

August 10, 2010

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Ronald E. DeNard
James J. Fuentes
Edward H. Leonard, Sr.
Terrence M. O'Brien
Juan B. Rivera

Michael W. Goetz, Vice Chairman
Roderick S. Bashir
John E. Durburg
Dr. Roger D. Herrin
Joseph McInerney
Roger E. Poole
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

In light of the sacrifices being forced on many of the people of Illinois because of these tough economic times, the Illinois Finance Authority (“IFA”) is sensitive to the need for government to do more with less. Consistent with the strategic plan considered in July, the IFA has focused its efforts and resources on its core business of issuing conduit debt. Headcount at the IFA is 21, down from 31 in Fiscal Year 2008. Similarly, the IFA’s operating budget has decreased by over 30% from Fiscal Year 2007 to Fiscal Year 2010. We pledge to continue to find ways to save money and become more efficient.

Hope in the Manufacturing Sector

Reflecting overall decline in the manufacturing sector due to the recession, the IFA had seen a dramatic decline in the use of the Industrial Revenue Bond (“IRB”) product since calendar 2007. In calendar 2009, the IFA closed three IRB projects for a total amount of \$24 million. On July 29, 2010 IFA closed our first IRB transaction of the calendar year for Bison Gear & Engineering Corporation (“Bison Gear”), a company that designs and manufactures gears and motors for use in a variety of industrial and commercial uses. This project will expand Bison’s existing operations in St. Charles. Bison Gear currently employs 216 workers and the project financed by this IRB is expected to create 41 new jobs as well as 20 construction jobs. Congratulations to the owners and employees at Bison Gear – and we hope that this project signals that the economy is recovering. .

New 501(c)(3) Borrower – Old Town School of Folk Music

We are particularly pleased to see a new, and high-profile borrower, the Old Town School of Folk Music in Chicago, on this month’s agenda for preliminary approval. The Old Town School’s ambitious plans to expand its facility were highlighted in the Chicago Tribune since our last meeting. We hope that this is the beginning of a long and productive relationship between the IFA and one of our State’s most respected cultural and educational institutions.

Using New Tools to Spur Economic Development

On July 12, 2010, Governor Pat Quinn signed two of the IFA’s legislative priorities into law: HB 2369, now Public Act No. 96-1020, and HB 5854, now Public Act 96-1021.

HB 2369 (Mautino-Bradley-Moffitt-Yarbrough-Chapa-LaVia; Wilhelmi-Koehler-Althoff-Hendon) allows the voluntary waiver to the IFA of special, expiring volume cap for the federal Recovery Zone and Qualified Energy Conservation Bond (“QECCB”) programs. Congress created the Recovery Zone and the QECCB programs in February 2009 as part of the ARRA to help create and retain jobs by reducing the borrowing cost for public projects, private projects and energy efficiency projects. Under these programs, the federal government allocated volume cap directly to all 102 Illinois counties and the eight Illinois cities with populations over 100,000.

IFA is working with all of the 110 entities that received Recovery Zone volume cap allocation to encourage voluntary waivers to ensure that these important resources are used to support project financings enabled by ARRA before these programs expire on December 31, 2010. In order to encourage the maximum use of the expiring Recovery Zone resource, HB 2369 also requires that the recipient counties and cities report the use of this resource to IFA, which in turn provides reports to the General Assembly. We hope that the Annex II project located in Monroe County, on the agenda for final consideration this month, will be the first of many Recovery Zone projects issued by IFA using the new tools provided by HB 2369.

HB 5854 (Colvin-Black-Verschoore-Arroyo-Riley; Clayborne) provides IFA with long-sought “multistate” conduit bonding authority as long as there is either (a) a project located in Illinois or (b) the borrower has a significant business presence in Illinois. Several other states have the ability to issue multistate debt. We believe that multistate will make the IFA more competitive nationally, reduce the cost of issuance for IFA borrowers, and provide incentives to larger 501(c)(3) organizations, particularly healthcare organizations, to finance through the IFA and to establish/maintain headquarters in Illinois. The IFA Healthcare team has been actively pursuing potential multistate projects since HB 5854 was signed into law by Governor Quinn.

Special thanks go to Howard Kenner, who so successfully spearheaded IFA’s agenda for the Spring 2010 Legislative Session. We appreciate his excellent work.

Finally, IFA aggressively marketed the expanded tax-exempt financing tools made available through the Midwestern Disaster Area Bonds (“MDAB”) in eighteen Illinois counties (expires December 31, 2012). The KONE Centre project, which will finance construction of a new building that will retain the North American headquarters of Finland-based KONE in Moline is on today’s agenda for consideration of an Inducement Resolution. KONE is one of the world’s leading manufacturers of elevators and escalators. KONE acquired Moline-based Montgomery Elevator in 1994. We are hopeful that KONE will be the first MDAB project closed in Illinois.

Healthcare – a great beginning to Fiscal Year 2011

Speaking of new beginnings, the tender and exchange of bonds for The Clare at Water Tower, a high-profile Continuing Care Retirement Community (“CCRC”) located on Loyola University’s Chicago campus closed in July. We are optimistic that The Clare can fulfill its role as originally envisioned. Christian Homes, another CCRC with locations across central Illinois also closed in July. CCRC’s play a vital role to the community in light of the aging of our population as well as an important role within the revenue picture of the IFA. There has been greater attention on CCRC’s recently as seen in a report by the U.S. General Accounting Office and recent articles in the *Chicago Tribune*.

The Healthcare sector also saw two “firsts” in July, 2010. NorthShore University Healthsystem, long a regular borrower through the IFA, closed its first fixed rate conduit bond transaction in 25 years. Mercy Hospital, on Chicago’s south side, is on the board agenda this month for preliminary consideration of the first FHA 242 Hospital Mortgage Insurance Program bond transaction since 2003.

Finally, the Healthcare team has aggressively engaged with the many new hospital and healthcare system CFOs. We will keep you updated on the progress of these efforts.

Agriculture – solid growth

In July, the IFA closed six separate beginning farmer bonds for a total of \$1.1 million.

Conclusion

We look forward to working with you as well as our State and private sector partners to fulfill the IFA’s mission of retaining and creating jobs by facilitating access to lower cost capital. As an organization, we are fortunate to be able to see the products of our collective efforts from the new and architecturally innovative Rush Hospital just west of Chicago’s Loop to the expansion of the Anderson Schumaker, a forging company on Chicago’s west side to the newly opened OSF Hospital in Peoria.

Respectfully,

Christopher B. Meister
Executive Director

Attachments:

Attachment 1– General Fund, Financial Results plus the Consolidated Balance Sheet and audit tracking schedule

Attachment 2 – Schedule of Debt

To: Members of the Board of the Illinois Finance Authority (“IFA”)

From: Chris Meister, IFA Executive Director

Date: August 5, 2010

Re: FutureGen 2.0 –*New Development*

Today, the U.S. Department of Energy (“USDOE”) announced dramatically altered plans for the FutureGen 2.0 project. Essentially, USDOE proposes to repower an existing Ameren electric generation plant in Meredosia (Morgan County), Illinois, rather than developing a new clean coal plant in Mattoon (Coles County), Illinois. Under the revised plans, Coles County will now host a sequestration site, receiving carbon transferred via a proposed pipeline from the Ameren plant in Morgan County. Furthermore, a labor training and/or research-visitors center could ultimately be built near the sequestration site as well, with the addition of new heads of injection and monitoring wells.

The USDOE proposal appears to contemplate bond financing through the IFA for the pipeline portion of FutureGen 2.0. IFA staff will continue to work with Governor Quinn’s Office on this project in partnership with our sister agencies: the Department of Commerce & Economic Opportunity (“DCEO”), Illinois Environmental Protection Agency (“IEPA”), and the Illinois Power Agency (“IPA”).

We will continue to update the Board as this project develops.

The following documents are attached for your review:

1. AP Story, August 5, 2010
2. Governor Quinn Press Release, August 5, 2010
3. USDOE Press Release, August 5, 2010
4. USDOE “Needed from Illinois” document, August 5, 2010

1. AP Story

US Energy Dept. alters FutureGen plans in Illinois

DAVID MERCER, Associated Press Writer

CHAMPAIGN, Ill. (AP) — The U.S. Department of Energy said Thursday that it has dropped its long-running plans to build a futuristic power plant in eastern Illinois and will instead use the site for the storage of carbon dioxide produced by another Illinois power plant.

The so-called **FutureGen** project originally was to include an experimental coal-fired power plant near Mattoon. Carbon dioxide from burning the coal would have been stored underground.

The department said Thursday that it will retrofit an existing plant in western Illinois that belongs to Ameren Corporation in Meredosia, Ill. Carbon from the plant will be piped to Mattoon for storage along a 175-mile pipeline it will build.

The entire project is expected to cost \$1.1 billion, and construction is expected to begin in the spring. Its target completion date hasn't been determined, U.S. Sen. Dick Durbin said during a conference call Thursday.

The Meredosia plant will test what is known as oxy-combustion — a process where pure oxygen, rather than air, is used to burn fuels such as coal.

The change in plans comes two-and-a-half years after Mattoon — about 45 miles south of Champaign — was chosen with much fanfare to be the home of **FutureGen**. The town watched as the project was scrapped entirely at one point by the Bush administration, then tentatively revived, provided it could be reworked to lower costs.

There was no immediate reaction from the **Futuregen** Alliance, a group of private companies that have been working with Department of Energy to build the **FutureGen** project. Durbin said they would be called on to contribute \$275 million.

Durbin described the new version of the **Futuregen** project as a win for Illinois, and a way to keep the project alive. The initial plan was to test a power-production process known as Integrated Gasification Combined Cycle. Several other projects have ramped up to test that process, Durbin noted, leading the Energy Department to seek a new purpose for **FutureGen**.

"The heart of this is a research effort," Durbin said. "It really made no sense to build a power plant to prove what's already being tested in three or four other commercial facilities."

A spokesman for U. S. Rep. Tim Johnson, an Urbana Republican who has backed the **FutureGen** project, called the new plan disappointing.

"What they are announcing is a far cry from they were originally talking about," Phil Bloomer said.

Angela Griffin, an economic development official who worked to bring **FutureGen** to Mattoon, listened in to Durbin's teleconference but declined to comment afterward. She said she'd only learned about the change in plans earlier Thursday.

The new project will create 1,000 construction jobs for the pipeline, Durbin said. It will also create 50 new jobs at the Meredosia plant. The small town is about 60 miles northwest of Springfield along the Illinois River.

In addition, a training center is planned for Mattoon to teach workers how to build pipelines like to one planned for this project so that other plants could be retrofitted in similar fashion in the future, Durbin said. It isn't clear how many jobs are planned there, he said.

2. Governor Quinn Press Release

OFFICE OF GOVERNOR PAT QUINN

NEWS

FOR IMMEDIATE RELEASE: **CONTACTS:** Ashley Cross (o. 312-814-3158; c. 312-590-7811)
Thursday, August 5, 2010 Grant Klinzman (o. 312-814-3158;
c. 217-299-2448) Christina Mulka, Durbin (o. 202-228-5643)

**Governor Quinn and Senator Durbin Issue
Joint Statement on FutureGen 2.0**

*Plans Move Project Forward at Mattoon, Other Illinois
Locations, Will Bring Thousands of Jobs to State*

CHICAGO – August 5, 2010. Governor Pat Quinn and U.S. Senator Dick Durbin (D-IL) today responded to Secretary of the Department of Energy Steven Chu's announcement that the Department will be moving forward with FutureGen 2.0 in Illinois. FutureGen 2.0 will be a cutting-edge, clean coal repowering program and a carbon dioxide (CO₂) storage network that can be a model for the nation.

Governor Quinn and Senator Durbin released the following statement:

"Three years ago, Illinois was announced as the national winner, today we are announcing that Illinois will still be in the lead when it comes to cutting-edge coal research and creating jobs.

Secretary Chu today confirmed that more than \$1 billion in federal Recovery Act funding will be invested in Illinois to break ground on FutureGen 2.0 – a project centered in Mattoon with new projects in Meredosia and other parts of the state.

Advances in other large scale carbon sequestration projects since then have required the Department of Energy to re-tool the project in order to keep the United States on the cutting-edge of clean coal technology.

The people of Illinois have overcome attempts to kill this program, delays and extensions since FutureGen was originally proposed six years ago.

FutureGen 2.0 allows Illinois to remain a leader in innovative technology that will serve as a model for the nation. The new project stays true to the original goal of 90 percent CO₂ capture and will provide thousands of good paying jobs in our state.

We would like to thank Coles Together, the Department of Energy, the FutureGen Alliance, Congressman Tim Johnson and the Illinois Congressional Delegation for working hard with us to keep this project alive for so many years."

FutureGen 2.0 will bring more than 1,000 construction jobs to downstate Illinois and another 1,000 jobs to suppliers across the state. The technology for repowering and retrofitting plants derived from FutureGen 2.0 will lead to a decade-long project of repowering and retrofitting many coal-fired power plants in Illinois, creating more than 30,000 jobs in our state over the next ten years.

Across the country, 594 coal-fired plants could be candidates for retrofitting and repowering and thousands more globally. The technology and the training center for those efforts will be centered in Illinois.

The more than \$1 billion that was set aside for the original FutureGen project will be reprogrammed and awarded to the FutureGen Alliance, Babcock & Wilcox, Ameren and Air Liquide Process & Construction, Inc. to build FutureGen 2.0. The funding will support four primary areas of work in the state of Illinois:

- 1) The Department of Energy and its partners will establish a regional deep saline injection CO₂ storage facility in Mattoon, Illinois;
- 2) The Department of Energy, in cooperation with the Department of Labor and the Illinois Building Trades Council, also plan to develop a regional training center on the Mattoon

site to train workers in building and repowering coal-fired power stations with advanced technologies;

- 3) The Department of Energy's partners will retrofit and repower Ameren's idle coal-fired power plant in Meredosia, Illinois with advanced Oxy-combustion technology, which will dramatically reduce CO₂, and other pollutants and create of 700 construction jobs and more than 50 permanent jobs; and
 - 4) The Department of Energy will support the construction of a first-of-its-kind Midwest regional CO₂ transportation pipeline from the Meredosia facility to Mattoon, Illinois for sequestration.
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3. USDOE Press Release

THE DEPARTMENT OF ENERGY **Office of Public Affairs**

News Media Contact:
(202) 586-4940

For Immediate Release:
Thursday, August 5, 2010

Secretary Chu Announces FutureGen 2.0

Awards \$1 Billion in Recovery Act Funding for Carbon Capture and Storage Network in Illinois

Washington, D.C. - Today, U.S. Energy Secretary Steven Chu and U.S. Senator Dick Durbin announced the awarding of \$1 billion in Recovery Act funding to the FutureGen Alliance, Ameren Energy Resources, Babcock & Wilcox, and Air Liquide Process & Costruction, Inc. to build FutureGen 2.0, a clean coal repowering program and carbon dioxide (CO₂) storage network. The project partners estimate the program will bring 900 jobs to downstate Illinois and another 1,000 to suppliers across the state.

"Today's announcement will help ensure the US remains competitive in a carbon constrained economy, creating jobs while reducing greenhouse gas pollution," said Secretary Chu. "This investment in the world's first, commercial-scale, oxy-combustion power plant will help to open up the over \$300 billion market for coal unit repowering and position the country as a leader in an important part of the global clean energy economy."

"As with the original FutureGen, Mattoon and the state of Illinois are positioned as leaders in innovative technology that can serve as a model for the nation," said U.S. Senator Dick Durbin. "The new project stays true to the original goal of dramatically reducing pollution and providing thousands of good paying jobs in our state."

With the funds announced today, the partner recipients will repower Ameren's 200 megawatt Unit 4 in Meredosia, Illinois with advanced oxy-combustion technology. The plant's new boiler, air separation unit, CO₂ purification and compression unit will deliver 90 percent CO₂ capture and eliminate most SO_x, NO_x, mercury, and particulate emissions. Ameren Energy

Resources estimates that the retrofitting of the plant is expected to create approximately 500 construction jobs and allow Ameren to recall 50 permanent workers who were laid off last year.

This project will also provide performance and emissions data for future commercial guarantees, and establish operating and maintenance experience for future large-scale commercial projects. The FutureGen Alliance will help design the test program for the new facility to incorporate a broad range of coals and operating conditions to expand the market for this repowering approach.

In addition, the project partners, working with the State of Illinois, will establish a regional CO2 storage site in Mattoon, Illinois and a CO2 pipeline network from Meredosia to Mattoon that will transport and store more than 1 million tons of captured CO2 per year. The project partners estimate the new pipeline network is expected to create 275 construction jobs and 75 permanent jobs. The pipeline network, along with the repository in Mattoon, helps to lay the foundation for a regional CO2 network. The Mattoon site will be used to conduct research on site characterization, injection and storage, and monitoring and measurement.

Oxy-combustion burns coal with a mixture of oxygen and CO2 instead of air to produce a concentrated CO2 stream for safe, permanent, storage. In addition, oxy-combustion technology creates a near-zero emissions plant by eliminating almost all of the mercury, SOx, NOx, and particulate pollutants from plant emissions. The Department of Energy's National Energy Technology Laboratory studies have identified oxy-combustion as potentially the least cost approach to clean-up existing coal-fired facilities and capture CO2 for geologic storage.

FutureGen 2.0 stays true to the original spirit of the FutureGen project by advancing technology that can make the United States a world leader in carbon capture and storage. Secretary Chu and Senator Durbin intend to visit the Illinois sites for this project in the coming weeks.

4. "Needed from Illinois"

Needed from the State Illinois

FutureGen 2.0

August 2010

Top Line:

The US Department of Energy will announce a major new initiative to repower America's coal industry, creating jobs in the electric power and-coal industries in the United States by awarding more than \$1Billion to the FutureGen Alliance, Babcock & Wilcox, and Ameren in Illinois to build FutureGen 2.0, a cutting edge clean coal repowering program at Ameren, Meredosia Unit 4 and a carbon dioxide (CO2) storage network based in Mattoon that can be a model for the nation.

Specifics for the State of Illinois:

In partnership with the FutureGen Alliance, the Illinois State Geologic Survey (ISGS) will establish both a regional CO₂ storage site in Mattoon, Illinois and a CO₂ pipeline line from Meredosia connecting to a new trunk line. This proposed trunk line would run along existing natural gas pipeline rights of way, from Riverton, east to Decatur, and then south to the Mattoon regional storage site. The FutureGen Alliance will also partner with ISGS to construct deep saline injection wells at the FutureGen project site in Mattoon, including subcontracted operations and maintenance of the regional storage facility and the CO₂ pipeline network.


State Leadership Requirements:

- 1) State Bond Financing supported by sequestration revenues
 - a. Pipeline Approx \$75M
 - b. Mattoon Approx \$25M
- 2) Illinois Power Authority commitment to work with Ameren on a power purchase agreement, Clean Coal Portfolio, and Midwest ISO
- 3) State legislation to extend acceptance of CO₂ custody and liability for long term in exchange for potential revenues from CO₂ transport and storage
- 4) Commitment to use the Mattoon storage facility for any CO₂ in Illinois
- 5) Determination that the CO₂ credits belong to the project sponsor
- 6) Assistance to expedite air, water, and other environmental permits
- 7) Assistance in right-of-way for CO₂ pipelines
- 8) Buy-in from Illinois Geologic Survey to participate in storage project





We look forward to working with Illinois to make these pieces fit together

**Illinois Finance Authority
 FY09 Audit Finding: Material
 Update as of July 31, 2010**

Number of Material Findings - 1

Item Number	Description	Finding Type	Comments	Percentage Completed
Government Auditing Standards: 09-01	Valuation of Venture Capital Investments	Significant Deficiency	Auditor Recommendation: The IFA has not had an independent valuation of its venture capital investments since fiscal year 2006. We recommend the Authority obtain an independent valuation of the investment portfolio periodically in order to support the amounts recorded and disclosed in the financial statements. Authority Response: The Authority accepted the auditor's recommendation. The valuation of the venture capital portfolio has been completed and the books have been adjusted.	10 20 30 40 50 60 70 80 90 100 

**Illinois Finance Authority
 FY09 Audit Finding: Immaterial
 Update as of July 31, 2010**

Item Number	Description	Percentage Completed
		10 20 30 40 50 60 70 80 90 100
Total Number of 4		
FY 09 Immaterial Findings		
IM09-01	Failure to Report Revenue Bond Information to the Illinois Office of the Comptroller	
IM09-02	Inaccurate Agency Report of State Property (C-15)	
IM09-03	Lack of Disaster Contingency Testing to Ensure Recovery of Computer Systems	
IM09-04	Weaknesses Regarding the Security and Control of Confidential Information	

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^[a]

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

Section I (a)		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2010	July 31, 2010		
Illinois Finance Authority "IFA"					
286	Agriculture	\$ 48,756,000	\$ 49,830,000		
87	Education	3,721,552,000	3,633,623,000		
217	Healthcare	10,850,978,000	11,109,955,000		
62	Industrial Development	345,870,000	353,035,000		
21	Local Government	264,060,000	264,060,000		
18	Multifamily/Senior Housing	157,979,000	157,918,000		
96	501(c)(3) Not-for Profits	1,313,239,000	1,308,153,000		
5	Exempt Facilities Bonds	130,500,000	130,500,000		
792	Total IFA Principal Outstanding	\$ 16,832,934,000	\$ 17,007,074,000		
Illinois Development Finance Authority "IDFA" ^[b]					
4	Education	42,196,000	42,196,000		
6	Healthcare	404,660,000	288,860,000		
76	Industrial Development	562,892,000	561,731,000		
35	Local Government	386,034,000	386,034,000		
16	Multifamily/Senior Housing	147,219,000	146,585,000		
104	501(c)(3) Not-for Profits	1,025,002,000	1,019,679,000		
1	Exempt Facilities Bonds	24,860,000	24,860,000		
238	Total IDFA Principal Outstanding	\$ 2,592,863,000	\$ 2,469,945,000		
Illinois Rural Bond Bank "IRBB" ^[b]					
18	Bond Bank Revenue Bonds	26,385,000	26,385,000		
1	Conduit Debt	2,390,000	2,390,000		
19	Total IRBB Principal Outstanding	\$ 28,775,000	\$ 28,775,000		
109	Illinois Health Facilities Authority "IHFA"	\$ 2,908,471,000	\$ 2,898,417,000		
49	Illinois Educational Facilities Authority "IEFA"	\$ 1,446,134,000	\$ 1,432,532,000		
604	Illinois Farm Development Authority "IFDA" ^[f]	\$ 47,029,000	\$ 47,029,000		
1,811	Total Illinois Finance Authority Debt	\$ 23,856,206,000	\$ 23,883,772,000	\$ 28,150,000,000	\$ 4,266,228,000

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

Section I (b)		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2010	July 31, 2010		
General Purpose Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]					
18	Issued through IRBB	\$ 26,385,000	\$ 26,385,000		
9	Issued through IDFA	68,000,000	68,000,000		
27	Total General Moral Obligations	\$ 94,385,000	\$ 94,385,000	\$ 150,000,000	\$ 55,615,000
Financially Distressed Cities Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/825-60]					
1	Issued through IFA	\$ 2,395,000	\$ 2,395,000		
1	Issued through IDFA	4,660,000	4,660,000		
2	Total Financially Distressed Cities	\$ 7,055,000	\$ 7,055,000	\$ 50,000,000	\$ 42,945,000
State Component Unit Bonds ^[c]					
18	Issued through IRBB	\$ 26,385,000	\$ 26,385,000		
2	Issued through IDFA	94,075,000	100,915,000		
12	Issued through IFA	159,198,000	159,198,000		
32	Total State Component Unit Bonds	\$ 279,658,000	\$ 286,498,000		

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

Section I (c)		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2010	July 31, 2010		
Midwest Disaster Bonds [Flood Relief]		\$ -	\$ -	\$ 1,515,271,000	\$ 1,515,271,000

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

Section II		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2010	July 31, 2010		
Illinois Power Agency		\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^[a]

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

Section III		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2010	July 31, 2010		
Clean Coal, Coal ,Renewable Energy and Efficiency Projects	Energy	\$ -	\$ -	\$ 3,000,000,000 ^[d]	\$ 3,000,000,000

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

Section IV		Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
		June 30, 2010	July 31, 2010			
Agri Debt Guarantees [Restructuring Existing Debt]		\$ 20,300,000	\$ 19,693,000	\$ 160,000,000	\$ 140,307,000	\$ 16,697,000
100	Fund # 994 - Fund Balance \$ 9,928,105					
AG Loan Guarantee Program		\$ 47,229,000	\$ 46,972,000	\$ 225,000,000 ^[e]	\$ 178,028,000	\$ 34,055,000
61	Fund # 205 - Fund Balance \$ 7,641,852					
13	Agri Industry Loan Guarantee Program	\$ 11,104,419	\$ 11,104,000			9,439,000
1	Renewable Fuels	24,444,583	24,310,000			14,792,000
1	Farm Purchase Guarantee Program	490,823	491,000			417,000
34	Specialized Livestock Guarantee Program	8,625,470	8,503,000			7,228,000
12	Young Farmer Loan Guarantee Program	2,563,535	2,564,000			2,179,000
161	Total State Guarantees	\$ 67,529,000	\$ 66,665,000	\$ 385,000,000	\$ 318,335,000	\$ 50,752,000

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

Section V		Fund #	Principal Outstanding		Appropriation Fiscal Year 2011	Fund Balance
			June 30, 2010	July 31, 2010		
116	Fire Truck Revolving Loan Program	572	\$ 18,730,135	\$ 18,730,135	\$ 6,003,342	\$ 1,209,470
10	Ambulance Revolving Loan Program	334	\$ 993,200	\$ 993,200	\$ 7,006,800	\$ 3,133,428

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

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

Section VI		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2010	July 31, 2010		
Environmental [Large Business]					
9	Issued through IFA	\$ 316,440,000	\$ 316,400,000		
21	Issued through IDFA	372,065,000	372,065,000		
30	Total Environmental [Large Business]	\$ 688,505,000	\$ 688,465,000	\$ 2,425,000,000	\$ 1,736,535,000
Environmental [Small Business]					
30	Total Environment Bonds Issued under Act	\$ 688,505,000	\$ 688,465,000	\$ 2,500,000,000	\$ 1,811,535,000

Illinois Finance Authority Funds at Risk

Section VII	#	Original Amount	Principal Outstanding	
			June 30, 2010	July 31, 2010
	Participation Loans			
63	Business & Industry	23,020,157.95	17,018,322.85	16,864,584.49
25	Agriculture	6,079,859.01	4,969,295.79	4,937,115.46
88	Total Participation Loans	\$ 29,100,016.96	\$ 21,987,618.64	\$ 21,801,699.95
1	Illinois Facility Fund	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
4	Local Government Direct Loans	\$ 392,000.00	\$ 387,931.74	\$ 309,303.50
6	FmHA Loans	\$ 963,250.00	\$ 617,776.68	\$ 486,538.65
2	Renewable Energy [RED Fund]	\$ 2,000,000.00	\$ 1,841,011.12	\$ 1,748,508.80
101	Total Loans Outstanding	\$ 33,455,266.96	\$ 25,834,338.18	\$ 25,346,050.90

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

[b] State Component Unit Bonds included in balance.

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

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

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

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

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

The Illinois Finance Authority is continually working on processes to ensure the most accurate information is reported. Annually, IFA verifies the outstanding balances of all bonds with the Illinois Office of the Comptroller; while preparing for this review one of these processes identified some discrepancies between the June 2010 numbers presented in the July Board Book and those presented in the August Board Book. New checks and balances will eliminate wide changes from month to month but will not eliminate all changes, since late month bond calls or extra principal payments will continue to create small variances.



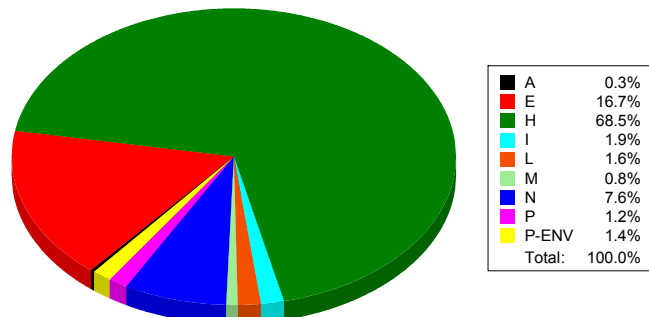
Bonds Issued and Outstanding as of July 31, 2010

Bonds Issued Since Inception

#	Market Sector	Principal Amount (\$)
9	Agriculture	57,689,796
97	Education	3,806,258,100
302	Healthcare *	15,341,193,508
71	Industrial	441,355,669
26	Local Government	376,160,000
19	Multifamily/Senior Housing	175,417,900
129	501(c)(3) Not-for Profits	1,709,398,195
8	Exempt Facilities Bonds	275,700,000
9	Environmental issued under 20 ILCS 3515/9	326,630,000
		\$ 22,509,803,168

* Includes CCRC's

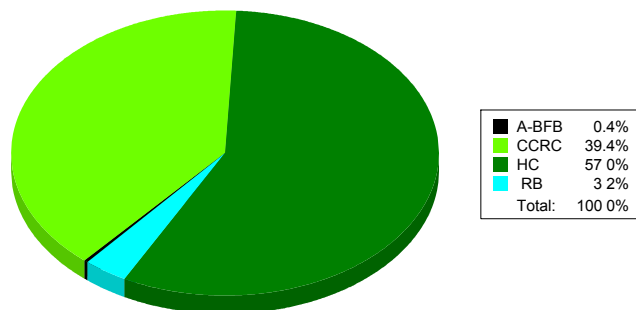
Bonds Issued Since Inception



Current Fiscal Year

#	Market Sector	Principal Issued
	Agriculture - Beginner Farmer	1,105,584
	Healthcare - CCRC	112,505,000
	Healthcare	162,925,000
	Industrial Revenue	9,230,000
		\$ 285,765,584

Bonds Issued - Current Fiscal Year

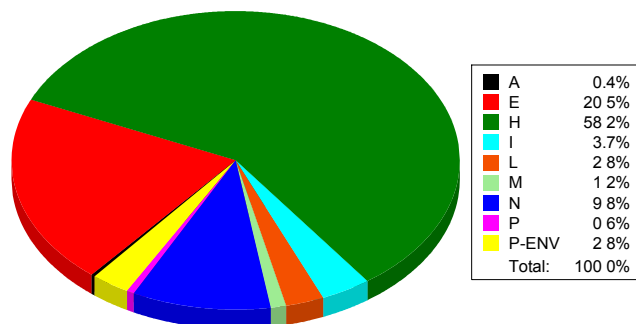


Schedule of Bonds Outstanding by Market Sector

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	296,159,502	96,858,838
Education	5,432,345,730	5,033,091,663
Healthcare *	16,324,082,337	14,297,232,096
Industrial	1,108,555,669	914,765,814
Local Government	1,138,329,413	678,869,169
Multifamily/Senior Housing	742,915,396	304,503,016
501(c)(3) Not-for Profits	2,872,924,996	2,403,092,273
Exempt Facilities Bonds	155,360,000	155,360,000
Environmental issued under 20 ILCS 3515/9	770,475,000	688,464,774
	\$ 28,841,148,043	\$ 24,572,237,642

* Includes CCRC's

Principal Outstanding by Market Sector



Bonds Issued between July 01, 2010 and July 31, 2010

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginner Farmer Bonds, Series 2011	07/01/2010	Various-See Below	1,105,584	0
HC NorthShore University HealthSystem, Series 2010	07/14/2010	2.00% to 5.25%	136,425,000	115,800,000
CCRC The Clare at Water Tower, Series 2010A&B	07/15/2010	5.10% to 6.125%	87,505,000	87,505,000
CCRC Christian Homes, Inc., Series 2010	07/29/2010	3.40% to 6.125%	25,000,000	8,090,000
IRB Bison Gear & Engineering Corporation, Series 2010	07/29/2010	VRB 0.32%	9,230,000	0
HC Institute for Transfusion Medicine, Series 2010	07/29/2010	VRB 3.60%	26,500,000	0
Total Bonds Issued in Fiscal Year 2011			\$ 285,765,584	\$ 211,395,000

Legend: Fixed Rate Bonds as shown

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

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

Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds

<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
Stortzum, Brent A.	07/21/2010	4.25%	157,500	38.00	Effingham
Tolley, Daniel Steven	07/23/2010	4.50%	106,900	82.30	Knox
Smithenry, Eric J.	07/30/2010	4.25%	135,000	20.00	Jasper
Will, Richard & Linda	07/30/2010	4.00%	206,712	71.30	Cumberland
Justison, David M.	07/30/2010	4.25%	249,736	106.00	Montgomery
Justison, Keri L.	07/30/2010	4.25%	249,736	106.00	Montgomery
Total Beginner Farmer Bonds Issued			\$ 1,105,584	423.60	