND	ILLINOIS ENERGY FUND	NONMAJOR FUNDS	TOTAL
	$ —	$ —	$ —	$ 2,756,871
	—	—	—	432,775
	—	—	—	46,050
	—	—	107	336,856
	—	—	51,827	5,944,227
	—	—	51,934	9,516,779
	—	—	—	1,711,969
	—	—	38,076	1,657,771
	—	—	—	316,080
	—	—	—	325,391
	—	—	4,418	7,820,635
	—	—	—	1,912,955
	—	—	—	45,807
	—	—	42,494	13,790,608
	—	—	9,440	(4,273,829)
	—	(2,341,698)	—	(2,341,698)
	4,186,016	—	—	25,806,282
	—	198	102,470	2,208,826
	—	—	1,146	52,375
	4,186,016	(2,341,500)	103,616	25,725,785
	4,186,016	(2,341,500)	113,056	21,451,956
	—	—	—	52,981,205
	—	—	(2,640,948)	(52,981,205)
	—	—	(2,640,948)	—
	4,186,016	(2,341,500)	(2,527,892)	21,451,956
	—	2,341,500	41,768,610	95,494,600
	$4,186,016	$ —	$39,240,718	$116,946,556

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)
Statement of Cash Flows
For the Year Ended June 30, 2014

	GENERAL OPERATING FUND	BOND FUND	OTHER STATE OF ILLINOIS DEBT FUND	FIRE TRUCK REVOLVING LOAN FUND
Cash flows from operating activities:				
Cash received for fees and other	$ 3,407,585	$ 63,827	$ —	$ —
Cash payments for employee services	(1,703,083)	—	—	—
Cash payments to suppliers for goods and services	(2,382,553)	(181,190)	—	—
Net cash used in operating activities	(678,051)	(117,363)	—	—
Cash flows from noncapital financing activities:				
Bonds and notes principal payments	—	(37,240,000)	(122,812,535)	—
Interest payments	—	(2,267,490)	(10,145,975)	—
Loss on defeasance of debt	—	(1,912,955)	—	—
Proceeds from issuance of bonds	—	—	164,329,136	—
Principal paid to the State	—	—	—	(1,479,210)
Permanent capital transfer from the State	—	—	—	4,507,453
Transfer of the unused grant funds	—	—	—	—
Due from other funds	(160,891)	—	—	—
Due to other funds	38,224	116,790	—	—
Transfers from other funds	1,275,967	26,619,275	—	—
Transfers to other funds	(23,978,327)	(1,275,967)	—	—
Net cash provided by (used in) noncapital financing activities	(22,825,027)	(15,960,347)	31,370,626	3,028,243
Cash flows from capital and related financing activities:				
Purchase of capital assets	(48,558)	—	—	—
Net cash used in capital and related financing activities	(48,558)	—	—	—
Cash flows from investing activities:				
Purchase of investments	(53,358,486)	—	(584,379,098)	—
Maturity and sales of investments	34,744,550	7,927,698	624,989,087	—
Interest and dividends on investments	201,785	463,981	(783,782)	—
Cash received for interest on loans	130,227	1,387,864	4,639,906	—
Cash received on loan receivables and guarantees	2,883,166	4,701,300	36,872,426	1,479,210
Cash payments on loan receivables and guarantees	(541,000)	—	(16,649,937)	—
Net cash provided by (used in) investing activities	(15,939,758)	14,480,843	64,688,602	1,479,210
Net increase (decrease) in cash and cash equivalents	(39,491,394)	(1,596,867)	96,059,228	4,507,453
Cash and cash equivalents — beginning of year	45,590,018	1,596,867	8,681,636	—
Cash and cash equivalents — end of year	6,098,624	—	104,740,864	4,507,453
Reconciliation of operating income to net cash used in operating activities:				
Operating income (loss)	(8,944)	(2,501,613)	(1,772,712)	—
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Depreciation and amortization	45,807	—	—	—
Interest on loans	(101,942)	(1,323,044)	(4,467,414)	—
Interest expense	—	1,576,091	6,240,126	—
Loss on defeasance of debt	—	1,912,955	—	—
Liabilities transferred from/ (to) other funds	(251,230)	251,230	—	
Changes in assets and liabilities:				
Accounts receivable	(208,535)	20,000	—	—
Unearned revenue	87,505	—	—	—
Prepaid expenses	18,516	—	—	—
Accounts payable and accrued liabilities	(268,115)	(52,982)	—	—
Due to employees	8,887	—	—	—
Net cash used in operating activities	$ (678,051)	$ (117,363)	$ —	$ —

See accompanying notes to the basic financial statements.

AMBULANCE REVOLVING LOAN FUND	ILLINOIS ENERGY FUND	NONMAJOR FUNDS	TOTAL
$ —	$ —	$ 107	$ 3,471,519
—	—	—	(1,703,083)
—	—	(38,076)	(2,601,819)
—	—	(37,969)	(833,383)
—	—	(58,802)	(160,111,337)
—	—	(4,872)	(12,418,337)
—	—	—	(1,912,955)
—	—	—	164,329,136
(94,320)	—	—	(1,573,530)
3,770,096	—	—	8,277,549
—	(2,341,698)	—	(2,341,698)
—	—	(67,630)	(228,521)
—	—	73,507	228,521
—	—	—	27,895,242
—	—	(2,640,948)	(27,895,242)
3,675,776	(2,341,698)	(2,698,745)	(5,751,172)
—	—	—	(48,558)
—	—	—	(48,558)
—	—	(20,882,150)	(658,619,734)
—	—	7,735,536	675,396,871
—	198	135,324	17,506
—	—	53,075	6,211,072
94,320	—	141,928	46,172,350
—	—	—	(17,190,937)
94,320	198	(12,816,287)	51,987,128
3,770,096	(2,341,500)	(15,553,001)	45,354,015
—	2,341,500	37,330,665	95,540,686
3,770,096	—	21,777,664	140,894,701
—	—	9,440	(4,273,829)
—	—	—	45,807
—	—	(51,827)	(5,944,227)
—	—	4,418	7,820,635
—	—	—	1,912,955
—	—	—	(188,535)
—	—	—	87,505
—	—	—	18,516
—	—	—	(321,097)
—	—	—	8,887
$ —	$ —	$ (37,969)	$ (833,383)

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)
Statement of Cash Flows (continued)
For the Year Ended June 30, 2014

Noncash investing, capital, and financing activities:

On June 30, 2014, the Authority defeased all outstanding bonds issued under Illinois Rural Bond Bank Program. Upon defeasance of all the outstanding debt, the Authority transferred all remaining assets and liabilities under this program to the General Operating Fund from the Bond Fund. The transfer consisted of the following noncash assets and liabilities:

Accrued interest receivable	413,946
Bonds and notes receivable — Short term	2,173,000
Bonds and notes receivable — Long term	22,987,037
Accounts payable	(233,725)
Due to other funds	(116,790)
Unearned revenue	(17,505)
Accrued expenses	(120,000)

On April 8, 2014, the Authority and the Office of the State Fire Marshal executed an intergovernmental agreement to use the moneys transferred to the Authority from the Fire Truck Revolving Loan Fund, Ambulance Revolving Loan Fund, and the Fire Station Revolving Loan Fund solely for the purposes for which the moneys would otherwise be used and to set forth procedures to administer the use of the moneys. Upon the execution of the intergovernmental agreement the Office of the State Fire Marshal transferred to the Authority all moneys and the equity in the loans in these funds.

The noncash transfers consisted of the following:

Transfer of interest in Fire Truck Revolving Loan Program	17,052,813
Transfer of interest in Ambulance Revolving Loan Program	415,920

See accompanying notes to the basic financial statements.

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)
Statement of Fiduciary Net Position — Agency Fund
June 30, 2014

	METRO EAST POLICE DISTRICT COMMISSION FUND
ASSETS	
Current assets:	
Cash and cash equivalents	$ 41,621
LIABILITIES	
Current liabilities:	
Other liabilities	$ 41,621

See accompanying notes to the basic financial statements.


CONGRESS HOTEL

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Illinois Finance Authority (Authority) is a body politic and corporate created July 17, 2003, by Public Act 93-205, effective January 1, 2004. Public Act 93-205 consolidated seven of the State's existing finance authorities into the Authority. The Authority succeeded to the rights and duties of the existing finance authorities as of January 1, 2004. Public Act 93-205 also repealed the existing finance authorities' authorizing legislation. The Authority is governed by a 15-member board of directors, appointed by the Governor with the advice and consent of the Senate.

Component units are separate legal entities for which the primary government is legally accountable. The Authority is a component unit of the State of Illinois for financial reporting purposes because exclusion would cause the State's financial statements to be misleading. These financial statements are included in the State's comprehensive annual financial report and the State's separately issued basic financial statements. The Authority does not treat any other reporting entities as component units.

New Accounting Standards

During the Fiscal Year 2014, the Authority adopted the following Governmental Accounting Standards Board (GASB) standards:

- **GASB Statement No.65, *Items Previously Reported as Assets and Liabilities*:** This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. See Note 17 for more information.
- **GASB Statement No. 66, *Technical Corrections-2012, an Amendment of GASB Statements No. 10 and 62***: The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54*, Fund Balance Reporting and Governmental Fund Type Definitions,* and Statement No. 62*, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
- **GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees***: This Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement also will enhance the information disclosed about a government's obligations and risk exposure from extending nonexchange financial guarantees. This Statement also will augment the ability of financial statement users to assess the probability that governments will repay obligation holders by requiring disclosures about obligations that are issued with this type of financial guarantee.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other accounting standards that the Authority is currently reviewing for applicability and potential impact on the financial statements include:

- **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions — An Amendment of GASB Statement No. 27:*** The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers,* as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The implementation of this standard will result in an unfunded pension liability to be recognized on the statement of net position. If applicable, this Statement will be effective for the Authority beginning with its year ending June 30, 2015.
- **GASB Statement No. 69, *Government Combinations and Disposals of Government Operations:*** This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This Statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. If applicable, this Statement will be effective for the Authority beginning with its year ending June 30, 2015.
- **GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — An Amendment of GASB Statement No. 68:*** The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions.* The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. If applicable, this Statement will be effective for the Authority beginning with its year ending June 30, 2015.

Basis of Presentation

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses, as appropriate. The emphasis on fund financial statements is on a major proprietary fund (enterprise), with each fund displayed in a separate column. All remaining proprietary funds are aggregated and reported as nonmajor funds. The Authority has the following major proprietary funds:

General Operating Fund — This fund of the Authority receives all revenues from program applications. All administrative expenses for establishing and monitoring the Authority's programs are paid out of this fund as set forth in the Illinois Finance Authority Act (20 ILCS 3501/801-40(j)). It is made up of the following programs:

- Accounts for the main operations of the Authority; and
- Accounts for monies received from local governments formerly participating in the Illinois Rural Bond Bank Program.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Bond Fund — Each bond issue is comprised of several accounts as required by the bond indenture. The accounts of all the Illinois Rural Bond Bank bond issues have been aggregated and reported as the Bond Fund. These are non-appropriated accounts maintained by the trustee. The purpose of the fund is to collect bond proceeds, purchase participating institutions securities and remit bond issuance costs paid for with bond proceeds. The fund also collects interest and principal payments from the participating institutions and makes payments and interest on the bonds payable.

Other State of Illinois Debt Fund — Each bond issue is comprised of several accounts as required by the bond indenture. The accounts for other State of Illinois agencies and component units' bond issues have been aggregated and reported as the Other State of Illinois Debt Fund. These are non-appropriated accounts maintained by the trustee. The purpose of the fund is to collect bond proceeds, purchase participating institutions securities and remit bond issuance costs paid for with bond proceeds. The fund also collects interest and principal payments from the participating institutions and makes payments and interest on the bonds payable.

In prior years, activities for the Illinois Rural Bond Bank Program and debt related transactions for other State of Illinois agencies and component units were aggregated and reported in the Bond Fund. Beginning in Fiscal Year 2014, these activities were separated into two separate major funds, as detailed above. There is no change to reported net position due to change in presentation. See Note 18. Please see Note 17 for the restatement of prior year net position due to the implementation of GASB Statement No. 65.

Fire Truck Revolving Loan Fund — The fund of the Authority which accounts for the activity of the Fire Truck Revolving Loan Program. The program was established to provide zero-interest and low-interest loans for the purchase of fire trucks by a fire department, a fire protection district or a township fire department based on need, as determined by the State Fire Marshal.

Ambulance Revolving Loan Fund — The fund of the Authority which accounts for the activity of the Ambulance Revolving Loan Program. This program was established to provide zero-interest and low-interest loans for the purchase of ambulances by a fire department, a fire protection district, a township fire department or a non-profit ambulance service based on need, as determined by the State Fire Marshal.

Illinois Energy Fund — The fund of the Authority which accounts for the activity of the U.S. Department of Energy, Revolving Loan Fund. This program was established to finance energy efficiency and renewable energy projects throughout the State.

In 2014, in accordance with the Metro East Police District Act (70 ILCS 1750/15) and the Illinois Finance Authority Act (20 ILCS 3501/825-115), the Authority established the Metro East Police District Commission Fund, a fiduciary agency fund of the Authority. All moneys received by the Metro Police District Commission shall be deposited into the Fund. The Authority and the Metro East Police District Commission entered into an intergovernmental agreement to use the moneys deposited into the fund solely for the purposes set forth in the Act. Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Fiduciary funds include pension trust funds, private-purpose trust funds, investment trust funds, and agency funds.

Agency funds, such as the Metro East Police District Commission Fund, are used to report resources held in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. As of June 30, 2014, the amount held by the Authority on behalf of the Metro East Police District Commission was $41,621.

In August 2013, the Authority's Board of Directors approved a resolution authorizing the creation of a special purpose entity, to be formed for the express purpose of applying for an allocation of New Markets Tax Credits ("NMTCs"). This program is administered by the U.S. Department of the

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Treasury's Community Development Financial Institutions Fund ("CDFI Fund"). In order for an entity to apply for an allocation of New Markets Tax Credits, the entity must first apply for and receive a license to be designated as a "Community Development Entity" or "CDE" by the CDFI Fund. To qualify as a CDE, however, an organization must be a domestic corporation or partnership at the time of the CDE certification application. Because the Authority is a body politic and corporate entity, it was necessary to form an affiliated corporation to be certified as a CDE.

As a result, on August 9, 2013, the Illinois Finance Authority Development Fund NFP, an Illinois not-for-profit corporation (the "IFADF"), was incorporated. The primary purpose of the IFADF is to facilitate investment capital and loans which will benefit qualified Low-Income Communities within the State of Illinois. Such transactions will be conducted in connection with the New Markets Tax Credit Program administered by the CDFI Fund (pursuant to Section 45D of the Internal Revenue Code of 1986, as amended). The Authority, as the entity responsibly for the creation of the IFADF, maintains three (3) ex-officio members on the six (6) to eleven (11) member IFADF Board of Directors, and the IFADF Board of Directors governs the organization. In addition to the ex-officio members who are also employees of the Authority, the IFADF Board of Directors consists of community representatives who will facilitate outreach to qualified low-income communities. There were no transactions for this entity in Fiscal Year 2014.

Basis of Accounting

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Assets, Liabilities, Deferred Inflows, Deferred Outflows, and Net Position

Cash, Cash Equivalents and Investments

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with maturities of 90 days or less at time of purchase. Cash equivalents consist principally of certificates of deposit, repurchase agreements, and U.S. treasury bills and are stated at cost. Per the Authority's investment policy, safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to preserve the investment principal by minimizing credit and interest rate risk, provide liquidity for working capital needs and grow unencumbered portfolio balances through prudent management.

Restricted Assets

Certain resources have been classified as restricted assets on the statement of net assets because their use is limited by applicable bank and loan agreements. See notes on cash, deposits and investments (Note 3), long-term obligations (Note 10), revenue bonds payable (Note 10) and commitments and contingencies (Note 13) for additional disclosures.

Investments

Investments in marketable securities are reported at fair value based on quoted market prices. Investments in venture capital companies are reported at fair value based upon the lower of cost or estimated market value. Investment contracts are considered to be Guaranteed Investment Contracts. These contracts are reported at fair value based on quoted market prices.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Issuance Costs and Premiums and Unearned Revenue

The Authority is amortizing issuance premiums using the approximate effective interest method. Amounts are presented net of accumulated amortization in the Statement of Net Position. Due to the GASB Statement No. 65 in FY2014, bond issuance costs and the bond issue related fee revenues will no longer be deferred and amortized, but recognized in the current periods. Adjustments to prior year net position were made which are detailed in Note 17.

Deferred Loss or Gain on Early Extinguishment

The Authority is amortizing a deferred outflow (loss on the refunding of bonds) in the Other State of Illinois Debt Fund over the lesser of the term of the old debt or the new debt using the stated interest method. The unamortized loss is presented as a deferred outflow of resources in the Authority's Statement of Net Position.

Interfund Transactions

The Authority has the following types of interfund transactions:

Loans and Advances — amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Reimbursements — repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers — amounts provided to other funds which will not be repaid.

Capital Assets

Capital assets, which include property and equipment, are reported at historical cost. Capital assets are depreciated using the straight-line method. Depreciation of property and equipment used by the Authority is charged as an expense against the Authority's General Operating Fund. Capital assets and accumulated depreciation is reported in Note 9 to the financial statements.

Capitalization thresholds and the estimated useful lives are as follows:

Assets	Threshold	Years
Furniture and equipment	$ 500	5
Computer equipment	$ 5,000	5
Software	$10,000	3

Vacation and Sick Leave

The Authority's current vacation and sick leave pay policy, effective July 1, 2011, provides for employees to earn vacation pay at a rate based upon the employee's length of service with the Authority. Vacation time is accrued monthly and employees are allowed to accumulate vacation time up to one and half times their annual vacation allowance. Once an employee has accumulated the maximum amount of vacation days, the employee will no longer accrue any further vacation days. Vacation days will resume accruing once the employee uses accumulated vacation days.

Earned vacation days are accrued at fiscal year-end for financial statement purposes and recorded as *Due to Employees* in the Statement of Net Position in the General Operating Fund. Sick leave earned by employees must be taken during the fiscal year and cannot be accumulated and carried over to the next fiscal year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Activity related to accrued vacation leave for the year ended June 30, 2014, consisted of the following:

Balance June 30, 2013	Earned	Paid	Balance June 30, 2014	Due Within One Year
$80,565	$93,539	$84,652	$89,452	$89,452

Termination Benefits

Termination, or severance benefits, are specified and detailed in separation agreements between the Authority and former employees. In Fiscal Year 2014, two employees were granted severance benefits. These benefits include continued payments of the employee's salary for a specified duration of time. The cost of these benefits is calculated based on the employee's last salary amount and includes salary related costs (e.g. Social Security and Medicare tax). The total cost of termination benefits incurred during Fiscal Year 2014 is $40,926.

Net Position

In the financial statements, net position is displayed in three components as follows:

Net Investment in Capital Assets — This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted — This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first, then unrestricted resources when they are needed. As of June 30, 2014, the Authority had restricted net position of $48,224,317 of which $17,926,129 is restricted by enabling legislation.

Unrestricted — All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Classification of Revenues

The Authority has classified its revenues as either operating or nonoperating. Operating revenue includes activities that have the characteristics of exchange transactions including interest on loans, application fees, annual fees, and administrative service fees. Nonoperating revenue includes activities that have the characteristics of nonexchange transactions or activities that are ancillary to the operations of the Authority, including interest and investment income.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Conduit Debt Obligations

In accordance with the Illinois Finance Authority Act (20 ILCS 3501/801-40(c)), the Authority issues limited obligation revenue bonds and participate in lending and leasing agreements to provide low cost financing to businesses, agribusinesses, health care facilities, educational facilities, municipalities, and other organizations in order to stabilize and strengthen the Illinois economy in areas of job creation and job retention. The bonds and leases are secured by the property financed. Upon repayment of the

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

debt, ownership of the acquired facilities transfers to the entity served by the issuance. In regards to these conduit issuances, neither the Authority or the State, nor any political subdivision thereof is obligated in any manner for repayment of the debt. Accordingly, the bonds and leases are not reported as liabilities in the Authority's basic financial statements. As of June 30, 2014, the aggregate amount of conduit debt outstanding is approximately $23.65 billion.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Illinois Finance Authority does not receive any State appropriations to support the administration and operation of the Authority. Instead, the Authority is financed from fees charged to borrowers who utilize the Authority to issue primarily tax-exempt debt, as well as from interest and fees collected from certain loans and investments.

The Authority is the steward of two State of Illinois appropriated funds, the Illinois Agricultural Loan Guarantee Fund and the Illinois Agribusiness Loan Guarantee Fund. These funds are mission driven programs to assist in the expansion of the agricultural industry throughout Illinois. Further, the Authority is the steward of the Fire Truck Revolving Loan Fund and Ambulance Revolving Loan Fund. These funds are mission driven programs and assist local governments and non-profit entities perform public safety functions. In addition, the Authority adopts an annual budget for the General Operating Fund at its July meeting for the upcoming fiscal year.

The Authority participates in an annual financial audit and a bi-annual compliance examination conducted by the State of Illinois, Office of the Auditor General and internal audits conducted by licensed certified public accounting firms. It is an ongoing Authority initiative to increase and maintain sufficient levels of internal controls and comply with all regulatory and statutory requirements.

NOTE 3. CASH DEPOSITS AND INVESTMENTS

Cash, Deposits and Investments

Cash and Investments as of June 30, 2014, are classified in the accompanying basic financial statements as follows:

Cash and cash equivalents — unrestricted	$ 7,377,071
Cash and cash equivalents — fiduciary fund	41,621
Cash and cash equivalents — restricted current assets	114,998,501
Cash and cash equivalents — restricted noncurrent assets	18,519,129
Investments — unrestricted	8,658,926
Investments — unrestricted noncurrent assets	22,117,713
Investments — restricted current assets	45,763,469
Investments — restricted noncurrent assets	5,885,117
Total	$223,361,547

Cash and investments as of June 30, 2014, consist of the following:

Deposits with financial institutions	$ 322,013
Deposits with State of Illinois Treasurer	17,919,129
Investments	205,120,405
Total	$223,361,547

NOTE 3. CASH DEPOSITS AND INVESTMENTS (continued)

Allowable Investments

The Authority is permitted by the Illinois Finance Authority Act (20 ILCS 3501/801-30(a)) and by its investment policy to invest any of its funds in:

a. U.S. Government securities, including securities of the federal agencies;

b. Securities guaranteed by the federal government;

c. Savings accounts, certificates of deposit, and time deposits in banks or savings and loans insured by the Federal Deposit Insurance Corporation (FDIC) with any deposits in excess of amounts insured by the FDIC are collateralized;

d. Short-term obligations of U.S. corporations with assets exceeding $500,000,000 and rated investment grade and which mature not later than 180 days from the date of purchase, provided that such obligations do not exceed 10% of the corporation's outstanding obligations and no more than one-third of the Authority's funds are invested in such obligations;

e. Money market mutual funds registered under the Investment Company Act of 1940, provided the portfolio is limited to either U.S. government or government-backed securities;

f. Shares of other forms of securities legally issued by savings banks or savings and loan associations, if such securities are insured by the FDIC;

g. Dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union, if insured under applicable law;

h. The Illinois Funds;

i. A fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or uses the services of such an entity to hold and invest or advise regarding the investment; and,

j. Repurchase agreements of government securities.

In addition, the Authority is authorized by its enabling legislation to invest in obligations issued by any State, unit of local government, or school district that carry investment grade ratings, and equity securities of a registered investment company.

The Authority's investment policy excludes funds committed to credit enhancement, federally assisted programs, and funds held by bond trustees that are governed by the provisions of bond agreements. The allowable investments are as follows:

<u>Credit Enhancement Funds</u> — Moneys in this fund are invested or reinvested by the Trustee in permitted investments as defined in the applicable Trust Indenture. The permitted investments include direct obligations of the United States of America; obligations, debentures, notes, or other evidences of indebtedness issued or guaranteed; new housing authority bonds or project notes issued by public agencies or municipalities; interest-bearing demand or time deposits in banks or savings and loan associations insured by the Federal Deposit Insurance Corporation; the Illinois Funds; repurchase agreements with banks which are members of the federal reserve system or with government bond dealers; and obligations issued by or on behalf of a state or political subdivision.

<u>Federally Assisted Programs</u> — Federally assisted program fund reserves and other cash shall be deposited in accounts in banks or other financial institutions. Such accounts will be fully covered by Federal Deposit Insurance Corporation or fully collateralized with U.S. Government obligations, and must be interest-bearing.

<u>Bond Fund and Other State of Illinois Debt Fund</u> — Investment of bond funds shall be made in investment obligations, including federal securities; bonds, notes, debentures, or similar

NOTE 3. CASH DEPOSITS AND INVESTMENTS (continued)

obligations; interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing deposits or any other investments constituting direct obligations of any bank, as defined by the Illinois Banking Act, which is fully insured by the Federal Deposit Insurance Corporation or collateralized with federal securities; short-term obligations of corporations organized in the U.S. with assets exceeding $500,000,000; money market mutual funds registered under the Investment Company Act of 1940; short-term discount obligations of the Federal National Mortgage Association; shares or other forms of securities legally issuable by savings and loan associations; obligations the interest upon which is tax-exempt under Section 103 of the Internal Revenue Code; repurchase agreements of government securities; and any other investment which is permitted by the Bond Trust Indenture.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority manages its exposure to interest rate risk by basing its investment decisions regarding maturity dates and rates on an analysis of the Authority's short-, mid-, and long-term cash needs and keeping the portfolio sufficiently liquid to enable the Authority to meet its operating requirements. In addition, the Authority's Investment policy limits any new investments to maturities of 5 years or less unless approved by the Executive Director.

As of June 30, 2014, the Weighted Average Maturities of the Authority's investments were:

Investment Type	June 30, 2014	Weighted Average Maturity (in years)
U.S. Treasury notes	$ 5,267,945	2.09
Federal agency securities	42,058,741	0.92
State investment pool (Illinois Funds)	1,000,452	0.09
Money market funds	115,262,647	N/A
Commercial paper	20,087,000	0.11
Corporate debt	6,052,790	0.23
Municipal debt	8,873,749	1.84
Repurchase agreements	6,517,081	0.00
Total	$205,120,405	

Credit Risk

Generally, credit risk is the risk that an issuer of a debt 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. The Authority's investment policy on credit risk is limiting the investments to high rated securities and diversifying the portfolio to limit exposure.

NOTE 3. CASH DEPOSITS AND INVESTMENTS (continued)

Presented below are the ratings as of year-end for each investment type:

		Ratings		
Investment Type	**June 30, 2014**	**S & P Rating**	**Moody's**	**Fitch**
U.S. Treasury notes	$ 1,040,969	AAA	Aaa	—
U.S. Treasury notes	4,226,976	AA	Aaa	—
U.S. Government agency notes	42,058,741	AA	Aaa	—
Illinois Funds	1,000,452	AAA	—	—
Money market funds	115,262,647	AAA	Aaa	—
Commercial paper	19,087,000	A1	P-1	—
Commercial paper	1,000,000	BBB	Baa	—
Corporate debt securities	1,880,662	AAA	Aaa	—
Corporate debt securities	125,702	AA	AA	—
Corporate debt securities	181,651	AA	A	—
Corporate debt securities	409,786	AA	Aa	—
Corporate debt securities	2,810,712	A	A	—
Corporate debt securities	644,277	A	Baa	—
Municipal debt	4,630,216	AAA	Aaa	—
Municipal debt	427,858	AAA	—	AAA
Municipal debt	677,964	AAA	Aa	—
Municipal debt	10,041	AAA	A	—
Municipal debt	708,469	AAA	—	—
Municipal debt	140,264	AA	AA	—
Municipal debt	100,000	AA	—	AA
Municipal debt	40,020	AA	A	—
Municipal debt	101,073	AA	Aaa	—
Municipal debt	386,174	AA	Aa	—
Municipal debt	310,000	A	A	—
Municipal debt	225,900	A	Aa	—
Municipal debt	10,000	A	—	A
Municipal debt	323,397	—	Aaa	—
Municipal debt	276,845	—	Aaa	AAA
Municipal debt	100,260	—	Aa	—
Municipal debt	10,040	—	A	AA
Municipal debt	200,130	AA	—	—
Municipal debt	45,098	A	—	—
Municipal debt	150,000	—	A	—
Repurchase agreements	6,517,081	AA	Aaa	—
Total	$205,120,405			

NOTE 3. CASH DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the concentration of an entity's investment in a single issuer. To reduce the risk of loss resulting in excess concentrations in a specific type, maturity, issuer or class of securities, the Authority's investment policy places the following restrictions on concentrations of investments:

- Certificates of deposit from any single financial institution may not comprise more than 20% of the Authority's portfolio or 5% of the financial institution's total deposits.
- Commercial paper purchases may not exceed 20% of the Authority's portfolio in total and 5% of Authority's portfolio in any single issuer's name.
- No investment category shall exceed 30% of the Authority's portfolio, with the exception of U.S. Treasury securities and cash equivalents, including certificates of deposits.

As of June 30, 2014, investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total Authority investments are as follows:

Issuer	Investment Type	Amount
Federal Home Loan Bank	U.S. Government Agency Notes	$ 18,081,649
Federal Home Loan Mortgage Corporation	U.S. Government Agency Notes	$ 10,582,242
Goldman Sachs Financial Square Government Fund	Money Market Mutual Funds	$109,154,936

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Authority's investment policy requires that any deposits in excess of amounts insured by the FDIC or SAIF (Savings Association Insurance Fund) be secured by an eligible form of collateral equal to 110% of the uninsured deposit. Eligible collateral instruments are any of the following:

1. U. S. Government securities;
2. Securities guaranteed by the federal government;
3. Obligations of the State of Illinois;
4. Letters of credit issued by the Federal Home Loan Bank of Chicago or equivalent entity; and
5. Surety bonds issued by Municipal Bond Insurance Association (MBIA) or equivalent entity.

Third party safekeeping is required for collateral items 1, 2, and 3 above. The Authority's investment policy does not specifically address the collateralization requirements for investments.

As of June 30, 2014, all of the Authority's deposits with financial institutions in excess of federal depository limits were collateralized. The securities pledged as collateral were held with third party safekeeping in the name of the Authority. In addition, all of the Authority's investments were held by third parties and in the name of the Authority.

The Illinois Funds is an external investment pool administered by the Treasurer of the State of Illinois. The fair value of the Authority's investment fund is the same as the value of pool shares. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the

NOTE 3. CASH DEPOSITS AND INVESTMENTS (continued)

Public Funds Investment Act (30 ILCS 235), the State Treasurer Act (15 ILCS 505/17), and the Deposit of State Moneys Act (15 ILCS 520/22.5).

The Authority has entered into a repurchase agreement with Bank of America Bank. Under the terms of this agreement at the end of each business day the Bank will sell the Authority government securities. The Bank promises to repurchase these same securities at the beginning of the next banking day for the amount invested plus interest. The interest rate is established each day by the Bank. If, on the maturity date, the Bank defaults on its obligation to repurchase the securities, the Bank will transfer the securities to a custodian to hold for the benefit of the Authority. If this occurs, the Authority could incur a loss if the value of the securities declines. At June 30, 2014, the Authority had invested $6,517,081 under these agreements. The underlying securities are held by Bank of America's safekeeping department.

NOTE 4. SECURITIES LENDING TRANSACTIONS

The Treasurer of the State of Illinois (State Treasurer) lends securities to broker-dealers and other entities for collateral that will be returned for the same securities in the future. The State Treasurer has, through a Securities Lending Agreement, authorized Deutsche Bank AG to lend the State Treasurer's securities to broker-dealers and banks pursuant to a form of loan agreement.

During Fiscal Year 2014, Deutsche Bank AG lent U.S. Agency Securities and U.S. Treasury securities and received as collateral, U.S. dollar denominated cash. Borrowers were required to deliver collateral for each loan equal to at least 100% of the aggregate fair value of the loaned securities. Loans are marked to market daily. If the fair value of collateral falls below 100%, the borrower must provide additional collateral to raise the fair value to 100%.

The State Treasurer did not impose any restrictions during Fiscal Year 2014 on the amount of the loans of available, or the eligible securities. In the event of borrower default, Deutsche Bank AG provides the State Treasurer with counterparty default indemnification. In addition, Deutsche Bank AG is obligated to indemnify the State Treasurer if Deutsche Bank AG loses any securities, collateral or investments of the State Treasurer in Deutsche Bank AG's custody. Moreover, there were no losses during Fiscal Year 2014 resulting from a default of the borrowers or Deutsche Bank AG.

During Fiscal Year 2014, the State Treasurer and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested in repurchase agreements with approved counterparties collateralized with securities approved by Deutsche Bank AG and marked to market daily at no less than 102%. Because the loans are terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The State Treasurer had no credit risk as a result of its securities lending program as the collateral held exceeded the fair value of the securities lent.

In accordance with GASB Statement No. 28, paragraph 9, the Office of the State Treasurer has allocated the assets and obligations at June 30, 2014, arising from securities lending agreements to the various funds of the State. The securities lending collateral invested in repurchase agreements allocated to the Illinois Agricultural Loan Guarantee Fund and Illinois Farmer Agribusiness Loan Guarantee Fund were $5,123,000 and $3,956,000 respectively, as of June 30, 2014.

NOTE 5. BONDS, NOTES AND LOANS RECEIVABLE

The Authority sponsors a variety of lending programs including direct lending and direct lending participation loans. The Authority also makes loans through its federal program, the Rural Development Loan Program. Bonds and notes receivable from local governmental units represent amounts loaned to the units through the purchase of their securities.

NOTE 5. BONDS, NOTES AND LOANS RECEIVABLE (continued)

Illinois Housing Partnership Program — The Authority participates in the Illinois Housing Partnership Program (IHPP) which was established by the Illinois General Assembly in 1985 in order to finance the acquisition and renovation of multi-family housing units. A predecessor Authority entered into the loan program with the City of Chicago in 1986 acting as a pass-through entity. The loan is non-interest bearing, with collections due on August 1, 2016. The total loan outstanding as of June 30, 2014, was $3,000,000.

Direct Lending Participation Program — The Authority allows for the purchase of land, building, construction, or renovation of a building, and acquisition of machinery and equipment up to the lesser of $500,000 or 50% of the project. By purchasing a participation of the bank at a lower interest rate than the borrower would receive on its own, the Authority requires the bank to pass savings directly to the borrower. The Authority participations are on a pro-rata 50/50 basis with the bank. Loans under this program carry a variable interest rate that is up to 100 basis points less than the bank's rate with maturity dates up to ten years. Total loans outstanding as of June 30, 2014, were $2,955,080.

The E.D.A. Title IX Revolving Loan Program — The E.D.A. Title IX Restricted Revolving Loan Program provides low-cost supplemental financing to manufacturing companies located in areas declared eligible for Title IX assistance by the United States Department of Commerce, Economic Development Agency. Loans under this program are up to $100,000 for small and mid-size manufacturers, and carry a fixed interest rate of 7.5% with maturity dates up to ten years. Total loans outstanding as of June 30, 2014, were $91,484. The E.D.A Title IX Restricted Revolving loans are fully reserved.

The Authority discontinued the E.D.A. Title IX Revolving Loan Program in June 2012 due to the lack of activity in the program and returned the funds to the State of Illinois, Department of Commerce and Economic Opportunity.

The Rural Development Revolving Loan Program — The Rural Development Revolving Loan Program participates with the United States Department of Agriculture's Rural Development Administration's (formerly the Farmers Home Administration) Intermediary Relending Program to provide loans to business facilities and community development projects in rural areas for land acquisitions, facility construction and renovation, and machinery and equipment purchases. The Authority will contribute up to 75% or $250,000 of fixed asset costs at a 6% interest rate with maturity dates up to 20 years. Total loans outstanding as of June 30, 2014, were $227,046.

Fire Truck Revolving Loan Program — This program provides zero and low-interest rate loans for the purchase of fire trucks by fire departments, fire protection districts, or township fire departments. This program was expanded in 2012 loans for "brush trucks". Brush truck loans under the program will bear interest at 2% simple interest if the both the chassis and the apparatus are built outside Illinois, 1% simple interest if either the chassis or the apparatus is built in Illinois, or zero interest if both the chassis and apparatus are built in Illinois. The loans to each department, district, or township may not exceed $350,000 and must be repaid within 20 years. A loan for the purchase of brush trucks may not exceed $100,000 per truck. This program is funded by transfers from the State of Illinois, collections on outstanding loans, and ongoing transfers from the State of Illinois of fines from traffic violations. Total loans outstanding as of June 30, 2014, were $17,052,813. As of June 30, 2014 no loans had been made under this program for brush trucks.

Ambulance Revolving Loan Program — This program provides zero-interest and low-interest rate loans for the purchase of ambulances by fire departments, fire protection districts, township fire departments, and non-profit ambulance services. This program is funded by transfers from the State of Illinois and collections on outstanding loans. The loans may not exceed $100,000 and must be repaid within 10 years. Total loans outstanding as of June 30, 2014, were $415,920.

NOTE 5. BONDS, NOTES AND LOANS RECEIVABLE (continued)

Local Government Financing Assistance Program — This program provides financing to units of local government located in the State of Illinois by purchasing the securities of the local governments. These loans are typically used by the local governments to finance short-term financing needs until a longer term financing solution becomes available under the Bond Bank Lending Program. Total loans outstanding as of June 30, 2014, were $157,688.

Local Government Borrowing Program — This program facilitates the financing needs of a broad array of governmental units located throughout the State. The loans are used by the local governments to finance long term water and sewer infrastructure improvements and general capital improvement projects. The local government units make payments on the loans from taxes, revenues, rates, charges, or assessments, in an amount sufficient to pay the principal of and interest on its local government securities when due. This program was funded by the issuance of revenue bonds. Further information on these revenue bonds can be found in Note 10 to the financial statements. Total loans outstanding as of June 30, 2014, were $25,160,037.

Loans with the Primary Government and Component Units of the State — The Authority has provided financing to the State of Illinois and to component units of the State of Illinois. The loans under this program were used to fund Illinois's Clean Water and Drinking Water revolving loan program administered by the State of Illinois, Environmental Protection Agency and to fund capital projects of other State agencies. This program was funded by the issuance of revenue bonds. Further information on these revenue bonds can be found in Note 10 to the financial statements. The borrowers make payments in an amount sufficient to pay the principal of and interest on the bonds when due. Total loans outstanding as of June 30, 2014, were $102,102,404.

Renewable Energy Development Program — This program provides loans to qualified borrowers who construct community scale wind projects for use as alternative energy. This program was funded by a $2,000,000 grant received from the Illinois Clean Energy Community Foundation. Total loans outstanding as of June 30, 2013, were $1,396,598.

Allowance for Doubtful Accounts

The allowance for doubtful accounts for all loans and notes receivable at June 30, 2014 is comprised of two components: a general reserve and a reserve for delinquencies. Loans which are delinquent greater than 90 days are reserved for at 100% of principal outstanding. In addition, the Authority provides a general reserve at approximately 2% for the principal balance of all other loans outstanding. The Illinois Rural Bond Bank's loans, loans to entities of the State of Illinois, and loans within the Fire Truck Revolving Loan Program, Renewable Energy Development Fund, Ambulance Revolving Loan Program, and the Local Government Financing Assistance Program have not experienced a default; therefore, the allowance for doubtful accounts based upon prior experience is zero.

NOTE 5. BONDS, NOTES AND LOANS RECEIVABLE (continued)

Accounts, bonds and loans receivable for the year ended June 30, 2014, consisted of the following:

	All Receivables June 30, 2014	Allowance for Doubtful Accounts	Net Receivable June 30, 2014
Accounts Receivable	$ 328,410	$ (24,789)	$ 303,621
Illinois Housing Partnership Program	3,000,000	—	3,000,000
Direct Lending Participation Program	2,955,080	(1,002,181)	1,952,899
The E.D.A. Title IX Revolving Loan Program	91,484	(91,484)	—
The Rural Development Revolving Loan Program	227,046	(13,623)	213,423
Fire Truck Revolving Loan Program	17,052,813	—	17,052,813
Ambulance Revolving Loan Program	415,920	—	415,920
Local Government Financing Assistance Program	157,688	—	157,688
Local Government Borrowing Program	25,160,037	—	25,160,037
Loans with the Primary Government and Component Units of the State	102,102,404	—	102,102,404
Renewable Energy Development Program	1,396,598	—	1,396,598
	$152,887,480	$(1,132,077)	$151,755,403

NOTE 6. GUARANTEE RECEIVABLES

Guarantee receivables result from amounts due to the Authority after it has paid a guarantee claim. Under the Authority's guarantee program (see Note 13 to the financial statements) when a guaranteed loan defaults, the Authority is responsible for 85% of the liability, with the participating lender being responsible for the remaining 15%. Any guarantee that must be paid out by the State of Illinois, because of a claim properly filed by a bank that has a guaranteed loan that has defaulted, becomes a receivable on the books of the Authority.

Activity related to guarantee receivables for the year ended June 30, 2014, consisted of the following:

	Illinois Farmer Agribusiness Loan Guarantee Fund	Illinois Agricultural Loan Guarantee Fund	Illinois Industrial Revenue Bond Insurance Fund	Total
Guarantee receivables — beginning of year	$ 623,107	$ 170,902	$ 28,402	$ 822,411
Disbursements on guarantee claims				
Payments received	—	—	—	—
Receivables written off	—	—	—	—
Gross guarantee receivables	623,107	170,902	28,402	822,411
Allowance for doubtful accounts	(623,107)	(170,902)	(28,402)	(822,411)
Net receivables — end of year	$ —	$ —	$ —	$ —

The allowance for doubtful accounts for all guarantee receivables at June 30, 2014, is the difference between the guarantee payments made and the Authority's estimation of the value of any collateral securing the guarantee.

NOTE 7. VENTURE CAPITAL INVESTMENTS

In 2004, the Authority assumed the administration as well as the ownership of the interests purchased under the Technology Development Bridge Program established by the predecessor agency, the Illinois Development Finance Authority. These investments were made to accomplish the statutory purpose of the Venture Investment Fund. In Fiscal Year 2012, the Authority's Board of Directors decided to liquidate the investment portfolio of this program due to the length of investments, the lack of return on investment on the interests remaining in the portfolio, and the annual costs of administering the program.

During 2012, the Authority liquidated the marketable portion of this portfolio and determined that all remaining portfolio interests have no value. The Authority is in the process of obtaining the approval of the Attorney General to write off the remaining interests of $2,971,385, for which a 100% allowance for a decline in the market value was recognized.

NOTE 8. INTERFUND TRANSFERS AND BALANCES

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods, without equivalent flows of assets in return. Interfund borrowings are reflected as "Due to/from Other Funds" on the accompanying financial statements. All other interfund transfers are reported as transfers in/out.

Balance due from/to other funds — The following amounts represent balances due to/from major and also nonmajor funds as of June 30, 2014:

	Due From		
Funds	Other Major Funds	Other Non Major Funds	Description/Purpose
General Operating Fund	$ —	$17,403	Due from the Renewable Energy Development Fund and Rural Development Revolving Loan Fund for the payment of administrative costs.
Nonmajor Funds	19,126	—	Due from the General Operating Fund for the receipt of loan payments from Illinois Rural Bond Bank (IRBB) borrowers.
Total	$19,126	$17,403	

	Due To		
Funds	Other Major Funds	Other Non Major Funds	Description/Purpose
Nonmajor Funds	$17,403	$ —	Due to the General Operating Fund for the payment of administrative costs.
General Operating Fund	—	19,126	Due to the IRBB Special Reserve Fund for the receipt of borrower's loan payments.
Total	$17,403	$19,126	

NOTE 8. INTERFUND TRANSFERS AND BALANCES (continued)

Transfers to/from other funds — Interfund transfers for the year ended June 30, 2014, were as follows:

Funds	Transfers From: Other Major Funds	Transfers From: Other Non Major Funds	Description/Purpose
Bond Fund	$23,978,327	$ —	Transfer from the General Operating Fund for the defeasance of Illinois Rural Bond Bank bonds.
Bond Fund	2,640,948	—	Transfer from the IRBB Special Reserve Fund for the defeasance of Illinois Rural Bond Bank bonds.
General Operating Fund	26,361,930	—	Transfer from the Bond Fund for the defeasance of Illinois Rural Bond Bank bonds.
Total	$52,981,205	$ —	

Funds	Transfers From: Other Major Funds	Transfers From: Other Non Major Funds	Description/Purpose
General Operating Fund	$23,978,327	$ —	Transfer to the Bond Fund for the defeasance of Illinois Rural Bond Bank bonds.
IRBB Special Reserve Fund	—	2,640,948	Transfer to the Bond Fund for the defeasance of Illinois Rural Bond Bank bonds.
Bond Fund	26,361,930	—	Transfer to the General Operating Fund (remaining assets and equity following the IRBB defeasance)
Total	$50,340,257	$2,640,948	

NOTE 9. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets being depreciated:				
Furniture and equipment	$223,040	$ —	$821	$222,219
Computers	123,688	4,732	—	128,420
Software	240,388	43,825	—	284,213
Total capital assets being depreciated	$587,116	$48,557	$821	$634,852
Less: accumulated depreciation				
Furniture and equipment	$217,254	$ 1,792	$821	$218,225
Computers	34,331	21,522	—	55,853
Software	218,910	22,492	—	241,402
Total accumulated depreciation	$470,495	$45,806	$821	$515,480
Capital assets, net of depreciation	$116,621	$ 2,751	$ —	$119,372

The Authority's records were reconciled to the records maintained by the Comptroller of the State of Illinois as of June 30, 2014.

NOTE 10. LONG-TERM OBLIGATIONS

Revenue Bonds Payable

A summary of changes in revenue bonds payable for the year ended June 30, 2014, is below:

Revenue bonds payable:	Balance June 30, 2013	Additions	(Retirements)	Balance June 30, 2014	Amounts Due Within One Year
Illinois Rural Bond Bank	$ 37,240,000	$ —	$ (37,240,000)	$ —	$ —
State of Illinois Environmental Protection Agency	107,770,000	141,700,000	(107,770,000)	141,700,000	22,550,000
Northern Illinois University	12,415,000	—	(12,415,000)	—	—
Northern Illinois University Foundation	2,230,875	5,754,315	(1,787,535)	6,197,655	1,518,581
Illinois Medical District Commission	38,440,000	—	(840,000)	37,600,000	1,320,000
	198,095,875	147,454,315	(160,052,535)	185,497,655	25,388,581
Unamortized issuance premium	2,424,958	16,874,821	(4,472,553)	14,827,226	3,769,340
Total revenues bonds payable	$200,520,833	$164,329,136	$(164,525,088)	$200,324,881	$29,157,921

The future debt service requirements for revenue bonds as of June 30, 2014, including interest payments are as follows:

	Total Outstanding Revenue Bonds		
Fiscal Period Ending June 30	Principal	Interest	Total
2015	$ 25,388,581	$ 8,711,383	$ 34,099,964
2016	23,766,620	7,356,632	31,123,252
2017	23,003,155	6,423,518	29,426,673
2018	22,485,620	5,322,535	27,808,155
2019	19,375,295	4,266,432	23,641,727
2020-2024	50,548,384	10,599,583	61,147,967
2025-2029	12,070,000	3,953,053	16,023,053
2030-2034	8,860,000	709,841	9,569,841
Total	$185,497,655	$47,342,977	$232,840,632

Each revenue bond issue is payable only out of the trust estate established for each issue. The trust estate is comprised of all rights, title, and interest of the Authority in the loan securities, the purchase agreements, the intercept proceedings, and all moneys and securities held in all funds and accounts under the indenture, except moneys and securities on deposit in the redemption fund which are for the payment of the principal and interest of bonds called for redemption prior to maturity. The Authority has pledged future loan revenues to repay the outstanding principal revenue bonds. Proceeds from the bonds provided financing for various loan programs. The bonds are payable solely from principal and interest revenues under the related loans and are payable through the final maturity of the bonds in 2034. Principal and interest payments on the bonds are expected to require approximately 100% of these loan revenues. All bonds outstanding at June 30, 2014, are revenue bonds of the Authority and are payable solely from the revenues or funds pledged or available for their payment as authorized by the Act (20 ILCS 3501/801-40(c)). Neither the faith and credit nor the taxing power of the State of Illinois is pledged to the payment of the principal or interest on the bonds.

NOTE 10. LONG-TERM OBLIGATIONS (continued)

Moral Obligation — The Authority may issue revenue bonds with the State's moral obligation pledge attached. This pledge means that in the event it is determined that money will not be available for payment of principal and interest of these obligations, the Governor is to submit the shortfall amount to the General Assembly for subsequent appropriation. Bonds issued on behalf of the Illinois Medical District Commission are considered moral obligation revenue bonds.

Component Units of the State of Illinois and Primary Government — The revenue bonds of the component units and primary government were not issued with the State's moral obligation pledge attached (see exception for the Illinois Medical District Commission). Bonds issued for the benefit of other agencies and component units of the State of Illinois are comprised of the following:

State of Illinois Revolving Fund, Series 2013 (Clean Water Initiative) — original issue $141,700,000, dated December 5, 2013, provides for serial retirement of principal beginning July 1, 2014 and every January 1 and July 1 thereafter, and interest payable on January 1 and July 1 of each year at rates of 1.00% to 5.00%. Final maturity is July 1, 2023.

Illinois Medical District Commission, Series 2006A — original issue $7,500,000, dated January 31, 2006, provides for serial retirement of principal beginning September 1, 2010 and every September 1 thereafter, and interest payable on March 1 and September 1 of each year at rates of 4.125% to 4.70%. Final maturity is September 1, 2031.

Illinois Medical District Commission, Series 2006B — original issue $32,500,000, dated January 31, 2006, provides for serial retirement of principal beginning September 1, 2010 and every September 1 thereafter, and interest payable on March 1 and September 1 of each year at rates of 5.14% to 5.33%. Final maturity is September 1, 2031.

Northern Illinois University Foundation, Series 2006 — original issue $9,206,100, dated August 15, 2006, provides for serial retirement of principal beginning February 15, 2007 and every February 15 and August 15 until August 15, 2012 and then every August 15 thereafter, and interest payable February 15 and August 15 of each year at rate of 1.875%. Final maturity is August 15, 2016.

Northern Illinois University Foundation, Series 2013 — principal not to exceed $6,100,000, provides for advances as needed to pay construction costs. Interest is payable February 15 and August 15 of each year commencing August 15, 2013 at the rate of 1.62%. Final maturity is February 15, 2021.

NOTE 10. LONG-TERM OBLIGATIONS (continued)

The following schedule details the changes of all revenue bonds payable as of June 30, 2014:

	Balance June 30, 2013	Additions	(Retirements)	Balance June 30, 2014	Amounts Due within One Year
Illinois Rural Bond Bank					
1992 B Bonds	$ 65,000	$ —	$ (65,000)	$ —	$ —
1993 B Bonds	45,000	—	(45,000)	—	—
1995 A Bonds	45,000	—	(45,000)	—	—
1997 B Bonds	345,000	—	(345,000)	—	—
1998 A Bonds	345,000	—	(345,000)	—	—
1998 B Bonds	900,000	—	(900,000)	—	—
1999 A Bonds	665,000	—	(665,000)	—	—
2000 A Bonds	145,000	—	(145,000)	—	—
2000 B Bonds	420,000	—	(420,000)	—	—
2001 A Bonds	595,000	—	(595,000)	—	—
2001 B Bonds	1,320,000	—	(1,320,000)	—	—
2002 A Bonds	300,000	—	(300,000)	—	—
2003 A Bonds	3,850,000	—	(3,850,000)	—	—
2003 B Bonds	4,325,000	—	(4,325,000)	—	—
2004 A Bonds	1,375,000	—	(1,375,000)	—	—
2006 A Bonds	8,420,000	—	(8,420,000)	—	—
2006 B Bonds	1,595,000	—	(1,595,000)	—	—
2007 A Bonds	5,270,000	—	(5,270,000)	—	—
2007 B Bonds	1,590,000	—	(1,590,000)	—	—
2008 Bonds	1,610,000	—	(1,610,000)	—	—
2009 Bonds	4,015,000	—	(4,015,000)	—	—
Northern Illinois University					
Series 1999	12,415,000	—	(12,415,000)	—	—
Northern Illinois University Foundation					
Series 2006	2,108,875	—	(1,011,064)	1,097,811	622,300
Series 2013	122,000	5,754,315	(776,471)	5,099,844	896,281
Unamortized issuance premium	16,377	—	(16,377)	—	—
Illinois Environmental Protection Agency					
Clean Water Series 2002	46,250,000	—	(46,250,000)	—	—
Clean Water Series 2004	61,520,000	—	(61,520,000)	—	—
Unamortized issuance premium	2,408,581	—	(2,408,581)	—	—
Clean Water Series 2013	—	141,700,000	—	141,700,000	22,550,000
Unamortized issuance premium	—	16,874,821	(2,047,595)	14,827,226	3,769,340
Illinois Medical District Commission					
Series 2006 A	6,840,000	—	(240,000)	6,600,000	245,000
Series 2006 B	31,600,000	—	(600,000)	31,000,000	1,075,000
	$200,520,833	$164,329,136	$(164,525,088)	$200,324,881	$29,157,921

NOTE 10. LONG-TERM OBLIGATIONS (continued)

Revolving Loans

Fire Truck Revolving Loans — The Fire Truck Revolving Loan program was authorized by the Illinois Finance Authority Act (20 ILCS 3501/825-80). The loan program is jointly administered by the Authority and the Office of the State Fire Marshal. The Authority is authorized to grant interest-free or low interest loans for the purchase of fire trucks and brush trucks by fire departments, fire protection districts, or township fire departments based on need as determined by the State Fire Marshal. Under the terms of the program, the loans to any fire department, fire protection district, or township fire department may not exceed $350,000. Repayment period for each loan may not exceed 20 years and requires a minimum of 5% of the principal amount borrowed each year.

Ambulance Revolving Loans — The Ambulance Revolving Loan program was authorized by the Illinois Finance Authority Act (20 ILCS 3501/825-85). The loan program is jointly administered by the Authority and the Office of the State Fire Marshal. The Authority is authorized to grant interest-free or low interest loans for the purchase of ambulances by fire departments, fire protection districts, township fire departments, or a non-profit ambulance services based on need as determined by the State Fire Marshal. Under the terms of the program, the loans to any fire department, fire protection district, or non-profit ambulance service may not exceed $100,000. Repayment period for each loan may not exceed 10 years and requires a minimum of 5% of the principal amount borrowed each year.

In April 2014 the Authority and the Office of the State Fire Marshal entered into an intergovernmental agreement to jointly administer the Fire Truck, Fire Station, and Ambulance Revolving Loan programs. Shortly after the adoption of this intergovernmental agreement, the Office of the State Fire Marshal paid all moneys on deposit in these funds to the Authority for the sole purpose of funding loans under the loan programs as required by the Illinois Finance Authority Act. In addition, all moneys deposited in the future will be paid to the Authority to provide future funding for loans. In FY2014, in regards to these previous deposits, the State of Illinois transferred capital of $4,507,453 and $3,770,096 for the Fire Truck and Ambulance programs, respectively.

In addition, per the implementation of Public Act 97-0901, the Authority, for financial reporting purposes only, eliminated the $17,052,813 and $415,920 balances due to the primary government within the Authority’s funds. As the principal and interest amounts collected from the local governments and non-profit entities will ultimately be retained by the Authority, the Authority no longer possess a present obligation to sacrifice the resources represented by the loans and interest receivable from the local governments and non-profit entities to the State.

Intermediary Relending Program — The predecessor authorities (see Note 1) entered into loan agreements, now a liability of the Authority, with the U.S. Department of Agriculture’s Rural Development Administration (formerly Farmers Home Administration), a federal agency, on December 14, 1990, for funding of the Intermediary Relending Program (IRP). The funding was negotiated through a line of credit in the amount of $1,500,000.

The loan payable is collateralized by the existing outstanding and future loans receivable of the IRP, by cash and investments recorded in the Rural Development Revolving Loan Fund were derived from the proceeds of this loan award.

Principal and interest on the December 14, 1990, loan, at the fixed rate of 1% per annum, are being paid in 27 equal annual amortized installments of $63,675, with any remaining balance due and payable 30 years from the date of the note.

Changes in loan payables for the Rural Development Revolving Loan are summarized below:

	Balance June 30, 2013	Repayments	Balance June 30, 2014	Due Within One Year
Rural Development Revolving Loan	$487,273	$58,803	$428,470	$59,390

NOTE 10. LONG-TERM OBLIGATIONS (continued)

Principal and interest payments for the loans due at June 30, 2014, are as follows:

	Principal	Interest	Total
Year ending June 30:			
2015	$ 59,390	$ 4,285	$ 63,675
2016	59,984	3,691	63,675
2017	60,584	3,091	63,675
2018	61,190	2,485	63,675
2019	61,802	1,873	63,675
2020-2021	125,520	1,887	127,407
	$428,470	$17,312	$445,782

NOTE 11. REFUNDING AND EXTINGUISHMENT OF DEBT

Defeasance of Revenue Bonds

On December 5, 2013, the Authority issued $141,700,000 in revenue bonds. A portion of the proceeds were used to advance refund $41,850,000 of outstanding Series 2002 Clean Water Bonds and $57,270,000 of outstanding Series 2004 Clean Water Bonds. As a result, the Series 2002 and 2004 bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position because related assets have been placed in an irrevocable trust that, together with interest earned, will provide amounts sufficient for payment of all principal and interest.

The advance refunding resulted in a difference between reacquisition price and the net carrying amount of the old debt of $971,773. The unamortized difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through Fiscal Year 2023 using the stated-interest method. The Authority completed the advance refunding to reduce its total debt service payments over the next 10 years by $8,420,905 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of $8,097,508.

On June 30, 2014, the Authority deposited $34,932,649 in an irrevocable trust to defease all outstanding Rural Bond Bank Revenue Bonds in the par value of $32,355,000. As a result, the Rural Bond Bank Revenue Bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position because related assets have been placed in an irrevocable trust that, together with interest earned, will provide amounts sufficient for payment of all principal and interest.

The extinguishment of debt resulted in a difference between reacquisition price and the net carrying amount of the old debt of $1,912,955. The difference, reported in accompanying Statement of Revenues, Expenses and Changes in Net Position is being charged to operations in fiscal year 2014 since new debt was not issued to defease these bonds. As a result of the defeasance, the Authority achieved cash flow savings of $9,798,123 and an economic gain of $7,119,697.

NOTE 11. REFUNDING AND EXTINGUISHMENT OF DEBT (continued)

Defeased bonds at June 30, 2014, are as follows:

	Amount Defeased	Amount Outstanding
Illinois Rural Bond Bank:		
1992 B Bonds	$ 55,000	$ 55,000
1998 A Bonds	300,000	300,000
1998 B Bonds	780,000	780,000
1999 A Bonds	605,000	605,000
2000 A Bonds	60,000	60,000
2000 B Bonds	380,000	380,000
2001 B Bonds	1,230,000	1,230,000
2002 A Bonds	275,000	275,000
2003 A Bonds	3,570,000	3,570,000
2003 B Bonds	3,730,000	3,730,000
2004 A Bonds	225,000	225,000
2006 A Bonds	7,800,000	7,800,000
2006 B Bonds	1,530,000	1,530,000
2007 A Bonds	5,040,000	5,040,000
2007 B Bonds	1,370,000	1,370,000
2008 A Bonds	1,560,000	1,560,000
2009 A Bonds	3,845,000	3,845,000
	32,355,000	32,355,000
Illinois Environmental Protection Agency:		
Clean Water Series 2002	41,850,000	—
Clean Water Series 2004	57,270,000	53,405,000
Total	$131,475,000	$85,760,000

NOTE 12. LEASE COMMITMENTS

Operating Leases

Total rent expense for all four Illinois Finance Authority locations for the year ended June 30, 2014 was $249,704.

BPFRU, LLC/Prudential Plaza — The Authority is obligated under a long-term operating lease for its Chicago office location. The Authority entered into a lease agreement to lease facilities at 180 North Stetson Avenue, Suite 2555; Chicago, Illinois 60601. The term of the lease is through August 31, 2014. No payments were required under the terms of the lease for the period from June 21, 2004, through June 30, 2006. Annual base rent payments, which began on July 1, 2006, range from approximately $119,000 to $149,000. In accordance with accounting principles generally accepted in the United States of America (GAAP), the total lease payments have been amortized over the term of the lease. Included in rent expense for the year ended June 30, 2014, is $107,349, which represents the current year amortization. Rent expense for the year ended June 30, 2014, is $235,121. See also Note 19 for subsequent events.

DCEO — The Authority entered into an Interagency Agreement with the Illinois Department of Commerce and Economic Opportunity to lease office space in Springfield free of charge, effective July 1, 2013 until June 30, 2016.

NOTE 12. LEASE COMMITMENTS (continued)

The Greater Peoria Business Alliance — The Authority terminated the lease agreement at 100 Southwest Water Street; Peoria, Illinois 61602. The termination is effective February 15, 2014. Total rent expense for June 30, 2014, was $3,458.

One Oaks — The Authority entered into a rental lease agreement for office space at 2929 Broadway, Suite #7B, Mount Vernon; Illinois 62864. The term of the lease expires in June 2019. Annual base rent payments are approximately $11,670.

Equipment Leases — The Authority entered into an equipment lease agreement for two digital copiers for its Chicago and Mt. Vernon offices for 36 months. The term of the lease expires in April 2017. Annual base rental payments are approximately $9,960.

The future minimum lease commitments as of June 30, 2014, are as follows:

Fiscal Year Ending June 30	Amount
2015	$ 46,379
2016	21,576
2017	20,206
2018	12,156
2019	12,408
	$112,725

Letter of Credit

The lease at Two Prudential Plaza requires a letter of credit of $85,000 as a security deposit. As of June 30, 2014, no amounts have been drawn against this letter of credit.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Debt Service Reserve

The Authority is contingently liable for any claims (maximum of amount held in the Debt Service Reserve in the non-major Credit Enhancement Fund) submitted by the respective Bond Trustees of the predecessor Illinois Development Finance Authority if the company liable under the bond indenture were to default on repayment of the bond. At June 30, 2014, restricted demand deposits totaling $600,000 were held in the Credit Enhancement Fund for this purpose.

Federally Assisted Programs

The Authority participates in the following federally assisted programs:

E.D.A. Title IX–Restricted Revolving Loan Program — The Authority discontinued the E.D.A. Title IX Revolving Loan Program due to the lack of activity in the program and returned the funds to Department of Commerce and Economic Opportunity. There is one loan remaining in this fund, for which the Authority has sought approval from the Attorney General to write off the balance.

FmHA–Intermediary Relending Program — Demand deposits of $1,094,228 are held in the Rural Development Revolving Loan Fund, and are restricted due to FmHA-Intermediary Relending Program requirements. In addition, included in restricted assets is $213,423 in net loans receivable which secure the loans of the intermediary relending program.

Department of Energy — Revolving Loan Fund (ARRA) — The Authority received a grant from the Department of Commerce and Economic Opportunity (DCEO) to be used as revolving loan fund to

NOTE 13. COMMITMENTS AND CONTINGENCIES (continued)

finance energy efficiency and renewable energy projects throughout the State. The Illinois Energy Fund was established within the Authority to administer this grant program. In April 2014, the Authority returned the funds to Department of Commerce and Economic Opportunity due to the lack of activity in the grant program.

Loan Guarantees

The Authority has a contingent liability regarding the loan guarantees outstanding at June 30, 2014. When a guaranteed loan defaults, the Authority is responsible for 85% of the liability, with the participating lender being responsible for the remaining 15%. Any guarantee that must be paid out by the State of Illinois, because of a claim properly filed by a bank that has a guaranteed loan that has defaulted, becomes a receivable on the books of the Authority. The State Treasurer maintains the cash and cash equivalents of the Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer Agribusiness Loan Guarantee Fund which are restricted by enabling legislation to secure the state guarantees. The Authority must first liquidate the loan collateral, and then absorb any loss due to uncollectible amounts. Any recoveries on the defaulted loan are first used to repay the Authority's guarantee and then used to repay the lender. These future liabilities, if any, cannot be estimated.

According to the certifications received by the Authority from lenders, the maximum guarantees outstanding and the corresponding cash deposits used to secure the liabilities are as follows:

	Balance at June 30, 2014		
	Illinois Agricultural Loan Guarantee Fund	Illinois Farmer Agribusiness Loan Guarantee Fund	Total
Cash Deposits	$10,110,724	$7,808,405	$17,919,129
Maximum Outstanding Guarantees:			
State Guarantee Program for Restructuring Agricultural Debt	$ 9,243,360	$ —	$ 9,243,360
Specialized Livestock Loan Guarantee Program	—	2,763,756	2,763,756
Young Farmer Loan Guarantee Program	—	1,047,929	1,047,929
Farmer and Agri-Business Loan Guarantee Program	—	5,108,251	5,108,251
Farm Purchase	—	917,680	917,680
Total	$ 9,243,360	$9,837,616	$19,080,976

In addition to the loan guarantee funds held by the State Treasury, the Illinois Finance Authority Act (20 ILCS 3501/805-20(j)) authorizes the Authority to make payments on State guarantees from the Industrial Revenue Insurance Fund. This fund has a cash and investments totaling $11,649,616 at June 30, 2014.

NOTE 14. RISK FINANCING ACTIVITIES

The Authority addresses the possibility of loss due to certain business related operations such as theft, asset damage, employee injuries or natural disasters through the purchase of commercial insurance coverage. The Authority's coverage under its current risk management policy has not experienced any significant changes nor has the impact of any settlements exceeded coverage over the past three years.

The Authority maintains reserves in its General Operating Fund to appropriately handle any associated financial obligations that may occur due to the above mentioned risks.

NOTE 15. DEFINED CONTRIBUTION PLAN

The Authority's Board of Directors approved the Illinois Finance Authority Deferred Compensation Plan (Plan). The Authority's Board of Directors has the power to amend the Plan. The Plan is administered through the State of Illinois, Department of Central Management Services and the Plan is considered a defined contribution plan. This plan allows participants to invest a portion of their salary in a choice of investment programs. Federal and State income taxes are deferred on the total amount through the plan as well as on investment earnings. However, the total contributions are subject to FICA taxes. The program provides a tax sheltered retirement account. The employee may begin participating in the Deferred Compensation Plan after 30 days of employment have been completed.

The maximum contributions through the year 2014 are:

YEAR	MAXIMUM CONTRIBUTION	AGE 50 CATCH UP
2014	$17,500	$23,000

The contribution schedule requires the Authority to match $2 for every $1 deferred by an eligible employee up to a maximum of 5% of an employee's salary. In order to participate in this plan an employee must contribute a minimum of 1% of their salary.

Total employer and employee contributions for Fiscal Year 2014 were $93,721 and $95,448, respectively.

NOTE 16. TRANSACTIONS WITH THE PRIMARY GOVERNMENT

The Authority is principally engaged in issuing taxable and tax-exempt bonds, making loans, and investing capital for businesses, non-profit corporations, local government units, and primary government, including component units, of the State of Illinois. This includes moral obligation bonds which were inherited from the predecessor Illinois Development Finance Authority used to finance a primary government project. The Authority also administers certain programs for the State.

Due to primary government (OAG) — The State of Illinois, Office of the Auditor General engaged an external audit firm to perform an audit of the Illinois Finance Authority's basic financial statements. The General Operating Fund of the Authority is indebted with the State of Illinois, Office of the Auditor General in the amount of $42,500 for audit related fees.

Due to primary government (IEPA) — Included in the Other State of Illinois Debt Fund are monies held are for new loans under the revolving loan program administered by the State of Illinois, Environmental Protection Agency. Total amount held as of June 30, 2014, is $54,343,893.

NOTE 17. RESTATEMENT DUE TO IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

For Fiscal Year 2014, the Authority made several prior period adjustments, due to the adoption of GASB Statement No. 65, which require the restatement of net position July 1, 2013. With the adoption of GASB Statement No. 65, the Authority is reporting the unamortized loss on bond refunding as a deferred outflow, bond issuance costs are expensed and no longer amortized annually, and deferred revenues attributed to bond issuances are recognized in the period earned and no longer amortized annually.

The results include a net increase in Net Position in the General Operating Fund of $98,716 and a decrease in Net Position in the Bond Fund of $67,656, as detailed below:

General Operating Fund	Amount
Net Position, June 30, 2013, as previously reported	$49,311,668
Reclassification of bond issuance costs	(203,545)
Reclassification of unearned revenue	302,261
Net Position, July 1, 2013, as restated	$49,410,384

Bond Fund	Amount
Net Position, June 30, 2013, as previously reported	$2,041,762
Reclassification of bond issuance costs	(67,656)
Net Position, July 1, 2013, as restated	$1,974,106

NOTE 18. CHANGE IN PRESENTATION

Beginning in Fiscal Year 2014, the Authority is presenting activity for the Illinois Rural Bond Bank Program (and other Authority bond debt) and the debt-related transactions for other State of Illinois component units as two separate major funds. In prior years, these programs were aggregated under the Bond Fund. Please see the comparison below between the previous and current presentations.

	2013, AS RESTATED			2014		
	BOND FUND	OTHER STATE OF ILLINOIS DEBT FUND	TOTAL	BOND FUND	OTHER STATE OF ILLINOIS DEBT FUND	TOTAL
Operating revenes	$1,553,648	$ 6,300,059	$ 7,853,707	$ 1,349,367	$ 4,467,414	$ 5,816,781
Operating expenses	1,945,174	8,033,631	9,978,805	3,850,980	6,240,126	10,091,106
Operating (loss)	(391,526)	(1,733,572)	(2,125,098)	(2,501,613)	(1,772,712)	(4,274,325)
Nonoperating revenues(expenses)	477,520	1,733,572	2,211,092	270,162	1,772,712	2,042,874
Total transfers	—	—	—	257,345	—	257,345
Change in net position	85,994	—	85,994	(1,974,106)	—	(1,974,106)
Beginning net position, as restated	1,955,768	—	1,955,768	1,974,106	—	1,974,106
Ending net position	$2,041,762	$ —	$ 2,041,762	$ —	$ —	$ —

NOTE 19. SUBSEQUENT EVENTS

The Authority terminated its Chicago office lease at Prudential Plaza on August 31, 2014, and entered into an intergovernmental agreement with the Illinois Commerce Commission, for temporary office space, on August 28, 2014. The agreement includes space located at 160 N. LaSalle Street, Suite C-800 in Chicago, Illinois 60601, the Michael A. Bilandic Building (a State-owned facility). The Authority will reside in these accommodations until permanent space within the Bilandic Building or another State-owned facility is secured.

Upon defeasance of all the outstanding Illinois Rural Bond Bank Bonds on June 30, 2014 (and effective as of August 1, 2014), the Authority will become the bondholder of 87 Local Government bond issues (with the 87 local bonds becoming, effectively, direct loans funded by the Authority). As a result of this defeasance, the contingent State of Illinois Moral Obligation Pledge will no longer represent a contingent liability of the State of Illinois.

In September 2014, the Illinois Finance Authority Development Fund NFP closed a $4.95 million subordinated loan, as a conduit pass-through (i.e., intermediary re-lender), from a loan capitalized by a New Markets Tax Credit allocation.

In October 2014, the Illinois Finance Authority Development Fund NFP submitted an application for an allocation of New Markets Tax Credits (NMTC). The U.S. Department of the Treasury, Community Development Financial Institutions Fund reports that it will announce allocations for the October 2014 NMTC application round in the spring of 2015.

At its December 9, 2014, regularly-scheduled meeting, the Board of Directors of the Illinois Finance Authority ("Authority") considered the following agenda item, "Resolution Authorizing the Executive Director to Waive any Event of Default with Respect to $4,090,000 Original Aggregate Principal Amount of General Obligation Waterworks and Sewerage Revenue Bonds Issued by the Village of Thomson, Carroll County, Illinois, in 2000 and Owned by the Authority and Related Matters". Due to the defeasance of all Illinois Rural Bond Bank Bond issues, the Village of Thomson ("Village") Bond is currently an Authority-owned asset; effectively, an Authority-owned loan ("Thomson Bond"). Since the original issuance of the Thomson Bond in 2000 as part of a pooled issuance through the Illinois Rural Bond Bank ($5,145,000 Illinois Rural Bond Bank, Bond Bank Revenue Bonds, Series 2000-A, pages C-8 through C-10, issued on or about June 27, 2000) and subsequently refunded through the Illinois Finance Authority in 2006 as part of a pooled issuance ($11,505,000 Illinois Finance Authority, Bond Bank Revenue Bonds, Series 2006-A, pages B-25 through B-27, C-10), the Village had relied on a "State Share Payment," paid by the State of Illinois Department of Corrections, presently approximately 67% of the principal and interest owed by the Village, of Thomson on the Thomson Bond. It is the Authority's understanding that the Village issued the Thomson bond for the purpose of using those bond proceeds to finance waterworks and sewerage facilities primarily to support a State prison sited in and around the Village, as well as other uses. Following the sale of the State prison to the federal government in 2012 and the federal government's subsequent inability to bring the prison to full utilization in a timely manner, State of Illinois, Department of Central Management Services voluntarily made "State Share Payments" (or reimbursements for such payments) on the Thomson Bond. In December 2014, it became apparent that the "State Share Payment" would not be forthcoming from the State for the February 1, 2015, payment owed by the Village on the Thomson Bond. Following a discussion among the Authority board members, the Authority staff was directed to prepare a forbearance agreement as to payments owed by the Village to the Authority on the Thomson bond as well as a waiver agreement on covenants in that bond which would be in effect until June 30, 2015. The Authority adopted a resolution to this effect and as authorized by this resolution, the Authority anticipates that such a forbearance and waiver agreement will be drafted and executed by the Authority and the Village in the coming weeks. It is further anticipated that the total principal and interest payment due to the Authority on February 1, 2015, in the amount of $249,539 (including the State Share Payment), will not be paid by the Village to the Authority until after June 30, 2015. The Authority's rationale is to allow time for the Governor-Elect and any future Authority leadership to understand the legacy situation with respect to the Thomson Bond and to develop a response to this situation.

ILLINOIS FINANCE AUTHORITY

NONMAJOR ENTERPRISE FUNDS

Combining Statement of Net Position
Combining Statement of Revenues, Expenses and Changes in Net Position
Combining Statement of Cash Flows

Nonmajor Funds:

Industrial Revenue Bond Insurance Fund
Credit Enhancement Fund
Illinois Agricultural Loan Guarantee Fund
Illinois Farmer Agribusiness Loan Guarantee Fund
IRBB Special Reserve Fund
Rural Development Revolving Loan Fund
Illinois Housing Partnership Program Fund
Renewable Energy Development Fund

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

Combining Statement of Net Position — Nonmajor Funds
For the Year Ended June 30, 2014

	INDUSTRIAL REVENUE BOND INSURANCE FUND	CREDIT ENHANCEMENT FUND	ILLINOIS AGRICULTURAL LOAN GUARANTEE FUND	ILLINOIS FARMER AGRIBUSINESS LOAN GUARANTEE FUND
ASSETS				
Current assets:				
Current unrestricted assets:				
Cash and cash equivalents	$ 1,145,157	$ —	$ —	$ —
Investments	2,994,396	—	—	—
Loans receivables, net	—	—	—	—
Accrued interest receivable	46,165	—	—	—
Due from other funds	—	—	—	—
Due from other local government agencies	—	—	—	—
Total current unrestricted assets	4,185,718	—	—	—
Current restricted assets:				
Cash and cash equivalents	—	—	—	—
Investments	—	—	—	—
Securities lending collateral equity with the State Treasurer	—	—	5,123,000	3,956,000
Accrued interest receivable	—	—	—	—
Loans receivables, net	—	—	—	—
Total current restricted assets	—	—	5,123,000	3,956,000
Total current assets	4,185,718	—	5,123,000	3,956,000
Noncurrent assets:				
Noncurrent unrestricted assets:				
Investments	7,510,063	—	—	—
Loans receivables, net	—	—	—	—
Total noncurrent unrestricted assets	7,510,063	—	—	—
Noncurrent restricted assets:				
Cash and cash equivalents	—	600,000	10,110,724	7,808,405
Investments	—	—	—	—
Accrued interest receivable	—	—	4,000	3,000
Loans receivables, net	—	—	—	—
Total noncurrent restricted assets	—	600,000	10,114,724	7,811,405
Total noncurrent assets	7,510,063	600,000	10,114,724	7,811,405
Total assets	11,695,781	600,000	15,237,724	11,767,405
DEFERRED OUTFLOWS OF RESOURCES				
Net loss on debt refundings	—	—	—	—
Total deferred outflows of resources	—	—	—	—
Total assets and deferred outflows of resources	11,695,781	600,000	15,237,724	11,767,405
LIABILITIES				
Current liabilities:				
Payable from unrestricted current assets:				
Due to other funds	—	—	—	—
Total current liabilities payable from unrestricted current assets	—	—	—	—
Payable from restricted current assets:				
Obligation under securities lending of the State Treasurer	—	—	5,123,000	3,956,000
Accrued interest payable	—	—	—	—
Current portion of long term debt	—	—	—	—
Total current liabilities payable from restricted current assets	—	—	5,123,000	3,956,000
Total current liabilities	—	—	5,123,000	3,956,000
Noncurrent liabilities:				
Payable from restricted noncurrent assets:				
Noncurrent portion of long term debt	—	—	—	—
Total noncurrent liabilities payable from restricted noncurrent assets	—	—	—	—
Total noncurrent liabilities	—	—	—	—
Total liabilities	—	—	5,123,000	3,956,000
NET POSITION				
Restricted for:				
Agricultural and rural development loans	—	—	10,114,724	7,811,405
Renewable energy development	—	—	—	—
Credit enhancement	—	600,000	—	—
Unrestricted	11,695,781	—	—	—
Total net position	$11,695,781	$600,000	$10,114,724	$ 7,811,405

IRBB SPECIAL RESERVE FUND	RURAL DEVELOPMENT REVOLVING LOAN FUND	ILLINOIS HOUSING PARTNERSHIP PROGRAM FUND	RENEWABLE ENERGY DEVELOPMENT FUND	TOTAL NONMAJOR FUNDS
$115,744	$ —	$ 17,546	$ —	$ 1,278,447
	—	813,975	—	3,808,371
31,689	—	—	—	31,689
770	—	9,303	—	56,238
19,126	—	—	—	19,126
—	—	3,000,000	—	3,000,000
167,329	—	3,840,824	—	8,193,871
—	1,904,228	—	75,860	1,980,088
—	—	—	336,438	336,438
—	—	—	—	9,079,000
—	3,925	—	4,500	8,425
—	19,752	—	94,337	114,089
—	1,927,905	—	511,135	11,518,040
167,329	1,927,905	3,840,824	511,135	19,711,911
—	—	992,750	—	8,502,813
125,999	—	—	—	125,999
125,999	—	992,750	—	8,628,812
—	—	—	—	18,519,129
—	—	—	405,242	405,242
—	—	—	—	7,000
—	193,671	—	1,302,261	1,495,932
—	193,671	—	1,707,503	20,427,303
125,999	193,671	992,750	1,707,503	29,056,115
293,328	2,121,576	4,833,574	2,218,638	48,768,026
—	—	—	—	—
—	—	—	—	—
293,328	2,121,576	4,833,574	2,218,638	48,768,026
—	6,667	—	10,736	17,403
—	6,667	—	10,736	17,403
—	—	—	—	9,079,000
—	2,435	—	—	2,435
—	59,390	—	—	59,390
—	61,825	—	—	9,140,825
—	68,492	—	10,736	9,158,228
—	369,080	—	—	369,080
—	369,080	—	—	369,080
—	369,080	—	—	369,080
—	437,572	—	10,736	9,527,308
—	1,684,004	—	—	19,610,133
—	—	—	2,207,902	2,207,902
—	—	—	—	600,000
293,328	—	4,833,574	—	16,822,683
$293,328	$1,684,004	$4,833,574	$2,207,902	$39,240,718

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

Combining Statement of Revenues, Expenses and Changes in Net Position — Nonmajor Funds
For the Year Ended June 30, 2014

	INDUSTRIAL REVENUE BOND INSURANCE FUND	CREDIT ENHANCEMENT FUND	ILLINOIS AGRICULTURAL LOAN GUARANTEE FUND	ILLINOIS FARMER AGRIBUSINESS LOAN GUARANTEE FUND
Operating revenues:				
Interest income — loans	$ —	$ —	$ —	$ —
Miscellaneous fees	—	—	—	—
Total operating revenue	—	—	—	—
Operating expenses:				
Professional services	1,091	—	—	—
Interest expense	—	—	—	—
Total operating expenses	1,091	—	—	—
Operating income (loss)	(1,091)	—	—	—
Nonoperating revenues (expenses):				
Interest and investment income	23,784	250	42,340	31,927
Other	—	—	—	—
Total nonoperating revenues (expenses)	23,784	250	42,340	31,927
Net income before transfers	22,693	250	42,340	31,927
Transfers:				
Transfers out to other funds	—	—	—	—
Total transfers in (out)	—	—	—	—
Change in net position	22,693	250	42,340	31,927
Net position — beginning of year, as restated (See Note 17)	11,673,088	599,750	10,072,384	7,779,478
Net position — end of year	$11,695,781	$600,000	$10,114,724	$7,811,405

IRBB SPECIAL RESERVE FUND	RURAL DEVELOPMENT REVOLVING LOAN FUND	ILLINOIS HOUSING PARTNERSHIP PROGRAM FUND	RENEWABLE ENERGY DEVELOPMENT FUND	TOTAL NONMAJOR FUNDS
$ 9,557	$ 13,333	$ —	$ 28,937	$ 51,827
—	107	—	—	107
9,557	13,440	—	28,937	51,934
177	6,667	214	29,927	38,076
—	4,418	—	—	4,418
177	11,085	214	29,927	42,494
9,380	2,355	(214)	(990)	9,440
392	202	2,583	992	102,470
—	1,146	—	—	1,146
392	1,348	2,583	992	103,616
9,772	3,703	2,369	2	113,056
(2,640,948)	—	—	—	(2,640,948)
(2,640,948)	—	—	—	(2,640,948)
(2,631,176)	3,703	2,369	2	(2,527,892)
2,924,504	1,680,301	4,831,205	2,207,900	41,768,610
$ 293,328	$1,684,004	$4,833,574	$2,207,902	$39,240,718

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

Combining Statement of Cash Flows — Nonmajor Funds
For the Year Ended June 30, 2014

	INDUSTRIAL REVENUE BOND INSURANCE FUND	CREDIT ENHANCEMENT FUND	ILLINOIS AGRICULTURAL LOAN GUARANTEE FUND	ILLINOIS FARMER AGRIBUSINESS LOAN GUARANTEE FUND
Cash flows from operating activities:				
Cash received for fees and other	$ —	$ —	$ —	$ —
Cash payments to suppliers for goods and services	(1,091)	—	—	—
Net cash used in operating activities	(1,091)	—	—	—
Cash flows from noncapital financing activities:				
Bonds and notes principal payments	—	—	—	—
Interest payments	—	—	—	—
Due from other funds	—	—	—	—
Due to other funds	—	—	—	—
Transfers to other funds	—	—	—	—
Net cash provided by (used in) noncapital financing activities	—	—	—	—
Cash flows from investing activities:				
Purchase of investments	(13,181,812)	—	—	—
Sales and maturities of investments	2,622,002	—	—	—
Cash received on loan receivables and guarantees	—	—	—	—
Cash received for interest on loans	—	—	—	—
Interest and dividends on investments	32,970	250	41,340	31,927
Net cash provided by (used in) investing activities	(10,526,840)	250	41,340	31,927
Net increase (decrease) in cash and cash equivalents	(10,527,931)	250	41,340	31,927
Cash and cash equivalents — beginning of year	11,673,088	599,750	10,069,384	7,776,478
Cash and cash equivalents — end of year	1,145,157	600,000	10,110,724	7,808,405
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(1,091)	—	—	—
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Interest on loans	—	—	—	—
Interest expense	—	—	—	—
Net cash used in operating activities	$ (1,091)	$ —	$ —	$ —

IRBB SPECIAL RESERVE FUND	RURAL DEVELOPMENT REVOLVING LOAN FUND	ILLINOIS HOUSING PARTNERSHIP PROGRAM FUND	RENEWABLE ENERGY DEVELOPMENT FUND	TOTAL NONMAJOR FUNDS
$ —	$ 107	$ —	$ —	$ 107
(177)	(6,667)	(214)	(29,927)	(38,076)
(177)	(6,560)	(214)	(29,927)	(37,969)
—	(58,802)	—	—	(58,802)
—	(4,872)	—	—	(4,872)
(40,864)	(7,668)	—	(19,098)	(67,630)
37,005	6,667	—	29,835	73,507
(2,640,948)	—	—	—	(2,640,948)
(2,644,807)	(64,675)	—	10,737	(2,698,745)
(3,865,058)	—	(2,691,936)	(1,143,344)	(20,882,150)
3,844,847	—	872,487	396,200	7,735,536
30,362	19,095	—	92,471	141,928
10,502	13,532	—	29,041	53,075
20,602	199	6,004	2,032	135,324
41,255	32,826	(1,813,445)	(623,600)	(12,816,287)
(2,603,729)	(38,409)	(1,813,659)	(642,790)	(15,553,001)
2,719,473	1,942,637	1,831,205	718,650	37,330,665
115,744	1,904,228	17,546	75,860	21,777,664
9,380	2,355	(214)	(990)	9,440
(9,557)	(13,333)	—	(28,937)	(51,827)
—	4,418	—	—	4,418
$ (177)	$ (6,560)	$ (214)	$ (29,927)	$ (37,969)

FIDUCIARY FUNDS

Metro East Police District Commission

Statement of Changes in Assets and Liabilities — Agency Fund

Metro East Police District Commission Fund — In 2014, in accordance with Public Act 97-971, the Authority established the Metro East Police District Commission Fund, a fiduciary agency fund of the Authority. All moneys received by the Metro Police District Commission shall be deposited into the Fund. The Authority and the Metro East Police District Commission entered into an Intergovernmental Agreement to use the moneys deposited into the fund solely for the purposes set forth in the Act.

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

Statement of Changes in Assets and Liabilities — Agency Fund
June 30, 2014

	Metro East Police District Commission Fund
Assets	
Cash and cash equivalents	
July 1, 2013	$ —
Additions	56,434
Deductions	14,813
Total Cash and cash equivalents	
June 30, 2014	$41,621
Total Assets	
July 1, 2013	$ —
Additions	56,434
Deductions	14,813
Total Assets	
June 30, 2014	$41,621
Liabilities	
Other Liabilities	
July 1, 2013	$ —
Additions	56,434
Deductions	14,813
Total Other Liabilities	
June 30, 2014	$41,621
Total Liabilities	
July 1, 2013	$ —
Additions	56,434
Deductions	14,813
Total Liabilities	
June 30, 2014	$41,621

III. STATISTICAL SECTION-UNAUDITED

This section of the Authority's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and other supplementary information reveal about the Illinois Finance Authority's overall financial position.

Financial Trends — These schedules contain trend information to help the reader understand how the Authority's financial performance has changed over time.

Debt Capacity — These schedules contain information to help the reader assess the Authority's major revenue sources and authorized debt limits.

Demographic and Economic Information — These schedules offer demographic and economic indicators to help the reader understand the environment within the Authority's financial activities take place.

Operating Information — These schedules contain service and program data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

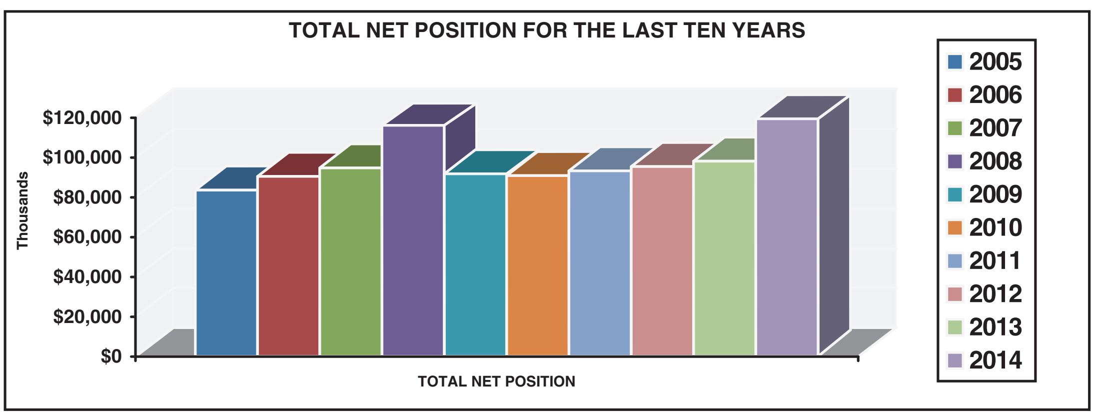
ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

COMPONENTS OF NET POSITION
FOR THE LAST TEN YEARS

	2005	2006	2007	2008
Net Investment in Capital Assets	$ 71,199	$ 149,670	$ 260,507	$ 159,000
Restricted	28,339,593	33,631,118	34,706,934	50,264,201
Restricted for Enabling Legislation	—	—	—	—
Restricted for Externally imposed by creditors and grantors	—	—	—	—
Restricted for Public safety loans	—	—	—	—
Restricted for Agricultural and rural development loans	—	—	—	—
Restricted for Renewable energy development	—	—	—	—
Restricted for Credit enhancement	—	—	—	—
Unrestricted	52,675,336	54,269,094	57,071,790	62,394,292
TOTAL NET POSITION	$81,086,128	$88,049,882	$92,039,231	$112,817,493

Note: Certain items in the FY2013 financial statements were restated to reflect the effects of GASB Statement No. 65 adopted in FY2014.

Source: 2005 thru 2014 Illinois Finance Authority audited financial statements.



2009	2010	2011	2012	2013	2014
$ 98,684	$ 48,721	$ 113,080	$ 108,333	$ 116,621	$ 119,372
24,182,918	24,477,553	24,736,007	25,889,664	—	—
—	—	—	—	17,851,862	—
—	—	—	—	8,871,213	—
—	—	—	—	—	25,806,282
—	—	—	—	—	19,610,132
—	—	—	—	—	2,207,902
—	—	—	—	—	600,000
64,791,366	63,715,357	66,135,067	67,021,321	68,654,904	68,602,868
$89,072,968	$88,241,631	$90,984,154	$93,019,318	$95,494,600	$116,946,556

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

CHANGES IN NET POSITION
FOR THE LAST TEN YEARS

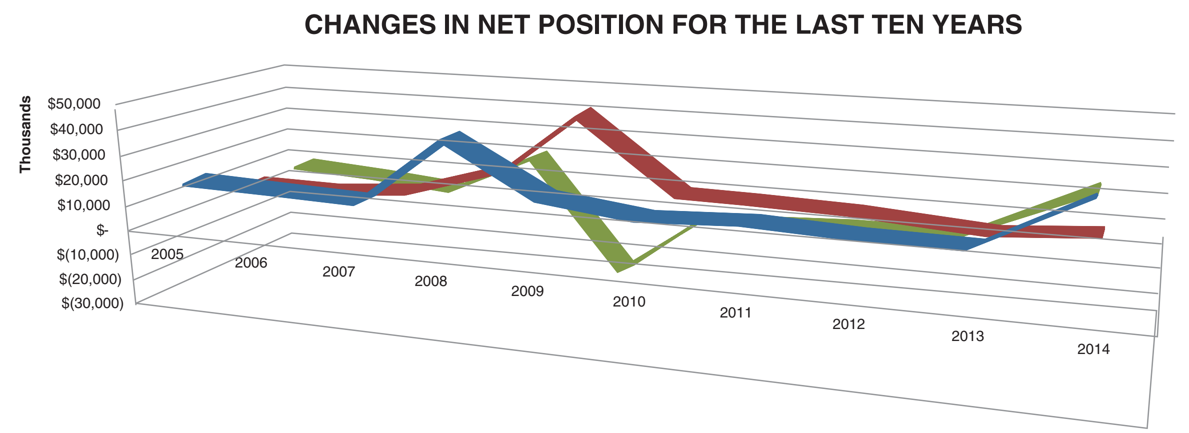
	2005	2006	2007	2008
Operating Revenues:				
Closing Fees	$ 4,977,492	$ 4,370,470	$ 6,632,365	$ 7,140,725
Annual Fees	1,747,670	1,299,441	1,154,011	1,128,340
Application Fees	80,330	104,670	273,400	159,525
Miscellaneous Fees	209,123	75,182	9,197	42,974
Interest Income-Loans	3,084,364	3,591,255	3,666,594	10,121,129
Total Operating Revenue:	$10,098,979	$ 9,441,018	$11,735,567	$ 18,592,693
Operating Expenses:				
Employee Related Expense	$ 3,169,979	$ 3,030,627	$ 3,638,102	$ 3,444,591
Professional Services	1,173,012	1,782,438	2,642,074	1,837,280
Occupancy Costs	435,125	416,751	467,917	452,473
General & Administrative	485,295	360,577	410,676	410,772
Interest expense	3,089,751	3,088,416	2,767,195	15,401,759
Loss on bond refundings	—	—	—	—
Depreciation and Amortization	18,426	33,910	54,739	76,974
Total Operating Expense	$ 8,371,588	$ 8,712,719	$ 9,980,703	$ 21,623,849
Operating Income(Loss)	$ 1,727,391	$ 728,299	$ 1,754,864	$ (3,031,156)
Nonoperating Revenues (Expenses):				
Permanent capital transfers	$ —	$ —	$ —	$ —
Transfer of funds and interest in program to the State of Illinois	—	—	—	—
Transfer of funds and interest in program from the State of Illinois	—	—	—	—
Grant Income	—	—	—	2,000,000
State of Illinois Appropriations	6,227,472	3,800,000	—	13,000,000
Interest and Investment Income	1,042,899	2,680,438	2,971,685	8,888,435
Miscellaneous Nonoperating Revenues (Expenses)	(260,993)	(244,983)	(737,200)	(79,017)
Total Nonoperating Revenues (Expenses)	$ 7,009,378	$ 6,235,455	$ 2,234,485	$ 23,809,418
Net Income (Loss) Before Transfers	$ 8,736,769	$ 6,963,754	$ 3,989,349	$ 20,778,262
Transfers:				
Transfers in from other funds	$ 854,972	$ 1,157,511	$ 670,573	$ 4,354,933
Transfers out to other funds	(854,972)	(1,157,511)	(670,573)	(4,354,933)
Total Transfers In (Out)	$ —	$ —	$ —	$ —
Change in Net Position	$ 8,736,769	$ 6,963,754	$ 3,989,349	$ 20,778,262
Net position, beginning of year, as restated	72,349,359	81,086,128	88,049,882	92,039,231
Net position, end of year	$81,086,128	$88,049,882	$92,039,231	$112,817,493

Note 1: Certain items in the FY2013 financial statements were restated to reflect the effects of GASB Statement No. 65 adopted in FY2014.

Note 2: Certain items in the prior year financial statements were reclassified to conform with the FY2014 presentation. These reclassifications had no impact in the total net position as previously reported.

2009	2010	2011	2012	2013	2014
$ 4,885,211	$ 5,031,842	$ 4,736,371	$ 2,765,760	$ 3,850,963	$ 2,756,871
761,197	909,962	636,231	539,430	409,154	432,775
107,200	97,900	68,100	43,150	53,400	46,050
106,147	109,122	100,639	1,652,433	62,908	336,856
10,941,522	9,779,437	8,778,034	9,242,812	8,072,295	5,944,227
$ 16,801,277	$15,928,263	$14,319,375	$14,243,585	$12,448,720	$ 9,516,779
$ 3,275,386	$ 3,161,671	$ 2,079,082	$ 1,790,048	$ 1,789,531	$ 1,711,969
1,284,861	1,295,949	1,376,247	1,447,493	1,349,954	1,657,771
441,252	371,620	345,249	331,014	319,386	316,080
378,313	313,278	325,378	306,628	318,402	325,391
14,457,696	13,486,355	12,318,840	11,057,629	9,921,160	7,820,635
—	—	—	—	—	1,912,955
72,018	49,963	29,446	44,470	48,453	45,807
$ 19,909,526	$18,678,836	$16,474,242	$14,977,282	$13,746,886	$ 13,790,608
$ (3,108,249)	$ (2,750,573)	$ (2,154,867)	$ (733,697)	$ (1,298,166)	$ (4,273,829)
$ —	$ —	$ —	$ (1,000,000)	$ —	$ —
(26,329,923)	—	—	(561,793)	—	(2,341,698)
—	—	—	—	—	25,806,282
—	—	—	1,500,000	841,399	—
—	—	—	—	—	—
6,164,976	2,265,806	5,638,718	520,542	2,523,475	2,208,826
(471,329)	(346,570)	(741,328)	2,310,112	374,795	52,375
$ (20,636,276)	$ 1,919,236	$ 4,897,390	$ 2,768,861	$ 3,739,669	$ 25,725,785
$ (23,744,525)	$ (831,337)	$ 2,742,523	$ 2,035,164	$ 2,441,503	$ 21,451,956
$ 823,010	$ 151,608	$ 1,175,543	$ 190,089	$ 386,774	$ 52,981,205
(823,010)	(151,608)	(1,175,543)	(190,089)	(386,774)	(52,981,205)
$ —	$ —	$ —	$ —	$ —	$ —
$ (23,744,525)	$ (831,337)	$ 2,742,523	$ 2,035,164	$ 2,441,503	$ 21,451,956
112,817,493	89,072,968	88,241,631	90,984,154	93,053,097	95,494,600
$ 89,072,968	$88,241,631	$90,984,154	$93,019,318	$95,494,600	$116,946,556

Source: 2005 thru 2014 Illinois Finance Authority audited financial statements.



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Revenues	17,369,350	15,921,456	14,707,252	42,481,128	22,966,253	18,194,069	19,958,093	18,574,239	16,188,389	37,584,262
Total Expenses	8,632,581	8,957,702	10,717,903	21,702,866	46,710,778	19,025,406	17,215,570	16,539,075	13,746,886	16,132,306
Total Change in Net Position	8,736,769	6,963,754	3,989,349	20,778,262	(23,744,525)	(831,337)	2,742,523	2,035,164	2,441,503	21,451,956

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

TOTAL AUTHORIZED BOND INDEBTEDNESS LIMITS
FOR THE YEAR ENDED JUNE 30, 2014
(Thousands of Dollars)

Statutory Authorization	Statutory Reference(s)	Amount Authorized[1]	Amount Issued[2]	Amount Defeased[2]	Principal Outstanding[1]	Unused Authorization[1]
Illinois Finance Authority Act — General Powers						
Illinois Finance Authority Act — General Authorization	20 ILCS 3501/845-5	$28,150,000	$2,096,000	$ —	$23,596,702	$ 4,553,298
Illinois Finance Authority Act — Moral Obligation	20 ILCS 3501/801-40(w); In addition to any other bonds authorized to be issued under Sections 825-60, 825-65(e), 830-25 and 845-5, the principal amount of Authority bonds outstanding issued under this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS 360/2-6(c), which have been assumed by the Authority, shall not exceed $150,000,000.	150,000	—	32,355	37,600	112,400
Illinois Finance Authority Act — *Additional Debt Limit for Financings outside Illinois*	20 ILCS 3501/801-55(c) and 20 ILCS 3501/845-5(a)	1,000,000	—	—	—	1,000,000
Illinois Finance Authority Act — Other Powers						
Clean Coal Project, Coal Project, Energy Efficiency Project, and Renewable Energy Project — Additional General Authorization	20 ILCS 3501/825-65	3,000,000	—	—	—	3,000,000
Financially Distressed City Assistance Program Revenue Bonds (*Additional Moral Obligation*)	20 ILCS 3501/825-60 *(with cross-references); this is in addition to provision under Sec. 801-40(w)*	50,000	—	3,880	—	50,000
Illinois Power Agency Program Bonds — Additional Specific Bond Issuance Authorization	20 ILCS 3501/825-90	4,000,000	—	—	—	4,000,000
External Statutes under which Illinois Finance Authority is authorized to issue Conduit Revenue Bonds (these are ineligible to use the Moral Obligation Powers under the IFA statute)						
Illinois Environmental Facilities Financing Act — General Authorization (Net of SBA Small Business Guaranteed Bonds Amount)	20 ILCS 3515/9	2,425,000	—	—	203,695	2,221,305
Illinois Environmental Facilities Financing Act — Small Business (SBA Guaranteed Bonds) — Deducted from General Authorization	20 ILCS 3515/9; 20 ILCS 3515/2 and 20 ILCS 3515/3. Notes this amount is deducted from the $2.5B overall limit.	75,000	—	—	—	75,000
Illinois Environmental Facilities Financing Act — Additional Debt Limit for Financings outside Illinois	20 ILCS 3515/7.5 (1)(c)	250,000	—	—	—	250,000
Higher Education Loan Act — General Authorization	110 ILCS 945/10(b)	200,000	—	—	—	200,000
Agricultural Guarantees						
Energy Efficiency — subject to State Guarantees Limits (this is not Moral Obligation)	20 ILCS 3501/825-65 and 20 ILCS 3501/830-25	—	—	—	—	—
Agri Debt Guarantees (Restructuring Existing Debt)	20 ILCS 3501 Sections 830-25 (see also P.A.96-103); 830-30; 830-35; 830-45 and 830-50	160,000	—	—	9,243	150,757
AG Loan Guarantee Program	20 ILCS 3501 Sections 830-25 (see also P.A.96-103); 830-30; 830-35; 830-45 and 830-50	225,000	—	—	9,838	215,162
		$39,685,000	**$2,096,000**	**$36,235**	**$23,857,078**	**$15,827,922**

Notes:
[1]Amounts represent current statutory amounts and/or cumulative totals
[2]Amounts represent current year activity only
Source: Annual Illinois Finance Authority board documents and the Illinois Comptroller's Bonded Indebtedness Report

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)
CHANGES IN MORAL OBLIGATION DEBT OUTSTANDING FOR THE LAST TEN YEARS

Bond Bank Revenue Bonds	Issuer	2005	2006	2007
Bond Bank Revenue, Series 2004	Illinois Finance Authority	$ 2,470,000	$ 2,345,000	$ 2,220,000
Bond Bank Revenue, Series 2006	Illinois Finance Authority	—	11,505,000	13,065,000
Bond Bank Revenue, Series 2007	Illinois Finance Authority	—	—	—
Bond Bank Revenue, Series 2008	Illinois Finance Authority	—	—	—
Bond Bank Revenue, Series 2009	Illinois Finance Authority	—	—	—
Bond Bank Revenue, Series 1990	Illinois Rural Bond Bank	—	—	—
Bond Bank Revenue, Series 1991	Illinois Rural Bond Bank	75,000	10,000	—
Bond Bank Revenue, Series 1992	Illinois Rural Bond Bank	410,000	365,000	315,000
Bond Bank Revenue, Series 1993	Illinois Rural Bond Bank	570,000	485,000	400,000
Bond Bank Revenue, Series 1994	Illinois Rural Bond Bank	830,000	560,000	390,000
Bond Bank Revenue, Series 1995	Illinois Rural Bond Bank	1,880,000	245,000	205,000
Bond Bank Revenue, Series 1996	Illinois Rural Bond Bank	2,885,000	925,000	715,000
Bond Bank Revenue, Series 1997	Illinois Rural Bond Bank	6,635,000	3,450,000	3,100,000
Bond Bank Revenue, Series 1998	Illinois Rural Bond Bank	9,275,000	8,535,000	5,805,000
Bond Bank Revenue, Series 1999	Illinois Rural Bond Bank	4,470,000	3,045,000	2,520,000
Bond Bank Revenue, Series 2000	Illinois Rural Bond Bank	5,330,000	1,660,000	1,490,000
Bond Bank Revenue, Series 2001	Illinois Rural Bond Bank	7,715,000	7,225,000	6,770,000
Bond Bank Revenue, Series 2002	Illinois Rural Bond Bank	985,000	900,000	815,000
Bond Bank Revenue, Series 2003	Illinois Rural Bond Bank	20,210,000	18,840,000	17,540,000
Illinois Medical District Commission	**Issuer**			
Illinois Medical District Commission, Series 2006A	Illinois Finance Authority	—	7,500,000	7,500,000
Illinois Medical District Commission, Series 2006B	Illinois Finance Authority	—	32,500,000	32,500,000
Financially Distressed City Bonds	**Issuer**			
City of East St. Louis, Series 2005	Illinois Finance Authority	—	4,410,000	3,930,000
City of East St. Louis, Series 2010	Illinois Finance Authority	—	—	—
City of East St. Louis, Series 1994	Illinois Development Finance Authority	5,260,000	—	—
City of East St. Louis, Series 2003	Illinois Development Finance Authority	9,515,000	8,640,000	7,710,000
	Total Outstanding Moral Obligation Debt	$78,515,000	$113,145,000	$106,990,000

2008	2009	2010	2011	2012	2013	2014
$ 2,090,000	$ 1,955,000	$ 1,815,000	$ 1,675,000	$ 1,530,000	$ 1,375,000	$ —
12,700,000	12,315,000	11,865,000	11,260,000	10,645,000	10,015,000	—
8,895,000	8,510,000	8,120,000	7,710,000	7,295,000	6,860,000	—
—	1,780,000	1,740,000	1,700,000	1,660,000	1,610,000	—
—	—	4,460,000	4,335,000	4,175,000	4,015,000	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
270,000	235,000	200,000	160,000	75,000	65,000	—
310,000	265,000	215,000	160,000	105,000	45,000	—
155,000	50,000	40,000	—	—	—	—
160,000	115,000	65,000	55,000	50,000	45,000	—
190,000	145,000	100,000	50,000	—	—	—
1,925,000	1,690,000	750,000	645,000	445,000	345,000	—
4,850,000	4,170,000	2,855,000	2,175,000	1,670,000	1,245,000	—
1,960,000	1,375,000	1,280,000	820,000	765,000	665,000	—
1,310,000	1,125,000	920,000	840,000	620,000	565,000	—
6,375,000	5,965,000	5,540,000	2,370,000	2,150,000	1,915,000	—
725,000	630,000	535,000	430,000	325,000	300,000	—
16,225,000	14,960,000	13,885,000	12,515,000	10,620,000	8,175,000	—
7,500,000	7,500,000	7,500,000	7,290,000	7,070,000	6,840,000	6,600,000
32,500,000	32,500,000	32,500,000	32,350,000	32,050,000	31,600,000	31,000,000
3,435,000	2,925,000	2,395,000	1,840,000	1,255,000	645,000	—
—	—	—	1,985,000	1,985,000	1,985,000	—
—	—	—	—	—	—	—
6,735,000	5,720,000	4,660,000	3,565,000	2,430,000	1,250,000	—
$108,310,000	$103,930,000	$101,440,000	$93,930,000	$86,920,000	$79,560,000	$37,600,000

Source: llinois Finance Authority Dept of Finance and the Illinois Office of the Comptroller's Bonded Indebtedness Report

IFA
ILLINOIS FINANCE AUTHORITY

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

SCHEDULE OF OUTSTANDING CONDUIT DEBT
FOR THE LAST FIVE YEARS
(Thousands of Dollars*)

	FY2010		FY2011	
	Principal Outstanding*	Number of Issues Outstanding	Principal Outstanding*	Number of Issues Outstanding
Illinois Finance Authority				
Revenue Bonds	$16,293,798	477	$18,302,805	524
Environmental Bonds	316,440	9	315,148	9
Notes	321,212	4	317,469	4
Recovery Zone Facilities & Midwestern Disaster Area Bonds	—	—	—	—
Distressed City Bonds	2,395	1	3,825	2
BANs	9,185	3	0	0
Leases	3,650	6	4,604	3
Beginner Farmer Bonds	42,184	280	47,342	322
Total Illinois Finance Authority	$16,988,864	780	18,991,193	864
Predecessor Authorities				
Illinois Development Finance Authority				
Total 501(c)3 Not-for-Profit Bonds and Leases	1,448,202	113	1,168,790	100
Total Environmental Bonds	372,065	21	356,895	19
Total Industrial Revenue Bonds	587,777	76	502,364	65
Total Infrastructure Bonds;	480,748	34	430,095	31
Total Housing Bonds	147,219	16	130,521	13
Distressed City Bonds	4,660	1	3,565	1
Total Leases	496	1	496	1
Total Illinois Development Finance Authority	3,041,167	262	2,592,726	230
Illinois Health Facilities Authority	2,907,321	109	2,472,613	95
Illinois Educational Facilities Authority	1,446,134	49	1,401,337	47
Illinois Farm Development Authority	42,055	561	34,936	490
Illinois Rural Bond Bank	2,390	1	—	—
Total Predecessor Authorities	$ 7,439,067	982	$ 6,501,612	862
Grand Total-All Illinois Finance Authority	$24,427,931	1,762	$25,492,805	1,726

Note: To be consistent with the Illinois Office of the Comptroller's bonded indebtedness report, the Authority counts each Series (i.e. Series A, Series B, Series C, etc.) issued on the same date, as three bonds.

Source: Annual Illinois Finance Authority board documents and the Illinois Office of the Comptroller's Bonded Indebtedness Report

FY2012		FY2013		FY2014	
Principal Outstanding*	Number of Issues Outstanding	Principal Outstanding*	Number of Issues Outstanding	Principal Outstanding*	Number of Issues Outstanding
$18,555,849	530	$19,581,475	538	$19,906,435	547
122,987	6	78,235	4	15,380	2
295,303	4	294,421	3	285,450	3
229,982	10	264,580	13	236,549	10
3,240	1	2,630	2	—	—
—	—	—	—	—	—
3,965	2	3,749	2	3,301	1
51,658	378	50,123	340	48,344	351
$19,262,984	931	$20,275,213	902	$20,495,459	914
1,072,428	88	985,357	75	827,991	68
346,870	17	289,745	15	177,380	11
337,339	54	256,422	43	222,572	30
388,895	20	347,671	17	315,078	16
95,496	10	91,743	10	84,424	9
2,430	1	1,250	1	—	—
496	1	496	1	496	1
2,243,954	191	1,972,684	162	1,627,941	135
1,797,621	73	1,270,303	51	807,135	36
1,169,762	46	1,030,201	40	703,217	31
27,934	376	21,610	329	18,747	289
—	—	—	—	—	—
$ 5,239,271	686	$ 4,294,798	582	$ 3,157,040	491
$24,502,255	1,617	$24,570,011	1,484	$23,652,499	1,405

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

DEMOGRAPHIC AND ECONOMIC STATISTICS
FOR THE LAST TEN YEARS

Year	State of Illinois Population (A)	Personal Income (Thousands of dollars)(A)	Per Capita Income (B)	Median Age(A)	Number of Households (A)	Civilian Labor Force (C) Number	Civilian Labor Force (C) Percent of Population
2004	12,589,773	455,496,017	30,298	35.4	*N/A	5,968,600	62.4
2005	12,609,903	475,352,326	31,391	35.6	5,144,623	6,033,421	62.8
2006	12,643,955	508,081,357	30,633	35.7	5,199,743	6,225,095	64.3
2007	12,695,866	536,525,695	31,418	35.9	5,256,116	6,322,029	64.9
2008	12,747,038	552,295,230	31,305	36.0	5,276,082	6,248,336	63.7
2009	12,796,778	531,645,236	30,377	36.2	5,290,878	5,937,818	60.1
2010	12,840,459	539,688,876	29,194	36.6	5,297,077	5,924,837	59.8
2011	12,859,752	567,838,737	28,876	36.8	5,296,209	5,836,213	59.7
2012	12,875,255	592,056,538	29,158	37.0	5,290,149	5,981,817	59.9
2013	12,882,135	605,201,478	29,856	37.2	5,289,653	5,954,309	59.4

Sources:

A. U. S. Census Bureau
B. The Department of Numbers -deptofnumbers.com/income/Illinois/
C. Illinois Department of Employment Security
N/A Census Bureau began producing annual estimates or counts of households in 2005

Employment (C)		
Number	Percent of Population	Unemployment Rate
6,365,454	62.4	6.2
6,404,298	66.6	5.8
6,526,568	67.5	4.6
6,660,238	68.4	5.1
6,672,681	68.0	6.4
6,598,735	66.8	10.0
6,616,840	66.8	10.5
6,575,390	66.1	9.7
6,569,711	65.8	8.9
6,554,200	65.4	9.2

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

PRINCIPAL EMPLOYERS[1]
CURRENT YEAR VERSUS NINE YEARS AGO

	2014	
Employer	**Employees**	**Percentage of Total State Employment[2]**
State of Illinois	64,055	1.09%
U.S. Government	51,400	0.88%
Wal-Mart Stores, Inc.	49,397	0.84%
AB Acquisitions, LLC	43,503	0.74%
Chicago School Board	39,094	0.67%
Walgreen Co.	30,755	0.52%
City of Chicago	30,340	0.52%
University of Illinois	29,638	0.51%
U.S. Postal Service	28,200	0.48%
USF Holding Corp.	26,484	0.45%
Total	392,866	6.70%

	2005	
Employer	**Employees**	**Percentage of Total State Employment[2]**
State of Illinois	72,646	1.23%
U.S. Government	49,900	0.85%
Chicago School Board	47,000	0.80%
U.S. Postal Service	39,100	0.66%
City of Chicago	37,442	0.64%
Walmart	34,550	0.59%
Jewel Food Stores	29,860	0.51%
University of Illinois	28,377	0.48%
Caterpillar Inc.	21,710	0.37%
Advocate Health Care	21,160	0.36%
Total	381,745	6.49%

1 Source: Department of Commerce and Economic Opportunity and various employer websites
2 According to Illinois Department of Employment Security Seasonally Adjusted Data (Month of September)

IFA
ILLINOIS FINANCE AUTHORITY

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

CLOSINGS BY MARKET SECTOR
FOR THE LAST FIVE YEARS

Bonds Issued By Market Sector	2010	2011	2012	2013
Agriculture	$ 8,478,672	$ 7,002,064	$ 8,784,789	$ 4,461,655
Education	298,745,000	221,290,000	474,685,000	264,865,000
Healthcare	2,698,885,448	1,653,760,000	1,321,503,200	1,589,465,068
Industrial	2,700,000	399,017,184	18,361,000	168,812,280
Local Government	4,460,000	1,985,000	42,010,000	15,025,000
Multifamily/Senior Housing	5,700,000	—	—	18,630,000
501(c)(3) Not-for-Profit	296,142,520	199,535,000	118,256,846	198,592,750
Exempt Facilities	53,500,000	100,000,000	—	—
Environmental issued under 20 ILCS 3515/9	—	—	—	10,935,000
Total	$3,368,611,640	$2,582,589,248	$1,983,600,835	$2,270,786,753

Number of Closings by Market Sector	2010	2011	2012	2013
Agriculture	44	40	41	16
Education	6	5	3	9
Health	31	20	16	15
Industrial	4	15	3	9
Local Gov.	1	1	1	2
Not-for Profit	12	4	14	9
Environmental	—	—	—	1
	98	85	78	61

Note: Beginning with fiscal year 2010, the Authority will accumulate ten years of data

Note: For the purpose of presentation, by Market Sector, the Authority counts each Series (i.e. Series A, Series B, Series C, etc.) issued on the same date, as one bond.

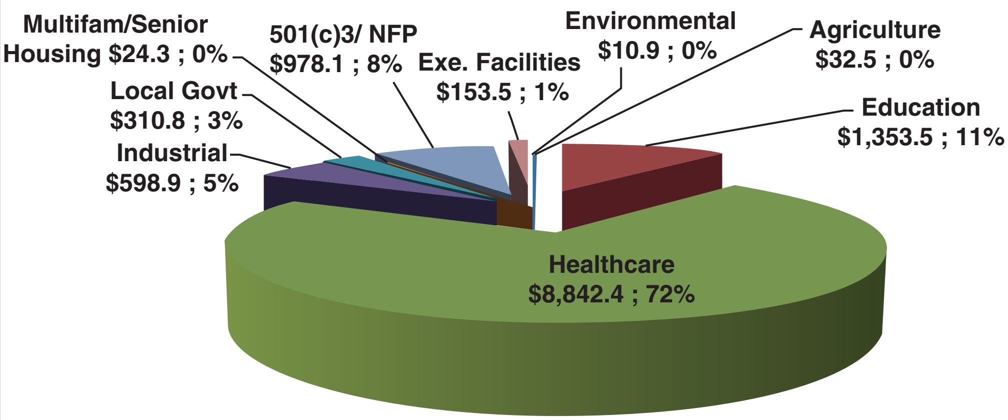
Source: Annual Illinois Finance Authority board documents and the Illinois Comptroller's Bonded Indebtedness Report

2014	Totals
$3,729,751	$ 32,456,931
93,895,000	1,353,480,000
1,578,790,000	8,842,403,716
10,000,000	598,890,464
247,360,000	310,840,000
—	24,330,000
165,617,000	978,144,116
—	153,500,000
—	10,935,000
$2,099,391,751	$12,304,980,227

2014	Totals
21	162
4	27
13	95
1	32
6	11
11	50
—	1
56	378

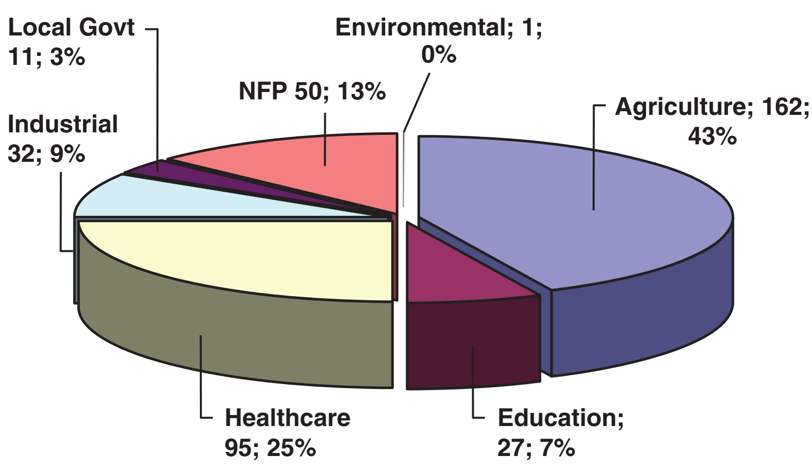
Source: Annual Illinois Finance Authority board documents and the Illinois Comptroller's Bonded Indebtedness Report

Bonds Issued by Market Sector



FOR THE LAST FIVE YEARS
(Amounts in Millions)

Number of Closings by Market Sector



FOR THE LAST FIVE YEARS

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

DETAILED SCHEDULE OF CLOSINGS
FISCAL YEAR 2014

Bonds Issued between July 01, 2013 and June 30, 2014

Bond Issue	Borrower Name	Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
E-PC	Concordia University	07/01/2013	Variable	$ 17,000,000	$ 17,000,000
L	Township High School District Number 113, Series 2013A	07/01/2013	Fixed at Schedule	41,530,000	—
HO	Rehabilitation Institute of Chicago	07/01/2013	Fixed at Schedule	398,000,000	90,000,000
A-BFB	Beginner Farmer Bonds	07/01/2014	various	1,893,683	—
501(c)(3)	Lake Forest Country Day School	08/01/2013	Variable	23,000,000	23,000,000
HO	Advocate Health Care Network	08/08/2013	Fixed at Schedule	96,905,000	—
501(c)(3)	Illinois College of Optometry	08/15/2013	Variable	40,665,000	40,152,503
L	Township High School District Number 113, Series 2013 B	08/21/2013	Fixed at Schedule	8,470,000	—
L	East Richland C.U.S.D. #1	08/29/2013	Fixed at Schedule	20,140,000	20,280,291
501(c)(3)	YMCA of Rock River Valley	09/24/2013	Variable	6,750,000	—
HO	Presence Health Network	09/17/2013	Variable	366,865,000	366,865,000
L	Community College District No. 532	09/27/2013	Fixed at Schedule	26,790,000	—
CCRC	Westminster Village	10/31/2013	Variable	7,000,000	—
501(c)(3)	Noble Network of Charter School	10/24/2013	Fixed at Schedule	20,000,000	—
CCRC	Peace Village	10/29/2013	Fixed at Schedule	22,495,000	16,225,000
E-PC	Columbia College Chicago	10/30/2013	Variable	7,850,000	7,695,000
501(c)(3)	Elim Christian Services	11/01/2013	Variable	14,577,000	14,400,000
HO	Elmhurst Memorial Healthcare	10/31/2013	Fixed at Schedule	109,025,000	126,760,629
E-PC	Benedictine University	11/20/2013	Variable	58,645,000	—
CCRC	Smith Crossing	11/08/2013	Variable	40,000,000	—
501(c)(3)	Lincoln Park Zoo	11/27/2013	Variable	15,000,000	—
L	Flora Connumity Unit School District	12/05/2013	Fixed at Schedule	8,730,000	—
L	Clean Water Initiative Revolving Fund	12/05/2013	Fixed at Schedule	141,700,000	99,120,000
CCRC	The Lodge of Northbrook	12/30/2013	Fixed at Schedule	15,500,000	—
HO	Elmhurst Memorial Healthcare	12/17/2013	Variable	200,000,000	—
A-BFB	Begining Farmer Bond	01/01/2014	Various	1,836,068	—
HO	Memorial Health System	01/30/2014	Fixed at Constant	60,000,000	—
E-PC	IIT Research Institute	02/28/2014	Variable	10,400,000	10,400,000
501(c)(3)	North American Spine Society	02/26/2014	Variable	8,860,000	8,860,000
501(c)(3)	New Hope Center	02/28/2014	Fixed at Schedule	5,325,000	5,325,000
501(c)(3)	Little City Foundation	03/18/2014	Variable	5,370,000	2,595,000
501(c)(3)	SOS Children’s Village	04/16/2014	Variable	16,000,000	7,900,000
HO	Memorial Health System	05/15/2014	Variable	60,000,000	—
IRB	Sterling Lumber Company	05/27/2014	Variable	10,000,000	—
HO	Centegra Health System 2014 A,B,C	06/11/2014	Variable	24,480,000	—
HO	Centegra Health System 2014 A,B,C	06/11/2014	Fixed at Schedule	134,715,000	—
HO	Centegra Health System 2014 A,B,C	06/11/2014	Variable	33,805,000	—
501(c)(3)	Catholic Charities Housing Development Corporation	06/17/2014	Variable	10,070,000	—
HO	Rosecrance, Inc.	06/25/2014	Variable	10,000,000	—
	Total Bonds Issued as of June 30, 2014			$2,099,391,751	$856,578,423

Source: Annual Illinois Finance Authority board documents and the Illinois Comptroller’s Bonded Indebtedness Report
Notes:
1. DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond
2. VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.
3. The list of Beginner Farmer Bonds is shown in next section.

Legend:

E-PC= Education
L= Local Government
HO= Hospital
A-BFB= Beginning Farmer Bond
501(c)(3)= Not-For-Profit
CCRC= Senior Living
IRB=Industrial Revenue Bonds.

ILLINOIS FINANCE AUTHORITY
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DETAILED SCHEDULE OF CLOSINGS (continued)
FISCAL YEAR 2014

Beginner Farmer Bonds Funded between July 01, 2013 and June 30, 2014

Borrower	Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
Scrivner, Wade David Hugh	07/10/2013	3.80%	$ 440,000	164.63	Jefferson
Haile, Joshua R	10/07/2013	3.00	195,000	123.00	Jefferson
Lynch, Derek C. and Lynch, Jon	10/25/2013	3.50	249,100	55.00	Edwards
Curt & Stacey Robbins	12/03/2013	4.99	250,000	1,250.00	Wayne
Tyler Ethan Ory Vaughn	12/06/2013	4.25	120,000	80.00	Wayne
Mason T. Muchow	12/06/2013	3.25	246,783	41.15	Effingham
Cody D. Heiden	12/06/2013	3.25	285,000	40.00	Fayette
Gregory S. & Shyannon R.	12/13/2013	3.25	107,800	98.00	Hamilton
Daniel & Bobbi Ochs	02/14/2014	3.25	138,245	75.95	Jasper
Levi M. Spurlock	02/28/2014	3.99	95,000	40.00	Jefferson
Jabob Grapphaus	02/28/2014	2.76	136,410	39.30	Madison
Derek P. Ifft	03/06/2014	3.10	100,000	10.00	Ford
Phillip Ochs	03/20/2014	3.25	237,344	75.95	Jasper
Mark Quade	03/20/2014	3.25	167,500	49.75	Effingham
Braden Short	03/26/2014	3.75	152,000	85.50	Hamilton
Austin Ferguson	04/17/2014	3.25	153,000	51.00	Jasper
Landon Withrow	04/29/2014	3.25	157,500	113.00	Wayne
Mitchell R. Myers	05/05/2014	3.25	137,500	40.00	Effingham
Clinton R. & Sara B. Bergbower	06/06/2014	3.50	52,569	19.47	Jasper
Colton Hamel	06/27/2014	3.75	75,000	40.00	Bond
Austin L. Chandler	06/30/2014	3.60	234,000	90.22	Henderson
****Total Beginner Farmer Bonds Issued**			**$3,729,751**	**2,581.92**	

**Total Beginner Farmer Bonds Issued included in first section.

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

SCHEDULE OF JOBS CREATED OR RETAINED FROM DEBT ISSUED BY THE AUTHORITY FOR THE YEAR ENDED JUNE 30, 2014

	Healthcare Bonds		Private College/University or Non-Healthcare 501(c)(3) Bonds		Industrial Development Bonds		Local Government Bonds		Total 2014 Programs[3]	
Fiscal Year	Principal Closed[1]	Jobs Created and/or Retained[2]	Principal Closed[1]	Jobs Created and/or Retained[2]	Principal Closed[1]	Jobs Created and/or Retained[2]	Principal Closed[1]	Jobs Created and/or Retained[2]	Principal Closed[1]	Jobs Created and/or Retained[2]
2014	$1,578,790,000	1,805	$259,512,000	321	$10,000,000	50	$247,360,000	$—	$2,095,662,000	2,176

Note: Beginning with fiscal year 2014, the Authority will accumulate ten years of data

1 Principal Closed across all product lines may include refundings or reissuances closed within the fiscal year that did not directly create or retain jobs.

2 Jobs Created and/or retained are only estimates as reported to the Authority by its respective borrowers at time of application and excludes construction jobs, if any.

3 Programs listed here are not representative of all programs operated by the Authority in 2014-Only programs with actual debt issued during this fiscal year are included.

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

SUMMARY OF HEALTHCARE FINANCING PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2014

PROGRAM OVERVIEW

Conduit 501(c)(3) Bonds for Healthcare

Illinois law authorizes the Authority to issue tax-exempt revenue bonds that might be used to finance health care or long term care facilities (the “Borrower”). Revenue bonds are obligations that are not payable from tax revenues, but are payable from and secured solely by a designated source of revenues (such as revenues derived from the operation of a hospital), generally accounted for separately in a “special fund.” Because recourse for the payment of revenue bonds is limited to the revenues that are pledged to such purposes, the bonds are special, limited obligations of the Authority, payable solely out of the revenues and other funds pledged and assigned for their payment in accordance with one or more loan agreements each between the Borrower and the Authority and the indentures pursuant to which the bonds are issued. The bonds do not constitute a debt of the State of Illinois within the meaning of any provisions of the Constitution or statutes of the State of Illinois or a pledge of the faith and credit of the State of Illinois or grant to the owners any right to have the General Assembly levy any taxes or appropriate any funds for the payment of the principal or interest on the bonds.

All nonprofit health care providers (including out-of-state nonprofit entities) qualify to receive Authority assistance for appropriate projects, as do their nonprofit “affiliates” (such as parent health care systems), if any. However, only 501(c)(3) organizations and governmental entities will qualify for tax-exempt financing under the federal tax laws.

Tax-Exempt Bond Program for Healthcare

The Tax-Exempt Bond program for Healthcare is authorized by the Illinois Finance Authority Act (20 ILCS 3501/801-5). The mission of the Illinois Finance Authority Healthcare programs is to provide access to the capital markets in an effort to lower the cost of healthcare services in Illinois by providing high quality, readily available, low cost financing alternatives for Illinois public and private, non-profit healthcare institutions.

The Authority recognizes a need to foster job growth, commerce, health, civic pride and neighborhood pride. In response to this need, the State and the Authority have worked to lower the financing costs of such facilities by providing low-cost tax-exempt financing throughout the State. In order to do this, it is in the best interest of the State to create access to public long-term credit markets for eligible 501(c)(3) healthcare facilities. In the interest of promoting the health, safety, morals and general welfare of all the people of the State, as well as to create job opportunities and retain existing jobs within the State, the Authority has been authorized to provide public and private institutions with reduced rate financing through the State of Illinois.

Tax-Exempt Equipment Finance Program for Healthcare

The Tax-Exempt equipment finance or lease program for Healthcare is authorized by the Illinois Finance Authority Act (20 ILCS 3501/801-40). The Authority and the State recognize a need to create tax-exempt access to capital markets for eligible 501(c)(3) healthcare institutions for the acquisition of equipment and other fixed assets. This will allow hospital systems, medical centers, and stand-alone hospitals in Illinois to have the opportunity to acquire capital equipment with up to 100% tax-exempt financing at lower rates than conventional financing. This reduced rate financing will in turn provide the

PROGRAM OVERVIEW (continued)

citizens of Illinois with lower costs in accessing health services and both creates jobs and promotes the health, safety, and general welfare of all residents of the State of Illinois.

Multi-State Financing Program for Healthcare

The Multi-State financing program for Healthcare is authorized by the Illinois Finance Authority Act (20 ILCS 3501/801-55). Through the multi-state financing program the Authority aims to promote the economy of the State by engaging entities seeking to finance or refinance a project outside of Illinois that either are affiliated with an in State entity or maintains a significant presence in the State. The financing or refinancing of the projects will benefit the health, welfare, safety, trade, commerce, industry and economy of the people of Illinois by creating employment opportunities in the State as well as lowering costs of accessing healthcare by reducing the cost of financing or operating a project. In addition to these benefits, the Authority, after giving effect to the financing or refinancing of the out-of-state project, shall have the ability to issue at least an additional $1 Billion dollars of bonds in the State.

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

SUMMARY OF HEALTHCARE MULTI-STATE, TAX-EXEMPT BOND AND TAX-EXEMPT LEASE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2014

Bonds Issued by Year	Tot Issued	Amt Issued
2010	31	$2,707,385,448
2011	20	1,653,760,000
2012	17	1,321,503,200
2013	15	1,589,465,068
2014	13	1,578,790,000
Total	96	$8,850,903,716

Note: Beginning with fiscal year 2010, the Authority will accumulate ten years of data

Source: Annual Illinois Finance Authority board documents and the Illinois Comptroller's Bonded Indebtedness Report

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

SUMMARY OF BUSINESS AND INDUSTRY FINANCING PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2014

PROGRAM OVERVIEW

Combined Business & Industry, Local Government, 501(c)(3) Educational, Cultural & General (Non-Healthcare) Bonds

The Illinois Finance Authority's Business & Industry, Local Government, and 501(c)(3)/Education facilities programs are managed as a single operational group. The mission of the Illinois Finance Authority's Business and Industry programs is to provide access to the capital markets and provide lower cost financing for capital projects and investments by qualified businesses and 501(c)(3) entities in Illinois. The primary goals include enhancing the local property tax base, financing construction activity, and enabling lower cost financing that will (i) enhance business competitiveness, (ii) enable 501(c)(3) entities to reduce interest expense and use the savings to support mission-based activities. As a result of financing these projects, these businesses will create jobs and 501(c)(3) entities will be able to enhance service delivery in support of their corporate mission. The Authority recognizes that improved access to financing and increased availability of funds will provide for new and continued employment in various industries and alleviate the burden of unemployment, foster job growth and retention, and, indirectly, increase commerce, health, civic and neighborhood pride. The Authority also serves units of local government such as the Illinois Environmental Protection Agency for the Clean Water Initiative, thus enabling the IEPA to provide loans to local governments to finance local drinking water and sewage treatment facilities.

Tax-Exempt and Taxable Bond Programs for Business and Industry

The **Conduit Tax-Exempt Bond Program** for Business and Industry borrowers is authorized by the Illinois Finance Authority Act (20 ILCS 3501/801-5) and for qualified Solid Waste and Environmental projects under the Illinois Environmental Facilities Financing Act (20 ILCS 3515, et seq.). The Authority issues bonds for a variety of industrial, commercial, manufacturing, and residential housing projects. The Authority's issuance activity is primarily comprised of projects eligible for tax-exempt financing as specified (under provisions of the Internal Revenue Code of 1986, as amended. The Authority has issued conduit revenue bonds Business and Industry for the following projects/borrowers from 2010 through 2014:

1. Manufacturing facilities (subject to federal limits of $10.0 million per project maximum and a $20.0 million six-year aggregate capital expenditure limit specified in the Internal Revenue Code of 1986, as amended).

2. Water supply facilities (for investor-owned water utilities).

3. Gas supply (for investor-owned gas supply/distribution utilities serving two or fewer counties pursuant to federal limits).

4. Affordable Multi-family and Senior Rental Housing projects (owned by private developers).

5. Pilot Federal Tax-Exempt Programs, including Intermodal Freight Transfer Facilities (authorized under the U.S. Department of Transportation's 2005 SAFETEA-LU program).

6. Temporary Targeted Private Activity Bond Programs authorized pursuant to the Internal Revenue Code of 1986, as amended, including (a) Recovery Zone Facility Revenue Bonds (calendar years 2009-2010) and (b) Midwestern Disaster Area Revenue Bonds (calendar years 2008-2012).

7. Qualified Solid Waste Disposal and Recycling Facilities are eligible for tax-exempt financing pursuant to requirements specified in the Internal Revenue Code of 1986, as amended and may be issued pursuant to the Illinois Environmental Facilities Financing Act.

PROGRAM OVERVIEW (continued)

8. Air Pollution Control and Water Pollution Control (and other types of Environmental Facilities currently ineligible for tax-exempt financing under federal law) may choose to issue taxable bonds through the Authority issued pursuant to the Illinois Environmental Facilities Financing Act.

Finance Programs for 501(c)(3) Educational, Cultural, and other 501(c)(3) Entities

The Tax-Exempt Bond program for 501(c)(3) educational, cultural, and other 501(c)(3) entities is authorized by the Illinois Finance Authority Act (20 ILCS 3501/801-5 and 20 ILCS 3501/801-10). The Authority and the State of Illinois recognize a need to create tax-exempt access to capital markets for eligible 501(c)(3) higher education, educational, academic, cultural, recreational, and other facilities in order to improve the education, health, and welfare in Illinois. The reduced rate financing attributable to the Authority's bond financing will enable these 501(c)(3) organizations to use the savings to provide additional mission-related services without raising additional revenues.

The Authority's 501(c)(3) Bond programs also include related products, including Commercial Paper Revenue Notes, that are designed to provide interim tax-exempt financing for a shorter anticipated duration (in anticipation of collecting fundraising pledges or undertaking larger bond issues), and composite bond issues under which several higher education or cultural institutions may seek to combine financing to take advantage of scale economies (which may be advantageous under certain market conditions). The Authority is also authorized to issue Bonds for out-of-state projects, although the practical benefit to IFA 501(c)(3) borrowers aside from hospital and healthcare borrowers, is expected to be limited. Up to $1.0 billion in additional issuance authority (in addition to the Authority's general $28.15 billion limitation) is available to fund 501(c)(3) projects located out-of-state (subject to project eligibility criteria established by statute).

Local Government Bond Financing Programs

The Authority serves units of local government and agencies of the State of Illinois by issuing bonds that finance various public purpose projects. The Authority's financing of local government projects during fiscal years 2010 through 2014 included the Series 2013 Illinois Clean Water Initiative/State Revolving Fund Bonds. The proceeds of which are used by the Illinois Environmental Protection Agency ("IEPA") to originate below-market rate loans to qualified units of local government, for drinking water and sewage related capital projects. These are conduit bonds that are secured by pledged loans (and pledged principal and interest payments) from the IEPA's existing $1.8+ billion loan portfolio (which also provided sufficient security for the bonds to be awarded AAA ratings from both Standard & Poor's Rating Services and Fitch Ratings).

Pursuant to the mission of the Authority's **Local Government Program**, the Authority may issue bonds to satisfy the urgent need to upgrade and expand the capital facilities, infrastructure and public purpose projects of units of local government and to promote other public purposes to be carried out by units of local government. Additionally, the Authority's Act defines "unit of local government" to include the State and any instrumentality, office, officer, department, division, bureau, commission, college or university. Under these programs, the Authority also issues bonds to purchase or otherwise acquire obligations of units of local government to enable these local governments to finance and refinance public purpose projects, capital facilities, and infrastructure of the units, in order to achieve lower overall borrowing costs and more favorable terms.

Conduit Local Government Program Revenue Bonds. The Authority issues conduit revenue bonds that are secured by the underlying (and, typically, investment grade rated) general obligation bond issued by the local government unit. These Bonds are sold on a stand-alone basis for each borrower. Most commonly, the underlying borrowers have been Illinois municipalities (i.e., cities, villages, or towns), Illinois school districts, and Illinois community college districts.

PROGRAM OVERVIEW (continued)

Another aspect of the program is to issue **Local Government Bond Bank Revenue Bonds**. The Authority has issued composite bonds on behalf of several underlying borrowers. In order to improve market access and convey a uniform rating, these composite bonds had been further secured by the State's Moral Obligation (as permitted). As of the financial statement date, the previously outstanding bonds under the bond bank program have been defeased. See Notes 10 and 11 of the Notes to the Basic Financial Statements. Currently, the Authority is the owner of these bonds and all payments are made directly to the Authority.

Financially Distressed City Assistance Program. The Authority is authorized to issue bonds, notes, or other indebtedness under its Financially Distressed City Assistance Program for the purpose of enabling qualified cities to restructure its current indebtedness and to provide and pay for its essential municipal services as determined by the Illinois Municipal Code. Interest paid to bondholders under the Authority's Financially Distressed City Assistance Program Revenue Bonds is exempt from State of Illinois Taxation. In addition, these bonds are further secured by the State's Moral Obligation.

Finally, through the Multi-State Financing Program (which is available to certain of the Authority's non-governmental borrowers) the Authority aims to promote the economy of the State by engaging entities seeking to finance or refinance a project outside of Illinois that either are affiliated with an in State entity or maintain a significant presence in the State. The financing or refinancing of the projects will benefit the health, welfare, safety, trade, commerce, industry and economy of the people of Illinois by creating employment opportunities in the State as well as lowering costs of accessing healthcare by reducing the cost of financing or operating a project. Given limitations under the Internal Revenue Code, IFA's Multi-State Financings for Business & Industry are effectively limited to Solid Waste Disposal Revenue Bonds and other "Exempt Facilities" under the Internal Revenue Code. 501(c)(3) entities, higher education and 501(c)(3) entities with multi-state operations may issue Bonds through the Authority if there are sufficient facilities based in Illinois to satisfy the "significant presence" (i.e., "nexus") test specified by statute.

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

SUMMARY OF BUSINESS & INDUSTRY, LOCAL GOVERNMENT, EDUCATIONAL, CULTURAL & NON-HEALTHCARE 501(C)(3) BOND PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2014

	Business & Industry		501(c)(3) Educational / Cultural / General		Local Government		Combined Programs	
Bonds Issued by Year	Tot Issued*	Amt Issued	Tot Issued*	Amt Issued	Tot Issued*	Amt Issued	Tot Issued*	Amt Issued
2010	4	$ 61,900,000	18	$ 586,427,520	1	$ 4,460,000	23	$ 652,787,520
2011	15	499,017,184	9	420,825,000	1	1,985,000	25	921,827,184
2012	3	18,361,000	16	592,941,846	1	42,010,000	20	653,312,846
2013	10	202,762,280	18	449,072,750	2	15,025,000	30	666,860,030
2014	1	10,000,000	15	259,512,000	6	247,360,000	22	516,872,000
Total:	33	$792,040,464	76	$2,308,779,116	11	$310,840,000	120	$3,411,659,580

Note: Beginning with fiscal year 2014, the Authority will accumulate ten years of data

Source: Annual Illinois Finance Authority board documents and the Illinois Comptroller's Bonded Indebtedness Report

1 Includes Issuance of Conduit Industrial Revenue Bonds and Conduit Exempt Facilities Revenue Bonds (including revenue bonds issued for qualified Gas Utility; Water Utility; Multifamily Housing; Recovery Zone Facility; Midwestern Disaster Area; and Freight Transfer Facilities projects) all issued under the Illinois Finance Authority Act, and also includes Solid Waste Disposal and Environmental projects issued pursuant to the Illinois Environmental Facilities Financing Act.

2 Includes Issuance of Conduit 501(c)(3) Revenue Bonds (Educational, Cultural, and other Non-Healthcare Projects), Conduit 501(c)(3) Leases, Conduit 501(c)(3) Commercial Paper, and Conduit 501(c)(3) College Pooled Revenue Anticipation Notes issued under the Illinois Finance Authority Act.

3 Includes Issuance of Conduit Local Government Revenue Bonds. Also includes Moral Obligation Bonds issued under the Authority's Local Government Bond Bankd Revenue Bond Program in fiscal 2010 and Financially Distressed City Assistance Program (which included one issuance in fiscal 2010). The reported totals also include Local Government Pooled Revenue Anticipation Notes, and Illinois Finance Authority (State Revolving Fund/Clean Water Initiative) Revenue Bonds, Series 2013 issued under the Authority's general powers under the Illinois Finance Authority Act.

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

SUMMARY OF AGRICULTURAL FINANCING PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2014

PROGRAM OVERVIEW

Agricultural Development Bonds

The Authority had three Agricultural Development Bond Programs in operation, the Beginning Farmer Bond, Agriculture Manufacturing Bond and Beginning Farmer Contract Bond. Through these programs, individuals and businesses (“participants”) were screened for eligibility. If they were found to qualify, the Authority, the participants, and the lenders (local banks) entered into loan agreements whereby the proceeds from the issuance of a tax exempt bond were loaned to the participant for prequalified expenditures. Prior to June 2008, the limit for Agricultural Development Bonds was $250,000. In June 2008, as a part of the 2007 Farm bill, Agricultural Development Bonds were further enhanced by increasing the maximum bond amount to $450,000. In addition, the maximum amounts were indexed to inflation and will adjust annually beginning January 1, 2009. For Fiscal Year 2014, the limits were raised from $501,100 to $509,600. The Authority’s Operating Fund received $100 for an application fee and at closing, a fee of one and one-half percent of the principal amount of the bond (net of application fee).

The loan agreements delineated the rights and responsibilities of each of the parties. The banks were considered trustees and were responsible for the receipt of the bond proceeds, payment of qualified expenditures, payment of bond interest and principal and maintenance of necessary records. The Authority had no equity interest in any of the property or equipment, and it was not liable in any way for payment due to the bondholders. This program benefited the participants by allowing them to borrow money at tax-exempt rates, which were generally around 2% below taxable rates. Because interest on the bonds was exempt from Federal income taxes, the interest rates were below the general market. To date, the rates charged ranged from 2.76% to 11.5%. Some of the bonds had variable rates, while others had fixed rates.

State Guarantee Program For Restructuring Agricultural Debt

The State guarantee program for restructuring agricultural debt was authorized by the Illinois Finance Authority Act (20 ILCS 3501/830-30). It was designed to consolidate and spread out farmer’s existing debt over a longer period of time at a reduced interest rate. This was accomplished by having the State of Illinois guarantee repayment of 85% of the amounts loaned under this program.

Loans were made through participating banks that were responsible for processing a farmer’s application and for servicing the loan once it was approved by the Authority. These lenders were liable for the first 15% of loss on any loan. Loans could not exceed $500,000. Repayment schedules were tailored to suit the borrowers’ collateral and financial position with a maximum of a thirty-year amortized payment schedule. The procedures for extending a loan were similar to the procedures for taking out a loan. Terms of the loan could be altered during the extension process. All extended loans must have been approved by the Authority’s Board. Interest rates were adjusted annually and must have been less than the market rate of interest generally available to the borrower.

The Authority’s General Operating Fund received $300 for an application fee and at closing, a fee of one-half percent of the principal amount of the loan (net of application fee). The Authority also received an annual fee of one-quarter percent on the outstanding principal amount of these loans prior to 2007. In 2007, at closing, a fee of three-quarters percent of the principal amount of the loan (net of application fee). The Authority also received an annual fee of one-half percent on the outstanding principal amount.

PROGRAM OVERVIEW (continued)

Farmer and Agri-Business Loan Guarantee Program

The farmer and agri-business loan guarantee program was authorized by the Illinois Finance Authority Act (20 ILCS 3501/830-35). Its target population was both agri-businesses and individual farmers. Its purpose was to encourage diversification and vertical integration of Illinois agriculture. The State issued an 85% guarantee for farmers/agri-businesses and lenders who met the qualifications of the program. Loans were made through participating banks that were responsible for processing a farmer's application and for servicing the loan once it was approved by the Authority.

These lenders were liable for the first 15% of loss on any loan. There was no maximum loan amount for agri-business loans but loans shall not exceed $500,000 per farmer or an amount as determined by the Authority on a case-by-case basis for an agri-business. Loans must be repaid within 15 years. Interest rates were adjusted annually and must have been less than the market rate of interest generally available to the borrower.

Young Farmer and Farm Purchase Loan Guarantee Program

The young farmer and farm purchase loan guarantee program was authorized by the Illinois Finance Authority Act (20 ILCS 3501/830-45). The young farmer and farm purchase loan guarantee program was a guarantee program designed to enhance credit availability for younger farmers who were purchasing capital assets. Loan funds could be used for new purchases of capital assets such as land, buildings, machinery, equipment, breeding livestock, soil and water conservation projects, etc. In some cases, the loan proceeds could be used to refinance existing debt as needed to improve lien positions.

All young farmer and farm purchase loan guarantee program loans were made through conventional lenders. The Authority provided an 85% guarantee of principal and interest on the loan made to a qualified borrower by a qualified lender. The lender, in consideration for the 85% guarantee, agreed to charge an interest rate lower than conventional rates. This rate could be fixed or variable as agreed between the applicant and lender.

The applicant must have been able to provide sufficient collateral to adequately secure the young farmer and farm purchase loan guarantee program loan. The maximum term for a young farmer and farm purchase loan guarantee program loan was 15 years. Loans collateralized by real estate could be amortized up to 25 years with a 15 year balloon. Loans collateralized by depreciable property were amortized over a shorter period.

The eligible applicant must: 1) Be a resident of the State of Illinois; 2) At least 18 years old; 3) A principal operator of a farm which derived at least 50% of annual gross income from farming; 4) Possess a debt to asset ratio between 40 and 70% after purchase of the capital item; and 4) Have a net worth in excess of $10,000. In addition, the borrower must have provided collateral sufficient to have secured the loan and kept the loan collateral through its term. The borrower must have also demonstrated the ability to have adequately serviced the proposed debt.

The maximum loan per applicant was $500,000. An eligible applicant could use the program more than once provided that the totals of the original loan amounts did not exceed $500,000. Any losses incurred under the State guarantees were paid from the Illinois Farmer and Agri-Business Loan Guarantee Fund or the Industrial Revenue Insurance Fund.

A nonrefundable application fee of $300 must have been paid to the Authority at the time of application. The applicant paid a fee of 1% of the loan amount at closing. This closing fee was the net of the $300 application fee; however, the minimum fee was $300. The Authority received ¾% and the lender received ¼%. The lender could charge no additional fees or points other than the fee received at closing. The applicant was liable for normal and customary attorney's fees, abstracting costs, filing fees, appraisal fees and other costs of the loan. The lender agreed to pay the Authority an annual administrative fee equal to ¼% of the outstanding balance of the young farmer and farm purchase

PROGRAM OVERVIEW (continued)

loan guarantee program loan on the payment date. The fee was not passed on to the borrower as of 2007. In 2007, the Authority received 1% and the lender received ¼%. The Authority also received an annual fee of one-half percent on the outstanding principal amount.

Specialized Livestock Loan Guarantee Program

The specialized livestock and loan guarantee program was authorized by the Illinois Finance Authority Act (20 ILCS 3501/830-50) and was similar to the farmers and agri-business loan guarantee program. Its target population was both agri-businesses and individual farmers and was designed to encourage the development of the Illinois livestock industry, by spreading out over a longer term at a reduced interest rate. The State issued an 85% guarantee for farmers/agri-businesses and lenders who met the qualifications of the program. Loans were made through participating banks that were responsible for processing a farmer's application and for servicing the loan once it was approved by the Authority. These lenders were liable for the first 15% of loss on any loan. Loans could not exceed a maximum of $1,000,000 per farmer. Loans must have been repaid within 15 years. Interest rates were adjusted annually and must have been less than the market rate of interest generally available to the borrower.

The Authority's General Operating Fund received $300 for an application fee and at closing, a fee of ¾% of the principal amount of the loan (net of the application fee). The Authority also received an annual fee of one-quarter percent on the outstanding principal amount of these loans prior to 2007. In 2007, at closing, a fee of one percent of the principal amount of the loan (net of application fee). The Authority also received an annual fee of one-half percent on the outstanding principal amount.

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

HISTORICAL SUMMARY OF AGRICULTURAL DEVELOPMENT BONDS
FOR THE YEAR ENDED JUNE 30, 2014

Agricultural Development Bonds issued and outstanding by purpose and year as of June 30, 2014:

Purpose	Tot Issued	Amt Issued	Percent of Total
Land and depreciable property	282	$ 37,285,129	11.43%
Farmland loans	2,116	245,093,229	75.15%
New Equipment	484	15,379,768	4.72%
Used Equipment	91	2,460,490	0.75%
New improvements	179	10,558,830	3.24%
Used Improvements	2	46,000	0.01%
Breeding stock	49	1,686,650	0.52%
Soil conservation-permanent	28	686,263	0.21%
Agri-Business	79	10,386,203	3.18%
Tiling	52	1,549,276	0.48%
New no-till equipment	55	998,271	0.31%
	3,417	$326,130,109	100.00%
Principal payments as of June 30, 2014		$259,266,546	
Principal outstanding at June 30, 2014		$ 66,863,563	

Bonds Issued by Year	Tot Issued	Amt Issued
1983 thru 2009	3,255	$293,672,929
2010	44	8,478,672
2011	40	7,002,064
2012	41	8,784,789
2013	16	4,461,655
2014	21	3,730,000
Total	3,417	$326,130,109

Source: Annual Illinois Finance Authority board documents and the Illinois Comptroller's Bonded Indebtedness Report

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

HISTORICAL SUMMARY OF AGRICULTURAL LOANS ISSUED BY PROGRAM AND COUNTY FOR THE YEAR ENDED JUNE 30, 2014

	Agricultural Development Bonds		State Guarantee Program For Restructuring Agricultural Debt Loans		Farmer and Agri-Business Loan Guarantee Program Loans		Young Farmer Loan and Farm Purchase Guarantee Program Loans		Specialized Livestock Loan Guarantee Program Loans	
County	Tot Issued	Amt Issued	Tot Issued	Amt Issued	Tot Issued	Amt Issued	Tot Issued	Amt Issued	Tot Issued	Amt Issued
Adams	74	$ 6,564,068	28	$ 4,804,838	1	$ 36,000	4	$ 526,000	3	$ 1,917,000
Alexander	—	—	1	180,000	—	—	—	—	—	—
Bond	64	5,391,668	11	2,032,000	—	—	1	192,000	2	1,184,000
Boone	12	1,670,100	5	1,443,000	—	—	—	—	—	—
Brown	2	160,000	14	3,436,000	—	—	—	—	1	840,000
Bureau	136	11,139,407	21	4,422,014	—	—	2	356,000	4	1,246,000
Calhoun	2	181,000	5	936,110	—	—	2	340,000	—	—
Carroll	48	5,714,105	7	1,608,000	—	—	—	—	3	1,144,000
Cass	11	1,331,276	8	1,663,043	2	2,244,330	—	—	3	1,475,000
Champaign	67	4,662,464	22	3,831,011	1	362,000	—	—	—	—
Christian	83	8,257,292	13	3,343,500	—	—	3	445,000	2	1,572,000
Clark	9	497,000	12	1,718,000	—	—	—	—	—	—
Clay	49	3,495,879	6	1,079,000	—	—	1	85,000	1	780,000
Clinton	71	6,910,642	10	2,541,101	5	10,990,000	2	77,000	5	2,670,000
Coles	21	1,535,944	14	2,317,000	—	—	1	193,000	—	—
Crawford	42	3,070,122	33	8,189,625	6	2,676,000	3	51,500	4	501,500
Cumberland	19	1,654,500	3	606,000	1	150,000	—	—	—	—
DeKalb	62	5,510,839	37	10,154,000	—	—	1	40,000	8	4,032,000
DeWitt	14	685,675	3	940,000	1	225,000	—	—	—	—
Douglas	43	2,892,011	17	2,712,750	—	—	1	124,000	1	700,000
Edgar	50	5,341,463	28	5,770,164	1	625,000	4	513,000	1	75,000
Edwards	12	1,058,200	1	135,000	—	—	—	—	—	—
Effingham	48	5,458,007	1	85,000	—	—	—	—	—	—
Fayette	43	3,399,230	8	2,060,000	—	—	—	—	—	—
Ford	56	6,500,700	8	1,440,000	—	—	2	750,000	4	2,925,000
Franklin	50	3,113,465	16	3,892,000	2	3,695,000	—	—	—	—
Fulton	32	4,248,802	13	2,211,900	2	172,000	1	310,000	1	88,000
Gallatin	10	1,643,750	6	1,298,000	1	450,000	2	650,000	—	—
Greene	1	250,000	10	1,896,000	—	—	—	—	—	—
Grundy	11	903,375	11	2,408,000	1	160,000	—	—	—	—
Hamilton	43	4,034,850	2	840,000	—	—	1	171,000	2	1,280,000
Hancock	45	4,647,138	38	5,914,888	—	—	—	—	5	1,205,000
Hardin	—	—	—	—	2	1,900,000	—	—	—	—
Henderson	31	4,331,569	17	3,273,500	1	45,000	2	262,000	5	2,015,000
Henry	52	7,532,847	29	5,043,000	—	—	1	57,000	3	1,140,000
Iroquois	100	8,599,036	13	2,733,000	—	—	—	—	1	170,000
Jackson	6	607,780	7	1,246,000	—	—	1	71,000	—	—
Jasper	104	7,096,095	45	8,431,626	—	—	2	240,000	12	2,155,000
Jefferson	23	2,256,900	12	2,599,000	—	—	3	765,000	1	790,000
Jersey	4	433,500	1	300,000	—	—	—	—	—	—
JoDaviess	9	716,561	26	6,710,547	2	907,000	—	—	3	1,180,000
Johnson	4	413,650	7	1,990,000	—	—	—	—	—	—
Kane	4	351,200	18	4,616,000	—	—	—	—	3	1,915,000
Kankakee	10	1,269,270	2	438,000	—	—	1	46,000	—	—
Kendall	3	273,000	9	1,642,000	—	—	—	—	—	—
Knox	37	3,732,454	15	2,979,460	1	65,000	2	232,000	2	434,000
LaSalle	112	11,876,080	34	6,981,300	—	—	1	54,000	1	1,000,000
Lawrence	48	3,658,706	9	1,945,500	—	—	—	—	3	3,000,000
Lee	59	7,035,292	23	6,099,000	—	—	1	110,000	1	455,000
Livingston	150	15,078,817	24	6,176,210	9	7,939,000	2	388,000	4	1,230,000
Logan	38	2,376,460	13	2,200,000	—	—	2	190,000	1	520,000
Macon	12	1,244,000	5	700,000	—	—	1	75,000	—	—

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

HISTORICAL SUMMARY OF AGRICULTURAL LOANS ISSUED BY PROGRAM AND COUNTY (continued)
FOR THE YEAR ENDED JUNE 30, 2014

	Agricultural Development Bonds		State Guarantee Program For Restructuring Agricultural Debt Loans		Farmer and Agri-Business Loan Guarantee Program Loans		Young Farmer Loan and Farm Purchase Guarantee Program Loans		Specialized Livestock Loan Guarantee Program Loans	
County	Tot Issued	Amt Issued	Tot Issued	Amt Issued	Tot Issued	Amt Issued	Tot Issued	Amt Issued	Tot Issued	Amt Issued
Macoupin	36	$ 5,321,701	22	$ 4,453,000	—	$ —	3	$ 416,000	6	$ 3,400,000
Madison	26	3,201,978	16	4,359,000	—	—	9	1,756,000	—	—
Marion	13	1,113,510	32	6,522,160	1	3,200,000	3	640,000	2	507,000
Marshall	25	2,129,081	8	1,611,000	—	—	3	513,000	—	—
Mason	54	4,357,809	9	2,212,702	1	137,000	—	—	—	—
Massac	2	30,000	2	435,000	—	—	—	—	—	—
McDonough	14	1,660,050	14	3,116,000	1	300,000	1	87,000	1	520,000
McHenry	4	680,000	8	2,060,000	—	—	1	190,000	1	69,000
McLean	116	9,172,635	32	5,371,734	1	175,000	7	1,015,000	2	1,250,000
Menard	14	1,097,965	16	3,384,000	1	375,000	1	72,000	—	—
Mercer	31	4,135,461	17	3,304,600	—	—	7	707,000	11	5,838,300
Monroe	35	3,880,075	26	5,758,707	—	—	—	—	1	51,000
Montgomery	92	12,908,770	15	3,458,577	—	—	—	—	5	1,952,000
Morgan	14	1,193,830	25	5,433,319	1	1,000,000	1	194,000	1	668,000
Moultrie	31	1,901,000	6	995,500	1	40,000	—	—	1	250,000
Ogle	71	6,884,047	11	2,835,000	—	—	4	751,000	2	375,000
Peoria	24	2,470,520	25	6,037,000	—	—	2	322,000	1	150,000
Perry	11	1,092,311	19	3,672,900	3	1,020,000	—	—	—	—
Piatt	37	1,824,734	9	1,638,000	—	—	—	—	—	—
Pike	6	945,111	48	10,667,519	1	250,000	9	1,814,000	7	4,990,000
Pope	—	—	1	500,000	—	—	—	—	—	—
Pulaski	—	—	3	940,000	—	—	—	—	—	—
Putnam	12	1,389,859	5	568,681	—	—	—	—	1	615,000
Randolph	6	552,400	14	2,583,010	—	—	2	165,000	2	380,000
Richland	36	2,495,454	5	1,523,000	8	2,353,000	2	285,000	2	605,000
Rock Island	6	1,046,623	6	1,282,000	—	—	—	—	3	1,285,000
Saline	11	677,835	3	1,082,000	—	—	1	150,000	—	—
Sangamon	40	4,028,715	41	7,679,043	—	—	1	300,000	2	925,000
Schuyler	9	848,780	—	—	—	—	—	—	—	—
Scott	6	783,300	8	1,379,538	—	—	1	181,000	—	—
Shelby	77	5,964,629	18	3,770,267	1	47,000	1	81,000	—	—
St. Clair	29	2,163,180	5	1,156,000	1	40,000	—	—	—	—
Stark	27	3,164,600	15	3,612,000	—	—	1	300,000	—	—
Stephenson	31	2,816,710	28	6,304,498	13	17,184,495	2	176,000	4	2,317,000
Tazewell	80	6,572,336	23	4,515,049	—	—	1	255,000	1	218,000
Union	21	1,131,036	2	800,000	1	860,000	—	—	—	—
Vermillion	32	3,747,807	26	3,978,640	3	24,848,000	1	89,000	—	—
Wabash	5	181,300	3	676,000	—	—	—	—	—	—
Warren	57	7,507,776	17	3,507,000	1	4,000,000	3	589,000	8	3,845,000
Washington	36	2,453,570	10	2,045,000	—	—	—	—	2	1,250,000
Wayne	22	2,345,125	4	1,008,000	1	2,651,000	—	—	1	643,000
White	2	303,750	5	1,442,500	—	—	—	—	—	—
Whiteside	99	12,465,873	27	5,338,000	—	—	—	—	6	2,552,000
Will	18	1,432,940	1	300,000	—	—	—	—	—	—
Williamson	2	132,000	—	—	1	1,750,000	—	—	—	—
Winnebago	9	944,750	8	1,343,000	2	305,412	1	500,000	—	—
Woodford	52	4,172,735	18	3,011,810	3	1,427,906	1	100,000	3	227,000
	3,417	$326,129,860	1,377	$289,682,841	85	$94,605,143	119	$18,961,500	166	$74,520,800

Source: Annual Illinois Finance Authority board documents and the Illinois Comptroller's Bonded Indebtedness Report

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

FULL-TIME EMPLOYEES
FOR THE LAST TEN YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Executive Director	1	1	1	1	1	1	1	1	1	1
Deputy Director	—	—	—	—	—	—	—	—	1	1
Accountant	2	2	2	3	2	2	2	2	2	2
Administrative Assistant	7	4	4	5	6	4	4	4	3	3
Chief Executive Officer (CEO)	1	1	1	—	—	—	—	—	—	—
Chief Financial Officer (CFO)	1	1	1	1	1	1	—	—	—	1
Assistant Chief Financial Officer	—	—	—	—	1	1	1	1	1	—
Chief Operating Officer(COO)/Treasurer	1	1	1	1	1	1	—	—	—	—
Controller	—	—	—	—	—	—	—	—	1	1
Counsel	1	—	—	1	1	—	1	1	—	—
Compliance Offier	—	—	—	1	—	—	—	—	—	—
Funding Managers	19	14	17	18	16	15	9	6	5	5
Human Resource Manager	—	—	—	—	—	1	1	1	—	—
MIS Administrator	1	1	1	2	2	2	1	1	1	1
Paralegal	—	—	—	1	1	1	—	—	—	—
Public Information/ Marketing Administrator	1	1	1	1	1	—	—	—	—	—
Policy & Operations Analyst	—	—	—	—	—	—	—	1	—	—
Procurement Analyst	—	—	—	—	—	1	1	1	1	1
Receptionist	1	—	1	1	1	1	1	1	1	—
Total number of employees	36	26	30	36	34	31	22	20	17	16

Source: Illinois Finance Authority Department of Finance

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

SCHEDULE OF CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2014

Contractor	Services Provided	Total Expenses Incurred
1 Oaks Properties, LLC	Office Rent-Mt. Vernon	$ 13,550
1060 Technology, Inc.	Information Technology	499
A.M.C. Mechanical, Inc.	Repair and Maintenance	353
Acacia Financial Group, Inc.	Senior Financial Advisor	117,410
Amalgamated Bank of Chicago	Financial Institution	750
ADP Total Source	Payroll and HR	161,966
Anthes, Pruyn & Associates	Accounting Services	11,980
AT&T	Telecommunications	6,255
Baker Tilly Virchow Krause, LLP	Accounting Services	40,000
Bank of America	Financial Institution	101,617
BFPRU I, LLC	Office Rent-Chicago	292,584
Bloomberg Finance L.P.	Financial Information Database	5,925
Burke Burns & Pinelli, Ltd	Issuers Counsel/Legal Services	51,853
Capital City Training Center	Training	5,410
Catalyst Consulting Group	Computer Network Solutions	25,580
CBIZ MHM, LLC	Accounting Software Consulting	20,984
CDW Government, Inc.	Computer Systems	65
Chapman and Cutler	Legal Services	26,645
Com Microfilm Company, Inc.	Document Management and Software Services	67,355
Clear Arc Capital Management	Investment Management Services	4,762
Foley & Lardner, LLP	Legal Services	26,715
Franczek Radelet P.C.	Legal Services	26,621
Ginsberg Jacobs LLC	Legal Services	4,895
Greater Peoria Business Alliance	Office Rent-Peoria	3,736
Greenberg Traurig, LLP	Legal Services	15,345
Harleysville Insurance	Property & Casualty Insurance	5,828
Hart, Southworth & Witsman	Legal Services	325
Hewlett — Packard Company	Computer Systems	2,348
Hill & Knowlton, Inc.	Media Consulting	19,186
Holland & Knight LLP	Issuers Counsel/Legal Services	200
Howard Kenner Governmental Consulting	Legislative Services	42,000
HPL&S Inc.	401(A) Management Services	67,720
Imagetec	Information Technology	2,855
Jenner & Block LLP	Legal Services	32,065
Katten, Muchin Rosenman LLP	Legal Services	13,570
Laner & Muchin	Legal Services	14,333
Levin, Papantonio, Thomas, Mitchell	Legal Services	1,902
Mabsco Capital, Inc.	Loan Management Services	40,238

ILLINOIS FINANCE AUTHORITY
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SCHEDULE OF CONTRACTS (continued)
FOR THE YEAR ENDED JUNE 30, 2014

Contractor	Services Provided	Total Expenses Incurred
Marj Halperin Consulting	Media Consulting	$ 28,589
McGuire Woods LLP	Legal Services	43,160
Mesirow Financial	Insurance Broker	213,105
National Tek Services, Inc.	Computer Systems	1,115
Neopost USA Inc.	Mail Services	503
Networks 2000	Information Technology	3,374
Novanis	Information Technology	1,008
P. D. Morrison Enterprises	Office Supplies	7,592
Paper Tiger Document Solutions	Document Shredding	2,621
Pickens Kane	Storage	12,316
Presidio Networked Solutions	Computer Systems	3,292
Public Financial Management	Senior Financial Advisor	60,265
RK Dixon Company	Copier Maintenance	9,592
Schiff Hardin, LLC	Legal Services	145,492
Shaw Fishman Glantz Wolfson & Towbin, LLC	Legal Services	67,752
Solidia Inc	Office Supplies	792
Swift Impressions, Inc.	Printing Services	5,941
Taft Stettinius & Hollister LLP	Legal Services	2,536
Tallgrass Systems Ltd.	Computer Systems	655
Trefil Consulting, Inc.	Office Supplies	1,153
Tri Industries	Office Supplies	569
Ungaretti & Harris LLP	Legal Services	40,399
United Parcel Service	Mail Services	7,832
Wellspring Software, Inc.	Office Supplies	134
Xerox Corporation	Equipment Rental	805
Ziegler Lotsoff Capital Management	Investment Management Services	27,058
Zoho Corporation	Information Technology	495
Total		$1,963,570

Note: Amounts represent actual payments to vendors from the General Fund only

Source: Illinois Finance Authority Department of Finance/Procurement

ILLINOIS FINANCE AUTHORITY
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SCHEDULE OF CASH FUNDS AND DEPOSITORIES
FOR THE YEAR ENDED JUNE 30, 2014

Fund and Depository	Deposit Amounts
General Operating Fund	
Bank of America in Chicago, Illinois — Repurchase Agreements	$ 4,097,718
The Illinois Funds	442
U.S. Bank in St. Louis, Missouri — Money Market	1,275,967
Amalgamated Bank of Chicago — Money Market	724,497
Other State of Illinois Debt Fund	
Bank of America in Chicago, Illinois — Cash	100,998
Bank of America in Chicago, Illinois — Money Market	104,639,866
Industrial Revenue Bond Insurance Fund	
The Illinois Funds	1,000,000
Amalgamated Bank of Chicago — Money Market	145,157
Credit Enhancement Fund	
US National Bank Association in Chicago, Illinois — Money Market	600,000
Illinois Agricultural Loan Guarantee Fund	
State Treasury — Cash	10,110,724
Illinois Farmer Agribusiness Loan Guarantee Fund	
State Treasury — Cash	7,808,405
IRBB Special Reserve Fund	
The Illinois Funds	10
Amalgamated Bank of Chicago — Money Market	115,734
Rural Development Revolving Loan Fund	
Bank of America in Chicago Illinois — Repurchase Agreements	1,904,228
Illinois Housing Partnership Program Fund	17,546
Amalgamated Bank of Chicago — Money Market	
Fire Truck Revolving Loan Fund	
Amalgamated Bank of Chicago — Money Market	4,414,770
Amalgamated Bank of Chicago — Deposit In Transit	92,683
Ambulance Revolving Loan Fund	
Amalgamated Bank of Chicago — Money Market	3,768,384
Amalgamated Bank of Chicago — Deposit In Transit	1,712
Renewable Energy Development Fund	
Bank of America in Chicago, Illinois — Repurchase Agreements	60,710
Amalgamated Bank of Chicago — Money Market	15,150
Total	$140,894,701

Source: Illinois Finance Authority Department of Finance

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)

SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED JUNE 30, 2014

Description	Type	Recorded Value June 30, 2014	Maturities Less than One Year	Maturities 1 — 5 Years
General Operating Fund				
Bank of America	Certificate of Deposit	$ 85,000	$ 85,000	$ —
Amalgamated Bank of Chicago	Commercial Paper	820,000	820,000	—
Amalgamated Bank of Chicago	Corporate Debt	2,166,121	2,166,121	—
Amalgamated Bank of Chicago	Municipal Bonds	1,242,102	1,242,102	—
Amalgamated Bank of Chicago	U.S. Agencies	10,565,520	537,332	10,028,188
Amalgamated Bank of Chicago	U.S. T- Notes	3,586,712	—	3,586,712
Industrial Revenue Bond Insurance Fund				
Amalgamated Bank of Chicago	Commercial Paper	250,000	250,000	—
Amalgamated Bank of Chicago	Corporate Debt	1,687,947	1,687,947	—
Amalgamated Bank of Chicago	U.S. Agencies	7,525,543	1,056,449	6,469,094
Amalgamated Bank of Chicago	U.S. T- Notes	1,040,969	—	1,040,969
Illinois Housing Partnership Program Fund				
Amalgamated Bank of Chicago	Corporate Debt	218,127	218,127	—
Amalgamated Bank of Chicago	Municipal Bonds	75,042	75,042	—
Amalgamated Bank of Chicago	U.S. Agencies	1,306,747	520,806	785,941
Amalgamated Bank of Chicago	U.S. T- Notes	206,809	—	206,809
Renewable Energy Development Fund				
Amalgamated Bank of Chicago	Corporate Debt	99,932	99,932	—
Amalgamated Bank of Chicago	Municipal Bonds	35,017	35,017	—
Amalgamated Bank of Chicago	U.S. Agencies	525,929	201,488	324,441
Amalgamated Bank of Chicago	U.S. T- Notes	80,802	—	80,802
Other State of Illinois Debt Fund				
Amalgamated Bank of Chicago	Commercial Paper	19,017,000	19,017,000	—
Amalgamated Bank of Chicago	Corporate Debt	1,880,663	1,880,663	—
Amalgamated Bank of Chicago	Municipal Bonds	7,521,588	5,637,671	1,883,917
Amalgamated Bank of Chicago	U.S. Agencies	22,135,002	18,539,045	3,595,957
Amalgamated Bank of Chicago	U.S. T- Notes	352,653	352,653	—
Total		$82,425,225	$54,422,395	$28,002,830

Source: Illinois Finance Authority Department of Finance