STATE OF ILLINOIS
ILLINOIS FINANCE AUTHORITY

COMPLIANCE EXAMINATION
FOR THE TWO YEARS ENDED JUNE 30, 2021

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

State of Illinois
Illinois Finance Authority

Compliance Examination
For the Two Years Ended June 30, 2021

Table of Contents

Other Reports Issued Under Separate Cover:

The Illinois Finance Authority's (Authority) financial statements as of and for the year ended June 30, 2021, have been issued under a separate cover. Additionally, in accordance with *Government Auditing Standards*, we have issued the Report Required Under *Government Auditing Standards* for the year ended June 30, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, under a separate cover. The purpose of this report is solely 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 effectiveness of the Authority's 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 the audit.

Agency Officials

Chair of the Authority (July 17, 2020 – Present)	Mr. William Hobert
Chair of the Authority (April 18, 2017 – July 15, 2020)	Mr. Eric Anderberg
Executive Director	Mr. Christopher Meister
Deputy Executive Director (April 22,2019 – Feb 28, 2021)	Mr. Jacob Stuckey
Manager of Finance & Administration	Ms. Ximena Granda
General Counsel	Ms. Elizabeth Weber

Members of the Illinois Finance Authority's Board of Directors during the period were as follows:

Member (September 14, 2020 – Present)	Mr. Peter Amaro
Member (April 18, 2017 – July 15, 2020)	Mr. Eric Anderberg
Member (July 17, 2020 – Present)	Mr. Drew Beres
Member	Mr. James J. Fuentes
Member (January 1, 2004 – March 18, 2021)	Mr. Michael W. Goetz
Member	Mr. William Hobert
Member	Ms. Arlene Juracek
Member (October 5, 2012 – July 15, 2020)	Mr. Lerry Knox
Member (January 5, 2016 – September 24, 2020)	Mr. Lyle McCoy
Member (7/2/19 - Present)	Ms. Roxanne Nava
Member	Mr. George Obernagel
Member	Mr. Terrence M. O'Brien
Member	Mr. Roger E. Poole
Member (September 28, 2020 – September 15, 2021)	Mr. José Restituyo
Member (July 25, 2016 – September 22, 2020)	Ms. Beth Smoots
Member	Mr. Eduardo Tabon
Member	Mr. Randal J. Wexler
Member	Mr. Jeffrey Wright
Member	Mr. Bradley A. Zeller

Agency offices are located at:

Chicago Office
160 North LaSalle Street, Suite S-1000
Chicago, Illinois 60601

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

Springfield Office
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Springfield, Illinois 62701

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
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March 17, 2022

RSM US LLP
20 N. Martingale Rd.
Suite 500
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Finance Authority (Authority). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Authority's compliance with the following specified requirements during the two-year period ended June 30, 2021. Based on this evaluation, we assert that during the years ended June 30, 2020, and June 30, 2021, the Authority has materially complied with the specified requirements listed below.

A. The Authority has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.

B. The Authority has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.

C. Other than what has been previously disclosed and reported in the Schedule of Findings, the Authority has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

D. State revenues and receipts collected by the Authority are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

E. Money or negotiable securities or similar assets handled by the Authority on behalf of the State or held in trust by the Authority have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Illinois Finance Authority

SIGNED ORIGINAL ON FILE

Chris Meister, Executive Director

SIGNED ORIGINAL ON FILE

Ximena Granda, Manager, Finance & Administration

SIGNED ORIGINAL ON FILE

Elizabeth Weber, General Counsel

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COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act) and the *Audit Guide*.

ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	Current Report	Prior Report
Findings	8	6
Repeated Findings	4	5
Prior Recommendations Implemented or Not Repeated	2	4

SCHEDULE OF FINDINGS

Item No.	Page	Last/First Reported	Description	Finding Type
			Current Findings	
2021-001	8	2019/2013	Internal Audit	Material Weakness and Noncompliance
2021-002	10	New	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2021-003	12	2019/2010	Delinquent and Inaccurate Reporting of Bond Activity	Significant Deficiency and Noncompliance
2021-004	14	2019/2019	Control over Property and Equipment	Significant Deficiency and Noncompliance
2021-005	17	2019/2017	Noncompliance with the Illinois Finance Authority Act	Significant Deficiency and Noncompliance
2021-006	18	New	Inaccurate Quarterly Summary of Accounts Receivable	Significant Deficiency and Noncompliance
2021-007	20	New	Noncompliance with the Illinois Environmental Facilities Financing Act	Significant Deficiency and Noncompliance
2021-008	21	New	Lack of Adequate Controls over the Review of Internal Controls for Service Providers	Significant Deficiency and Noncompliance
			Prior Findings Not Repeated	
A.	23	2019/2010	Noncompliance with Travel Regulations	
B.	23	2019/2017	Contracts not Properly Executed	

EXIT CONFERENCE

The Authority waived an exit conference in a correspondence from Christopher Meister, Executive Director, on March 8, 2022.

The responses to the recommendations were provided by Christopher Meister, Executive Director, in a correspondence dated March 15, 2022.

**Independent Accountant's Report
on State Compliance and on Internal Control
Over Compliance**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
Illinois Finance Authority

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the Illinois Finance Authority (Authority) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies* (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2021. Management of the Authority is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

The specified requirements are:

A. The Authority has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.

B. The Authority has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.

C. The Authority has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

D. State revenues and receipts collected by the Authority are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

E. Money or negotiable securities or similar assets handled by the Authority on behalf of the State or held in trust by the Authority have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Authority's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirement applicable to the Authority during the two years ended June 30, 2021. As described in the accompanying Schedule of Findings as item 2021-001, the Authority has not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Authority complied with the specified requirements during the two years ended June 30, 2021, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2021-002 through 2021-008.

The Authority's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Authority's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Authority's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Authority's compliance with the specified requirements and to test and report on the Authority's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be a material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 2021-001 to be a material weakness.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2021-002 through 2021-008 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Authority's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Authority's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
March 17, 2022

Finding 2021-001 Internal Audit

The Authority did not have an appropriate full-time internal audit program in place during the examination period in accordance with the Fiscal Control and Internal Auditing Act (Act).

On June 28, 2017, the Authority entered into an intergovernmental agreement with the Department of Central Management Services (CMS) to act as the internal auditor. As of April 1, 2019, we noted the CMS' Internal Auditor was acting as the Chief Internal Auditor for nine different State agencies, each of which was a designated State agency required to have a Chief Internal Auditor and to maintain a full-time program of internal audit under the Act. During the performance of examination procedures, it was determined CMS is still serving as the internal audit function for the Authority.

In an opinion dated August 9, 2019, the Attorney General's Office stated that "it is clear that the Act contemplates that each chief internal auditor will serve only one designated State agency and will do so on a full-time basis. Accordingly, because a designated State agency may not share a chief internal auditor with CMS or any other designated State agency without contravening the Act, a designated State agency likewise may not enter into an intergovernmental agreement permitting the sharing of internal audit services without violating the Act."

The Act requires each designated State agency to maintain a full-time program of internal auditing (30 ILCS 10-2001(a)). The Authority is a designated State agency required to maintain a full-time program of internal auditing (30 ILCS 10/1003 (a)).

The Act (30 ILCS 10/2002(a)) also requires the Executive Director to appoint a chief internal auditor.

The Attorney General ruled in Opinion No. 19-001, issued August 9, 2019, pg.2, that, "multiple designated State agencies may not appoint the same individual as their chief internal auditor through the execution of an intergovernmental agreement".

This finding was first reported during the examination for the year ended June 30, 2013. In subsequent years, the Authority has been unsuccessful in implementing a corrective action plan.

Authority officials stated that prior to the opinion issued by the Attorney General's Office, the Authority believed entering into an intergovernmental agreement with CMS to be their full-time internal auditor was in compliance with the Act. Also, staff were stretched while in a remote work environment during the global COVID-19 pandemic.

Failure to establish a full-time internal audit program in accordance with the requirements of the Act– where the chief internal auditor develops a deep understanding of the Authority's functions and processes, oversees, and performs audits of the Authority's major systems of internal accounting and administrative controls on a periodic basis, and oversees and reviews major new and modifications to information systems prior to implementation – weakens the Authority's ability to assess its overall internal control environment and represents noncompliance with State law. (Finding Code No. 2021-001, 2019-001, 2017-003, 2015-005 and 2013-006)

Finding 2021-001 Internal Audit (Continued)

Recommendation

We recommend the Authority's Executive Director appoint a chief internal auditor, who is not appointed by any other State agency as a chief internal auditor, and ensure a full-time program of internal auditing is in place and functioning at the Authority.

Authority Response

The Authority accepts this recommendation. Under the current mandated statutory qualifications and tight employment market, it will be challenging to recruit a chief internal auditor that meets the minimum qualifications and possesses the necessary state experience. By entering into an agreement with the Department of Central Management Services, the Authority has conducted Authority-wide risk assessments, approved annual audit plans, received annual reports detailing the performance by the internal audit team, and conducted/filed internal control checklists timely. Since the beginning of this agreement, there have been seventeen internal audits finalized, with four in progress scheduled to be completed by June 30, 2022. The Authority continues to pursue strategies that both comply with the statutory mandate and appropriately steward scarce public resources.

Finding 2021-002 Weaknesses in Cybersecurity Programs and Practices

The Illinois Finance Authority (Authority) had not implemented adequate internal controls related to cybersecurity programs, practices and control of confidential information.

The Authority is responsible for providing access to low-cost capital to public and private institutions. In order to carry out their responsibilities, the Authority maintains several applications which contains confidential and personal information.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the Authority's cybersecurity program, practices and control of confidential information, we noted the Authority had not:

- Developed policies related to change control and system development.
- Reviewed and updated established policies and procedures.
- Developed a cybersecurity plan.
- Developed a project management framework to ensure new applications were adequately developed and implemented in accordance with management's expectations.
- Developed a risk management methodology, conducted a comprehensive risk assessment, or implemented risk reducing internal controls.
- Developed a data classification methodology.
- Required contractors to acknowledge receipt of the Authority's policies upon hiring.
- Required employees or contractors to acknowledge receipt of the Authority's policies on an annual basis.
- Required contractors to complete security awareness training.

The *Framework for Improving Critical Infrastructure Cybersecurity* and the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The Authority indicated the lack of staff and monetary resources resulted in the exceptions.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities, which could ultimately lead to the Authority's confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2021-002)

Finding 2021-002 Weaknesses in Cybersecurity Programs and Practices

Recommendation

We recommend the Authority:

- Develop policies documenting the control governing change control and system development.
- Review and update established policies and procedures at least annually.
- Develop a cybersecurity plan.
- Develop a project management framework to ensure new applications are adequately developed and implemented.
- Develop a risk management methodology, conduct a comprehensive risk assessment, and implement risk reducing internal controls.
- Develop a data classification methodology.
- Require contractors to acknowledge receipt of the Authority's policies upon hiring.
- Require employees and contractors to acknowledge receipt of the Authority's policies at least annually.
- Require contractors to complete security awareness training.

Authority Response

The Authority accepts this recommendation. The Authority has fortified its Cyber Security Posture. The Authority recognizes that this topic is rapidly evolving. Accordingly, the Authority closely monitors developments and plans to implement new standards based on the current revisions of the NIST frameworks as well as anticipated applicable changes to federal law. The Authority implemented additional mandatory Cyber Security training for its staff and third-party IT support. In addition to its internal staff and third-party resources, the Authority has field experts to train, advise, and assist with this implementation and ongoing monitoring as well as to advise and assist with additional improvements as appropriate.

Finding 2021-003 Delinquent and Inaccurate Reporting of Bond Activity

The Illinois Finance Authority (Authority) did not timely and accurately submit transaction reporting for bond principal and interest payments to the Office of Comptroller.

During testing of 40 bond issuances and the 139 distinct payments selected for testing which required the filing of a *Notice of Payment of Bond Interest and/or Principal* report (Form C-08) during the examination period, the auditors noted the following:

- 39 of the 139 (28%) Form C-08's tested were submitted to the Office of Comptroller between 1 and 283 days late. For each of the issues tested, the Authority had agreements in place for the paying agents to submit the Form C-08 within the required timeframe.
- For 3 of the 40 (8%) bonds tested, the respective fiscal year-end balance on the Form C-08 differed from what was reported as the outstanding fiscal year-end balance in the Authority's records.

The Statewide Accounting Management System (SAMS) (Procedure 31.30.20) requires Form C-08 be prepared and sent to the Office of Comptroller within 30 days from the date the voucher is processed for payment. The form is required to include the amount of principal outstanding after the payment being reported is applied.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001), requires agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. The Authority's system of internal controls should include procedures to ensure required reports filed on behalf of the Authority are filed accurately and timely and agree with the Authority's records.

This finding was first reported during the examination for the year ended June 30, 2010. In subsequent years, the Authority has been unsuccessful in implementing a corrective action plan.

Authority officials stated the exceptions were primarily due to the paying agents/trustee not submitting the information timely to either the Authority or the Office of Comptroller.

Failure to submit timely and accurate reports to the Office of Comptroller inhibits the Office of Comptroller's ability to record and monitor State debt transactions. (Finding Code No. 2021-003, 2019-002, 2017-004, 2015-006, 2013-007, 12-7, 11-5, 10-6)

Recommendation

We recommend the Authority continue to monitor and work with the paying agents to improve compliance with principal and/or interest reporting requirements.

Finding 2021-003 Delinquent and Inaccurate Reporting of Bond Activity (Continued)

Authority Response

The Authority accepts this recommendation. The Authority recognizes the State transparency and accountability policy represented by the C-08 process. The C-08 process mandates that the Authority, the Office of the Illinois Comptroller, the conduit bond trustee/paying agent/bank-lender, and the third-party conduit borrower, partner to collect data, in real-time, with respect to the payment of principal and interest by the conduit borrower. Conduit bonds (both exempt from federal tax, most of the Authority's portfolio, and taxable such as Commercial Property Assessed Clean Energy bonds) are not the financial obligation of either the Authority or State taxpayers. The Authority lacks the enforcement powers with respect to data gathering and submission by the involved parties. C-08 reporting entities are generally selected by conduit borrowers, not the Authority. Based upon a survey of similar state agencies, the Authority believes that the C-08 reporting process is unique in the nation for issuers of conduit bonds. Nonetheless, the Authority has worked productively with the Office of the Illinois Comptroller to continue to improve the accuracy of and reduce the public resource cost of the C-08 process. Finally, the Authority believes that the inaccuracies identified in connection with this finding were related to the ongoing drain on the Authority's resources due to COVID 19 as well as the age and complexity of the C-08 process. The Authority will continue to work to improve the accuracy of C-08 reporting within the aged and complex reporting environment that the Authority does not control.

Finding 2021-004 Control over Property and Equipment

The Illinois Finance Authority (Authority) did not fully comply with requirements applicable to its property and equipment.

During the testing over the Authority's property and equipment and the related required reports we noted the following errors:

- The Authority reported additions in the amount of $1,594 on the second quarter Agency Report of State Property (C-15 report) for fiscal year 2020, of which, $1,034 had already been included within the amount reported on the first quarter C-15 report for fiscal year 2020. This overstated the additions for second quarter C-15 report for fiscal year 2020 by $1,034. Additionally, this error results in a reoccurring variance between the C-15s filed by the Authority and their property records of ($771) for each subsequent quarter.
- The Authority's equipment inventory listing for fiscal year 2020 and 2021 did not include a reference to the acquisition source document and the name and address of the vendor for newly acquired assets.
- The Authority's fiscal year 2020 equipment inventory listing did not contain tags numbers for 1 out 681 items, while 2021's listing was missing the tag number for 2 out of 717 items.
- The total minimum payments for the future minimum rental commitments for all non-cancelable leases, subleases, and installment purchases per the SCO-585 report for fiscal year 2020 did not reconcile with the lease commitment schedule provided by the Authority, with a variance of approximately $3,000.
- The Authority submitted the Annual Real Property Utilization Report for fiscal year 2021 11 days late.
- One of 25 items tested from the floor to the property list was not actually included in the listing. The item was an HP Monitor.
- The Authority received issued devices back from two terminated employees between 22 and 30 days late.
- The Authority does not have a policy clearly delineating the categories of equipment considered subject to theft.

SAMS Procedure 29.20.10 requires the Authority to report on the appropriate line all additions and deletions for each asset category that occurred during the quarter. It also requires the Authority to footnote any deletions reported that are corrections for amounts not previously reported due to prior year errors.

SAMS Procedure 29.10.30 states when Form C-15 is properly completed, it should present the total cost of State property, by category, reflected on the agency's records as of the reporting date and reconcile the beginning balance of State property to the ending balance.

SAMS Procedure 29.10.10 requires an agency to maintain detailed inventory records to be organized by major asset category and a reference to acquisition source document, the name and address of vendor, and the tag number.

Finding 2021-004 Control over Property and Equipment (Continued)

SAMS Procedure 27.20.60 requires all agencies who administer proprietary funds and use their own lease calculating system to report this information on Form SCO-535, Proprietary Fund Schedule of Footnote Disclosure Information or Form SCO-585, Component Unit Schedule of Footnote Disclosure Information.

The State Property Control Act (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control, and inventory of all property under their jurisdiction to ensure the proper accounting and safeguarding of State assets.

The State Property Control Act (30 ILCS 605/7.1b) requires all responsible officers shall submit an Annual Real Property Utilization Report to the Administrator, or annual update of such report, on forms required by the Administrator, by July 31 of each year.

The Illinois Administrative Code (44 Ill Admin. Code 5010.230) requires that the following items must be entered on all agency records and provided by the agencies for Department records:

- Identification Number
- Location Code Number
- Description
- Date of Purchase
- Purchase Price
- Object Code
- Voucher Number

The Authority's acknowledgment and release form for the use of Authority equipment at home requires the return of the equipment within 48 hours upon an employee's termination, resignation or leave.

The Illinois Administrative Code (44 Ill Admin. Code 5010.210) requires that agencies are responsible for adopting policies clearly delineating categories of equipment considered to be subject to theft.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Authority to establish and maintain a system, or systems of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.
Authority officials stated the exceptions were due to staff oversight in a remote work environment during the global COVID-19 pandemic along with staff departures.

Inaccurate property reporting reduces the reliability of the Authority's capital asset information and results in incorrect accounting information that could cause unnecessary equipment expenditures and inaccurate financial reporting to the State. Not obtaining Authority property back timely from an employee who is no longer associated with the Authority could lead to the loss of the equipment. (Finding Code No. 2021-004, 2019-005)

Finding 2021-004 Control over Property and Equipment (Continued)

Recommendation

We recommend the Authority strengthen its controls over property and equipment to ensure required reports and records are completed accurately and timely and Authority property is returned promptly.

Authority Response

The Authority accepts this recommendation. The Authority notes that there may be different views with respect to the applicability of certain statutes cited in the finding. The Authority attributes some of the issues underlying this finding to remote work during COVID-19. As COVID-19 recedes, the Authority will continue to enhance its controls with respect to this topic.

Finding 2021-005 Noncompliance with the Illinois Finance Authority Act

The Illinois Finance Authority (Authority) did not comply with the Illinois Finance Authority Act (Act).

During testing over the Authority's compliance with statutory mandates, we noted the fiscal year 2020 financial statements were sent to the Governor, Secretary of State, Comptroller, and General Assembly on June 30, 2021, more than six (6) months after the financial statement date of December 16, 2020. In addition, the fiscal year 2019 financial statements were not sent to the aforementioned parties.

The Illinois Finance Authority Act (20 ILCS 3501/845-50) states as soon after the end of each fiscal year as may be expedient, the Authority shall cause to be prepared and printed a complete report and financial statement of its operations and of its assets and liabilities. A reasonably sufficient number of copies of such report shall be printed for distribution to persons interested, upon request, and a copy thereof shall be filed with the Governor, the Secretary of State, the State Comptroller, the Secretary of the Senate and the Chief Clerk of the House of Representatives.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Authority to establish and maintain a system, or systems, of internal fiscal and administrative controls. The Authority's system of internal controls should include procedures to ensure all required reports are filed.

This finding was first reported during the examination for the two years ended June 30, 2017. In subsequent years, the Authority has been unsuccessful in implementing a corrective action plan.

Authority officials stated the exception was due to staff oversight.

Failure to timely file the required reports with those specified in the Act results in noncompliance with the Act. (2021-005, 2019-006, 2017-008)

Recommendation

We recommend the Authority implement procedures to ensure the financial report is filed timely each fiscal year.

Authority Response

The Authority accepts this recommendation. The Authority has implemented a process in place to ensure timely filing of the financial statements to the required parties.

Finding 2021-006 Inaccurate Quarterly Summary of Accounts Receivable

The Illinois Finance Authority (Authority) did not have adequate controls over the preparation of its quarterly accounts receivable reports.

During our testing of four Quarterly Summary of Accounts Receivable Activity (Form C-97) reports for both fiscal years 2020 and 2021, we noted the following exceptions:

- One report (25%), fiscal year 2020's 4th quarter for the General Fund, understated ending gross accounts receivable by $42,000.
- Two reports (50%), fiscal year 2021's 3rd quarter and 4th quarter for the General Fund, inaccurately reported the estimated uncollectible accounts resulting in an overstatement of $40,000 and $41,000, respectively.

During our testing of four Quarterly Summary of Aging of Total Gross Receivables (Form C-98) reports for both fiscal years 2020 and 2021, we noted the following exceptions:

- Two reports (50%), fiscal year 2020's 4th quarter and fiscal year 2021's 3rd quarter for the General Fund, inaccurately reported the amount of receivables not past due resulting in an overstatement of $5,000 and an understatement of $13,000, respectively.
- Two reports (50%), fiscal year 2020 4th quarter and fiscal year 2021's 4th quarter for the General Fund, inaccurately reported the amount of past due receivables of 180 days or less resulting in an understatement of $42,000 and an overstatement of $14,000, respectively.
- One report (25%), fiscal year 2020's 4th quarter for the General Fund, inaccurately reported the amount of past due receivables for over 180 days resulting in an understatement of $4,000.

During our testing of four Quarterly Summary of Collections Activity for Accounts Over 180 Days Past Due (Form C-99) reports for both fiscal years 2021 and 2020, we noted the following exceptions:

- Two reports (50%), fiscal year 2020's 4th quarter and fiscal year 2021's 3rd quarter for the General Fund, improperly excluded account balances with the Attorney General's Office from the total of past due accounts over 180 days.
- One report (25%), fiscal year 2020's 4th quarter for the General Fund, overstated the number of total past due accounts over 180 days by one.

Statewide Accounting Management System (SAMS) Manual (Procedure 26.30.10-26.30.40) describes the accounts receivable reports for State agencies and provides instructions for the completion of Forms C-97, C-98 and C99.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Authority to establish and maintain a system, or systems, of internal fiscal and administrative controls. Proper internal controls should ensure reports filed with the Office of Comptroller are complete and accurate.

Finding 2021-006 Inaccurate Quarterly Summary of Accounts Receivable (Continued)

Authority officials stated the exceptions were due to staff errors.

Failure to properly complete and submit accounts receivable reports to the Office of the Comptroller could result in inaccurate financial records. (Finding Code No. 2021-006)

Recommendation

We recommend the Authority strengthen its controls over the filing of reports with the Comptroller to ensure all reports are completed accurately.

Authority Response

The Authority accepts this recommendation. While the Authority works to ensure accurate receivable reporting and will develop a process to further minimize any reporting errors in the future, the errors which underlie this finding represent an error rate of 0.000026% of the overall receivables balance.

Finding 2021-007 Noncompliance with the Illinois Environmental Facilities Financing Act

The Illinois Finance Authority (Authority) did not comply with the Illinois Environmental Facilities Financing Act (Act).

During testing over the Authority's compliance with statutory mandates, we noted the Authority financed a project under the Act during fiscal year 2020 and did not provide a financial report on the project to the General Assembly, Governor, or the Commission on Government Forecasting and Accountability as required by the Act during fiscal year 2020 or 2021.

The Illinois Environmental Facilities Financing Act (20 ILCS 3515/7) states the Authority shall make a financial report on all projects financed under this Section to the General Assembly, to the Governor, and to the Commission on Government Forecasting and Accountability by April 1 of each year. Such report shall be a public record and open for inspection at the offices of the Authority during normal business hours. The report shall include: (a) all applications for loans and other financial assistance presented to the members of the Authority during such fiscal year, (b) all projects and owners thereof which have received any form of financial assistance from the Authority during such year, (c) the nature and amount of all such assistance, and (d) projected activities of the Authority for the next fiscal year, including projection of the total amount of loans and other financial assistance anticipated and the amount of revenue bonds or other evidences of indebtedness that will be necessary to provide the projected level of assistance during the next fiscal year.

Authority officials stated it was the Authority's understanding prior to this finding that the information contained in the transmittal letters which proceed its financial statements and the information contained in its publicly available board meeting materials fulfilled reporting requirements under this Act.
Failure to file the required reports as specified in the Act results in noncompliance with the Act. (Finding Code No. 2021-007)

Recommendation

We recommend the Authority implement procedures to ensure the report with all of its required components is filed timely with the required parties.

Authority Response

The Authority accepts this recommendation. The Authority has implemented a process in place to ensure filing of the financial reports on the project to the required parties.

Finding 2021-008 Lack of Adequate Controls over the Review of Internal Controls for Service Providers

The Illinois Finance Authority (Authority) had not implemented adequate internal controls over its service providers.

We requested the Authority to provide the population of services providers utilized to determine if they had reviewed the internal controls over their service providers. In response to our request, the Authority was unable to provide a listing. However, through discussion with the Authority, they identified five services providers. The service providers provided Software as a Service, custodian of assets, and loan services.

Due to these conditions, we were unable to conclude the Authority's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35).

Even given the population limitations noted above, we performed testing over the five service providers identified by the Authority. During our testing, we noted the Authority had obtained System and Organization Control (SOC) reports for each of the service providers identified. However, the Authority did not maintain documentation of their review of the SOC reports and Complementary User Entity Controls (CUECs).

In addition, we noted 3 of 5 (60%) service providers contracts did not contain a requirement for an independent review to be completed.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Service Acquisition sections, requires entities outsourcing their IT environment or operations to obtain assurance over the entities internal controls related to the services provided. Such assurance may be obtained via System and Organization Control reports or independent reviews.

The Authority indicated the lack of staff and monetary resources resulted in the exceptions.

Without having reviewed a SOC report or another form of independent internal controls review, the Authority does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2021-008)

Finding 2021-008 Lack of Adequate Controls over the Review of Internal Controls for Service Providers (Continued)

Recommendation

We recommend the Authority strengthen its controls in identifying and documenting all service providers utilized. In addition, we recommend the Authority document their review of the SOC reports. Further we recommend the Authority:

- Monitor and document the operation of the CUECs related to the Authority's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impact to the Authority, and any compensating controls.
- Ensure service providers contracts require the submission of a SOC report or independent review.

Authority Response

The Authority accepts this recommendation. The Authority has processes in place to monitor and review its service providers. When the Authority enters into new contracts, it will add a provision for an independent review to be completed. Additionally, the Authority will document its future reviews of SOC reports and CUECs.

Prior Findings not Repeated

A. Finding: Noncompliance with Travel Regulations

During the prior examination, the Authority processed several travel vouchers that were either completed incorrectly, were for unallowable costs, or were for travel not approved by all required parties.

Disposition:
During the current examination, we noted the Authority made significant improvements in processing their travel vouchers based on our sample testing. (Finding Code No. 2019-003, 2017-005, 2015-007, 2013-008, 12-8, 11-3, 10-7)

B. Finding: Contracts not Properly Executed

During the prior examination, the Authority did not ensure contracts were fully completed before purchases were initiated, contract obligation forms were properly completed, or an extension of service was processed correctly.

Disposition:
During the current examination, we noted the Executive Director of the Authority properly executed contracts prior to the performance of services received based on our sample testing. Additionally, contracts contained the appropriate required clauses and were filed correctly with the Illinois Comptroller based on our sample testing. (Finding Code No. 2019-004, 2017-006)

RSM US LLP

Independent Accountant's Report
On Unexamined Disclosures Accompanying a
State Compliance Examination Report

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Directors
Illinois Finance Authority

Disclosures Accompanying a State Compliance Examination Report

Management of the Illinois Finance Authority is responsible for the *Disclosures Accompanying a State Compliance Examination Report* (other information), which consists of the Fiscal Schedules and Analysis and Analysis of Operations report components as listed in the Table of Contents. The other information comprises disclosures which must be presented by management in accordance with *Report Components* memorandum published by the Auditor General of the State of Illinois, but does not include our *Independent Accountant's Report on State Compliance and on Internal Control over Compliance* found in the separate *State Compliance Examination Report* included within this document.

Our opinion on the Authority's State compliance and internal control over compliance does not cover this other information, and we do not express an opinion or any form of assurance thereon.

In connection with our examination of the Authority, we have read the other information and considered whether:

1) a material inconsistency exists between the other information and our knowledge and facts of the Authority we obtained as part of the Authority's State compliance examination;
2) the other information appears to have been omitted; or,
3) the other information appears to be materially misstated.

If, based on the work performed, we identified an omission or uncorrected material misstatement of the other information, we have agreed to describe it in this report.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
March 17, 2022

State of Illinois
Illinois Finance Authority

Comparative Schedule of Cash Receipts and Deposits into the State Treasury
For the Fiscal Years Ended June 30,

	2021	2020	2019
STATE TREASURY FUNDS			
Ambulance Revolving Loan Fund - 334			
Receipt Sources:			
Repayment of loans	$ 457,388	$ 325,436	$ 270,808
Total Receipts, per the Authority's Records	$ 457,388	$ 325,436	$ 270,808
Receipts, per the Authority's records	$ 457,388	$ 325,436	$ 270,808
Deposits in Transit, Beginning of the Fiscal Year	20,000	-	-
Deposits in Transit, End of the Fiscal Year	-	(20,000)	-
Deposits, Recorded by the State Comptroller	$ 477,388	$ 305,436	$ 270,808
Fire Truck Revolving Loan Fund - 572			
Receipt Sources:			
Repayment of loans	$ 2,292,174	$ 2,025,463	$ 1,917,847
Total Receipts, per the Authority's Records	$ 2,292,174	$ 2,025,463	$ 1,917,847
Receipts, per the Authority's records	$ 2,292,174	$ 2,025,463	$ 1,885,180
Deposits in Transit, Beginning of the Fiscal Year	52,500	52,500	85,167
Deposits in Transit, End of the Fiscal Year	-	(52,500)	(52,500)
Deposits, Recorded by the State Comptroller	$ 2,344,674	$ 2,025,463	$ 1,917,847
GRAND TOTAL - ALL FUNDS			
Receipts, per the Authority's Records	$ 2,749,562	$ 2,350,899	$ 2,155,988
Deposits in Transit, Beginning of the Fiscal Year	72,500	52,500	85,167
Deposits in Transit, End of the Fiscal Year	-	(72,500)	(52,500)
Deposits, Recorded by the State Comptroller	$ 2,822,062	$ 2,330,899	$ 2,188,655

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

Note: After the implementation of Public Act 097-0901, the Authority is required to deposit all interest income and loan repayment into the State Treasury pursuant to the Illinois Finance Authority Act (Act) (20 ILCS 3501/825-80(d) and 20 ILCS 3501/825-85(c)); however, the Office of the State Fire Marshal is required to immediately return these cash collections back to the Authority's locally-held funds pursuant to the continuing appropriations of the Act (20 ILCS 3501/825-80(c) and 20 ILCS 3501/825-85(b)). As the Authority no longer has a present obligation to sacrifice the resources represented by these loan repayments and interest collections, these transactions have been eliminated for financial reporting purposes.

Analysis of Significant Variations in Receipts
For the Two Years Ended June 30, 2021
(Unaudited)

Fiscal Year 2021 compared to Fiscal Year 2020

Ambulance Revolving Loan Fund – 334

The increase in receipts in Fiscal Year 2021 from Fiscal Year 2020 of $131,952 or 41%, was mainly due to new loans issued in Fiscal Year 2020.

Fire Truck Revolving Loan Fund – 572

None noted

Fiscal Year 2020 compared to Fiscal Year 2019

The Agency did not have any significant variations in receipts.

State of Illinois
Illinois Finance Authority

Schedule of Changes in State Property
For the Two Years Ended June 30, 2021

Fiscal Year 2021	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Property					
Furniture and equipment	$ 193,159	$ -	$ -	$ -	$ 193,159
Computers	148,360	4,089	-	-	152,449
Software	287,799	-	-	-	287,799
Other state property equipment	141,684	6,462	-	-	148,146
Total	$ 771,002	$ 10,551	$ -	$ -	$ 781,553

Fiscal Year 2020	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Property					
Furniture and equipment	$ 192,183	$ 1,460	$ 484	$ -	$ 193,159
Computers	138,736	9,624	-	-	148,360
Software	287,799	-	-	-	287,799
Other state property equipment	138,159	5,155	1,630	-	141,684
Total	$ 756,877	$ 16,239	$ 2,114	$ -	$ 771,002

As further described in the *Independent Accountant’s Report on Unexamined Disclosures Accompanying a State Compliance Examination Report* , the accountants do not express an opinion or any form of assurance on this report component.

Note 1: The balances were obtained from the Authority's records and have been reconciled to the Agency's quarterly *Agency Report of State property* reports submitted to the Office of the State Comptroller for the year ended June 30, 2020 and June 30, 2021.

Note 2: This schedule was prepared from State property records as required by the Illinois Administrative Code (Code) and the Statewide Accounting Management System (SAMS). The capitalization policy required by the Code and SAMS is different from the capitalization policy established by the Office of the State Comptroller for financial reporting in accordance with generally accepted accounting principles (GAAP).

Analysis of Significant Variations in Account Balances
For the Two Years Ended June 30, 2021
(Unaudited)

Fiscal Year 2021 compared to Fiscal Year 2020

The Authority's Fiscal Year 2021 Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position can be found on pages 24-25 and 26, respectively, within its separately released Fiscal Year 2021 financial audit report. Additionally, the Authority's Fiscal Year 2020 Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position can be found on pages 24-25 and 26, respectively, within its previously released Fiscal Year 2020 financial audit report.

Statement of Net Position

Cash and cash equivalents
Increase is due to the proceeds from the issuance of a new bond sale on behalf of the Illinois Environmental Protection Agency.

Investments
Increase is due to the purchase of investments from the new bond sale on behalf of the Illinois Environmental Protection Agency.

Loans receivable, net
Increase is due to new loans issued under the Natural Gas Loan Program.

Accrued interest payable
Increase is due to the additional accrued interest on the new bond issued on behalf of the Illinois Environmental Protection Agency.

Bonds and notes payable
Increase is due to a new bond sale on behalf of the Illinois Environmental Protection Agency.

Unamortized Issuance premium
Increase is due to a new bond sale on behalf of the Illinois Environmental Protection Agency.

Statement of Revenues, Expenses, and Changes in Net Position

Interest income – loans
Increase is due to the issuance of the Illinois Clean Water Initiative Bonds, Series 2020.

Interest and investment income
Decrease was due to reduced interest rates and lower amounts to invest.

Fiscal Year 2020 compared to Fiscal Year 2019

The Authority's Fiscal Year 2019 Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position can be found on pages 21-22 and 23, respectively, within its previously released Fiscal Year 2019 financial audit report.

Statement of Net Position

Cash and cash equivalents
Increase is due to the proceeds from the issuance of a new bond sale on behalf of the Illinois Environmental Protection Agency.

Investments
Decrease is due to the maturities of investments.

Loans receivable, net
Increase is due to new loans issued under the Fire Truck and Ambulance Revolving Loan Programs.

Bonds and notes receivable
Increase is due to the issuance of additional loans to the Illinois Environmental Protection Agency.

Accrued interest payable
Increase is due to the additional accrued interest on the new bond issued on behalf of the Illinois Environmental Protection Agency.

Unamortized Issuance premium
Increase is due to a new bond sale on behalf of the Illinois Environmental Protection Agency.

Statement of Revenues, Expenses, and Changes in Net Position

Interest income – loans
Increase is due to the issuance of the Illinois Clean Water Initiative Bonds, Series 2019.

Interest and investment income
Increase is due to the increase in the investment portfolio which was generated by additional bond proceeds.

Interest expense
Increase is due to the issuance of the Illinois Clean Water Initiative Bonds, Series 2019.

The Authority is a body politic and corporate created by State statute and exercises its powers as an essential public function. The Authority is governed by fifteen volunteer Members who are appointed by the Governor and confirmed by the Senate. The Governor directly appoints the Authority Chair. From nominations received from the Governor, the Members of the Authority appoint an Executive Director to hold office for a one-year term. As of June 30, 2021, the Authority had 19 staff, including full-time employees, one part-time employee, and three team members under personal services contracts. Authority staff do not participate in the State's pension or health insurance programs and are paid with Authority locally-held funds, not State tax dollars appropriated by the General Assembly.

At present, the Authority's primary product and revenue source is the issuance of federally tax-exempt conduit bonds as allowed by the federal tax code and State law. From a credit and security perspective, federally tax-exempt conduit bonds generally pose no (or little) risk to the Authority's funds as: (i) the key credit decision is made, not by the Authority, but by the capital markets or banks that purchase the Authority bonds; (ii) it is the borrower's decision to borrow for a project that qualifies for tax-exemption under the federal tax code; (iii) importantly, the obligations to repay debt and to maintain contractual covenants belongs to the borrower, not the Authority or the State of Illinois or any political subdivision therein; and (iv) finally, the Authority is not the regulator of the borrower, the borrower's project, or the borrower's bond transaction. From time to time, the Authority has and may issue taxable conduit bonds (without federal tax exemption).

The Authority supports its operations with fees charged in connection with the issuance of conduit bonds, as well as interest payments from non-conduit direct loans funded with Authority revenues and investment returns, not with State tax dollars appropriated by the General Assembly. The vast majority of the Authority's debt is classified as conduit debt. Under Generally Accepted Accounting Principles promulgated by the Government Accounting Standards Board, conduit debt refers to certain limited-obligation revenue bonds issued for the express purpose of providing capital financing for a specific third party. Accordingly, the Authority's conduit debt obligations are not reported as liabilities in the Authority's basic financial statements.

The Authority's ability to generate revenue without State tax dollars appropriated by the General Assembly generally limits the impact of any State budget issues on the Authority's operations, with the exception of certain specific finance programs and transactions (see agricultural guarantee programs; State component units; moral obligation/contingent State taxpayer guarantees; and fire truck and ambulance loan programs). Despite this degree of autonomy from the State budget, the Authority's financial operations are included within and reported as a component unit of the State of Illinois.

Under its Act, the Authority has an active role in reviewing financing applications, confirming that projects are consistent with its statutory powers, and approving projects. The Authority's debt (conduit or otherwise) is incurred only to raise the capital necessary to provide financing for projects, including, but not limited to, health care facility projects, educational facility projects, housing projects, cultural institution projects, public purpose projects, industrial and commercial projects, agricultural projects, property assessed clean energy ("PACE") projects, and environmental facilities as well as projects to or on behalf of, or in connection with, businesses, local governments and other public borrowers, investor-owned water utilities, senior living facilities, farmers, agribusinesses, student loans and others. The Authority finances the aforementioned projects in accordance with its statutory mandate in order to (1) promote a vigorous growing economy and avoid involuntary unemployment for Illinois residents; (2) reduce the cost of indebtedness to State taxpayers and residents; and (3) otherwise enhance the quality of life in Illinois by benefiting the health, welfare, safety, trade, commerce, industry and economy of the people of Illinois consistent with its statutory declarations of policy.

Beginning in February 2018, in concert with the Authority's strategic goals, the Authority responded to the existential challenges posed by the federal Tax Cuts and Jobs Act as well as larger economic and social trends through the development and implementation of the ***Transformation Initiative***.

Reflected in the priorities of both the Authority's Fiscal Years 2021 and 2022 budgets, the Transformation Initiative is a growth and impact strategy, consistent with both the Authority's statutory policy objectives and its strategic goals. The Transformation Initiative is designed to help meet Illinois' most pressing financial challenges in innovative ways and more effectively achieve the Authority's mission and its statutory declarations of policy.

The Authority has established four strategic goals: (1) strengthen and diversify product offering; (2) improve stewardship of financial and human capital; (3) expand partnerships with the Governor as well as State and Federal Agencies; and (4) enhance accountability, transparency and flow of information.

Specifically, the Transformation Initiative recognizes the value in further diversifying the Authority's products and services so that its revenues are not as strongly correlated with the issuance of a single product, in this case, issuance of the federally tax-exempt conduit bonds.

The Transformation Initiative utilized the established four-part framework to evaluate new products and programs: (a) public mission; (b) risk profile; (c) net revenue impact; and (d) competitive position.

The Transformation Initiative seeks simultaneously to diversify the Authority's impact and revenue through the development and expansion of new products and services and to increase the Authority's organizational capacity by adding talent with new skills and experience. The additional organizational capacity allows for segregation of duties within a comparatively small organization and provides for essential function redundancy.

The Transformation Initiative also recognizes a fundamental distinction among the Authority's tools between products, where there is economic demand for the service provided, thus creating revenue to support the Authority's operations, and programs, where the Governor, the Authority Members, or the General Assembly have decided that the Authority must provide a service at cost or even a loss.

On July 29, 2019, Public Act 101-0169 became effective. In recognition of the need to bring the Property Assessed Clean Energy Act (50 ILCS 50/1, et seq.) (the "PACE Act") up to standard with comparable Illinois special assessment laws, Public Act 101-0169 was a technical rewrite of the PACE Act that also incorporated certain public health and natural disaster protections while eliminating ambiguity throughout the PACE Act, providing the market with a clear and comprehensive path to successful implementation.

On January 1, 2020, Public Act 101-0610 became effective and created two new investment funds: the Police Officers' Pension Investment Fund and the Firefighters' Pension Investment Fund (collectively, the "Funds"). The created Funds will take material steps to ensure the retirement security of Illinois local first responders by increasing investment returns in a prudent manner. In doing so, the Funds should reduce the future burden on Illinois property taxpayers. Public Act 101-0610 authorizes the Authority to lend, and each of the Funds to borrow, up to $7.5 million in capital. A former Authority team member now serves as the Executive Director of one of the Funds.

On February 11, 2020, the Authority inaugurated its Sustainable Financing/Addressing Climate Change process ("Climate Process"). The Climate Process follows the direction of the Governor's Executive Order No. 2019-06 on climate change and builds on the Authority's success with respect to the State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds and PACE taxable conduit debt financing within the Transformation Initiative.

On March 9, 2020, Governor JB Pritzker issued the first of a series of Disaster Proclamations related to the COVID-19 pandemic, and on March 10, 2020, the Authority conducted the last in-person meeting of the Members of the Authority. On March 16, 2020, the Authority moved to full "remote/work from home" operations due to the spread of the virus. On March 20, 2020, the Governor issued Executive Order 2020-10 requiring all Illinoisans to stay in their homes to prevent the further spread of COVID-19. COVID-19 caused a disruption in the municipal capital markets, including those sectors served by the Authority, and some bond issuances were delayed. The Authority canceled its April 14, 2020 regularly scheduled meeting because of the pandemic. On May 12, 2020, the Authority held its first remote meeting of the Members. On June 12, 2020, Public Act 101-0640 became effective and clarified State law with respect to remote meetings. The Authority has continued to fulfill its public mission with Authority staff working remotely and the Members attending the meetings of the Authority via video and audio conference.

On July 17, 2020, the Governor appointed Will Hobert to lead the Illinois Finance Authority as its Chair. Chair Hobert was first appointed as an Authority Member on June 28, 2019. Throughout the audit period, the Governor appointed five new Members of the Authority and reappointed three Members. As of June 30, 2021, the Authority has fourteen Members and one vacancy.

On December 30, 2020, on behalf of the Authority's longstanding partner, the Illinois Environmental Protection Agency ("IEPA"), the Authority successfully closed the $500 million Clean Water Initiative Revolving Fund Green Bonds, Series 2020 ("Series 2020 Green Bonds"), netting the IEPA federal—State-local State Revolving Fund ("SRF") programs a total of $634 million in bond proceeds and premium that finances essential safe drinking water and wastewater infrastructure at a lower cost. The Series 2020 Green Bonds were assigned the highest credit rating of 'AAA' from both Fitch Ratings and Standard & Poor's Global, and obtained the lowest cost of funds in the history of the Illinois SRF leveraged bond program (begun in 2002) with an all-in True Interest Cost of 1.81%. The Series 2020 Green Bonds incorporated both applicable United Nations Sustainable Development Goals and current performance indicators posted on the IEPA website in alignment with the International Capital Market Association's Green Bond Principles.

On February 16, 2021, the Governor issued a Disaster Proclamation for all 102 Illinois counties due to the dangerous winter storm of February 13-14, 2021, and called on all State organizations "to use all resources at our disposal to keep our communities safe amid dangerous and ongoing winter weather." On February 25, 2021, the Authority held a special meeting to address the winter disaster and passed a resolution to establish the Local Government Energy Loan Program. In just 65 days, the Authority made 14 direct loans to local governments from its General Fund in a total estimated amount of $7.9 million. This fast action mitigated the harm to local ratepayers by allowing the local government borrowers to spread increased natural gas costs over a manageable timeframe.

Throughout Fiscal Years 2020 and 2021, the Authority issued approximately $4.3 billion in conduit bonds across a variety of economic sectors. The majority of these bond issues were exempt from federal income tax, although certain issues on behalf of Illinois local governments were exempt from State income tax and certain issues were taxable. This two-year cycle included approximately $1.8 billion in conduit bonds issued on behalf of not-for-profit healthcare organizations including, but not limited to, The Carle Foundation, OSF Healthcare System, The University of Chicago Medical Center, Memorial Health System, Sarah Bush

Lincoln Health Center, Riverside Health System, and NorthShore University HealthSystem Obligated Group. Also in this two-year cycle, more than $500 million in conduit bonds were issued on behalf of not-for-profit educational institutions including, but not limited to, The University of Chicago, Roosevelt University, and Illinois Institute of Technology (d/b/a Illinois Tech). Finally, and in addition to the Series 2020 Green Bonds noted above, the Authority issued conduit bonds on behalf of senior living facilities owned and operated by not-for-profit organizations, public school districts, privately-owned water facilities, privately-owned environmental facilities, privately-owned freight transfer facilities, individual farmers, PACE projects, and other qualified borrowers under the Authority Act.

Head of the Agency, Location and Address
Will Hobert, Chair
Chris Meister, Executive Director
Illinois Finance Authority
Michael A. Bilandic Building
160 N. LaSalle Street, Suite S-1000
Chicago, Illinois 60601

State of Illinois
Illinois Finance Authority

Number of Employees
For the Fiscal Years Ended June 30,
(Unaudited)

AVERAGE FULL-TIME EMPLOYEES	2021	2020	2019
Executive Director	1.0	1.0	1.0
Deputy Executive Director	0.8	1.0	0.3
Accountant	3.0	2.5	2.0
Associate Vice President	-	-	1.0
Vice President	2.8	3.0	-
Administrative Assistant	2.0	2.0	3.0
Controller	-	-	1.0
Manager of Finance & Administration	1.0	1.0	-
Consultant	2.0	2.8	5.5
Human Resource Manager	1.0	1.0	1.5
Intern	-	0.5	2.0
Procurement Agent	1.0	1.5	1.0
Financial Analyst	2.0	1.8	0.3
Federal Policy Operations	-	-	1.0
General Counsel	1.0	1.0	2.0
Deputy General Counsel	-	0.5	-
Associate General Counsel	0.5	0.8	-
MIS Administrator	1.0	1.0	1.0
Executive Vice President	1.0	2.0	1.0
Total average number of full-time equivalent employees	20.1	23.4	23.6

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report* , the accountants do not express an opinion or any form of assurance on this report component.

Note 1: This schedule presents the average number of employees, by function at the Authority.

State of Illinois
Illinois Finance Authority

Schedule of Conduit Debt
For the Year Ended June 30, 2021
(Unaudited)

	Principal Outstanding	Number of Issues Outstanding
Illinois Finance Authority		
Revenue Bonds	$ 21,500,006,856	481
Notes	59,028,000	1
Recovery Zone Facilities & Midwest Disaster Area	49,999,238	4
Leases	1,575,976	1
Beginning Farmer Bonds	39,853,893	285
Total Illinois Finance Authority	21,650,463,963	772
Predecessor Authorities:		
Illinois Development Finance Authority		
501(c)3 Not-for-Profit Bonds and Leases	327,266,450	24
Environmental Bonds	30,000,000	1
Industrial Revenue Bonds	45,495,000	6
Housing Bonds	1,811,004	5
Leases	496,388	1
Total Illinois Development Finance Authority	405,068,842	37
Illinois Health Facilities Authority	12,920,000	3
Illinois Educational Facilities Authority	193,238,000	13
Illinois Farm Development Authority	4,443,051	102
Total Predecessor Authorities	615,669,893	155
Grand Total Illinois Finance Authority	$ 22,266,133,856	927

State of Illinois
Illinois Finance Authority

Schedule of Conduit Debt
For the Year Ended June 30, 2020
(Unaudited)

	Principal Outstanding	Number of Issues Outstanding
Illinois Finance Authority		
Revenue Bonds	$ 21,701,443,073	500
Notes	62,590,000	1
Recovery Zone Facilities & Midwest Disaster Area	232,445,164	9
Leases	1,853,930	1
Beginning Farmer Bonds	45,307,993	313
Total Illinois Finance Authority	22,043,640,160	824
Predecessor Authorities:		
Illinois Development Finance Authority		
501(c)3 Not-for-Profit Bonds and Leases	332,920,367	26
Environmental Bonds	30,000,000	1
Industrial Revenue Bonds	53,985,481	9
Infrastructure Bonds	15,987,714	3
Housing Bonds	2,201,148	5
Leases	496,388	1
Total Illinois Development Finance Authority	435,591,098	45
Illinois Health Facilities Authority	18,070,000	3
Illinois Educational Facilities Authority	213,405,000	13
Illinois Farm Development Authority	5,829,603	129
Total Predecessor Authorities	672,895,701	190
Grand Total Illinois Finance Authority	$ 22,716,535,861	1,014

State of Illinois
Illinois Finance Authority

Schedule of Jobs Created or Retained by Loans, Revenue Bonds and Investments Made by the Authority
For the Year Ended June 30, 2021
(Unaudited)

Fiscal Year	Healthcare Bonds: Principal Closed[1]	Healthcare Bonds: Jobs Created and/or Retained[2]	Private College/University or Non-Healthcare 501(c)(3) Bonds: Principal Closed[1]	Private College/University or Non-Healthcare 501(c)(3) Bonds: Jobs Created and/or Retained[2]	Industrial Development Bonds: Principal Closed[1]	Industrial Development Bonds: Jobs Created and/or Retained[2]	Local Government Bonds: Principal Closed[1]	Local Government Bonds: Jobs Created and/or Retained[2]	Total Programs[3]: Principal Closed[1]	Total Programs[3]: Jobs Created and/or Retained[2]
2014	$ 1,578,790,000	1,805	$ 259,512,000	321	$ 10,000,000	50	$ 247,360,000	-	$ 2,095,662,000	2,176
2015	1,456,025,000	29	1,025,135,075	158	14,000,000	36	12,000,000	-	2,507,160,075	223
2016	2,726,685,000	2,608	934,545,000	6,459	100,000,000	11,600	14,540,000	31	3,775,770,000	20,698
2017	2,943,171,967	2,564	526,837,000	195	168,920,571	11,635	500,000,000	-	4,138,929,538	14,394
2018	1,697,630,000	10	891,124,000	214	20,200,000	-	560,025,000	-	3,168,979,000	224
2019	1,040,655,000	100	422,050,094	98	-	-	590,960,000	16	2,053,665,094	214
2020	785,687,882	190	597,664,000	65	228,500,000	8	170,355,000	-	1,782,206,882	263
2021	1,498,559,103	60	222,760,000	72	250,000,000	-	545,055,000	-	2,516,374,103	132

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

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

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

[3]Programs listed here are not representative of all programs operated by the Authority - The above schedule does not include Beginning Farmer Bonds.

State of Illinois
Illinois Finance Authority

Summary of Agricultural Loan Programs
For the Two Years Ended June 30, 2021
(Unaudited)

Program Overviews

Agricultural Development Bonds

The Illinois Finance Authority (Authority) had three Agricultural Development Bond Programs in operation, the Beginning Farmer Bond, Agriculture Manufacturing Bond and Beginning Farmer Contract Bond. Through these programs, individuals and businesses ("participants") were screened for eligibility. If they were found to qualify, the Authority, the participants, and the lenders (local banks) entered into loan agreements whereby the proceeds from the issuance of a tax-exempt bond were loaned to the participant for prequalified expenditures. Prior to May 2008 the limit for Agricultural Development Bonds was $250,000. In June 2008, as part of the 2007 Farm bill, Agricultural Development Bonds were further enhanced by increasing the maximum bond amount to $450,000. In addition, the maximum amounts were indexed to inflation and will adjust annually beginning January 1, 2009. For Fiscal Year 2020, the limits were raised from $543,800 to $552,500. For Fiscal Year 2021, the limits were raised from $552,500 to $558,000. The Authority's General Operating Fund received $100 for an application fee and at closing, a fee of one and one-half percent of the principal amount of the bond (net of application fee).

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

Bonds Issued by Year	Total Issued	Amount Issued
1983 thru 2009	3,255	$ 293,672,929
2010	44	8,478,672
2011	40	7,002,064
2012	41	8,784,789
2013	16	4,461,655
2014	21	3,730,000
2015	15	4,154,742
2016	16	4,027,995
2017	18	3,765,900
2018	16	3,072,125
2019	21	5,189,000
2020	8	1,960,310
2021	2	425,200
Total	3,513	$ 348,725,381

State of Illinois
Illinois Finance Authority

Summary of Agricultural Loan Programs
For the Two Years Ended June 30, 2021
(Unaudited)

Agricultural Development Bonds issued and outstanding by purpose and year as of June 30, 2021:

Purpose	Total Issued	Amount Issued	Percent of Total
Land and depreciable property	284	$ 37,588,629	10.78%
Farmland loans	2,210	267,385,001	76.67%
New equipment	484	15,379,768	4.41%
Used Equipment	91	2,460,490	0.71%
New improvements	179	10,558,830	3.03%
Used Improvements	2	46,000	0.01%
Breeding stock	49	1,686,650	0.48%
Soil conservation-permanent	28	686,263	0.20%
Agri-Business	79	10,386,203	2.98%
Tiling	52	1,549,276	0.44%
New no-till equipment	55	998,271	0.29%
	3,513	348,725,381	100.00%
Principal payments as of June 30, 2021		304,428,437	
Principal outstanding at June 30, 2021		$ 44,296,944	

Agricultural Development Bonds issued and outstanding by purpose and year as of June 30, 2020:

Purpose	Total Issued	Amount Issued	Percent of Total
Land and depreciable property	284	$ 37,588,629	10.79%
Farmland loans	2,208	266,959,801	76.65%
New equipment	484	15,379,768	4.42%
Used Equipment	91	2,460,490	0.71%
New improvements	179	10,558,830	3.03%
Used Improvements	2	46,000	0.01%
Breeding stock	49	1,686,650	0.48%
Soil conservation-permanent	28	686,263	0.20%
Agri-Business	79	10,386,203	2.98%
Tiling	52	1,549,276	0.44%
New no-till equipment	55	998,271	0.29%
	3,511	348,300,181	100.00%
Principal payments as of June 30, 2020		297,162,585	
Principal outstanding at June 30, 2020		$ 51,137,596	

State Guarantee Program for Restructuring Agricultural Debt

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

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

The Authority's General Operating Fund received $300 for an application fee and at closing, a fee of one-half percent of the principal amount of the bond (net of application fee). The Authority also received an annual fee of one-quarter percent on the outstanding principal amount of these loans prior to 2007. In 2007, at closing, a fee of three-quarters percent of the principal amount of the loan (net of application fee). The Authority also received an annual fee of one-half percent on the outstanding principal amount. The total amount of loans outstanding as of June 30, 2021 and June 30, 2020, was $1,147,077 and $2,349,220, respectively. No new loans were made under this program in Fiscal Year 2021 and Fiscal Year 2020.

This program was originally funded in Fiscal Year 1986 by capital contributions from the State's General Revenue fund and by transfers from the Farm Emergency Assistance Fund, totaling $14,063,009. Operating revenues and operating expenses were recorded in the Authority's nonmajor funds.

Farmer and Agri-Business Loan Guarantee Program

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

These lenders were liable for the first 15% of loss on any loan. There was no maximum loan amount for agri-business loans but loans shall not exceed $500,000 per farmer or an amount as determined by the Authority on a case-by-case basis for an agri-business. Loans must be repaid within 15 years. Interest rates were adjusted annually and must have been less than the market rate of interest generally available to the borrower. No new loans were made under this program in Fiscal Year 2021 or Fiscal Year 2020. The total amount of loans outstanding as of June 30, 2021 and June 30, 2020, was zero.

This program, the young farmer and farm purchase loan guarantee program, and the specialized livestock loan guarantee program, were funded by an operating transfer form the Farm Emergency Assistance Fund totaling $8,110,000 during Fiscal Year 1987. The monies were to secure State guarantees issued under these programs.

Young Farmer and Farm Purchase Loan Guarantee

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

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

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

The eligible applicant must: 1) Be a resident of the State of Illinois; 2) At least 18 years old; 3) A principal operator of a farm who derived at least 50% of annual gross income from farming; 4) Possess a debt to asset ratio of between 40% and 70% after purchase of the capital item; and 5) Have a net worth in excess of $10,000. In addition, the borrower must have provided collateral sufficient to have secured the loan and kept the loan collateral through its term. The borrower must have also demonstrated the ability to have adequately serviced the proposed debt.

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

A nonrefundable application fee of $300 must have been paid to the Authority at the time of application. The applicant paid a fee of 1% of the loan amount at closing. This closing fee was the net of the $300 application fee; however, the minimum fee was $300. The Authority received ¾% and the lender received ¼%. The lender could charge no additional fees or points other than the fee received at closing. The lender agreed to pay the Authority an annual administrative fee equal to ¼% of the outstanding balance of the young farmer and farm purchase loan guarantee program loan on the payment date. The fee was not passed on to the borrower as of 2007. In 2007, the Authority received 1% and the lender received ¼%. The Authority also received an annual fee on one-half percent on the outstanding principal amount. No new loans were made under this program in Fiscal Year 2021 or Fiscal Year 2020. The total outstanding loans as of June 30, 2021 and June 30, 2020, were $178,822 and $187,399, respectively.

Specialized Livestock Loan Guarantee Program

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

The Authority's General Operating Fund received $300 for an application fee and at closing, a fee of ¾% of the principal amount of the loan (net of the application fee). The Authority also received an annual fee of one-quarter percent on the outstanding principal amount of these loans prior to 2007. In 2007, at closing, a fee of one percent of the principal amount of the loan (net of application fee). The Authority also received an annual fee of one-half percent on the outstanding principal amount. In Fiscal Year 2021 and Fiscal Year 2020 no new loans were made under this program. The outstanding loans as of June 30, 2021 and June 30, 2020, were $911,421 and $1,012,708, respectively.

State of Illinois
Illinois Finance Authority

Historical Summary of Agricultural Loans Issued by Program and County
For the Two Years Ended June 30, 2021
(Unaudited)

	Agricultural Development Bonds		State Guarantee Program For Restructuring Agricultural Debt Loans		Farmer and Agri-Business Loan Guarantee Program Loans		Young Farmer Loan and Farm Purchase Guarantee Program Loans		Specialized Livestock Loan Guarantee Program Loans	
County	**Total Issued**	**Amount Issued**	**Total Issued**	**Amount Issued**	**Total Issued**	**Amount Issued**	**Total Issued**	**Amount Issued**	**Total Issued**	**Amount Issued**
Adams	74	$ 6,564,317	28	$ 4,804,838	1	$ 36,000	4	$ 526,000	3	$ 1,917,000
Alexander	-	-	1	180,000	-	-	-	-	-	-
Bond	67	6,509,668	11	2,032,000	-	-	1	192,000	2	1,184,000
Boone	12	1,670,100	5	1,443,000	-	-	-	-	-	-
Brown	2	160,000	14	3,436,000	-	-	-	-	1	840,000
Bureau	136	11,139,407	21	4,422,014	-	-	2	356,000	4	1,246,000
Calhoun	2	181,000	5	936,110	-	-	2	340,000	-	-
Carroll	48	5,714,105	7	1,608,000	-	-	-	-	3	1,144,000
Cass	11	1,331,276	8	1,663,043	2	2,244,330	-	-	3	1,475,000
Champaign	67	4,662,464	22	3,831,011	1	362,000	-	-	-	-
Charleston	1	180,000								
Christian	84	8,477,292	13	3,343,500	-	-	3	445,000	2	1,572,000
Clark	9	497,000	12	1,718,000	-	-	-	-	-	-
Clay	52	3,730,879	6	1,079,000	-	-	1	85,000	1	780,000
Clinton	72	7,430,642	10	2,541,101	5	10,990,000	2	77,000	5	2,670,000
Coles	21	1,535,944	14	2,317,000	-	-	1	193,000	-	-
Crawford	43	3,575,072	33	8,189,625	6	2,676,000	3	51,500	4	501,500
Cumberland	19	1,654,500	3	606,000	1	150,000	-	-	-	-
DeKalb	62	5,510,839	37	11,154,000	-	-	1	40,000	8	4,032,000
DeWitt	14	685,675	3	940,000	1	225,000	-	-	-	-
Douglas	43	2,892,011	17	2,712,750	-	-	1	124,000	1	700,000
Edgar	52	5,835,073	28	5,770,164	1	625,000	4	513,000	1	75,000
Edwards	12	1,058,200	1	135,000	-	-	-	-	-	-
Effingham	56	7,126,007	1	85,000	-	-	-	-	-	-
Fayette	44	3,589,230	8	2,060,000	-	-	-	-	-	-
Ford	61	7,676,650	8	1,440,000	-	-	2	750,000	4	2,925,000
Franklin	50	3,113,465	16	3,892,000	2	3,695,000	-	-	-	-
Fulton	32	4,248,802	13	2,211,900	2	172,000	1	310,000	1	88,000
Gallatin	10	1,643,750	6	1,298,000	1	450,000	2	650,000	-	-
Greene	1	250,000	10	1,896,000	-	-	-	-	-	-
Grundy	11	903,375	11	2,408,000	1	160,000	-	-	-	-
Hamilton	45	4,193,600	2	840,000	-	-	1	171,000	2	1,280,000
Hancock	45	4,647,138	38	5,914,888	-	-	-	-	5	1,205,000
Hardin	-	-	-	-	2	1,900,000	-	-	-	-
Henderson	31	4,331,569	17	3,273,500	1	45,000	2	262,000	5	2,015,000
Henry	54	8,312,472	29	5,043,000	-	-	1	57,000	3	1,140,000
Iroquois	100	8,599,036	13	2,733,000	-	-	-	-	1	170,000
Jackson	6	607,780	7	1,246,000	-	-	1	71,000	-	-
Jasper	120	9,579,065	45	8,431,626	-	-	2	240,000	12	2,155,000
Jefferson	23	2,256,900	12	2,599,000	-	-	3	765,000	1	790,000
Jersey	4	433,500	1	300,000	-	-	-	-	-	-
JoDaviess	9	716,561	26	6,710,547	2	907,000	-	-	3	1,180,000
Johnson	4	413,650	7	1,990,000	-	-	-	-	-	-
Kane	4	351,200	18	4,616,000	-	-	-	-	3	1,915,000
Kankakee	10	1,269,270	2	438,000	-	-	1	46,000	-	-
Kendall	3	273,000	9	1,642,000	-	-	-	-	-	-
Knox	37	3,732,454	15	2,979,460	1	65,000	2	232,000	2	434,000
LaSalle	112	11,876,080	34	6,981,300	-	-	1	54,000	1	1,000,000
Lawrence	51	4,236,923	9	1,945,500	-	-	-	-	3	3,000,000
Lee	59	7,035,292	23	6,099,000	-	-	1	110,000	2	1,455,000
Livingston	155	16,326,477	25	6,533,798	9	7,939,000	2	388,000	4	1,230,000
Logan	39	2,878,710	13	2,200,000	-	-	2	190,000	1	520,000
Macon	13	1,417,400	5	700,000	-	-	1	75,000	-	-
Macoupin	38	5,621,701	22	4,453,000	-	-	3	416,000	6	3,400,000

State of Illinois
Illinois Finance Authority

Historical Summary of Agricultural Loans Issued by Program and County (Continued)
For the Two Years Ended June 30, 2021
(Unaudited)

	Agricultural Development Bonds		State Guarantee Program For Restructuring Agricultural Debt Loans		Farmer and Agri-Business Loan Guarantee Program Loans		Young Farmer Loan and Farm Purchase Guarantee Program Loans		Specialized Livestock Loan Guarantee Program Loans	
County	**Total Issued**	**Amount Issued**	**Total Issued**	**Amount Issued**	**Total Issued**	**Amount Issued**	**Total Issued**	**Amount Issued**	**Total Issued**	**Amount Issued**
Madison	26	3,201,978	16	4,359,000	-	-	9	1,756,000	-	-
Marion	13	1,113,510	32	6,522,160	1	3,200,000	3	640,000	2	507,000
Marshall	25	2,129,081	8	1,611,000	-	-	3	513,000	-	-
Mason	54	4,357,809	9	2,212,702	1	137,000	-	-	-	-
Massac	2	30,000	2	435,000	-	-	-	-	-	-
McDonough	14	1,660,050	14	3,116,000	1	300,000	1	87,000	1	520,000
McHenry	4	680,000	8	2,060,000	-	-	1	190,000	1	69,000
McLean	119	9,854,135	32	5,371,734	1	175,000	7	1,015,000	2	1,250,000
Menard	14	1,097,965	16	3,384,000	1	375,000	1	72,000	-	-
Mercer	32	4,576,461	17	3,304,600	-	-	7	707,000	11	5,838,300
Monroe	35	3,880,075	26	5,758,707	-	-	-	-	1	51,000
Montgomery	103	16,613,200	15	3,458,577	-	-	-	-	5	1,952,000
Morgan	14	1,193,830	25	5,433,319	1	1,000,000	1	194,000	1	668,000
Moultrie	31	1,901,000	6	995,500	1	40,000	-	-	1	250,000
Ogle	71	6,884,047	11	2,835,000	-	-	4	751,000	2	375,000
Peoria	24	2,470,520	25	6,037,000	-	-	2	322,000	1	150,000
Perry	12	1,168,011	19	3,672,900	3	1,020,000	-	-	-	-
Piatt	37	1,824,734	9	1,638,000	-	-	-	-	-	-
Pike	6	945,111	48	10,667,519	1	250,000	9	1,814,000	7	4,990,000
Pope	-	-	1	500,000	-	-	-	-	-	-
Pulaski	-	-	3	940,000	-	-	-	-	-	-
Putnam	12	1,389,859	5	568,681	-	-	-	-	1	615,000
Randolph	6	552,400	14	2,583,010	-	-	2	165,000	2	380,000
Richland	43	3,453,454	5	1,523,000	8	2,353,000	2	285,000	2	605,000
Rock Island	6	1,046,623	6	1,282,000	-	-	-	-	3	1,285,000
Saline	12	775,935	3	1,082,000	-	-	1	150,000	-	-
Sangamon	40	4,028,715	41	7,679,043	-	-	1	300,000	2	925,000
Schuyler	9	848,780	-	-	-	-	-	-	-	-
Scott	6	783,300	8	1,379,538	-	-	1	181,000	-	-
Shelby	80	6,776,889	18	3,770,267	1	47,000	1	81,000	-	-
St. Clair	29	2,163,180	5	1,156,000	1	40,000	-	-	-	-
Stark	29	3,660,600	15	3,612,000	-	-	1	300,000	-	-
Stephenson	31	2,816,710	28	6,304,498	13	17,184,495	2	176,000	4	2,317,000
Tazewell	80	6,572,336	23	4,515,049	-	-	1	255,000	1	218,000
Union	21	1,131,036	2	800,000	1	860,000	-	-	-	-
Vermillion	32	3,747,807	26	3,978,640	3	24,848,000	1	89,000	-	-
Wabash	5	181,300	3	676,000	-	-	-	-	-	-
Warren	58	7,810,776	17	3,507,000	1	4,000,000	3	589,000	8	3,845,000
Washington	37	2,733,570	10	2,045,000	-	-	-	-	2	1,250,000
Wayne	24	3,052,625	4	1,008,000	1	2,651,000	-	-	1	643,000
White	4	829,750	5	1,442,500	-	-	-	-	-	-
Whiteside	100	12,695,873	27	5,338,000	-	-	-	-	6	2,552,000
Will	18	1,432,940	1	300,000	-	-	-	-	-	-
Williamson	2	132,000	-	-	1	1,750,000	-	-	-	-
Winnebago	9	944,750	8	1,343,000	2	305,412	1	500,000	-	-
Woodford	54	4,926,735	18	3,011,810	3	1,427,906	1	100,000	3	227,000
	3,513	$ 348,725,981	1,378	$ 291,040,429	85	$ 94,605,143	119	$ 18,961,500	167	$ 75,520,800

Summary of Fire Truck and Ambulance Revolving Loan Programs
For the Two Years Ended June 30, 2021
(Unaudited)

Fire Truck Revolving Loan Program

The Fire Truck Revolving Loan program was authorized by the Illinois Finance Authority Act (20 ILCS 3501/825-80). The loan program is jointly administered by the Authority and the Office of the State Fire Marshal. This program provides zero interest and low-interest rate loans for the purchase of fire trucks by fire departments, fire protection districts, or township fire departments. This program was expanded in 2012 to include loans for "brush trucks." Brush truck loans under the program will bear interest at 2% simple interest if both the chassis and the apparatus are built outside Illinois, and 1% simple interest if either the chassis or the apparatus is built in Illinois. The loans to each department, district, or township may not exceed $350,000 and must be repaid within 20 years. A loan for the purchase of brush trucks may not exceed $100,000 per truck. This program was funded by transfers from the State of Illinois, collections on outstanding loans, and ongoing transfers from the State of Illinois of fines from traffic violations.

In April 2014, the Authority and the Office of the State Fire Marshal entered into a new intergovernmental agreement to jointly administer the Fire Truck, Fire Station and Ambulance Revolving Loan programs in accordance with Public Act 97-0901. Shortly after the adoption of this intergovernmental agreement the Office of the State Fire Marshal paid all moneys on deposit in these funds to the Authority for the sole purpose of funding loans under the loan programs as required by Public Act 97-0901. In addition, all moneys deposited in the future will be paid to the Authority to provide future funding for loans. In Fiscal Year 2021 and Fiscal Year 2020, in regard to these previous deposits, the State of Illinois transferred capital of $120,448 and $260,290, respectively.

Total loans outstanding as of June 30, 2021 and June 30, 2020 were $18,874,202 and $21,107,091, respectively. In Fiscal Year 2021 no new loans have been made. In Fiscal Year 2020, 25 loans were made for an aggregate amount of $6,983,335.

Ambulance Revolving Loan Program

The Ambulance Revolving Loan program was authorized by the Illinois Finance Authority Act (20 ILCS 3501/825-85). The loan program is jointly administered by the Authority and the Office of the State Fire Marshal. This program provides zero interest and low-interest rate loans for the purchase of ambulances by fire departments, fire protection districts, township fire departments, or non-profit ambulance services. This program is funded by transfers from the State of Illinois and collections on outstanding loans. Under the terms of the program, the loans to any fire department, fire protection district, or non-profit ambulance service may not exceed $200,000. Repayment period for each loan may not exceed 10 years and requires a minimum of 5% of the principal amount borrowed each year. In Fiscal Year 2021 no new loans were made. In Fiscal Year 2020, 11 loans were made for an aggregate amount of $2,052,991.

In April 2014, the Authority and the Office of the State Fire Marshal entered into a new intergovernmental agreement to jointly administer the Fire Truck, Fire Station and Ambulance Revolving Loan programs in accordance with Public Act 97-0901. Shortly after the adoption of this intergovernmental agreement the Office of the State Fire Marshal paid all moneys on deposit in these funds to the Authority for the sole purpose of funding loans under the loan programs as required by Public Act 97-0901. In addition, all moneys deposited in the future will be paid to the Authority to provide future funding for loans. In Fiscal Year 2021 and Fiscal Year 2020 there was no capital transferred from the State of Illinois. Total loans outstanding as of June 30, 2021 and June 30, 2020, were $2,391,893 and $2,837,991, respectively.

State of Illinois
Illinois Finance Authority

Historical Summary of Fire Truck and Ambulance Revolving Loans Issued by Program and County
For the Two Years Ended June 30, 2021
(Unaudited)

	Fire Truck Loans		Ambulance Loans		Total Loans	
County	Total Issued	Amount Issued	Total Issued	Amount Issued	Total Issued	Amount Issued
Adams	6	$ 1,115,000	-	$ -	6	$ 1,115,000
Bond	1	222,465	-	-	1	222,465
Bureau	3	250,000	1	200,000	4	450,000
Carroll	5	981,704	-	-	5	981,704
Cass	3	443,509	-	-	3	443,509
Champaign	8	1,515,094	-	-	8	1,515,094
Clark	1	220,000	-	-	1	220,000
Clinton	3	113,397	1	100,000	4	213,397
Coles	4	405,300	-	-	4	405,300
Cook	16	4,192,572	10	1,142,991	26	5,335,563
Crawford	1	195,369	-	-	1	195,369
DeKalb	2	500,000	1	200,000	3	700,000
DeWitt	1	95,000	-	-	1	95,000
Douglas	3	460,000	-	-	3	460,000
Edgar	2	406,529	-	-	2	406,529
Edwards	1	44,101	-	-	1	44,101
Effingham	1	41,000	-	-	1	41,000
Franklin	1	145,288	-	-	1	145,288
Fulton	9	830,500	-	-	9	830,500
Greene	2	235,000	-	-	2	235,000
Grundy	-	-	1	100,000	1	100,000
Hancock	1	25,000	-	-	1	25,000
Henry	5	1,500,000	3	350,000	8	1,850,000
Iroquois	8	558,536	-	-	8	558,536
JoDaviess	4	742,396	1	100,000	5	842,396
Johnson	1	199,000	-	-	1	199,000
Kankakee	3	700,000	1	200,000	4	900,000
Kendall	1	55,000	-	-	1	55,000
Lake	4	1,138,000	1	100,000	5	1,238,000
LaSalle	6	913,700	-	-	6	913,700
Lee	3	450,000	-	-	3	450,000
Livingston	6	705,424	-	-	6	705,424
Logan	6	1,134,394	-	-	6	1,134,394
Macon	3	600,000	-	-	3	600,000
Macoupin	3	700,000	1	100,000	4	800,000
Madison	6	1,521,845	-	-	6	1,521,845
Marion	3	296,500	1	100,000	4	396,500
Marshall	1	293,000	-	-	1	293,000
McHenry	7	1,879,600	4	600,000	11	2,479,600
McLean	7	1,555,000	1	100,000	8	1,655,000
Menard	-	-	1	100,000	1	100,000
Monroe	3	790,000	1	200,000	4	990,000
Montgomery	1	250,000	-	-	1	250,000
Morgan	1	100,000	-	-	1	100,000
Moultrie	5	1,393,335	1	100,000	6	1,493,335

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Historical Summary of Fire Truck and Ambulance
Revolving Loans Issued by Program and County (Continued)
For the Two Years Ended June 30, 2021
(Unaudited)

	Fire Truck Loans		Ambulance Loans		Total Loans	
County	**Total Issued**	**Amount Issued**	**Total Issued**	**Amount Issued**	**Total Issued**	**Amount Issued**
Ogle	3	849,000	-	-	3	849,000
Peoria	3	500,000	1	160,000	4	660,000
Piatt	1	225,000	-	-	1	225,000
Pike	3	420,000	-	-	3	420,000
Pope	1	51,000	-	-	1	51,000
Randolph	2	170,000	-	-	2	170,000
Richland	1	350,000	-	-	1	350,000
Rock Island	3	950,000	-	-	3	950,000
Saline	1	150,000	-	-	1	150,000
Sangamon	3	695,000	1	100,000	4	795,000
Shelby	2	276,720	-	-	2	276,720
St. Clair	2	600,000	-	-	2	600,000
Stephenson	1	350,000	-	-	1	350,000
Tazewell	5	174,300	-	-	5	174,300
Vermillion	5	536,213	-	-	5	536,213
Wabash	1	46,211	-	-	1	46,211
Wayne	5	794,000	-	-	5	794,000
White	1	325,000	-	-	1	325,000
Whiteside	-	-	1	100,000	1	100,000
Will	3	750,000	1	200,000	4	950,000
Williamson	8	1,400,000	1	100,000	9	1,500,000
Winnebago	3	650,000	1	93,200	4	743,200
	218	$ 40,175,002	36	$ 4,546,191	254	$ 44,721,193

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Service Efforts and Accomplishments
For the Two Years Ended June 30, 2021
(Unaudited)

Issuance Performance		2021		2020
Total number of new issues *		38		38
New issue value	$	2,516,799,303	$	1,784,167,192
Application fees	$	24,750	$	41,550
Closing and Administrative service fees	$	2,472,665	$	2,551,739
Operating Performance				
Total number of issues		927		1,014
Total outstanding issue value	$	22,266,133,856	$	22,716,535,861
Annual fees	$	208,435	$	231,037
Annual fees/total outstanding issue value		0.0009%		0.0010%
Total expenses	$	45,478,321	$	42,928,817
Total expenses/total outstanding issue value		0.2042%		0.1890%
Total expenses/total number of issues	$	49,060	$	42,336

* Only conduit bond issues, including Beginning Farmer Bonds and bonds issued on behalf of borrowers who are part of the State of Illinois' reporting entity.