McGladrey & Pullen
Certified Public Accountants

STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY

Financial Audit
For the Year Ended June 30, 2005

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

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

FINANCIAL AUDIT

For the Year Ended June 30, 2005

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

AGENCY OFFICIALS

Acting Executive Director (March 8, 2005 – Current)	Ms. Jill Rendleman
Director (July 1, 2004 – March 8, 2005)	Mr. Ali Ata
Chairman – Board of Directors	Mr. David C. Gustman
Chief Financial Officer and Treasurer (March 28, 2005 – Current)	Mr. Jose Garcia
Chief Financial Officer and Treasurer (July 1, 2004 – March 28, 2005)	Mr. Mike Pisarcik
Chief Administrative Officer (May 16, 2005 – Current)	Mr. Stuart Boldry
Chief Administrative Officer (July 1, 2004 – May 16, 2005)	Mr. Mike Pisarcik

Board Members

Magda Boyles
Ronald E. DeNard
James J. Fuentes
Demetris A. Giannoulias
Michael Goetz
Dr. Roger D. Herrin
Edward H. Leonard Sr.
Martin Nesbitt
Terrance M. O'Brien
Andrew W. Rice
Juan B. Rivera
Joseph P. Valenti
Bradley A. Zeller

Agency offices are located at:

Chicago Office
180 N. Stetson Avenue, Suite 2555
Chicago, Illinois 60601

Peoria Office
124 S.W. Adams Street, Suite 300
Peoria, Illinois 61602

Springfield Office
217 E. Monroe Street, Suite 202
Springfield, Illinois 62701

Carbondale Office
150 E. Pleasant Hill Road
Carbondale, Illinois 62901

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

For the Year Ended June 30, 2005

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying financial statements of the State of Illinois, Illinois Finance Authority was performed by McGladrey & Pullen, LLP.

Based on their audit, the auditors expressed an unqualified opinion on the Authority's basic financial statements.

McGladrey & Pullen
Certified Public Accountants

Independent Auditor's Report

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of 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, 2005, which collectively comprise the State of Illinois, Illinois Finance Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of Illinois, Illinois Finance Authority's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the financial statements of the State of Illinois, Illinois Finance Authority are intended to present the financial position and changes in financial position and cash flows, where applicable, of only that portion of each major fund and the aggregate remaining fund information of the State that is attributable to the transactions of the State of Illinois, Illinois Finance Authority. They do not purport to, and do not, present fairly the financial position of the State of Illinois as of June 30, 2005, the changes in financial position or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also, as discussed in Note 2, the Authority implemented Governmental Accounting Standards Board No. 40, *Deposit and Investment Risk Disclosures* as of July 1, 2004.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the State of Illinois, Illinois Finance Authority, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2005 on our consideration of the State of Illinois, Illinois Finance Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The State of Illinois, Illinois Finance Authority has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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 accompanying supplementary information, the combining financial statements of individual non-major funds as listed on pages 32 through 37 of the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McGladrey & Pullen, LLP

Schaumburg, Illinois
November 30, 2005

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

Statement of Net Assets

June 30, 2005

Assets	General Operating Fund	Bond Fund	Fire Truck Revolving Loan Fund	Nonmajor funds	Total
Current assets:					
Cash and cash equivalents – unrestricted	$ 13,538,055	—	—	13,913,321	27,451,376
Investments – unrestricted	3,467,669	—	—	—	3,467,669
Restricted current assets					
Cash and cash equivalents	—	480,884	1,164,029	—	1,644,913
Accrued interest receivable	—	1,105,258	3,500	2,661	1,111,419
Restricted investments	—	61,112	—	—	61,112
Bonds and notes receivable	—	4,645,000	—	—	4,645,000
Other receivable	—	4,393	—	—	4,393
Loans receivable	—	—	272,231	91,484	363,715
Allowance for doubtful accounts	—	—	—	(91,484)	(91,484)
Current portion of deferred issuance costs, net	—	29,359	—	—	29,359
Receivables:					
Accounts	721,614	—	—	—	721,614
Loans receivable	80,635	—	—	—	80,635
Allowance for doubtful accounts	(80,635)	—	—	—	(80,635)
Interest and other	25,984	—	—	3,978	29,962
Current portion of deferred issuance costs, net	—	—	—	115,089	115,089
Prepaid expenses and deposits	82,200	—	—	—	82,200
Total current assets	17,835,522	6,326,006	1,439,760	14,035,049	39,636,337
Noncurrent assets:					
Restricted noncurrent assets					
Cash and cash equivalents	975,075	—	—	20,339,455	21,314,530
Interest receivable	—	184,206	—	38,000	222,206
Guarantee payments receivable	—	—	—	1,090,487	1,090,487
Allowance for doubtful accounts	—	—	—	(897,308)	(897,308)
Deferred issuance costs, net of accumulated amortization	—	192,523	—	—	192,523
Investments	—	8,445,473	—	—	8,445,473
Bonds and notes receivable	—	51,035,000	—	—	51,035,000
Loans receivable	—	—	4,795,715	257,358	5,053,073
Allowance for doubtful accounts	—	—	—	(33,004)	(33,004)
Investments in partnerships and companies	—	—	—	5,318,237	5,318,237
Loans receivable	10,442,477	—	—	8,085,000	18,527,477
Allowance for doubtful accounts	(1,769,688)	—	—	—	(1,769,688)
Due from other funds long-term	2,375,524	—	—	712,373	3,087,897
Property and equipment, at cost	276,821	—	—	5,500	282,321
Accumulated depreciation	(208,464)	—	—	(2,658)	(211,122)
Deferred issuance costs, net of accumulated amortization	—	—	—	827,728	827,728
Total noncurrent assets	12,091,745	59,857,202	4,795,715	35,741,168	112,485,830
Total assets	29,927,267	66,183,208	6,235,475	49,776,217	152,122,167
Liabilities					
Current liabilities:					
Accounts payable	108,139	—	—	—	108,139
Accrued expenses	455,540	—	—	—	455,540
Accrued interest payable	—	1,232,108	—	4,686	1,236,794
Due to employees	53,538	—	—	—	53,538
Due to primary government	274,432	—	—	25,000	299,432
Due to local government units	—	1,529	—	—	1,529
Bonds payable, current	—	4,645,000	—	—	4,645,000
Current portion of long-term debt	—	—	—	54,303	54,303
Deferred revenue, net of accumulated amortization	—	—	—	143,787	143,787
Total current liabilities	891,649	5,878,637	—	227,776	6,998,062
Noncurrent liabilities:					
Noncurrent portion of long-term debt	—	—	—	882,906	882,906
Bonds payable, noncurrent	—	59,095,000	—	—	59,095,000
Deferred revenue, net of accumulated amortization	—	—	—	1,035,892	1,035,892
Due to other funds long-term	—	—	—	3,087,897	3,087,897
Deferred loss on early extinguishment of debt	—	(63,718)	—	—	(63,718)
Total noncurrent liabilities	—	59,031,282	—	5,006,695	64,037,977
Total liabilities	891,649	64,909,919	—	5,234,471	71,036,039
Net Assets					
Invested in capital assets	68,357	—	—	2,842	71,199
Restricted	975,075	1,273,289	6,235,475	19,855,754	28,339,593
Unrestricted	27,992,186	—	—	24,683,150	52,675,336
Total net assets	$ 29,035,618	1,273,289	6,235,475	44,541,746	81,086,128

See accompanying notes to financial statements.

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

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

For the Year Ended June 30, 2005

	General Operating Fund	Bond Fund	Fire Truck Revolving Loan Fund	Nonmajor funds	Total
Operating revenues:					
Interest on loans	$ 337,552	—	—	16,606	354,158
Interest on loans (security for revenue bonds)	—	2,730,206	—	—	2,730,206
Application fees	80,330	—	—	—	80,330
Annual fees	1,685,599	62,071	—	—	1,747,670
Administrative service fees	4,939,242	38,250	—	—	4,977,492
Bad debt recoveries	1,400	—	—	6,216	7,616
Miscellaneous	50,032	—	—	159,091	209,123
Total operating revenues	7,094,155	2,830,527	—	181,913	10,106,595
Operating expenses:					
Employee related expenses	3,169,979	—	—	—	3,169,979
Professional services	1,046,541	117,980	—	8,491	1,173,012
Depreciation	17,418	—	—	1,008	18,426
Occupancy costs	435,125	—	—	—	435,125
Interest expense	—	3,080,646	—	9,105	3,089,751
General and administrative	485,295	—	—	—	485,295
Loan loss provision	223,293	—	—	17,844	241,137
Total operating expenses	5,377,651	3,198,626	—	36,448	8,612,725
Operating income (loss)	1,716,504	(368,099)	—	145,465	1,493,870
Nonoperating revenues (expenses):					
Appropriation from State of Illinois	27,472	—	6,200,000	—	6,227,472
Interest and investment income	457,961	499,416	35,475	739,466	1,732,318
Net appreciation (depreciation) in fair value of investments	31,302	—	—	(720,721)	(689,419)
Interest buy-back expense	(27,472)	—	—	—	(27,472)
Total nonoperating revenues (expenses), net	489,263	499,416	6,235,475	18,745	7,242,899
Transfers:					
Transfers from other funds	839,905	—	—	19,191	859,096
Transfers to other funds	(12,592)	—	—	(846,504)	(859,096)
Total transfers	827,313	—	—	(827,313)	—
Change in net assets	3,033,080	131,317	6,235,475	(663,103)	8,736,769
Net assets – beginning of year	26,002,538	1,141,972	—	45,204,849	72,349,359
Net assets – end of year	$ 29,035,618	1,273,289	6,235,475	44,541,746	81,086,128

See accompanying notes to financial statements.

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

Statement of Cash Flows

For the Year Ended June 30, 2005

		General Operating Fund	Bond Fund	Fire Truck Revolving Loan Fund	Nonmajor funds	Total
Cash flows from operating activities:						
Cash received for interest on loans	$	339,252	2,751,736	—	17,081	3,108,069
Cash received for fees and other		7,083,794	100,321	—	2,000	7,186,115
Cash received on loan receivables and guarantees		2,163,754	5,055,000	—	100,264	7,319,018
Cash payments on loan receivables and guarantees		(4,518,543)	(2,640,000)	(5,067,946)	(3,085,000)	(15,311,489)
Cash payments for employee services		(2,419,735)	—	—	—	(2,419,735)
Cash payments to suppliers for goods and services		(2,253,305)	(86,425)	—	(75,021)	(2,414,751)
Cash payments for interest		—	(3,115,440)	—	(9,810)	(3,125,250)
Net cash provided by (used in) operating activities		395,217	2,065,192	(5,067,946)	(3,050,486)	(5,658,023)
Cash flows from noncapital financing activities:						
Due from other funds		(872,859)	—	—	—	(872,859)
Due to other funds		—	—	—	872,859	872,859
Transfers from other funds		839,905	—	—	19,191	859,096
Transfers to other funds		(12,592)	—	—	(846,504)	(859,096)
Bond and notes principal payments		—	(5,135,000)	—	(53,865)	(5,188,865)
Proceeds from issuance of revenue bonds		—	2,640,000	—	—	2,640,000
Cash received from State of Illinois		27,472	—	6,200,000	—	6,227,472
Interest subsidy payment to farmers		(27,472)	—	—	—	(27,472)
Net cash provided by (used in) noncapital financing activities		(45,546)	(2,495,000)	6,200,000	(8,319)	3,651,135
Cash flows from capital and related financing activities:						
Purchase of capital assets		(37,149)	—	—	—	(37,149)
Net cash used in capital and related financing activities		(37,149)	—	—	—	(37,149)
Cash flows from investing activities:						
Purchase of investments		(19,908,930)	(164)	—	(856,697)	(20,765,791)
Maturity and sales of investments		27,141,524	—	—	1,235,000	28,376,524
Interest and dividends on investments		482,211	510,329	31,975	741,946	1,766,461
Net cash provided by investing activities		7,714,805	510,165	31,975	1,120,249	9,377,194
Net increase (decrease) in cash and cash equivalents		8,027,327	80,357	1,164,029	(1,938,556)	7,333,157
Cash and cash equivalents at beginning of year		6,485,803	400,527	—	36,191,332	43,077,662
Cash and cash equivalents at end of year	$	14,513,130	480,884	1,164,029	34,252,776	50,410,819
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	$	1,716,504	(368,099)	—	145,465	1,493,870
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation		17,418	—	—	1,008	18,426
Amortization of bond issuance costs		—	31,555	—	128,780	160,335
Changes in assets and liabilities:						
Accrued interest receivable		1,700	21,530	—	475	23,705
Loans receivable		(2,132,896)	2,415,000	(5,067,946)	(2,973,108)	(7,758,950)
Accounts receivable		328,590	—	—	2,000	330,590
Prepaid expenses and deposits		104,919	—	—	—	104,919
Accounts payable and accrued expenses		336,174	(39,889)	—	(196,015)	100,270
Due to employees		22,808	—	—	—	22,808
Deferred revenue		—	—	—	(159,091)	(159,091)
Deferred loss on early extinguishment of debt		—	5,095	—	—	5,095
Net cash provided by (used in) operating activities	$	395,217	2,065,192	(5,067,946)	(3,050,486)	(5,658,023)

See accompanying notes to financial statements.

(1) Organization

The Illinois Finance Authority (the 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 mission of the Authority is statutorily defined as follows (20 ILCS 3501/801 et. seq.):

The mission of the Illinois Finance Authority 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.

The Authority is a body corporate and politic, of the State of Illinois. The Authority is governed by a 15-member board of directors, appointed by the Governor with the advice and consent of the Senate. As specified in Public Act 93-205 the amount of bonds issued by the Authority cannot exceed $24,000,000,000.

(2) Summary of Significant Accounting Policies

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). To facilitate the understanding of data included in the financial statements, summarized below are the more significant accounting policies.

(a) Financial Reporting Entity

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

(1) Appointment of a voting majority of the component unit's board and either (a) the primary government's ability to impose its will on the component unit or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

(2) Fiscal dependency on the primary government.

For financial reporting purposes, the Authority is a component unit of the State of Illinois. The Authority does not treat any other reporting entities as component units.

(b) 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); each is displayed in a separate column. All remaining proprietary funds are aggregated and reported as nonmajor funds. With the exception of one appropriated program expense in the General Operating Fund, and the Fire Truck Revolving Loan Fund, all agency administered funds are non-appropriated.

The Authority has the following major proprietary funds:

General Operating Fund – The 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 as set forth in Public Act 93-205.

Bond Fund – Each bond represents a moral obligation of the State of Illinois and is comprised of several accounts as required by the bond indenture. Each of the bond issues has been issued in parity with the previous issues. The accounts of all the 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 local governmental securities and remit bond issuance costs paid for with bond proceeds. The fund also collects interest and principal payments from the local governmental units and makes payments and interest on the moral obligation bonds payable.

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 in 2005 to provide zero-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.

(c) Basis of Accounting

The Authority 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Authority also has the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

(d) Cash and Cash Equivalents

For the purposes of the statements of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents.

(e) 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 and investments (Note 3), long-term obligations (Note 8), revenue bonds payable (Note 9) and commitments and contingencies (Note 12) for additional disclosures.

(f) 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 Participating Contracts due to the variable rate they earn. These contracts are reported at fair value based on quoted market prices.

(g) Deferred Issuance Costs and Deferred Revenue

The Authority is amortizing issuance costs and fee revenue from bond issues over the life of the bond issues using the effective interest method. Amounts are presented net of accumulated amortization in the Statement of Net Assets.

(h) Deferred Loss on Early Extinguishment

The Authority is amortizing a loss on the refunding of several of its non-asset bonds in the Bond Fund over the lesser of the term of the old debt or the new debt using the straight-line method. The unamortized loss is presented as a contra liability to the new debt.

(i) 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.

(j) 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 Operating and IRBB General Fund Trust Funds. Capital assets and accumulated depreciation is reported in Note 11 to the financial statements.

Capitalization thresholds and the estimated useful lives are as follows:

Furniture and equipment	$500	5 years
Computer equipment	5,000	5 years
Software	10,000	3 years
Automobiles	500	5 years

(k) Vacation and Sick Leave

The Authority's employees earn vacation and sick leave pay which generally may be either taken or accumulated. Employees are allowed to carry up to one week of earned vacation days into the next calendar year. Any days over this amount will be lost. Upon termination, any unused vacation days will be paid to the employee. Vacation and sick leave pay are accrued when earned. The current liability is recorded in the General Operating Fund.

Activity related to accrued vacation and sick leave for the year ended June 30, 2005 consisted of the following:

Accrued Leave June 30, 2004	Earned	Paid	Accrued Leave June 30, 2005	Due Within One Year
$ 30,730	$ 102,275	$ 79,467	$ 53,538	$ 53,538

(l) Net Assets

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

Invested 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 assets that are 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.

Unrestricted – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets."

(m) 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.

(n) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets 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.

(o) Conduit Debt Obligations

In accordance with Illinois Compiled Statutes, the Authority issues limited obligation revenue bonds and participates 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 debt, ownership of the acquired facilities transfers to the entity served by the issuance. Neither the Authority, 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, 2005, the aggregate amount of conduit debt outstanding is approximately $20.4 billion.

(p) Adoption of New Accounting Principle

The Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposits and Investment Risk Disclosures*, an amendment of GASB Statement No. 3 effective July 1, 2004.

(3) Cash and Investments

Cash and Investments as of June 30, 2005 are classified in the accompanying financial statements as follows:

Cash and cash equivalents - unrestricted	$	27,451,376
Cash and cash equivalents - restricted current assets		1,644,913
Cash and cash equivalents - restricted noncurrent assets		21,314,530
Investments - unrestricted		3,467,669
Restricted investments - current assets		61,112
Investments - restricted noncurrent assets		8,445,473
Investments in partnerships and companies		5,318,237
Total cash and investments	$	67,703,310

Cash and investments as of June 30, 2005 consist of the following:

Cash on hand	$	400
Deposits with financial institutions		8,800,783
Deposits held by State of Illinois Treasurer		18,664,834
Investments		40,237,293
	$	67,703,310

The Authority is permitted by Illinois Statutes and by its investment policy to invest any of its funds in:

(a) Federal Government Securities, including securities of the federal agencies.

(b) Securities guaranteed by the federal government.

(c) Savings accounts, certificates of deposit, time deposits in banks or savings and loans insured by the FDIC and any deposits in excess of amounts insured by the FDIC that 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 Public Treasurer's Investment Pool.

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

(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, debt service reserve, federally assisted programs and funds held by bond trustees that are governed by the provisions of bond agreements. The investment of these funds is governed by the applicable authorizing statutes.

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. The Authority's investment policy does not address a specific type of risk that it is exposed to.

As of June 30, 2005 the Weighted Average Maturity of the Authority's investments were:

Investment Type		Weighted Average Maturity (in years)
Federal Agency Securties	$ 1,282,669	6.14
State Investment Pool (Illinois Funds)	22,090,606	N/A
Money Market Funds	3,100,308	N/A
Investment Contracts	8,445,473	14.48
Investments in Partnerships and Companies	5,318,237	N/A
	$ 40,237,293	

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 does not address a specific type of risk that it is exposed to. Presented below is the rating as of year end for each investment type:

Investment Type		Exempt From Disclosure	Rating as of Year End AAA	Not Rated
Federal Agency Securties	$ 1,282,669	$ -	$ 1,282,669	$ -
State Investment Pool (Illinois Funds)	22,090,606	-	22,090,606	-
Money Market Funds	2,576,888	-	1,849,069	727,819
Held by Bond Trustee:				
Money Market Funds	523,420	-	523,420	-
Investment Contracts	8,445,473	-	-	8,445,473
Investments in Partnerships and Companies	5,318,237	5,318,237	-	-
Total	$ 40,237,293	$ 5,318,237	$ 25,745,764	$ 9,173,292

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 the 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.

At year end investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) did not represent 5% or more of the total Authority investments. Investments in any one issuer that represent 5% or more of total investments in any major fund or nonmajor funds in the aggregate are as follows:

Issuer	Fund	Investment Type	Reported Amount
Amcore Bank of Rockford	Bond Fund	Investment Contract	$ 837,938
FNB Springfield	Bond Fund	Investment Contract	1,441,678
Morgan	Bond Fund	Investment Contract	1,922,077
Bayerische	Bond Fund	Investment Contract	1,327,534
Societe General	Bond Fund	Investment Contract	1,541,820
Bank of America	Bond Fund	Investment Contract	539,115

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 of SAIF be secured by an eligible form of collateral equal to 110% of the uninsured deposit. Eligible collateral instruments are any of the following:

1.) Federal 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
5.) Surety bonds issued by MBIA or equivalent entity

Third party safekeeping is required for collateral items 1, 2 and 3 above.

As of June 30 2005, $1,324,659 of the Authority's deposits with financial institutions in excess of federal depository limits were uncollateralized.

The Illinois Funds is an external investment pool administered by the Illinois State Treasurer. The fair value of the Authority's investment fund is the same as the value of the pool shares. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Investment Act, 30 ILCS 235.

(4) Bonds 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 two federal programs, the Economic Development Administration (E.D.A.) Title IX Revolving Loan Program and the Rural Development Loan Program. Bonds receivable from local governmental units represent amounts loaned to the units through the purchase of their securities.

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 as follows:

August 1, 2006	$	1,000,000
August 1, 2016		3,000,000
	$	4,000,000

Direct Lending Program

The Authority provides loans to Illinois businesses that cannot obtain sufficient financing through conventional sources, by lowering the amount of equity the borrower must contribute. Financing includes up to $250,000 to small and mid-size businesses for land, building, machinery, and equipment purchases. The Authority did not provide any new loans under this program for the year ending June 30, 2005. Loans under this program carry an interest rate of 1.5% with maturity dates up to ten years. This program has been superceded by the Direct Lending Participation Program. Total loans outstanding as of June 30, 2005, were $112,747.

Direct Lending Participation Program

Similar to the Direct Lending 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 $1,000,000 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 200 basis points less than the bank’s rate with maturity dates up to ten years. Total loans outstanding as of June 30, 2005, were $10,329,730.

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 E.D.A. 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, 2005, were $91,484. The E.D.A Title IX Restricted Revolving loans are fully reserved.

The Rural Development Revolving Loan Program

The Rural Development Revolving Loan Program participates with the Rural Development Administration's (formerly the Farmers Home Administration's) 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 $150,000 of fixed asset costs at a 6% interest rate with maturity dates up to ten years. Total loans outstanding as of June 30, 2005, were $257,358.

SBA Microloan Demonstration Program

This program of the Authority accounts for the activity of loans received under the Small Business Administration (SBA) Microloan Demonstration Program. The purpose of this program is to assist women, low income, and minority entrepreneurs, and business owners, and other such individuals possessing the capability to operate successful business concerns and to assist small business concerns in those areas suffering from a lack of credit due to economic downturn as set forth under the loan agreement and the Small Business Act, 15 U.S.C. 636. Total loans outstanding as of June 30, 2005, were $80,635. The SBA Microloans are fully reserved.

Employee Ownership Assistance Program

This program provides supplemental financing to help facilitate employee acquisition of industrial and manufacturing facilities about to close or relocate outside of Illinois. Loans are made to employee-owned enterprises and may be used to finance up to 50% of total acquisition costs. It is funded by an appropriation for these purposes of $2,000,000 received by the prior Illinois Development Finance Authority during 1986 as set forth in Public Act 82-991. Total loans outstanding as of June 30, 2005, were $1,000,000.

Fire Truck Revolving Loan Program

This program provides zero interest rate loans to fire departments and fire protection districts that may be used only to purchase fire trucks. The loans to each department or district may not exceed $250,000 and must be repaid within 20 years. The program is funded by an appropriation of $6,200,000 received by the State of Illinois. Total loans outstanding as of June 30, 2005, were $5,067,946.

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. Total loans outstanding as of June 30, 2005, were $3,085,000.

Allowance for Doubtful Accounts

The allowance for doubtful accounts for all loans receivable and notes receivable at June 30, 2005, is comprised of two components. 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 5% for the principal balance of all other loans outstanding. Loans originated by the predecessor Illinois Rural Bond Bank, the Fire Truck Revolving Loan Program and the Local Government Financing Assistance Program have not experienced a default, therefore, the allowance for doubtful accounts based on prior experience is zero.

(5) Guarantee Receivables

Guarantee receivables result from amounts due to the Authority after it has paid a guarantee claim. Activity related to guarantee receivables for the year ended June 30, 2005, consisted of the following:

	Illinois Agricultural Loan Guarantee Fund	Illinois Farmer Agribusiness Loan Guarantee Fund	Total
Guarantee receivables beginning of year	$ 191,083	$ 1,178,766	$ 1,369,849
Disbursements on guarantee claims	-	-	-
Payments received	(2,451)	(45,751)	(48,202)
Receivables written off	-	(231,160)	(231,160)
Gross guarantee receivables end of year	188,632	901,855	1,090,487
Allowance for uncollectables	(183,997)	(713,311)	(897,308)
Net receivables - end of period	$ 4,635	$ 188,544	$ 193,179

Allowance for Doubtful Accounts

The allowance for doubtful accounts for all guarantee receivables at June 30, 2005, is the difference between the guarantee payments made and the authority’s estimation of the value of any collateral securing the guarantee.

(6) Investments in Partnerships and Companies

The Authority currently has investments in two (2) partnerships and seventeen (17) companies. These investments were made to accomplish the statutory purpose of the Venture Investment Fund. There is no established market for the purchase or sale of the partnerships and company interests or the equity securities in which the partnerships have investments.

The valuation methods and significant assumptions used by the Authority include discounted cash flows and comparable data for businesses with similar products/services and/or similar market segments. The Authority also uses financial and operational information from the last investment round which is most appropriate when the firm is not publicly traded and the current cash flows are negative.

The fair value, which is reported at the lower of cost or market, of the Authority's investment in the partnerships and companies as of June 30, 2005, is reflected below:

Partnership/Company		Fair Value
AccelChip	$	272,752
Champaign-Urbana Fund		181,000
Clearstack		450,000
Firefly Energy, Inc.		650,000
Forest One		160,000
Harmonic Vision		261,000
Illinois Arch Fund Partnership		152,049
Illinois Arch II Parallel Fund Limited Partnership		224,086
Influx, Inc. (now Protez Pharmaceuticals)		150,000
Metalconforming Controls		500,000
Mobitrac		265,644
Moire, Inc		300,000
Nephrx		110,000
Neuronautics		300,000
Open Channel Software		250,000
Smart Signal		293,848
Stonewater Software		4,758
Video Home Tour		250,000
Zuchem, Inc.		543,100
Total	$	5,318,237

The following fifteen (15) companies have zero values: Blackman & Young, Cerulean Fund, Cobotics, Delivery Station, Epigraph, Evantis (Cyberloan Officer), Go Reader, Neodesic, Perceptual Robotics, Preview Port, Proof Space, U. Communications, User Active Media.com, Venture Capital Online, Wander On.

(7) Interfund Balances and Activity

Balances due to/from other funds and transfers made for the fiscal year ended June 30, 2005, were as follows:

Fund	Other major funds	Other nonmajor funds	Description/purpose
Due to:			Due from:
General Operating Fund	$ -	$ 2,375,524	Due from Venture Investment Fund for long-term loan
Total Major Funds	-	2,375,524	
Nonmajor funds	-	712,373	Due from Venture Investment Fund for long-term loan
Total Nonmajor Fund	-	712,373	
Total	$ -	$ 3,087,897	
Due from:			Due to:
Nonmajor Funds	$ 2,375,524	$ -	Due to General Operating Fund for long-term loan
Nonmajor Funds	-	200,000	Due to Illinois Housing Program for long-term loan
Nonmajor Funds	-	512,373	Due to Industrial Revenue Bond Insurance Fund for long-term loan
Total	$ 2,375,524	$ 712,373	
Transfer to:			Transfer from:
General Operating Fund	$ 433,554	$ -	Transfer from Credit Enhancement Fund since funds are no longer needed for program
General Operating Fund	381,175	-	Transfer from Industrial Revenue Bond Insurance Fund since these funds were no longer needed for program
General Operating Fund	8,599	-	Transfer from IRBB General Fund Trust Fund for excess funds and transfer of residual funds from 2003 Construction note program
General Operating Fund	16,577	-	Transfer from Illinois Housing Partnership Program for excess program fees
IRBB General Fund Trust Fund	-	6,599	Transfer from IRBB 2003 Construction Notes Fund since funds were no longer needed for program
Rural Development Revolving Loan Fund	-	12,592	Transfer from General Operating Fund for interest earned
Total	$ 839,905	$ 19,191	
Transfer from:			Transfer to:
Credit Enhancement Fund	$ -	$ 433,554	Transfer to General Operating Fund for excess program funds
Industrial Revenue Bond Insurance Fund	-	381,175	Transfer to General Operating Fund for excess program funds
IRBB General Fund Trust Fund	-	8,599	Transfer to General Operating Fund for excess program funds
Illinois Housing Partnership Program	-	16,577	Transfer to General Operating Fund for excess program funds
IRBB 2003 Construction Notes Fund	-	6,599	Transfer to IRBB General Fund Trust Fund for excess program funds
General Operating Fund	12,592	-	Transfer to Rural Development Revolving Loan Fund for interest earned
Total	$ 12,592	$ 846,504	

(8) Long-term Obligations

The predecessor authorities (Note 1) entered into loan agreements, now a liability of the Authority, with the U.S. Authority of Agriculture/Farmers Home Administration (FmHA), a federal agency, on December 14, 1990, for funding for the FmHA 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 FmHA, by cash and investments recorded in the FmHA fund 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.

Long-term debt is summarized as follows:

	Rural Development Revolving Loan Fund
Balance, June 30, 2004	$ 991,074
Less repayments	(53,865)
Balance, June 30, 2005	937,209
Less current portion	(54,303)
	$ 882,906

Principal and interest payments of long-term debt at June 30, 2005, are due as follows:

	Principal	Interest	Total
Year ending June 30:			
2006	$ 54,303	$ 9,372	$ 63,675
2007	54,846	8,829	63,675
2008	55,394	8,281	63,675
2009	55,948	7,727	63,675
2010	56,508	7,167	63,675
2011-2015	291,129	27,246	318,375
2016-2020	305,980	12,395	318,375
2021	63,101	574	63,675
	$ 937,209	$ 81,591	$ 1,018,800

(9) Revenue Bonds Payable

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 local government 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 assets of the Bond Fund are therefore classified as restricted assets on the Statement of Net Assets.

All bonds outstanding at June 30, 2005, 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. 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. The Authority has the authority to issue up to $150,000,000 of moral obligation bonds. Bonds payable at June 30, 2005, are comprised of the following individual issues:

1991A Revenue Bonds – original issue $3,240,000, dated April 15, 1991, provides for serial retirement of principal on February 1, and interest payable on February 1 and August 1 of each year at rates of 5.25-7.30%. Final maturity is February 1, 2006.

1991B Revenue Bonds – original issue $4,710,000, dated December 1, 1991, provides for serial retirement of principal on February 1, and interest payable on February 1 and August 1 of each year at rates of 4.70-6.75%. Final maturity is February 1, 2007.

1992A Revenue Bonds – original issue $8,915,000, dated May 1, 1992, provides for serial retirement of principal on February 1, and interest payable on February 1 and August 1 of each year at rates of 3.70-6.45%. Final maturity is February 1, 2012.

1992B Revenue Bonds – original issue $4,975,000, dated December 1, 1992, provides for serial retirement of principal on February 1, and interest payable on February 1 and August 1 of each year at rates of 4.00-6.75%. Final maturity is February 1, 2018.

1993A Revenue Bonds – original issue $2,750,000, dated May 1, 1993, provides for serial retirement of principal on February 1, and interest payable on February 1 and August 1 of each year at rates of 3.000-6.125%. Final maturity is February 1, 2008.

1993B Revenue Bonds – original issue $9,450,000, dated December 1, 1993, provides for serial retirement of principal on February 1, and interest payable on February 1 and August 1 of each year at rates of 3.75-5.75%. Final maturity is February 1, 2016.

1994A Revenue Bonds – original issue $5,005,000, dated May 1, 1994, provides for serial retirement of principal on February 1, and interest payable on February 1 and August 1 of each year at rates of 4.000-6.375%. Final maturity is February 1, 2014.

1994B Revenue Bonds – original issue $2,440,000, dated December 1, 1994, provides for serial retirement of principal on February 1, and interest payable on February 1 and August 1 of each year at rates of 5.10-7.00%. Final maturity is February 1, 2007.

1995A Revenue Bonds – original issue $1,700,000, dated May 1, 1995, provides for serial retirement of principal on February 1, and interest payable on February 1 and August 1 of each year at rates of 4.40-6.10%. Final maturity is February 1, 2016.

1995C Revenue Bonds – original issue $1,950,000, dated December 1, 1995, provides for serial retirement of principal beginning February 1, 1997 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 3.850-5.625%. Final maturity is February 1, 2025.

1996A Revenue Bonds – original issue $2,425,000, dated June 1, 1996, provides for serial retirement of principal beginning February 1, 1997 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 4.750-6.300%. Final maturity is February 1, 2021.

1996C Revenue Bonds – original issue $3,765,000, dated December 30, 1996, provides for serial retirement of principal beginning February 1, 1997 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 4.10-5.65%. Final maturity is February 1, 2027.

1997A Revenue Bonds – original issue $6,285,000, dated June 1, 1997, provides for serial retirement of principal beginning February 1, 1998 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 4.40-5.80%. Final maturity is February 1, 2023.

1997B Revenue Bonds – original issue $2,935,000, dated December 1, 1997, provides for serial retirement of principal beginning February 1, 1999 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 4.05-5.35%. Final maturity is February 1, 2023.

1998A Revenue Bonds – original issue $9,940,000, dated June 1, 1998, provides for serial retirement of principal beginning February 1, 1999 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 3.80-5.32%. Final maturity is February 1, 2024.

1998B Revenue Bonds – original issue $3,710,000, dated December 1, 1998, provides for serial retirement of principal beginning February 1, 2000 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 3.50-5.15%. Final maturity is February 1, 2024.

1999A Revenue Bonds – original issue $2,520,000, dated June 1, 1999, provides for serial retirement of principal beginning February 1, 2000 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 3.45-5.40%. Final maturity is February 1, 2029.

1999B Revenue Bonds – original issue $4,520,000, dated September 1, 1999, provides for serial retirement of principal beginning February 1, 2000 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 3.70-5.75%. Final maturity is February 1, 2019.

2000A Revenue Bonds – original issue $5,145,000, dated June 1, 2000, provides for serial retirement of principal beginning February 1, 2001 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 4.65-6.00%. Final maturity is February 1, 2031.

2000B Revenue Bonds – original issue $735,000, dated December 1, 2000, provides for serial retirement of principal beginning February 1, 2001 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 4.40-4.75%. Final maturity is February 1, 2025.

2001A Revenue Bonds – original issue $3,625,000, dated July 1, 2001, provides for serial retirement of principal beginning February 1, 2002 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 3.00-5.35%. Final maturity is February 1, 2024.

2001B Revenue Bonds – original issue $5,545,000, dated December 1, 2001, provides for serial retirement of principal beginning February 1, 2003 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 2.55-5.05%. Final maturity is February 1, 2031.

2002A Revenue Bonds – original issue $1,180,000, dated June 27, 2002, provides for serial retirement of principal beginning February 1, 2003 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 1.60-4.25%. Final maturity is February 1, 2022.

2003A Revenue Bonds – original issue $11,740,000, dated June 1, 2003, provides for serial retirement of principal beginning February 1, 2004 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 1.00-4.15%. Final maturity is February 1, 2021.

2003B Revenue Bonds – original issue $10,700,000, dated September 1, 2003, provides for serial retirement of principal beginning February 1, 2004 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 1.10-5.20%. Final maturity is February 1, 2024.

2004A Revenue Bonds – original issue $2,640,000, dated August 1, 2004, provides for serial retirement of principal beginning February 1, 2005 and every February 1 thereafter, and interest payable on February 1 and August 1 of each year at rates of 1.45-5.00%. Final maturity is February 1, 2024.

The future debt service requirements for revenue bonds as of June 30, 2005, including interest payments is as follows:

Total Revenue Bonds

Fiscal Period Ending June 30	Principal	Interest	Total
2006	$ 4,645,000	$ 2,955,242	$ 7,600,242
2007	4,585,000	2,780,878	7,365,878
2008	4,525,000	2,598,716	7,123,716
2009	4,410,000	2,413,078	6,823,078
2010	3,790,000	2,224,562	6,014,562
2011-2015	18,105,000	8,537,752	26,642,752
2016-2020	13,890,000	4,556,049	18,446,049
2021-2025	7,340,000	1,738,480	9,078,480
2026-2030	1,720,000	481,070	2,201,070
2031	730,000	40,875	770,875
	$ 63,740,000	$ 28,326,702	$ 92,066,702

The following is a summary of the revenue bond transactions of the Authority for the year ended June 30, 2005:

	Balance June 30, 2004	Additions	(Retirements)	Balance June 30, 2005	Amounts Due Within One Year
1990 A Bonds	$ 135,000	$ -	$ (135,000)	$ -	$ -
1991 A Bonds	105,000	-	(50,000)	55,000	55,000
1991 B Bonds	30,000	-	(10,000)	20,000	10,000
1992 A Bonds	135,000	-	(20,000)	115,000	20,000
1992 B Bonds	320,000	-	(25,000)	295,000	25,000
1993 A Bonds	160,000	-	(35,000)	125,000	40,000
1993 B Bonds	565,000	-	(120,000)	445,000	45,000
1994 A Bonds	820,000	-	(105,000)	715,000	110,000
1994 B Bonds	170,000	-	(55,000)	115,000	55,000
1995 A Bonds	375,000	-	(90,000)	285,000	40,000
1995 B Bonds	400,000	-	(400,000)	-	-
1995 C Bonds	1,645,000	-	(50,000)	1,595,000	50,000
1996 A Bonds	655,000	-	(30,000)	625,000	30,000
1996 C Bonds	2,475,000	-	(215,000)	2,260,000	230,000
1997 A Bonds	4,805,000	-	(290,000)	4,515,000	305,000
1997 B Bonds	2,260,000	-	(140,000)	2,120,000	150,000
1998 A Bonds	7,065,000	-	(525,000)	6,540,000	555,000
1998 B Bonds	2,915,000	-	(180,000)	2,735,000	185,000
1999 A Bonds	2,140,000	-	(85,000)	2,055,000	90,000
1999 B Bonds	2,815,000	-	(400,000)	2,415,000	415,000
2000 A Bonds	4,815,000	-	(135,000)	4,680,000	140,000
2000 B Bonds	675,000	-	(25,000)	650,000	25,000
2001 A Bonds	3,015,000	-	(260,000)	2,755,000	270,000
2001 B Bonds	5,165,000	-	(205,000)	4,960,000	220,000
2002 A Bonds	1,070,000	-	(85,000)	985,000	85,000
2003 A Bonds	11,025,000	-	(710,000)	10,315,000	775,000
2003 B Bonds	10,480,000	-	(585,000)	9,895,000	595,000
2004 A Bonds	-	2,640,000	(170,000)	2,470,000	125,000
	$ 66,235,000	$ 2,640,000	$ (5,135,000)	$ 63,740,000	$ 4,645,000

The bond issuance fees received from local governments are deferred and amortized over the term of the bond issues. The following changes in deferred revenue occurred during the year:

Deferred Revenue June 30, 2004	Additional Fees Collected	Amortized Revenue	Deferred Revenue June 30, 2005	Amount Due Within One Year
$ 1,338,770	$ -	$ 159,091	$ 1,179,679	$ 143,787

(10) Lease Commitments

The Authority is obligated under long-term operating leases for 3 of its 4 offices. The fourth is leased under a one year lease. The terms of the leases vary for each location. Total rent expense for the year ended June 30, 2005 was $330,010.

The Authority entered into a lease agreement to lease facilities at 180 N Stetson Avenue, Suite 2555, Chicago, Illinois 60601. The term of the lease is through August 2014. No payments are required under the terms of the lease for the period from June 21, 2004 through June 30, 2006. Annual base rent payments, which begin 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, 2005 is $89,458, which represents the current year amortization.

The Authority entered into a lease agreement to lease facilities at 217 E. Monroe Street, Suite 202, Springfield, Illinois 62701. The term of the lease is through April 2014. Annual base rent payments range from approximately $36,800 to $38,300.

The Authority entered into a lease agreement to lease facilities at 124 S.W. Adams Street, Suite 300, Peoria, Illinois 61602. The term of the lease is through October 2007. Annual base rent payments are approximately $4,000.

The future minimum lease commitments as of June 30, 2005, are as follows:

Fiscal Year Ending June 30,	Amount
2006	$ 43,906
2007	153,020
2008	152,637
2009	162,094
2010	168,958
2011-2015	737,840
	$ 1,418,455

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, 2005 no amounts have been drawn against this letter of credit.

(11) Capital Assets

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Cost				
Capital Assets Being Depreciated:				
Leasehold Improvements	$ 2,000	$ -	$ -	$ 2,000
Furniture and Equipment	225,849	14,446	60,775	179,520
Automotive Equipment	28,987	-	28,987	-
Computers	62,968	3,600	11,206	55,362
Software	26,336	19,103	-	45,439
Total Capital Assets Being Depreciated	346,140	37,149	100,968	282,321
Accumulated Depreciation				
Leasehold Improvements	2,000	-	-	2,000
Furniture and Equipment	198,977	9,471	60,775	147,673
Automotive Equipment	28,987	-	28,987	-
Computers	62,968	-	11,206	51,762
Software	732	8,955	-	9,687
Total Accumulated Depreciation	293,664	18,426	100,968	211,122
Capital Assets, Net of Depreciation	$ 52,476	$ 18,723	$ -	$ 71,199

Authority's records were reconciled to the records maintained by the Comptroller of the State of Illinois.

(12) Commitments and Contingencies

(a) Federally Assisted Programs

The Authority participates in the following federally assisted programs:

E.D.A. Title IX–Restricted Revolving Loan Program

FmHA–Intermediary Relending Program

Demand deposits of $713,019 and $2,125,631 are held in the E.D.A. Title IX Restricted Revolving Loan Fund and the Rural Development Revolving Loan Fund, respectively, and are restricted due to federal program requirements. In addition, included in restricted assets is $224,354 in net loans receivable which secure the loans of the intermediary re-lending program.

(b) Loan Guarantees

The Authority has a contingent liability regarding the loan guarantees outstanding at June 30, 2005. 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 Authority must liquidate the loan collateral, and 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 certifications received by the Authority from lenders, the maximum guarantees outstanding are:

State Guarantee Program for Restructuring Agricultural Debt	$ 50,968,283
Specialized Livestock Loan Guarantee Program	20,452,353
Young Farmer Loan Guarantee Program	3,576,822
Farmer and Agri-Business Loan Guarantee Program	8,168,116

(c) Restricted Cash and Cash Equivalents

In connection with the 1990 and 1991 Community Provider Pooled Loan Program, from the former Health Facilities Authority, the Authority has agreed with Capital Guaranty Insurance Company (the issuer of the principal and interest payments on the related bonds) to maintain $975,075 of restricted investments, free and clear of all liens and uncommitted to any other obligations of the Authority. In the event of a loan payment default by a participating health institution, the Authority has agreed to fund the deficiency by making a payment to the trustee for the bonds. Such payments cannot exceed an aggregate of $975,075 and would reduce the amount of the restricted investments on a dollar-for-dollar basis.

(d) Tax Exempt Bond Issues

During the year 2000, the Internal Revenue Service (IRS) began an aggressive random review of tax exempt bond issues across the United States. The Authority, as one of the major tax exempt issuers in the United States, has four such reviews, of which one is pending at this time. The Authority has incurred no liability as a result of these audits. The following review relates to bonds issued by the predecessor authorities (Note 1). The Authority now has responsibility for this review.

AMR Healthcare Transaction, Series 1999A and 1999B: In 2003, this transaction was selected for audit. Settlement negotiations have been initiated in this matter in order to achieve a global settlement of all similar transactions. This audit was settled in November 2005, and the Authority incurred no liability.

(13) Advance Refunding of Debt

A portion of the proceeds from moral obligation bonds issued in 2003 by the Illinois Rural Bond Bank were used to advance refund previously issued bonds. These proceeds were used to purchase escrowed securities in such amounts and maturities to meet scheduled payments of bond principal and interest when due. Since these proceeds have been placed in an irrevocable trust, the refunded bonds are considered defeased and the Authority has removed these liabilities from its accounts. These defeased bonds were retired in February 2005.

(14) Risk Financing Activities

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters which are covered through purchase of commercial insurance. The Authority accounts for its risk financing activities in the General Operating Fund. There were no significant reductions or changes in coverage during the current year nor have settlements exceeded insurance coverage in any of the last three years.

(15) Deferred Compensation Plan

The Authority currently participates in a deferred compensation plan through the State of Illinois which is available to all of its full time employees. The plan is administered by the State of Illinois Department of Central Management Services, in accordance with Internal Revenue Service Code 457 permitting a contribution of wages. The maximum deferral amounts change each year. For the fiscal year 2005, the maximum deferral amount was $14,000. Both the employer and employee contribute to the fund. The percentage contributed by the Authority increased based upon the number of years the individual has been an employee of the Authority. The Authority has no liability for losses under the plan but does have the duty of care that would be required of an ordinary prudent investor. In complying with IRS requirements, all of the deferred compensation assets have been placed in one or more custodial accounts for the exclusive benefit of the participants and beneficiaries under the plan. The State cannot seize, borrow, or use the assets for its own purposes nor are they subject to the creditors of the State of Illinois. The State sponsors and administers the plan and may hire vendors to assist in the daily operations, such as record keeping. The custodians merely safeguard the plan assets to ensure that they are used solely for their original intent.

(16) New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following Statements:

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries,* will be effective for the Authority beginning with its year ending June 30, 2006. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans,* will be effective for the Authority beginning with its year ending June 30, 2007. This Statement establishes uniform financial reporting standards for Other Postemployment Benefit Plans.

GASB Statement No. 44, *Economic Condition Reposting: The Statistical Section,* will be effective for the Authority beginning with its year ending June 30, 2007. This statement establishes the objectives of the statistical section, if one is presented, and the five categories of information it contains.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions,* will be effective for the Authority beginning with its year ending June 30, 2008. This statement requires governments to recognize other postemployment benefit costs over a period that approximates employees' years of service.

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation,* will be effective for the Authority beginning with its year ending June 30, 2006. This statement clarifies the reporting of Net Asset restricted by enabling legislation.

GASB Statement No. 47, *Accounting for Termination Benefits,* will be effective for the Authority beginning with its year ending June 30, 2006. This statement establishes accounting standards for termination benefits.

Management has not yet completed its assessment of the impact of these GASB Statements on the Authority's financial statements.

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

Combining Statement of Net Assets

Non-Major Funds

June 30, 2005

Assets		Industrial Revenue Bond Insurance Fund	Venture Investment Fund	Credit Enhancement Fund	Illinois Agricultural Loan Guarantee Fund	Illinois Farmer Agribusiness Loan Guarantee Fund
Current assets:						
Cash and cash equivalents - unrestricted	$	11,263,302	—	1,401,319	—	—
Restricted current assets						
Accrued interest receivable		—	—	—	—	—
Loans receivable		—	—	—	—	—
Allowance for doubtful accounts		—	—	—	—	—
Receivables						
Interest and other		3,978	—	—	—	—
Current portion of deferred issuance costs, net		—	—	—	—	—
Total current assets		11,267,280	—	1,401,319	—	—
Noncurrent assets:						
Restricted noncurrent assets						
Cash and cash equivalents		—	—	—	10,081,275	7,419,530
Interest receivable		—	—	—	20,000	18,000
Guarantee payments receivable		—	—	—	188,632	901,855
Allowance for doubtful accounts		—	—	—	(183,997)	(713,311)
Loans receivable		—	—	—	—	—
Allowance for doubtful accounts		—	—	—	—	—
Investments in partnerships and companies		—	5,318,237	—	—	—
Loans receivable		—	—	600,000	—	—
Due from other funds long-term		512,373	—	—	—	—
Property and equipment, at cost		—	—	—	—	—
Accumulated depreciation		—	—	—	—	—
Deferred issuance costs, net of accumulated amortization		—	—	—	—	—
Total noncurrent assets		512,373	5,318,237	600,000	10,105,910	7,626,074
Total assets		11,779,653	5,318,237	2,001,319	10,105,910	7,626,074
Liabilities						
Current liabilities:						
Accrued interest payable		—	—	—	—	—
Due to primary government		—	—	—	—	—
Current portion of long term debt		—	—	—	—	—
Deferred revenue, net of accumulated amortization		—	—	—	—	—
Total current liabilities		—	—	—	—	—
Noncurrent liabilities						
Noncurrent portion of long-term debt		—	—	—	—	—
Deferred revenue, net of accumulated amortization		—	—	—	—	—
Due to other funds long-term		—	3,087,897	—	—	—
Total noncurrent liabilities		—	3,087,897	—	—	—
Total Liabilities		—	3,087,897	—	—	—
Net Assets						
Invested in capital assets		—	—	—	—	—
Restricted		—	—	—	10,105,910	7,626,074
Unrestricted		11,779,653	2,230,340	2,001,319	—	—
Total net assets	$	11,779,653	2,230,340	2,001,319	10,105,910	7,626,074

IRBB Special Reserve Fund	IRBB General Fund Trust Fund	E.D.A. Title IX Restricted Revolving Loan Fund	Rural Development Revolving Loan Fund	Employee Ownership Assistance Loan Fund	Illinois Housing Partnership Program Fund	IRBB 2003 Construction Notes Fund	Total nonmajor
10,267	414,639	—	—	—	823,794	—	13,913,321
—	—	—	2,661	—	—	—	2,661
—	—	91,484	—	—	—	—	91,484
—	—	(91,484)	—	—	—	—	(91,484)
—	—	—	—	—	—	—	3,978
—	115,089	—	—	—	—	—	115,089
10,267	529,728	—	2,661	—	823,794	—	14,035,049
—	—	713,019	2,125,631	—	—	—	20,339,455
—	—	—	—	—	—	—	38,000
—	—	—	—	—	—	—	1,090,487
—	—	—	—	—	—	—	(897,308)
—	—	—	257,358	—	—	—	257,358
—	—	—	(33,004)	—	—	—	(33,004)
—	—	—	—	—	—	—	5,318,237
2,485,000	—	—	—	1,000,000	4,000,000	—	8,085,000
—	—	—	—	—	200,000	—	712,373
—	5,500	—	—	—	—	—	5,500
—	(2,658)	—	—	—	—	—	(2,658)
—	827,728	—	—	—	—	—	827,728
2,485,000	830,570	713,019	2,349,985	1,000,000	4,200,000	—	35,741,168
2,495,267	1,360,298	713,019	2,352,646	1,000,000	5,023,794	—	49,776,217
—	—	—	4,686	—	—	—	4,686
—	25,000	—	—	—	—	—	25,000
—	—	—	54,303	—	—	—	54,303
—	143,787	—	—	—	—	—	143,787
—	168,787	—	58,989	—	—	—	227,776
—	—	—	882,906	—	—	—	882,906
—	1,035,892	—	—	—	—	—	1,035,892
—	—	—	—	—	—	—	3,087,897
—	1,035,892	—	882,906	—	—	—	5,006,695
—	1,204,679	—	941,895	—	—	—	5,234,471
—	2,842	—	—	—	—	—	2,842
—	—	713,019	1,410,751	—	—	—	19,855,754
2,495,267	152,777	—	—	1,000,000	5,023,794	—	24,683,150
2,495,267	155,619	713,019	1,410,751	1,000,000	5,023,794	—	44,541,746

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

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Non-Major Funds

For the Year Ended June 30, 2005

	Industrial Revenue Bond Insurance Fund	Venture Investment Fund	Credit Enhancement Fund	Illinois Agricultural Loan Guarantee Fund	Illinois Farmer Agribusiness Loan Guarantee Fund
Operating revenues:					
Interest on loans	$ —	—	—	—	—
Bad debt recoveries	—	—	—	6,216	—
Miscellaneous	—	—	—	—	—
Total operating revenues	—	—	—	6,216	—
Operating expenses:					
Professional services	1,349	12,900	40,000	(96,733)	(77,838)
Depreciation	—	—	—	—	—
Interest expense	—	—	—	—	—
Loan loss provision	—	—	—	—	—
Total operating expenses	1,349	12,900	40,000	(96,733)	(77,838)
Operating income (loss)	(1,349)	(12,900)	(40,000)	102,949	77,838
Nonoperating revenues (expenses):					
Interest and investment income	243,512	—	16,803	215,523	160,218
Net appreciation (depreciation) in fair value of investments	(767)	(719,954)	—	—	—
Total nonoperating revenues (expenses), net	242,745	(719,954)	16,803	215,523	160,218
Transfers:					
Transfers from other funds	—	—	—	—	—
Transfers to other funds	(381,175)	—	(433,554)	—	—
Total transfers	(381,175)	—	(433,554)	—	—
Change in net assets	(139,779)	(732,854)	(456,751)	318,472	238,056
Net assets – beginning of year	11,919,432	2,963,194	2,458,070	9,787,438	7,388,018
Net assets – end of year	$ 11,779,653	2,230,340	2,001,319	10,105,910	7,626,074

IRBB Special Reserve Fund	IRBB General Fund Trust Fund	E.D.A. Title IX Restricted Revolving Loan Fund	Rural Development Revolving Loan Fund	Employee Ownership Assistance Loan Fund	Illinois Housing Partnership Program Fund	IRBB 2003 Construction Notes Fund	Total nonmajor
—	—	—	16,606	—	—	—	16,606
—	—	—	—	—	—	—	6,216
—	159,091	—	—	—	—	—	159,091
—	159,091	—	16,606	—	—	—	181,913
—	128,780	—	30	—	—	3	8,491
—	1,008	—	—	—	—	—	1,008
—	—	—	9,105	—	—	—	9,105
—	—	—	17,844	—	—	—	17,844
—	129,788	—	26,979	—	—	3	36,448
—	29,303	—	(10,373)	—	—	(3)	145,465
27,761	7,319	14,783	36,840	—	16,577	130	739,466
—	—	—	—	—	—	—	(720,721)
27,761	7,319	14,783	36,840	—	16,577	130	18,745
—	6,599	—	12,592	—	—	—	19,191
—	(8,599)	—	—	—	(16,577)	(6,599)	(846,504)
—	(2,000)	—	12,592	—	(16,577)	(6,599)	(827,313)
27,761	34,622	14,783	39,059	—	—	(6,472)	(663,103)
2,467,506	120,997	698,236	1,371,692	1,000,000	5,023,794	6,472	45,204,849
2,495,267	155,619	713,019	1,410,751	1,000,000	5,023,794	—	44,541,746

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

Combining Statement of Cash Flows

Non-Major Funds

For the Year Ended June 30, 2005

	Industrial Revenue Bond Insurance Fund	Venture Investment Fund	Credit Enhancement Fund	Illinois Agricultural Loan Guarantee Fund	Illinois Farmer Agribusiness Loan Guarantee Fund
Cash flows from operating activities:					
Cash received for interest on loans	$ —	—	—	—	—
Cash received for fees and other	—	—	—	—	—
Cash received on loan receivables and guarantees	—	—	—	8,667	45,751
Cash payments on loan receivables and guarantees	—	—	(600,000)	—	—
Cash payments to suppliers for goods and services	(1,349)	(16,162)	(40,000)	—	—
Cash payments for interest	—	—	—	—	—
Net cash provided by (used in) operating activities	(1,349)	(16,162)	(640,000)	8,667	45,751
Cash flows from noncapital financing activities:					
Due to other funds	—	872,859	—	—	—
Transfers from other funds	—	—	—	—	—
Transfers to other funds	(381,175)	—	(433,554)	—	—
Bonds and notes principal payments	—	—	—	—	—
Net cash provided by (used in) noncapital financing activities	(381,175)	872,859	(433,554)	—	—
Cash flows from investing activities:					
Purchase of investments	—	(856,697)	—	—	—
Sales and maturities of investments	171,000	—	1,064,000	—	—
Interest and dividends on investments	241,392	—	40,803	205,523	150,818
Net cash provided by (used in) investing activities	412,392	(856,697)	1,104,803	205,523	150,818
Net increase (decrease) in cash and cash equivalents	29,868	—	31,249	214,190	196,569
Cash and cash equivalents at beginning of year	11,233,434	—	1,370,070	9,867,085	7,222,961
Cash and cash equivalents at end of year	$ 11,263,302	—	1,401,319	10,081,275	7,419,530
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ (1,349)	(12,900)	(40,000)	102,949	77,838
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	—	—	—	—	—
Amortization of bond issuance costs	—	—	—	—	—
Changes in assets and liabilities:					
Accrued interest receivable	—	—	—	—	—
Loans receivable	—	—	(600,000)	2,451	45,751
Accounts receivable	—	—	—	—	—
Accounts payable and accrued expenses	—	(3,262)	—	(96,733)	(77,838)
Deferred revenue	—	—	—	—	—
Net cash provided by (used in) operating activities	$ (1,349)	(16,162)	(640,000)	8,667	45,751

IRBB Special Reserve Fund	IRBB General Fund Trust Fund	E.D.A. Title IX Restricted Revolving Loan Fund	Rural Development Revolving Loan Fund	Employee Ownership Assistance Loan Fund	Illinois Housing Partnership Program Fund	IRBB 2003 Construction Notes Fund	Total nonmajor
—	—	—	17,081	—	—	—	17,081
—	2,000	—	—	—	—	—	2,000
—	—	—	45,846	—	—	—	100,264
(2,485,000)	—	—	—	—	—	—	(3,085,000)
—	—	—	(30)	—	—	(17,480)	(75,021)
—	—	—	(9,810)	—	—	—	(9,810)
(2,485,000)	2,000	—	53,087	—	—	(17,480)	(3,050,486)
—	—	—	—	—	—	—	872,859
—	6,599	—	12,592	—	—	—	19,191
—	(8,599)	—	—	—	(16,577)	(6,599)	(846,504)
—	—	—	(53,865)	—	—	—	(53,865)
—	(2,000)	—	(41,273)	—	(16,577)	(6,599)	(8,319)
—	—	—	—	—	—	—	(856,697)
—	—	—	—	—	—	—	1,235,000
27,761	7,319	14,783	36,840	—	16,577	130	741,946
27,761	7,319	14,783	36,840	—	16,577	130	1,120,249
(2,457,239)	7,319	14,783	48,654	—	—	(23,949)	(1,938,556)
2,467,506	407,320	698,236	2,076,977	—	823,794	23,949	36,191,332
10,267	414,639	713,019	2,125,631	—	823,794	—	34,252,776
—	29,303	—	(10,373)	—	—	(3)	145,465
—	1,008	—	—	—	—	—	1,008
—	128,780	—	—	—	—	—	128,780
—	—	—	475	—	—	—	475
(2,485,000)	—	—	63,690	—	—	—	(2,973,108)
—	2,000	—	—	—	—	—	2,000
—	—	—	(705)	—	—	(17,477)	(196,015)
—	(159,091)	—	—	—	—	—	(159,091)
(2,485,000)	2,000	—	53,087	—	—	(17,480)	(3,050,486)