

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING
Tuesday, February 8, 2011
Chicago, Illinois**

**COMMITTEE OF THE WHOLE
8:30 a.m.
Two Prudential Plaza - IFA Chicago Office
180 North Stetson Ave., Suite 2555
Chicago, Illinois**

AGENDA

- I. Call to Order & Roll Call
- II. Chairman's Remarks
- III. Message from the Executive Director (with attachments; Tab A)
- IV. Senior Staff Reports
- V. Committee Reports
- VI. Project Reports
- VII. Other Business
- VIII. Adjournment

**BOARD MEETING
11:30 a.m.
One Prudential Plaza Conference Center
130 East Randolph Ave., 7th Floor
Chicago, Illinois**

- I. Call to Order
- II. Chairman's Remarks
- III. Roll Call
- IV. Acceptance of Financial Statements and Minutes
- V. Senior Staff Reports
- VI. Project Approvals
- VII. Other Business
- VIII. Adjournment

AGRICULTURE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Beginning Farmer Bonds						
<i>Final (One-Time Consideration)</i>						
1	A) Lucas John & Megan Marie Emmerich	West Liberty (Jasper County)	\$114,000	0	0	JS/LK
	B) Rodney A. & Christine M. King	Wyoming (Stark County)	\$80,000	0	0	JS/LK
	C) Joshua A. & Bonnie L. Dotson	Unincorporated Will County	\$125,000	0	0	JS/LK
TOTAL AGRICULTURE PROJECTS			\$319,000	0	0	

HIGHER EDUCATION, CULTURAL AND OTHER NON-HEALTHCARE 501(c)(3)'s

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds						
<i>Preliminary</i>						
2	Columbia College Chicago	Chicago (Cook County)	\$15,000,000	N/A	N/A	RF
TOTAL HIGHER ED/CULTURAL/NON-HEALTHCARE 501(c)(3) PROJECTS			\$15,000,000	0	0	

HEALTHCARE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds						
<i>Preliminary</i>						
3	The Carle Foundation	Urbana (Champaign County)	\$400,000,000	0	275	PL/NO
TOTAL HEALTHCARE PROJECTS			\$400,000,000	0	275	
GRAND TOTAL			\$415,319,000	0	275	

RESOLUTIONS

Tab	Project Name	FM
Amendatory Resolutions		
4	Delegation of authority to Executive Director to negotiate the Repurchase of an IFA Loan Participation (#B-LL-TX-6224)	JS

February 8, 2011

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Gila J. Bronner
Ronald E. DeNard
John E. Durburg
James J. Fuentes
Norman M. Gold
Dr. Roger D. Herrin

Michael W. Goetz, Vice Chairman
Edward H. Leonard, Sr.
Joseph McInerney
Terrence M. O'Brien
Heather D. Parish
Roger E. Poole
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

As we consider our planned efforts for the second half of Fiscal Year 2011 (the first half of calendar year 2011), we note that both the volume and number of Illinois Finance Authority ("IFA") conduit issuances is tied to the general state of the municipal bond market in general, and the municipal conduit bond market in particular.

The primary financing tool offered by the IFA, federal tax-exemption of interest payments on capital borrowing, needs to make economic sense for the not-for-profit, corporate and individual borrowers eligible to use this tool. Borrowers need to both have revenue streams sufficient to support project finance, and capital projects that can be paid for with the proceeds of such borrowing. There needs to be willing lenders available to provide such financing. In sum, the capital markets need to appropriately recognize the interest discount inherent in tax-exempt borrowing and the borrowers must have both the need and the ability to support such borrowing.

State of the Municipal Conduit Bond Market

While January and February have traditionally been slow months for tax-exempt conduit issuance, the opening of calendar year 2011 has posed some special challenges to the municipal bond market nationally. One of these challenges is related to the end of the Build America Bond ("BAB") program at the end of 2010. BABs were a federal taxable direct payment interest program for state and local governments that Congress created with the federal stimulus. Long-term, BABs had the potential to be a competitor to tax-exempt conduit issuances, but in the short-term, BABs supported the entire municipal bond market during a period of recession and high unemployment.

The following excerpts from recent ***Bond Buyer*** articles provide a good summary of the situation:

Municipal bond issuances dropped to an 11-year-low in January as borrowers paused to re-acquaint themselves with a market devoid of new Build America Bonds.

The first month of the post-BAB era saw just \$12.2 billion of new debt, according to preliminary data from **Thomson Reuters**. That's nearly 64% less than in January 2010 and the slimmest volume of any month since January 2000.

BABs accounted for 24% of the \$757.6 billion of state and local debt issued from April 2009 through last month.

BAB issuance spiked as the program neared its end, with borrowers moving debt sales up to beat the clock. Fourth quarter issuance totaled \$133.8 billion, the second-highest quarterly volume on record.

The yield environment of the new year also is not as friendly to borrowers of long-term debt.

The yield on the gilt-edged 30-year bond also peaked at 5.08%, the highest since late December 2008.

Amid this climate, refundings fell 55% from last January to \$3 billion, while new-money issuances dropped 68% to \$7.3 billion.

Most sectors also saw a major decrease. Issuance in the biggest – education- was more than halved as it tumbled 55% to \$3.2 billion. Issuance of health care bonds fell 31% to \$2.1 billion”

Volume Hits 11-Year Low, Just \$12.2B After Demise of BABs, Patrick McGee, *Bond Buyer*, February 1, 2010.

“In some respects, the volume this year reminds us of the extremely light volume of 1987 when issuance was about a third of the volume that was sold before the Tax Reform Act took full effect,” [John] Hallacy, [municipal research strategist at Bank of America Merrill Lynch] wrote. *Light Calendars Continue as South Carolina Leads with \$324 Million*, Christine Albano, *Bond Buyer*, February 7, 2010.

While IFA did not have the ability to issue BABs and benefited from BABs only to the extent that they provided general support to the overall municipal bond market, IFA and its borrowers did directly benefit from other stimulus programs that also expired at the end of 2010: Recovery Zone Facility Bonds; Bank Qualification; Federal Home Loan Letter of Credit, and others. The net impact of the aforementioned stimulus era programs boosted volume in the fourth quarter of 2010 and accelerated the closing of projects.

Consistent with the national trends, IFA saw high volume of closings late in 2010: the IFA closed 17 conduit bond projects between December 16 and December 30, 2010 compared with 10 bond closings between December 4 and December 29, 2009. The majority of the late 2010 closings were attributable directly to borrowers seeking the benefits of the expiring Recovery Zone Facilities and Bank Qualified programs. Also consistent with national trends, IFA did not close a bond project until February 1, 2011: DePaul University, \$164.440 million.

Calendar Year Comparisons: 2010 and 2009; Lower Overall Volume but Greater Diversity

This month’s Board Book also provides a year-to-year comparison of calendar years 2010 and 2009. While overall volume dropped from \$4.7 billion in 2009 to \$3.2 billion in 2010, you will also notice that IFA successfully diversified its issuance in 2010. In 2009, almost 92% of IFA conduit issuances were attributable to hospital financing (75%) and not-for-profit higher education (16.7%). Many of the 2009 financings were attributable to refundings into long-term fixed rate debt due to historically low interest rates. Much of the IFA’s volume in the second half of calendar year 2009 was attributable to these general market conditions that made refundings economically attractive to borrowers.

In contrast, in 2010, the IFA moved effectively to bring one-time borrowers using expiring federal financing incentives as well as less-regular borrowers to closing. The result was a far more diversified revenue picture: Continuing Care Retirement Communities (“CCRC”) 21% (up from .7% in 2009); Recovery Zone Facilities Bonds 6.7% (expired 12-31-10); Freight Transfer Bonds 4.8% (first time issuance for IFA); Gas Supply Bonds 3.2% (first time in years); Midwest Disaster Bonds .6% (first time in Illinois, expires 12-31-12, potential for growth). In 2010, the downside was that hospital issuances declined to \$1.5 billion (49.1%) from \$3.5 billion in 2009 and not-for-profit higher education declined to \$202 million (6.4%) from \$786 million in 2010.

Calendar Year 2011: Looking Ahead

Unfortunately, many of the programs that brought diversity to the IFA’s portfolio in 2010 will not or cannot repeat themselves in 2011. CCRCs are expected to see a decline in volume as the current portfolio of projects fills up. CCRC financings are also intertwined with the health of the residential housing market. The Recovery Zone Facilities Bond Program expired at the end of 2010. Freight Transfer and Gas Supply Bonds are both project specific and very dependent on overall market conditions. Midwest Disaster Bonds and to a lesser extent, Qualified Energy Conservation Bonds, remain potential avenues of growth in 2011.

In the important hospital sector, we remain optimistic despite current market conditions. Based on published reports, we hope to see financings resulting from possible mergers. Federal healthcare reform as well as economics will encourage such mergers. For example we hope to see issuances based on the announced mergers (or potential mergers) of OSF (Peoria) and Rockford Memorial; Central DuPage and Delnor; and Provena and Resurrection. Given that IFA has multi-state bonding authority for not-for-profits, we are also well positioned if any Illinois not-for-profit health systems choose to expand into other states. The merger trend builds on past experience, Advocate’s

merger with Condell, OSF's merger with Broomen, and Northwestern Memorial's merger with Lake Forest Hospital, all of which were financed through IFA.

In the higher education, business, industry and general-not-for-profit sector, the pipeline for a diverse number of potential projects is strong. For example, we expect to see the two not-for-profit student housing projects affiliated with Northern Illinois University and Illinois State University close within the next several months. Energy Efficiency remains a potential area of project and revenue growth.

For calendar year 2011, the IFA will focus on the following goals:

1. *Maximize job retention and creation:*

- Remain as the preeminent issuer of federally tax-exempt conduit debt in the State of Illinois, particularly in the areas of healthcare, higher education, cultural institutions, general not-for-profits and industry;
- Promote investment in our State's agricultural sector through the expanded use of conduit beginning farmer bonds and State-backed agricultural loan guarantees;
- Implement a broad-based energy efficiency program for a range of not-for-profit, corporate and governmental borrowers;
- Maximize, to the extent possible, the use of limited purpose federal tools such as Midwestern Disaster Area Bonds and Qualified Energy Conservation Bonds.

2. *Support economic development as partner to government agencies statewide:*

- Be prepared to assist local governments in efforts to reduce their borrowing costs wherever possible;
- Partner, wherever possible with counties, cities, economic development organizations and regional development organizations created by Illinois statute to finance projects that retain and create jobs in a timely and efficient manner.

Conclusion

I look forward to working with the Members of the Authority to continue to complete projects that retain and create jobs for all of Illinois.

Respectfully,

Christopher B. Meister

Attachments:

Attachment 1 – General Fund, Financial Results, Consolidated Balance Sheet and Audit Tracking Schedule

Attachment 2 – Schedule of Debt; FY'11 Closed Projects

Attachment 3 – Month by Month Summary of Conduit Bond Issuances

THE BOND BUYER

Vol. 375 No. 33459 N.Y., N.Y.

THE DAILY NEWSPAPER OF PUBLIC FINANCE

Tuesday, February 1, 2011

TUESDAY

www.bondbuyer.com

REGIONS

FLORIDA'S CITIZENS PROPERTY INSURANCE CORP. is increasing the number of outside managers it uses to invest bond proceeds and other funds. . . . 3

UNION WORKERS are poised to fight a bankruptcy-exit proposal from Vallejo, Calif., that pays them as little as 10 cents on the dollar. . . . 6

NEW MINNESOTA GOV. MARK DAYTON called on lawmakers to support a proposed \$1 billion capital bonding budget. . . . 7

Puerto Rico Gov. Luis Fortuño signed a tax-reform initiative into law Monday that could provide families and corporations with \$1.2 billion of annual tax relief. . . . 18

WASHINGTON

THE INTERNAL REVENUE SERVICE is auditing \$51.05 million of auction rate securities the Orange County, Fla., Health Facilities Authority issued in a 2005 conduit deal. . . . 5

SOUTHWEST

THE SOUTHWEST experienced a 50% year-over-year decline in January volume, suggesting that it's going to be a lean year for new bond issuance. . . . 8

ONLINE

THE SECURITIES AND EXCHANGE COMMISSION is reviewing disclosure documents Harrisburg, Pa., offers bond holders. www.bondbuyer.com

LISTINGS

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Ruling Hits California Developers

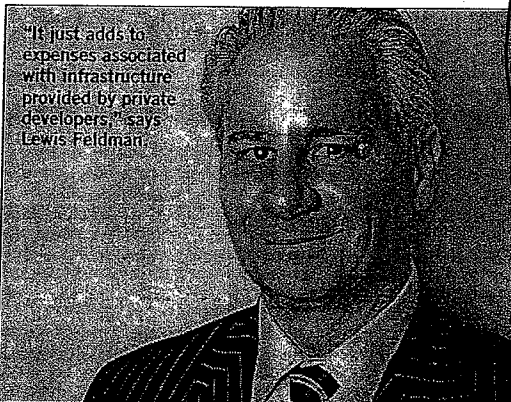
Districts Must Pay Prevailing Wages

By Rich Saskal

ALAMEDA, Calif. — A recent California appeals court ruling will require developers of many community facilities districts to pay so-called prevailing wages for all public improvements, whether or not they are financed with bonds.

The development could make it more difficult for many such projects to get off the ground, according to Los Angeles public finance and real estate attorney Lewis Feldman.

"It just adds to expenses associated with infrastructure provided by private developers," said Feldman, who heads the public-private development practice at Goodwin Procter LLP, which highlighted the case in its



"It just adds to expenses associated with infrastructure provided by private developers," says Lewis Feldman.

monthly Public Finance Update publication.

The ruling came in late December in the case *Azusa Land Partners LLP v. Department of Industrial Relations*.

The developers petitioned the California State Supreme Court for a review on Friday, said their attorney, Patrick Perry. The high court has up to 90 days to decide

Turn to California page 18

MSRB Looking at Pension Disclosure

By Andrew Ackerman

WASHINGTON — The Municipal Securities Rulemaking Board is exploring state public pension laws to see if there are common types of disclosures they could encourage issuers to submit to its Electronic Municipal Market Access site, MSRB officials told reporters Monday.

The board's incipient initiative comes at a time when there is unprecedented concern about the viability of public pensions and no regulator is compiling and disseminating information about pensions on a systematic basis.

"It gets down to would an investor want to know the funding status of a pension plan and how it would impact the likelihood of their bonds being paid off or affect the credit quality of bonds that they've bought,"

MSRB chairman Michael Bartolotta, the vice chairman of First Southwest Co., said in a conference call with reporters Monday to highlight the results of last week's board meeting in San Diego.

But market participants warned that the MSRB is straying beyond its jurisdiction in considering enhanced pension disclosures.

The Dodd-Frank Wall Street Reform and Consumer Protection Act expanded the MSRB's mission to include issuer protection, on top of its existing mandate to protect investors.

Under Dodd-Frank, the MSRB also can regulate muni advisers,

including third-party solicitors and placement agents to public pensions. But the board has no actual authority over issuers, market participants stressed.

In addition, they noted that without Congress amending the securities laws, any plan to promote pension disclosures would have to be voluntary.

That is because the second portion of the two-pronged Tower Amendment restricts the MSRB from directly or indirectly requiring issuers to make any filings with it before or after a bond sale. The amendment was added in 1975 to the Securities Exchange

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Nassau Woes Smell Like Opportunity

By Ted Phillips

The takeover of a Long Island county's finances by an oversight board last week looked like an opportunity to some investors who hoped to pick up an improving New York credit on the cheap.

The Nassau County Interim Finance Authority imposed a control period on Nassau County last week after finding that its

\$2.6 billion 2011 budget had a deficit greater than the 1% that mandated a takeover.

What happens next is uncertain after County Executive Ed Mangano filed a suit on Monday in state Supreme Court seeking a permanent injunction blocking NIFA's action.

Fred Yosca, manager of underwriting and trading at BNY Capital Markets, said he's had

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Volume Hits 11-Year Low

Just \$12.2B After Demise of BABs

By Patrick McGee

Municipal bond issuance dropped to an 11-year-low in January as borrowers paused to re-acquaint themselves with a market devoid of new Build America Bonds.

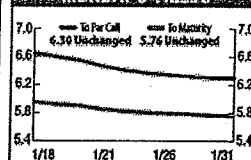
The first month of the post-BAB era saw just \$12.2 billion of new debt, according to preliminary data from Thomson Reuters. That's nearly 63% less than in January 2010 and the slimmest volume of any month since January 2000.

"The muni market is dependent on a precariously thin base of demand in the aftermath of the demise of Build America Bonds," Citi's George Friedlander wrote.

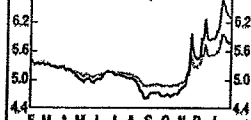
Issuers rushed to market in the fourth quarter of 2010, ahead of

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MONDAY'S YIELDS



The Bond Buyer 40



The municipal market was mostly unchanged Monday amid lethargic secondary trading activity. Complete market coverage

by Michael Scarchilli appears on

Page 2.

Volume

With the Demise of BABs, January Sees Skimpy Slate

Continued from page 1

the Dec. 31 expiration of the BAB program, which offered qualified borrowers a 35% federal subsidy to issue taxable debt. BABs accounted for 24% of the \$757.6 billion of state and local debt issued from April 2009 through last month.

BAB issuance spiked as the program neared its end, with borrowers moving debt sales up to beat the clock. Fourth-quarter issuance totaled \$133.8 billion, the second-highest quarterly volume on record.

But with so much borrowing front-loaded into 2010 at subsidized levels, few issuers were prepared to sell much debt in January.

The yield environment in the new year also is not as friendly to borrowers of long-term debt.

For example, the triple-A rated, 10-year bond reached a 24-month high of 3.46% in mid-month and had a median yield of 3.32% in January. By contrast, its highest yield was 3.27% in 2010 and the median was 2.76%, according to Municipal Market Data.

"Many issuers are still choosing to wait it out until a more favorable rate environment appears," said Tom Kozlik, credit analyst at Janney Capital Markets, who noted the recent triple-A rated 10-year yield was 80 basis points higher than on Nov. 1.

The yield on the gilt-edged 30-year bond also peaked at 5.08%, the highest since late December 2008.

These jumps in yield, attributed to headline risk causing 11 straight weeks of outflows from muni mutual funds, are all the more worrisome to market participants given the light supply.

Evan Rourke, a portfolio manager at Eaton Vance, said the market is still in a "discovery" process. It's finding out what yields will tempt retail investors into tax-exempt bonds, he said, noting that a

heavier batch of supply would probably offer more information.

"We haven't hit a very large surge in supply," Rourke said. "That might be something that would impact our market."

Amid this climate, refundings fell 55% from last January to \$3 billion, while new-money issuance dropped 68% to \$7.3 billion.

Declines in volume were seen in all sizes of borrowers. Issuance from state governments dropped 86% to \$936 million, borrowing from state agencies fell nearly 60% to \$4.0 billion, and new debt from counties and parishes fell 77% to \$555 million.

General purpose bonds, the most common form of issuance, fell by two-thirds to \$4.3 billion in January from the same period a year earlier.

Most sectors also saw a major decrease. Issuance in the biggest — education — was more than halved as it tumbled 55%

to \$3.2 billion. Issuance of health care bonds fell 31% to \$2.1 billion, while new debt for the utilities sector declined 73% to \$1.1 billion.

Just three states accounted for 46% of all new debt in the month.

New York led the way with \$2.4 billion of borrowing, while California issuers floated \$1.8 billion of munis and New Jersey peddled \$1.3 billion.

Most of New Jersey's debt was from a single deal issued by the New Jersey Economic Development Authority. It borrowed \$1.1 billion in the month's biggest deal, on Jan. 13.

Bond insurers, represented by two platforms run by Assured Guaranty Ltd., insured just 40 deals with a par value of \$308 million, or 2.5% of the month's volume.

State-backed guarantee programs, such as the Texas Permanent School Fund, wrapped more than double that volume,

with 47 deals worth \$607 million.

BABs had siphoned borrowing from the tax-exempt market, where Assured is strongest. The company hopes to find more of a footing this year after guaranteeing less than 7% of all borrowing in 2010. It wrapped about 1% of BABs.

Yields have risen and credit spreads have widened since late November, when it became clear that federal lawmakers would not be extending the BAB program. Its demise represents a window of opportunity for Assured and potential new entrants.

However, Standard & Poor's warns that investment-grade insurers may be downgraded by a full category later this year, pending a new ratings methodology that would take into account a series of business risks and a new leverage test.

Chris Holmes and Alex Roever, analysts from JPMorgan, estimate that under the proposed criteria, Assured would have to raise \$2 billion of fresh capital to maintain its AA-plus rating.

"If AGO were unable to raise this amount of capital, it would eventually be downgraded to A or possibly A-minus," they wrote, noting that implementation of the proposed changes could easily take until the end of the year.

Meanwhile, letters of credit fell 91% to \$30.6 million.

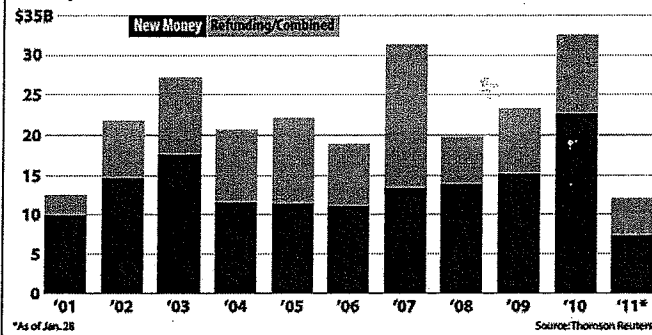
Rich Raffetto, head of government banking at U.S. Bank, said issuers continue to issue longer-term fixed-rate debt rather than go through the hassle of selling short-term, variable-rate demand notes, or VRDNs, which require bank guarantees and interest rate swaps.

"Frankly, it's simpler to not have to deal with liquidity and credit enhancement for VRDN structures in an environment where supply of those [facilities] remains depressed," he said. "You continue to have reduced supply of interested players in the market."

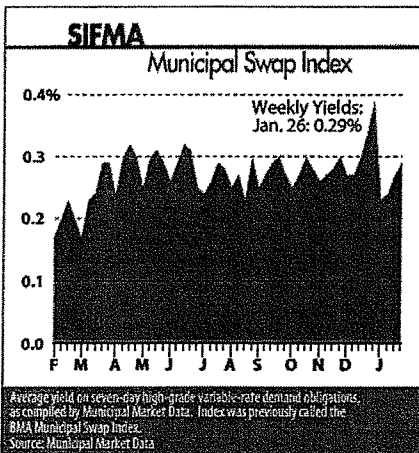
For related statistical tables, see page 20

Slim Pickings

January bond sales

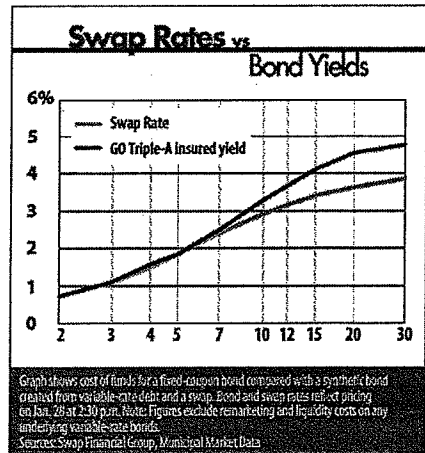


Derivatives & Structured Products



Index-Linked Muni Swaps			
Term (Years)	Dealer Receives Index & Pays Fixed rate of:	Dealer Pays Index & Receives Fixed rate of:	
2	0.63%	0.73%	
3	1.01	1.11	
4	1.39	1.49	
5	1.75	1.85	
7	2.29	2.39	
10	2.81	2.91	

Rates are representative mid-morning interdealer swap rates on Jan. 28 using a quarterly net interest payment and weekly reset structure. The SIFMA rate is in effect on that date was 0.29%.
Source: Swap Financial Group



Illinois Finance Authority

PRIMARY BUDGET OUTCOME

- Continue as the preeminent issuer of federally tax-exempt conduit bonds in the State of Illinois.
- Continue to partner with sister State agencies, particularly the Department of Commerce and Economic Opportunity ("DCEO") and the Illinois Power Agency ("IPA"), to retain and create jobs.
- Continue to perform its operations in an accountable and transparent manner without State appropriations

MEETING THE OBJECTIVE

General Revenue Fund:

- IFA supports its operations without State appropriations.
- IFA requires fund numbers 994 (agri-debt guarantees) and 205 (agricultural loan guarantees) to be re-appropriated at their current amounts.
- These two funds are necessary to support the existing portfolio of agricultural guarantee loans and to support future loans under the IFA's agricultural guarantee programs.

Capital Budget:

- Funds 572 and 334 (the *Fire Truck* and *Ambulance* revolving loan programs, respectively) could be replenished through appropriations under the State's capital program.
- These programs are jointly administered by the IFA and the Office of the State Fire Marshal.

PROGRAM PROPOSALS

- Remain as the preeminent issuer of federally tax-exempt conduit debt in the State of Illinois, in the areas of healthcare, higher education, cultural institutions, general not-for-profits and industry.
- Promote investment in our State's agricultural sector.
- Maximize the use of limited purpose federal tools such as Midwestern Disaster Area Bonds and Qualified Energy Conservation Bonds, to retain and create jobs.
- Implement a broad-based energy efficiency program for a range of not-for-profit, corporate and governmental borrowers.
- Stand ready to partner with DCEO and the IPA on the financing of renewable energy and clean coal projects.
- Be prepared to assist local governments in efforts to reduce their borrowing costs wherever possible.

- Partner, when possible with countries, cities, economic development organizations and regional development organizations created by Illinois statute to finance projects that retain and create jobs in a timely and efficient manner.

Draft



KONE Centre

<i>Date</i>	<i>Publication</i>	<i>Headline</i>	<i>Message</i>	<i>Link</i>
1/18/2011	<i>WQAD</i>	New Kone Centre to bring jobs to Moline	“The KONE project will serve as a catalyst to rebuild the city’s core business district known as the Moline Centre, which is comprised of Moline’s downtown and Mississippi Riverfront. KONE Centre will complete Phase III of Moline’s four-phase Bass Street Landing redevelopment project which offers a venue for outdoor events, festival and gatherings along the Mississippi Riverfront,” according to a statement from the Illinois Finance Authority.	http://www.wqad.com/news/wqad-new-kone-centre-to-bring-jobs-01182011,0,4726657.story
1/18/2011	<i>The Dispatch (Moline)</i>	KONE Financing Set	The IFA, in partnership with QCREDA, approved \$20.2 million in Midwestern Disaster Area Bonds for construction. The project will retain 375 KONE jobs, and add 53 construction jobs and 50 new permanent positions. Renew Moline chairman Tom Robinson: “This announcement reflects the results of a marriage between public and private partnerships and perseverance.” Sen. Mike Jacobs: “This demonstrates what can be accomplished when the state of Illinois joins hands with the private sector to promote economic development in the 36th District.”	http://qconline.com/archives/qco/display.php?id=526983
1/18/2011	<i>Quad City Times</i>	Kone Gets Green Light	The project is becoming a reality due to public-private partnership that includes Blackwell, U.S. Bank, the City of Moline, and a package of creative state programs and financing tools. Among the state resources are low interest-rate financing through the Illinois Finance Authority and a \$471,000 grant from the Illinois Department of Commerce and Economic Opportunity.	http://qctimes.com/news/local/article_283b4a3c-22b7-11e0-bec7-001cc4c002e0.html

1/18/2011	<i>Quad Cities Online</i> (excerpted in <i>USA Today</i>)	KONE Centre ready to start building	Construction of the long-planned \$40 million KONE Centre in Moline is ready to begin with final financing in place, city officials and the project developer announced Monday. Tom Robinson: "In this difficult economic environment, securing the innovative financing package announced today will enable the KONE Centre project to advance ... This exciting and long-awaited project challenged numerous parties to roll up their sleeves and explore creative financing solutions."	http://www.usatoday.com/topics/quote/Tom+Robinson/02r05A05Rz2n3/03ut9hubdPbUp/2
1/19/2011	<i>The Dispatch (Moline)</i>	KONE Centre Worth Wait	Positive editorial enthuses, "Indeed, the project is the kind of mix of public and private investment that communities hunger for.... Applause all around." Quotes Christopher Meister: "...just the kind of project the program was designated to support, and IFA is proud to leverage this program to help move the creative riverfront vision from dream to reality."	http://qconline.com/archives/qco/display.php?id=527063
1/24/2011	<i>KWQC 6 News</i>	Funding For Kone Building	The largest portion of project financing came from the Illinois Finance Authority and in partnership with the Quad City Regional Economic Development Authority, which approved \$20.2 million in Midwestern Disaster Area Bonds to help facilitate the construction of the high-rise.	http://www.kwqc.com/Global/story.asp?S=13856975

PUBLICATION: WQAD.COM

DATE: January 18, 2011



New Kone Centre to bring jobs to Moline



MOLINE, III. Elevator and escalator manufacturer Kone, Inc. will build its new \$40 million headquarters in Moline. Ground was broken on the ten-story building nearly three years ago. The new facility means the company will retain 375 jobs, add an estimated 53 construction jobs and 50 new permanent positions at the site. A combination of low-interest financing, a state grant and federal stimulus funds rounded out the public-private funding partnership to make the Kone Centre possible. "The KONE project will serve as a catalyst to rebuild the city's core business district known as the Moline Centre, which is comprised of Moline's downtown and Mississippi Riverfront. KONE Centre will complete Phase III of Moline's four-phase Bass Street Landing redevelopment project which offers a venue for outdoor events, festival and gatherings along the Mississippi Riverfront," according to a statement from the Illinois Finance Authority. An exact date for construction to begin has not yet been announced.

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The Dispatch

Tuesday, January 18, 2011
Moline, Illinois

ON THE WEB: QOnline.com 75¢

KONE financing set



Submitted

This artist's rendering shows the completed KONE Centre as it will appear in Moline's Bass Street Landing. Financing for the project has been secured, and construction is expected to begin soon.

Construction to begin soon on downtown Moline tower

By Jonathan Turner
jturner@qconline.com

Construction of the long-planned \$40 million KONE Centre in Moline is ready to begin with final financing in place, city officials and the project developer announced Monday.

The 10-story, eight-floor KONE Centre will be built north of River Drive, east of the Arsenal Bridge ramp and west of 17th Street, at Bass Street Landing.

"Today we are deeply pleased to announce crucial financing provisions, which ensure the complete development of this project and all of its possibilities," Moline

Mayor Don Welvaert said Monday in a news release.

Developer Rodney Blackwell of Financial District Properties praised U.S. Bank and subsidiary U.S. Bancorp Community Development Corp. for "working tirelessly" to get financing in place.

The Illinois Finance Authority, in partnership with the Quad City Regional Economic Development Authority, approved \$20.2 million in Midwestern Disaster Area Bonds for construction of the high-rise. The tax-exempt bonds are part of a federal program to finance

See ► KONE, A2

Q-C Area

KONE

From Page A1

private projects that will generate jobs and economic development activity in 18 designated Illinois counties damaged in mid-2008 by floods and other storms.

"In this difficult economic environment, securing the innovative financing package announced today will enable the KONE Centre project to advance," Renew Moline chairman Tom Robinson said in the release. "This exciting and long-awaited project challenged numerous parties to roll up their sleeves and explore creative financing solutions."

'This structure, along with KONE signage, will be highly visible and will change the downtown Moline skyline. Everything is really starting to synergize. It's amazing how we have turned the corner.'

Rodney Blackwell, developer

"This announcement reflects the results of a marriage between public and private partnerships and perseverance," he said.

U.S. Bank bought the bonds and USBCDC, which specializes in tax credit financing, will provide \$7 million in tax credits to

and area director for the Americas.

KONE will become the anchor tenant, occupying the third to eighth floors, with four condominiums on the top floor; Renew Moline executive director Jim Bowman said Monday. The project will retain 375 KONE jobs and add an estimated 53 construction jobs and 50 new permanent positions.

The development has been in the works for more than three years, with a ceremonial groundbreaking on Nov. 17, 2008. Mr. Bowman said Ryan Companies will be general contractor, with earth-moving to start immediately and full construction, including interior work, expected to take about two years.

"The KONE Centre initiative, which is a key component of the continued successful revitalization of the Moline Mississippi riverfront, is the first project in the state to receive Midwestern Disaster Area Bonds," said Christopher Meister, Illinois Finance Authority executive director. "This is just the kind of project the program was designated to support and, IFA is proud to leverage this program to help move the creative riverfront vision from dream to reality."

State Sen. Mike Jacobs, D-East Moline, said the action "reflects a lot of hard work and perseverance by many people in both the public and private sectors.

"This demonstrates what can be accomplished when

help complete funding, Mr. Blackwell said. His company is putting up \$6 million in project costs, \$2.7 million for pre-sold condominiums, and will receive a maximum \$10 million property tax rebate over 23 years from the city tax increment financing (TIF) district.

Through the TIF, Mr. Blackwell will get back 90 percent of the property taxes he pays from the new development, he said. After the life of the TIF, all the tax revenue goes back to the public taxing bodies.

"This development furthers the shared goals of USBCDC and our Community Banking group, which seek to provide innovative financing solutions to meet the needs of our customers and communities," said Jim Richardson, U.S. Bank vice president. "We're excited to build new relationships with all parties involved as well as continue our commitment to the Quad Cities."

Plans call for the KONE Corp., a Finland-based company that makes elevators and escalators, to consolidate its current Moline administrative and call center operations to the state-of-the-art high-rise to be conveniently located just two blocks from its existing location.

"Today's announcement continues KONE's 100-plus-year track record of serving this community and our customers while also reaffirming our commitment to maintaining a strong presence in the Quad-Cities," said Vance Tang, KONE executive vice president

the state of Illinois joins hands with the private sector to promote economic development in the 36th District," he said. "I want to commend Rodney Blackwell, too, who is the type of entrepreneur we need to retain existing and create new jobs."

"The enormity of this project, combined with tough economic conditions, has made progress more challenging," Mayor Welvaert said. The jobs KONE will retain equate to more than \$10 million in annual payroll, he noted.

The development also is to achieve Leadership in Energy and Environmental Design silver designation. The project won a \$471,000 grant from the Illinois Department of Commerce and Economic Opportunity for installation of a 316-kilowatt solar photovoltaic system to help earn the LEED certification.

LEED is the "nationally accepted benchmark for the design, construction, and operation of high-performance green buildings," Mr. Blackwell said.

"This structure, along with KONE signage, will be highly visible and will change the downtown Moline skyline," he added. "Everything is really starting to synergize," Mr. Blackwell added of the downtown.

"It's amazing how we have turned the corner. This is the place to be for corporate, entertainment and lodging," he said. "The people of Moline made this happen over 15 years. It's really working at a time when nothing is working."

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PUBLICATION: Quad-City Times (online)

DATE: January 18, 2011



Kone gets green light; full financing approved



With the final pieces of a complex financing package now in place, developers of the long-awaited Kone Centre project have the green light to begin construction in downtown Moline.

The project's developer, Rodney Blackwell, said Monday that he closed on the bank financing in late December with U.S. Bank. Ryan Companies, Davenport, could break ground on the \$40 million project in as early as

30 to 40 days, he said.

The 10-story, eight-floor Kone Centre, which will consolidate and retain Kone's administrative and call center operations in downtown Moline, will be the final phase in the city's Bass Street Landing redevelopment project.

"With these essential financial agreements anchoring this exciting initiative, we can now turn the page and look ahead to construction," Blackwell said, applauding the key role of U.S. Bank and U.S. Bancorp Community Development Corp. in the project. "It's exciting. It will definitely be more fun to work on a different portion of the project ... and get the construction guys out (working)."

"This is definitely a done deal," Jim Bowman, the executive director of Renew Moline, said Monday. "The bank financing is the critical, final piece.

"In my career, this has clearly been the most challenging project in terms of its

complexity and the need to have patience,” he added. “This just shows when we plan properly, execute our plan and vision, and have patience, we can put all the pieces together and this type of success occurs.”

Blackwell said the project will retain 375 jobs with elevator and escalator manufacturer Kone Inc. as well as add about 53 construction jobs and 50 new permanent positions. Kone will occupy five floors of the eight usable floors.

The project was first envisioned as an eight- to 20-story building, but Blackwell said his plans to make it a green, energy efficient structure did not work with the taller design.

“What people have in their mind is because I made it shorter that I made it smaller and spent less money. I did not,” he said. Blackwell said the building continues to be 125,000 square feet — but now 10 stories and a \$40 million investment.

The project, first publicly announced nearly four years ago, is becoming a reality due to public-private partnership that includes Blackwell, U.S. Bank, the City of Moline, and a package of creative state programs and financing tools. Among the state resources are low interest-rate financing through the Illinois Finance Authority and a \$471,000 grant from the Illinois Department of Commerce and Economic Opportunity. The grant, administered by the commerce department, is to fund installation of a 316-kilowatt solar photovoltaic system that will help the building be green-friendly and Leadership in Energy and Environmental Design certified (Silver).

The largest portion of the financing came from the finance authority, in partnership with the Quad-City Regional Economic Development Authority, which approved \$20.2 million in Midwestern Disaster Area Bonds. The high-rise project will receive the bonds through a federal program designed to help generate jobs and economic development activity in 18 Illinois counties that suffered flood and storm damage in mid-2008.

Christopher Meister, the finance authority’s executive director, said the Kone Centre initiative “is the first project in the state to receive Midwestern Disaster Area Bonds.”

The state agencies partnered with Illinois Sen. Mike Jacobs, D-East Moline, the city of Moline, Renew Moline, the Quad-Cities Regional Economic Development Authority, Kone, U.S. Bank and Blackwell.

Blackwell stressed that the project “could not have happened without U.S. Bank, period.” He applauded the efforts of Ken Koupal, U.S. Bank Quad-City market president; Jim Richardson, vice president of commercial real estate; Steve Caves, regional division manager; and Steve Kramer, senior vice president of U.S. Bancorp Community

Development Corp.

U.S. Bank was the direct Private Placement Purchaser of the disaster relief bonds, and the bank's subsidiary, U.S. Bancorp Community Development Corp., which specializes in tax credit financing, purchased \$11.7 million in New Markets Tax Credits to help complete project sources.

Moline Mayor Don Welvaert hailed the financing announcement as another "shot in the arm for the city's riverfront and downtown development."

"Kone Corporation has a strong regional impact upon our community," he said. "The jobs that Kone have committed to retaining equate to more than \$10 million in annual payroll. And when those dollars ripple throughout the economy, the total impact to our economy is in excess of \$15 million annually."

Bowman said the city has made a number of major investments in Bass Street. Over the past five years, the city has acquired property, demolished old buildings, done the environmental cleanup and built a new street into the area. "The good news for the developer and Kone is that they have a construction-ready site," he said.

He admits that the time lag since the building first was announced to now caused "many folks to lose faith in Blackwell. But many of them didn't. Rodney Blackwell deserves a lot of credit for hanging in there. Those financing this project have great faith. He is willing to take the risk."

Of the doubters, he said "they were not patient. No one could control the recession that hit. We lost one and a half to two years because of that."

Blackwell said the project has been "a moving target" but one he is committed to. "The way we funded this project, I had to borrow all the money upfront. Every day I sit here, I'm paying interest on \$38 million. All the money is sitting in U.S. Bank and interest is being paid daily."

In addition to retaining Kone in Moline, he said there also have been and will be more new jobs linked to the properties Kone will leave when it moves into Kone Centre. "Kone has a payroll of \$10 million ... but with the tenants I have and the ones I will get the payroll of all those will be another \$20 million."

"This should be an amazing story for downtown Moline," he added.

Quad-City Times

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CONTRIBUTED ART

This architectural drawing shows the \$40 million Kone Centre planned for downtown Moline.

Kone gets green light

\$40M project has full financing; construction could begin next month

By Jennifer DeWitt
jdewitt@qctimes.com

With the final pieces of a complex financing package now in place, developers of the long-awaited Kone Centre project have the green light to begin

INSIDE Get a closer look at the new Kone Centre project. **A4**

construction in downtown Moline.

The project's developer, Rodney Blackwell, said Monday that he closed on the bank financing in late December with U.S. Bank. Ryan Companies, Davenport, could break ground on the \$40 million project in as early as 30 to 40 days, he said.

The 10-story, eight-floor Kone Centre, which will consolidate and retain

Kone's administrative and call center operations in downtown Moline, will be the final phase in the city's Bass Street Landing redevelopment project.

"With these essential financial agreements anchoring this exciting initiative, we can now turn the page and look ahead to construction," Blackwell said, applauding the key role of U.S. Bank and U.S. Bancorp Community Development Corp. in the

— KONE | **A4**


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“ In this difficult economic environment, securing the innovative financing package announced today will enable the KONE Centre project to advance ... This exciting and long-awaited project challenged numerous parties to roll up their sleeves and explore creative financing solutions.

01/17/2011 06:00 AM [Quad-Cities Online](#)

KONE Centre ready to start building

01/17/2011 06:00 AM [Quad-Cities Online](#)

Construction of the long-planned \$40 million KONE Centre in Moline is ready to begin with final financing in place, city officials and the project developer announced Monday. The 10-story, eight-floor KONE Centre will be built north of River Drive, east

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KONE Centre worth wait

"Basically, the state of the city of Moline, in one word, is strong," said Mayor Don Welvaert on Monday.

That's not surprising when local leaders manage, in tough economic times, to put together complex deals for projects such as the long-awaited KONE Centre in Moline.

On the same day the mayor was talking about the healthy state of his city with Moline Kiwanis and Rotary members, economic-development, city and private-sector leaders were holding a press conference to announce that the final financing is in place for the \$40 million, 10-story, eight-floor KONE Centre.

An elated Rodney Blackwell of Financial District Properties was praising U.S. Bank and subsidiary U.S. Bancorp Community Development Corp. for their tireless work in making the project happen.

Naysayers no doubt are begrudging spending any public dollars in challenging economic times, but sometimes such investments are necessary. Indeed, the project is the kind of mix of public and private investment that communities hunger for. For example, the Illinois Finance Authority worked with the Quad City Regional Economic Development Authority — remember that panel? — to secure \$20.2 million in tax-exempt Midwestern disaster-relief bonds for the project. The project is the first to receive such funds. Christopher Meister, Illinois Finance Authority executive director, called it "just the kind of project the program was designated to support, and IFA is proud to leverage this program to help move the creative riverfront vision from dream to reality."



Submitted

This artist rendering shows the proposed KONE Centre on Moline's riverfront.

Without the perseverance of public/private partners, it might not have gone forward.

"In this difficult economic environment, securing the innovative financing package announced today will enable the KONE Centre project to advance," Renew Moline chairman Tom Robinson said. "This exciting and long-awaited project challenged numerous parties to roll up their sleeves and explore creative financing solutions."

It is a complicated agreement that includes property-tax relief for developers, who also are putting up \$6 million in project costs. Once the 23-year life of the tax-increment financing district expires, however, property taxes will go to taxing bodies.

The plan also ensures that good-paying jobs with Finland-based KONE Corp. stay in the Quad-Cities at the new location, just two blocks from its old digs.

KONE will be the anchor tenant in the development, and its presence ensures that 375 jobs remain here, as well as creating 53 construction jobs and 50 new permanent positions. Annual estimated payroll is \$10 million.

On Nov. 17, 2008, optimistic officials held a ceremonial groundbreaking for the project. It might have been premature then, but KONE Centre and the development it will bring is no less welcome for the long wait.

Those who have worked to move the project along say the sky is the limit for downtown Moline.

"This structure, along with KONE signage, will be highly visible and will change the downtown Moline skyline," Mr. Blackwell said. "Everything is really starting to synergize. It's amazing how we have turned the corner. This is the place to be for corporate, entertainment, and lodging.

"That's what the people of Moline made happen over 15 years. It's really working, at a time where nothing is working."

Applause all around.

PUBLICATION: KWQC

DATE: January 24, 2011



Funding For Kone Building

Jan 24, 2011



A big development announced Monday toward building a new high rise in downtown Moline. Illinois Governor Pat Quinn announced funding approval for the KONE Centre project. According to a news release, the funding gives the green light to begin construction of the ten-story, eight-floor \$40 million building.

The largest portion of project financing came from the Illinois Finance Authority and in partnership with the Quad City Regional Economic Development Authority, which approved \$20.2 million in Midwestern Disaster Area Bonds to help facilitate the construction of the high-rise. The tax exempt bonds are part of a federal program to finance certain types of privately-owned projects that will generate jobs and economic development activity in 18 designated counties in Illinois that suffered damage in mid-2008 from floods and other storm damage.

Plans call for KONE Corporation to consolidate its current Moline-based administrative and call center operations into the new high-rise, to be built two blocks away. The developer says the structure, along with KONE signage, will be highly visible and will change the downtown Moline skyline.

**Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
January 31, 2011**

	Actual January 2011	Budget January 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2011	% of Budget Expended
REVENUE										
INTEREST ON LOANS	74,219	112,525	(38,306)	-34.04%	616,785	681,252	(64,467)	-9.46%	1,146,121	53.82%
INVESTMENT INTEREST & GAIN(LOSS)	3,903	1,709	2,194	128.39%	34,846	11,963	22,883	191.28%	20,500	169.98%
ADMINISTRATIONS & APPLICATION FEES	163,104	316,232	(153,128)	-48.42%	3,802,391	2,145,425	1,656,966	77.23%	3,569,338	106.53%
ANNUAL ISSUANCE & LOAN FEES	40,737	49,695	(8,958)	-18.03%	355,712	336,157	19,555	5.82%	582,892	61.03%
OTHER INCOME	12,128	6,878	5,250	76.33%	122,737	48,146	74,591	154.93%	82,537	100.00%
TOTAL REVENUE	294,091	487,039	(192,948)	-39.62%	4,932,471	3,222,943	1,709,529	53.04%	5,401,388	91.32%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	162,736	209,662	(46,926)	-22.38%	1,045,623	1,322,502	(276,879)	-20.94%	2,354,798	44.40%
BENEFITS	25,571	24,859	712	2.86%	133,711	162,027	(28,316)	-17.48%	286,314	46.70%
TEMPORARY HELP	75	417	(342)	-81.91%	1,382	2,919	(1,537)	-52.65%	5,000	27.64%
EDUCATION & DEVELOPMENT	-	1,667	(1,667)	-100.00%	3,113	11,667	(8,554)	-73.32%	20,000	15.57%
TRAVEL & AUTO	686	6,250	(5,564)	-89.02%	23,385	43,750	(20,365)	-46.55%	75,000	31.18%
TOTAL EMPLOYEE RELATED EXPENSES	189,068	242,855	(53,787)	-22.15%	1,207,214	1,542,865	(335,650)	-21.76%	2,741,112	44.04%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	80,000	20,833	59,167	284.00%	205,925	145,833	60,092	41.21%	250,000	82.37%
LOAN EXPENSE & BANK FEE	10,711	10,875	(164)	-1.51%	70,865	76,125	(5,260)	-6.91%	130,500	54.30%
ACCOUNTING & AUDITING	26,418	26,326	92	0.35%	192,214	184,282	7,932	4.30%	315,904	60.85%
MARKETING GENERAL	-	2,083	(2,083)	-100.00%	12,739	14,581	(1,843)	-12.64%	25,000	50.95%
FINANCIAL ADVISORY	22,624	31,250	(8,626)	-27.60%	88,958	218,750	(129,792)	-59.33%	375,000	23.72%
CONFERENCE/TRAINING	1,035	1,667	(632)	-37.91%	3,599	11,669	(8,070)	-69.16%	20,000	17.99%
MISC. PROFESSIONAL SERVICES	15,375	15,375	-	0.00%	72,054	107,625	(35,571)	-33.05%	184,500	39.05%
DATA PROCESSING	5,623	4,583	1,040	22.69%	23,297	32,081	(8,784)	-27.38%	55,000	42.36%
TOTAL PROFESSIONAL SERVICES	161,786	112,992	48,794	43.18%	669,649	790,946	(121,297)	-15.34%	1,355,904	49.39%

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January 31, 2011**

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OCCUPANCY COSTS										
OFFICE RENT	22,157	22,840	(683)	-2.99%	144,885	159,880	(14,995)	-9.38%	274,076	52.86%
EQUIPMENT RENTAL AND PURCHASES	1,346	1,700	(354)	-20.85%	12,001	11,900	101	0.85%	20,400	58.83%
TELECOMMUNICATIONS	888	5,050	(4,162)	-82.42%	20,731	35,350	(14,620)	-41.36%	60,600	34.21%
UTILITIES	999	917	82	8.97%	6,698	6,419	279	4.34%	11,000	60.89%
DEPRECIATION	2,438	4,109	(1,671)	-40.66%	17,410	28,763	(11,353)	-39.47%	49,305	35.31%
INSURANCE	1,929	1,900	29	1.54%	13,504	13,300	204	1.54%	22,800	59.23%
TOTAL OCCUPANCY COSTS	29,758	36,516	(6,758)	-18.51%	215,228	255,612	(40,384)	-15.80%	438,181	49.12%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,737	4,458	(721)	-16.18%	22,217	31,206	(8,989)	-28.81%	53,500	41.53%
BOARD MEETING - EXPENSES	1,379	3,000	(1,621)	-54.02%	21,531	21,000	531	2.53%	36,000	59.81%
PRINTING	43	542	(499)	-92.06%	6,163	3,792	2,371	62.54%	6,500	94.81%
POSTAGE & FREIGHT	1,321	1,250	71	5.68%	9,969	8,750	1,219	13.93%	15,000	66.46%
MEMBERSHIP, DUES & CONTRIBUTIONS	753	2,708	(1,955)	-72.20%	21,283	18,956	2,327	12.27%	32,500	65.49%
PUBLICATIONS	324	250	74	29.53%	1,403	1,750	(347)	-19.82%	3,000	46.77%
OFFICERS & DIRECTORS INSURANCE	15,619	15,833	(214)	-1.35%	115,843	110,831	5,012	4.52%	190,000	60.97%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,176	28,041	(4,865)	-17.35%	198,409	196,285	2,124	1.08%	336,500	58.96%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	500,568	175,000	325,568	186.04%	300,000	166.86%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	428,787	445,404	(16,616)	-3.73%	2,791,069	2,960,708	(169,639)	-5.73%	5,171,697	53.97%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(134,696)	41,636	(176,332)	-423.51%	2,141,403	262,235	1,879,168	716.60%	229,691	932.30%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	1,087,164	-	1,087,164	0.00%	1,113,812	-	1,113,812	0.00%	-	-
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	952,468	41,636	910,832	2187.63%	3,255,214	262,235	2,992,979	1141.33%	229,691	1417.21%

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	Actual January 2011	Actual January 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2011	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	74,219	95,805	(21,586)	-22.53%	616,785	689,711	(72,926)	-10.57%
INVESTMENT INTEREST & GAIN(LOSS)	3,903	2,885	1,018	35.29%	34,846	26,492	8,353	31.53%
ADMINISTRATIONS & APPLICATION FEES	163,104	186,318	(23,214)	-12.46%	3,802,391	3,420,430	381,960	11.17%
ANNUAL ISSUANCE & LOAN FEES	40,737	45,086	(4,349)	-9.65%	355,712	545,461	(189,749)	-34.79%
OTHER INCOME	12,128	85,920	(73,792)	-85.88%	122,737	198,652	(75,915)	-38.22%
TOTAL REVENUE	294,091	416,014	(121,923)	-29.31%	4,932,471	4,880,747	51,725	1.06%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	162,736	250,609	(87,874)	-35.06%	1,045,623	1,653,166	(607,543)	-36.75%
BENEFITS	25,571	29,665	(4,094)	-13.80%	133,711	166,941	(33,229)	-19.90%
TEMPORARY HELP	75	2,685	(2,609)	-97.19%	1,382	19,793	(18,411)	-93.02%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	3,113	11,035	(7,922)	-71.79%
TRAVEL & AUTO	686	3,341	(2,654)	-79.46%	23,385	31,903	(8,518)	-26.70%
TOTAL EMPLOYEE RELATED EXPENSES	189,068	286,300	(97,232)	-33.96%	1,207,214	1,882,838	(675,624)	-35.88%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	80,000	15,863	64,137	404.33%	205,925	111,325	94,600	84.98%
LOAN EXPENSE & BANK FEE	10,711	13,868	(3,156)	-22.76%	70,865	71,576	(711)	-0.99%
ACCOUNTING & AUDITING	26,418	23,905	2,513	10.51%	192,214	163,482	28,732	17.57%
MARKETING GENERAL	-	144	(144)	-100.00%	12,739	3,141	9,597	305.50%
FINANCIAL ADVISORY	22,624	18,333	4,291	23.40%	88,958	128,331	(39,373)	-30.68%
CONFERENCE/TRAINING	1,035	450	585	0.00%	3,599	4,168	(570)	-13.66%
MISC. PROFESSIONAL SERVICES	15,375	24,356	(8,981)	0.00%	72,054	66,781	5,273	0.00%
DATA PROCESSING	5,623	4,291	1,333	31.06%	23,297	30,966	(7,670)	-24.77%
TOTAL PROFESSIONAL SERVICES	161,786	101,209	60,577	59.85%	669,649	579,771	89,878	15.50%

**Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
January 31, 2011**

	Actual January 2011	Actual January 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2011	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,157	22,420	(263)	-1.17%	144,885	149,361	(4,476)	-3.00%
EQUIPMENT RENTAL AND PURCHASES	1,346	2,825	(1,479)	-52.36%	12,001	20,326	(8,326)	-40.96%
TELECOMMUNICATIONS	888	1,363	(475)	-34.85%	20,731	31,438	(10,707)	-34.06%
UTILITIES	999	1,021	(21)	-2.09%	6,698	6,773	(75)	-1.11%
DEPRECIATION	2,438	4,546	(2,108)	-46.36%	17,410	34,333	(16,923)	-49.29%
INSURANCE	1,929	1,951	(22)	-1.13%	13,504	13,568	(64)	-0.47%
TOTAL OCCUPANCY COSTS	29,758	34,125	(4,368)	-12.80%	215,228	255,799	(40,571)	-15.86%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	3,737	4,805	(1,068)	-22.23%	22,217	25,101	(2,884)	-11.49%
BOARD MEETING - EXPENSES	1,379	1,733	(354)	-20.41%	21,531	18,804	2,727	14.50%
PRINTING	43	629	(586)	-93.17%	6,163	3,974	2,189	55.08%
POSTAGE & FREIGHT	1,321	972	349	35.85%	9,969	9,497	473	4.98%
MEMBERSHIP, DUES & CONTRIBUTIONS	753	823	(70)	-8.54%	21,283	21,695	(412)	-1.90%
PUBLICATIONS	324	83	240	288.04%	1,403	1,097	306	27.92%
OFFICERS & DIRECTORS INSURANCE	15,619	15,619	-	0.00%	115,843	109,393	6,450	5.90%
MISCELLANEOUS	-	-	-	-	-	-	-	-
TOTAL GENL & ADMIN EXPENSES	23,176	24,665	(1,489)	-6.04%	198,409	189,560	8,848	4.67%
LOAN LOSS PROVISION/BAD DEBT	25,000	407,202	(382,202)	-93.86%	500,568	557,202	(56,634)	-10.16%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	428,787	853,501	(424,714)	-49.76%	2,791,069	3,465,171	(674,102)	-19.45%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(134,696)	(437,487)	302,791	-69.21%	2,141,403	1,415,576	725,827	51.27%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	1,087,164	31,846	1,055,318	0.00%	1,113,812	80,608	1,033,204	1281.76%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	952,468	(405,641)	1,358,109	-334.81%	3,255,214	1,496,184	1,759,030	117.57%

**Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Seven Months Ending January 31, 2011**

		Actual January 2011
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$	27,678,484
RECEIVABLES, NET		217,174
LOAN RECEIVABLE, NET		16,068,964
OTHER RECEIVABLES		137,935
PREPAID EXPENSES		108,283
TOTAL CURRENT ASSETS		44,210,840
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION		57,228
DEFERRED ISSUANCE COSTS		322,053
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES		1,581,552
OTHER		2,157
TOTAL OTHER ASSETS		1,583,709
TOTAL ASSETS	\$	46,173,830
LIABILITIES		
CURRENT LIABILITIES	\$	1,606,789
LONG-TERM LIABILITIES		469,420
TOTAL LIABILITIES		2,076,209
EQUITY		
CONTRIBUTED CAPITAL		4,111,479
RETAINED EARNINGS		24,759,630
NET INCOME / (LOSS)		3,255,214
RESERVED/RESTRICTED FUND BALANCE		1,732,164
UNRESERVED FUND BALANCE		10,239,134
TOTAL EQUITY		44,097,621
TOTAL LIABILITIES & EQUITY	\$	46,173,830

**Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Seven Months Ending January 31, 2011**

	<u>Actual January 2010</u>	<u>Actual January 2011</u>
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 32,456,753	\$ 41,212,870
RECEIVABLES, NET	256,373	217,174
LOAN RECEIVABLE, NET	44,662,393	37,729,673
NOTES RECEIVABLE	45,951,974	43,029,874
OTHER RECEIVABLES	1,379,841	1,385,975
PREPAID EXPENSES	<u>138,928</u>	<u>108,283</u>
 TOTAL CURRENT ASSETS	 124,846,262	 123,683,849
 FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	 64,956	 57,228
 DEFERRED ISSUANCE COSTS	 520,880	 434,959
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	45,526,927	40,593,456
VENTURE CAPITAL INVESTMENTS	5,377,739	2,247,981
OTHER	<u>3,000,010</u>	<u>3,000,000</u>
 TOTAL OTHER ASSETS	 53,904,676	 45,841,437
 TOTAL ASSETS	 <u>\$ 179,336,774</u>	 <u>\$ 170,017,473</u>
 LIABILITIES		
CURRENT LIABILITIES	1,783,916	1,743,245
BONDS PAYABLE	59,470,000	53,715,000
OTHER LIABILITIES	<u>2,329,177</u>	<u>2,228,778</u>
 TOTAL LIABILITIES	 63,583,093	 57,687,023
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	27,173,957	26,144,175
NET INCOME / (LOSS)	2,851,668	51,227
RESERVED/RESTRICTED FUND BALANCE	37,471,193	37,878,185
UNRESERVED FUND BALANCE	<u>12,648,171</u>	<u>12,648,171</u>
 TOTAL EQUITY	 115,753,681	 112,330,450
 TOTAL LIABILITIES & EQUITY	 <u>\$ 179,336,774</u>	 <u>\$ 170,017,473</u>

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
January 31, 2011

	Actual January 2011	Budget January 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
REVENUE										
INTEREST ON LOANS	252,536	289,104	(36,568)	-12.65%	1,870,243	1,936,825	(66,582)	-3.44%	3,291,666	56.82%
INVESTMENT INTEREST & GAIN(LOSS)	49,858	60,707	(10,849)	-17.87%	455,420	424,949	30,471	7.17%	728,492	62.52%
ADMINISTRATIONS & APPLICATION FEES	163,104	316,232	(153,128)	-48.42%	3,802,391	2,145,425	1,656,966	77.23%	3,569,338	106.53%
ANNUAL ISSUANCE & LOAN FEES	40,737	49,695	(8,958)	-18.03%	355,712	336,157	19,555	5.82%	642,892	55.33%
OTHER INCOME	870,786	11,878	858,908	7231.08%	1,126,445	83,146	1,043,299	1254.78%	82,537	1364.78%
	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	1,377,020	727,616	649,404	89.25%	7,610,211	4,926,502	2,683,709	54.47%	8,314,925	91.52%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	162,736	209,662	(46,926)	-22.38%	1,045,623	1,322,502	(276,879)	-20.94%	2,354,798	44.40%
BENEFITS	25,571	24,859	712	2.86%	133,711	162,027	(28,316)	-17.48%	286,314	46.70%
TEMPORARY HELP	75	417	(342)	-81.91%	1,382	2,919	(1,537)	-52.65%	5,000	27.64%
EDUCATION & DEVELOPMENT	-	1,667	(1,667)	-100.00%	3,113	11,667	(8,554)	-73.32%	20,000	15.57%
TRAVEL & AUTO	686	6,250	(5,564)	-89.02%	23,385	43,750	(20,365)	-46.55%	75,000	31.18%
	-	-	-	-	-	-	-	-	-	-
TOTAL EMPLOYEE RELATED EXPENSES	189,068	242,855	(53,787)	-22.15%	1,207,214	1,542,865	(335,650)	-21.76%	2,741,112	44.04%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	82,083	23,749	58,334	245.62%	220,506	166,245	54,261	32.64%	285,000	77.37%
LOAN EXPENSE & BANK FEE	206,976	207,148	(172)	-0.08%	1,486,729	1,450,036	36,693	2.53%	2,771,070	53.65%
ACCOUNTING & AUDITING	28,264	28,422	(158)	-0.56%	205,135	198,954	6,181	3.11%	341,054	60.15%
MARKETING GENERAL	-	2,083	(2,083)	-100.00%	12,739	14,581	(1,843)	-12.64%	25,000	50.95%
FINANCIAL ADVISORY	22,624	31,250	(8,626)	-27.60%	88,958	218,750	(129,792)	-59.33%	375,000	23.72%
CONFERENCE/TRAINING	1,035	1,667	(632)	-37.91%	3,599	11,669	(8,070)	-69.16%	20,000	17.99%
MISC. PROFESSIONAL SERVICES	18,708	18,708	-	0.00%	95,385	130,956	(35,571)	-27.16%	224,500	42.49%
DATA PROCESSING	5,623	4,583	1,040	22.69%	23,297	32,081	(8,784)	-27.38%	55,000	42.36%
	-	-	-	-	-	-	-	-	-	-
TOTAL PROFESSIONAL SERVICES	365,313	317,610	47,703	15.02%	2,136,347	2,223,272	(86,926)	-3.91%	4,096,624	52.15%

**Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
January 31, 2011**

	Actual January 2011	Budget January 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	22,157	22,840	(683)	-2.99%	144,885	159,880	(14,995)	-9.38%	274,076	52.86%
EQUIPMENT RENTAL AND PURCHASES	1,346	1,700	(354)	-20.85%	12,001	11,900	101	0.85%	20,400	58.83%
TELECOMMUNICATIONS	888	5,050	(4,162)	-82.42%	20,731	35,350	(14,620)	-41.36%	60,600	34.21%
UTILITIES	999	917	82	8.97%	6,698	6,419	279	4.34%	11,000	60.89%
DEPRECIATION	2,438	4,109	(1,671)	-40.66%	17,410	28,763	(11,353)	-39.47%	49,305	35.31%
INSURANCE	1,929	1,900	29	1.54%	13,504	13,300	204	1.54%	22,800	59.23%
TOTAL OCCUPANCY COSTS	29,758	36,516	(6,758)	-18.51%	215,228	255,612	(40,384)	-15.80%	438,181	49.12%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,737	4,458	(721)	-16.18%	22,217	31,206	(8,989)	-28.81%	53,500	41.53%
BOARD MEETING - EXPENSES	1,379	3,000	(1,621)	-54.02%	21,531	21,000	531	2.53%	36,000	59.81%
PRINTING	43	542	(499)	-92.06%	6,163	3,792	2,371	62.54%	6,500	94.81%
POSTAGE & FREIGHT	1,321	1,250	71	5.68%	9,969	8,750	1,219	13.93%	15,000	66.46%
MEMBERSHIP, DUES & CONTRIBUTIONS	753	2,708	(1,955)	-72.20%	21,283	18,956	2,327	12.27%	32,500	65.49%
PUBLICATIONS	324	250	74	29.53%	1,403	1,750	(347)	-19.82%	3,000	46.77%
OFFICERS & DIRECTORS INSURANCE	15,619	15,833	(214)	-1.35%	115,843	110,831	5,012	4.52%	190,000	60.97%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,176	28,041	(4,865)	-17.35%	198,409	196,285	2,124	1.08%	336,500	58.96%
LOAN LOSS PROVISION/BAD DEBT	25,000	116,666	(91,666)	-78.57%	495,983	816,662	(320,679)	-39.27%	1,400,000	35.43%
OTHER										
INTEREST EXPENSE	503	503	-	0.00%	3,804	3,803	1	0.03%	6,317	60.22%
TOTAL OTHER	503	503	-	0.00%	3,804	3,803	1	0.03%	6,317	60.22%
TOTAL EXPENSES	632,817	742,191	(109,373)	-14.74%	4,256,985	5,038,499	(781,514)	-15.51%	9,018,734	47.20%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	744,203	(14,574)	758,778	-5206.22%	3,353,226	(111,997)	3,465,223	-3094.03%	(703,809)	-476.44%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFERS TO STATE OF ILLINOIS	-	-	-	0.00%	(3,302,000)	-	(3,302,000)	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	744,204	(14,574)	758,779	-5206.23%	51,227	(111,997)	163,224	-145.74%	(703,809)	-7.28%

**Illinois Finance Authority
Consolidated
Statement of Activities
Comparison
for January 2011 and January 2010**

	Actual January 2011	Actual January 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	252,536	1,167,791	(915,255)	-78.37%	1,870,243	2,919,556	(1,049,312)	-35.94%
INVESTMENT INTEREST & GAIN(LOSS)	49,858	139,334	(89,476)	-64.22%	455,420	548,995	(93,575)	-17.04%
ADMINISTRATIONS & APPLICATION FEES	163,104	186,318	(23,214)	-12.46%	3,802,391	3,420,430	381,960	11.17%
ANNUAL ISSUANCE & LOAN FEES	40,737	45,086	(4,349)	-9.65%	355,712	545,461	(189,749)	-34.79%
OTHER INCOME	870,786	161,180	709,606	440.26%	1,126,445	399,457	726,988	181.99%
	-	-	-	0.00%	-	-	-	-
TOTAL REVENUE	1,377,020	1,699,708	(322,688)	-18.98%	7,610,211	7,833,899	(223,688)	-2.86%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	162,736	250,609	(87,874)	-35.06%	1,045,623	1,653,166	(607,543)	-36.75%
BENEFITS	25,571	29,665	(4,094)	-13.80%	133,711	166,941	(33,229)	-19.90%
TEMPORARY HELP	75	2,685	(2,609)	-97.19%	1,382	19,793	(18,411)	-93.02%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	3,113	11,035	(7,922)	0.00%
TRAVEL & AUTO	686	3,341	(2,654)	-79.46%	23,385	31,903	(8,518)	-26.70%
TOTAL EMPLOYEE RELATED EXPENSES	189,068	286,300	(97,232)	-33.96%	1,207,214	1,882,838	(675,624)	-35.88%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	82,083	16,696	65,387	391.64%	220,506	117,156	103,350	88.22%
LOAN EXPENSE & BANK FEE	206,976	216,261	(9,285)	-4.29%	1,486,729	1,530,668	(43,939)	-2.87%
ACCOUNTING & AUDITING	28,264	39,537	(11,273)	-28.51%	205,135	192,490	12,645	6.57%
MARKETING GENERAL	-	144	(144)	0.00%	12,739	3,141	9,597	0.00%
FINANCIAL ADVISORY	22,624	18,333	4,291	23.40%	88,958	128,331	(39,373)	-30.68%
CONFERENCE/TRAINING	1,035	450	585	0.00%	3,599	4,168	(570)	0.00%
MISC. PROFESSIONAL SERVICES	18,708	27,689	(8,981)	0.00%	95,385	90,112	5,273	5.85%
DATA PROCESSING	5,623	4,291	1,333	31.06%	23,297	30,966	(7,670)	-24.77%
TOTAL PROFESSIONAL SERVICES	365,313	323,401	41,912	12.96%	2,136,347	2,097,034	39,313	1.87%

**Illinois Finance Authority
Consolidated
Statement of Activities
Comparison
for January 2011 and January 2010**





	Actual January 2011	Actual January 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,157	22,420	(263)	-1.17%	144,885	149,361	(4,476)	-3.00%
EQUIPMENT RENTAL AND PURCHASES	1,346	2,825	(1,479)	-52.36%	12,001	20,326	(8,326)	-40.96%
TELECOMMUNICATIONS	888	1,363	(475)	-34.85%	20,731	31,438	(10,707)	-34.06%
UTILITIES	999	1,021	(21)	-2.09%	6,698	6,773	(75)	-1.11%
DEPRECIATION	2,438	4,546	(2,108)	-46.36%	17,410	34,333	(16,923)	-49.29%
INSURANCE	1,929	1,951	(22)	-1.13%	13,504	13,568	(64)	-0.47%
TOTAL OCCUPANCY COSTS	29,758	34,125	(4,368)	-12.80%	215,228	255,799	(40,571)	-15.86%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	3,737	4,805	(1,068)	-22.23%	22,217	25,101	(2,884)	-11.49%
BOARD MEETING - EXPENSES	1,379	1,733	(354)	-20.41%	21,531	18,804	2,727	14.50%
PRINTING	43	629	(586)	-93.17%	6,163	3,974	2,189	55.08%
POSTAGE & FREIGHT	1,321	972	349	35.85%	9,969	9,497	473	4.98%
MEMBERSHIP, DUES & CONTRIBUTIONS	753	823	(70)	-8.54%	21,283	21,695	(412)	-1.90%
PUBLICATIONS	324	83	240	288.04%	1,403	1,097	306	27.92%
OFFICERS & DIRECTORS INSURANCE	15,619	15,619	-	0.00%	115,843	109,393	6,450	5.90%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,176	24,665	(1,489)	-6.04%	198,409	189,560	8,848	4.67%
LOAN LOSS PROVISION/BAD DEBT	25,000	404,592	(379,592)	-93.82%	495,983	552,865	(56,882)	-10.29%
OTHER								
INTEREST EXPENSE	503	550	(47)	-8.55%	3,804	4,134	(330)	-7.98%
TOTAL OTHER	503	550	(47)	-8.55%	3,804	4,134	(330)	-7.98%
TOTAL EXPENSES	632,817	1,073,633	(440,815)	-41.06%	4,256,985	4,982,231	(725,246)	-14.56%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	744,203	626,076	118,128	18.87%	3,353,226	2,851,668	501,558	17.59%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER TO STATE OF ILLINOIS	-	-	-	0.00%	(3,302,000)	-	(3,302,000)	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	744,204	626,076	118,129	18.87%	51,227	2,851,668	(2,800,441)	-98.20%

Illinois Finance Authority
FY09 Audit Finding: Material
Update as of January 31, 2011

Number of Material Findings - 1

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

**Illinois Finance Authority
 FY09 Audit Finding: Immaterial
 Update as of January 31, 2011**

Item Number	Description	Percentage Completed
		10 20 30 40 50 60 70 80 95 100
Total Number of 4		
FY 09 Immaterial Findings		
IM09-01	Failure to Report Revenue Bond Information to the Illinois Office of the Comptroller	
IM09-02	Inaccurate Agency Report of State Property (C-15)	
IM09-03	Lack of Disaster Contingency Testing to Ensure Recovery of Computer Systems	
IM09-04	Weaknesses Regarding the Security and Control of Confidential Information	



Bonds Issued and Outstanding as of January 31, 2011

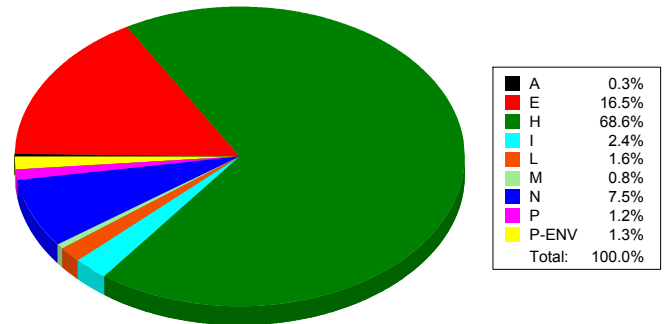
Bonds Issued Since Inception of Illinois Finance Authority

#	Market Sector	Principal Amount (\$)
319	Agriculture **	61,109,881
100	Education	3,850,158,100
326	Healthcare *	16,022,288,508
86	Industrial	931,142,853
27	Local Government	378,145,000
19	Multifamily/Senior Housing	175,417,900
131	501(c)(3) Not-for Profits	1,717,098,195
8	Exempt Facilities Bonds	275,700,000
9	Environmental issued under 20 ILCS 3515/9	326,630,000
		\$ 23,737,690,437

* Includes CCRC's

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

Bonds Issued Since Inception

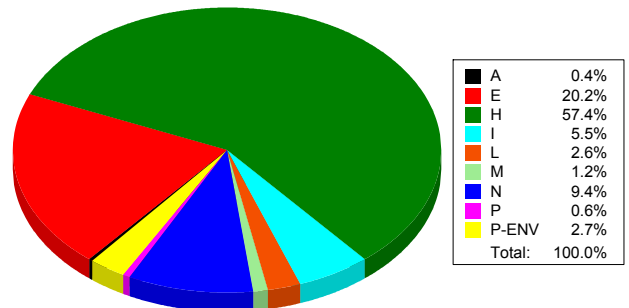


Schedule of Bonds Outstanding by Market Sector Includes IFA and it's Predecessor Authorities

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	299,579,587	92,815,113
Education	5,646,245,730	5,092,157,674
Healthcare *	16,473,242,337	14,448,485,304
Industrial	1,588,772,853	1,383,610,456
Local Government	1,116,059,413	642,676,238
Multifamily/Senior Housing	742,915,396	305,172,519
501(c)(3) Not-for Profits	2,874,624,996	2,357,421,413
Exempt Facilities Bonds	155,360,000	155,160,000
Environmental issued under 20 ILCS 3515/9	770,475,000	673,320,856
	\$ 29,667,275,311	\$ 25,150,819,573

* Includes CCRC's

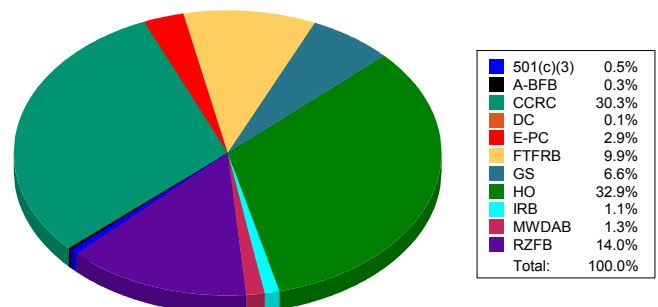
Principal Outstanding by Market Sector



Current Fiscal Year

#	Market Sector	Principal Issued
26	Agriculture - Beginner Farmer	4,525,669
3	Education	43,900,000
1	Financially Distressed Cities	1,985,000
2	Freight Transfer Facilities Bonds	150,000,000
2	Gas Supply	100,000,000
12	Healthcare - Hospital	497,820,000
16	Healthcare - CCRC	458,705,000
3	Industrial Revenue	17,329,184
1	Midwest Disaster Area Bonds	20,200,000
2	501(c)(3) Not-for-Profit	7,700,000
8	Recovery Zone Facilities Bonds	211,488,000
77		\$ 1,513,652,853

Bonds Issued - Current Fiscal Year



Bonds Issued between July 01, 2010 and January 31, 2011

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginner Farmer Bonds, Series 2011	07/01/2010	Various-See Below	4,525,669	0
HO NorthShore University HealthSystem, Series 2010	07/14/2010	2.00% to 5.25%	136,425,000	115,800,000
CCRC The Clare at Water Tower, Series 2010A&B	07/15/2010	5.10% to 6.125%	87,505,000	87,505,000
CCRC Christian Homes, Inc., Series 2010	07/29/2010	3.40% to 6.125%	25,000,000	8,090,000
IRB Bison Gear & Engineering Corporation, Series 2010	07/29/2010	VRB 0.32%	9,230,000	0
HO Institute for Transfusion Medicine, Series 2010	07/29/2010	VRB 3.60%	26,500,000	0
GS Peoples Gas Light and Coke Company, Series 2010A	08/18/2010	VRB 2.125%	50,000,000	0
RZFB Annex II, LLC - Rock City Development, Series 2010	08/24/2010	6.00%	4,585,000	0
CCRC Greenfields of Geneva, Series 2010A-C	08/31/2010	7.50% to 8.25%	117,600,000	9,185,000
HO Provena Health, Series 2010C&D	09/22/2010	VRB 0.29%	72,000,000	0
GS Peoples Gas Light and Coke Company, Series 2010B	10/05/2010	2.625%	50,000,000	50,000,000
IRB Fabrication Technologies, Inc., Series 2010	10/15/2010	DP-VRB	5,140,000	0
HO Little Company of Mary Hospital, Series 2010	10/20/2010	5.25% to 5.50%	72,000,000	0
HO Beloit Health System, Series 2010	10/21/2010	VRB	37,895,000	40,325,000
RZFB Navistar International Corporation, Series 2010	10/26/2010	6.50%	135,000,000	0
DC City of East St. Louis, Series 2010	10/26/2010	3.00%	1,985,000	1,650,000
HO Swedish Covenant Hospital, Series 2010	11/03/2010	DP 4.99%	20,000,000	0
HO University of Chicago Medical Center, Series 2010A&B	11/09/2010	VRB 0.24%	92,500,000	0
CCRC Admiral at the Lake, Series 2010A-E	11/19/2010	7.25% to 8.00%	202,350,000	0
RZFB BPJ Investments, LLC - Nueco, Inc., Series 2010	12/16/2010	DP-VRB 4.00%	2,803,000	0
HO Proctor Hospital, Series 2010	12/16/2010	DP-VRB 2.59202%	15,500,000	0
E-PC The Old Town School of Folk Music, Inc., Series 2010	12/20/2010	DP-VRB 4.25%	10,000,000	0
MWDAB KONE Centre, Series 2010	12/21/2010	DP-VRB 2.30%	20,200,000	0
FTFRB CenterPoint Joliet Terminal Railroad, Series 2010A&B	12/21/2010	DP-VRB 2.1074%	150,000,000	0
E-PC East-West University, Series 2010	12/22/2010	DP-VRB 2.025%	30,000,000	0
501(c)(3) Quest Academy, Series 2010	12/22/2010	DP-VRB 1.987016%	3,200,000	2,100,000
RZFB Rochelle Energy LLC, Series 2010	12/22/2010	DP 4.53%	10,000,000	0
E-PC Illinois College, Series 2010	12/23/2010	DP 4.22%	3,900,000	0
IRB Alef Sausage, Series 2010	12/23/2010	DP 4.25%	2,959,184	0
HO Silver Cross Hospital & Medical Center, Series 2010	12/27/2010	DP-VRB 1.1973%	25,000,000	0
501(c)(3) St. Francis High School College Preparatory, Series 2010	12/28/2010	DP-VRB 2.18%	4,500,000	0
RZFB JH Naperville Hotel, LLC, Series 2010	12/28/2010	5.16%	30,000,000	0
RZFB 1200 Internationale Parkway, LLC, Series 2010	12/28/2010	DP-VRB 3.97%	3,500,000	0
CCRC Mercy Circle, Series 2010	12/29/2010	DP-VRB 2.10%	26,250,000	0
RZFB SMART Hotels/Olympia Chicago, Series 2010	12/30/2010	DP-VRB 1.9876%	21,500,000	0
RZFB Mayo Properties, LLC, Series 2010	12/30/2010	DP-VRB 3.825%	4,100,000	0
Total Bonds Issued in Fiscal Year 2011			\$ 1,513,652,853	\$ 314,655,000

Legend: Fixed Rate Bonds as shown

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

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

Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds

<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
Stortzum, Brent A.	07/21/2010	4.25%	157,500	38.00	Effingham
Tolley, Daniel Steven	07/23/2010	4.50%	106,900	82.30	Knox
Justison, Keri L.	07/30/2010	4.25%	249,736	106.00	Montgomery
Justison, David M.	07/30/2010	4.25%	249,736	106.00	Montgomery
Will, Richard & Linda	07/30/2010	4.00%	206,712	71.30	Cumberland
Smithenry, Eric J.	07/30/2010	4.25%	135,000	20.00	Jasper
Stinnett, Sean & Cheryl	08/05/2010	4.75%	224,000	52.84	Macoupin
Alt, Lawrence & Loretta	08/12/2010	4.00%	100,000	26.67	Vermilion
Alt, James & Jo Ellen	08/12/2010	4.00%	102,667	26.67	Vermilion

Kopplin, Seth A.	08/16/2010	4.00%	184,000	73.62	Effingham
Gittleson, Brock	09/21/2010	4.46%	207,500	50.00	Lee
Mellendorf, Mark	09/21/2010	4.25%	25,200	20.00	Clay
Fritschle, Derek	10/07/2010	4.00%	125,000	78.00	Richland
Stahl, Rodney Lynn	10/25/2010	4.00%	122,500	50.00	Stark
Stahl, Kendall	10/25/2010	4.50%	137,500	50.00	Stark
Rosenthal, Darin T.	10/29/2010	4.00%	250,000	80.00	Montgomery
Stephens, Douglas & Cindy	11/05/2010	3.50%	240,000	60.00	Livingston
Stephens, Derek & Brynn	11/05/2010	3.50%	240,000	60.00	Livingston
Richter, Brett Alan	11/05/2010	2.76%	120,000	46.00	Clinton
Truckenbrod, Steven	11/18/2010	5.25%	104,000	40.00	Ogle
Elliott, Lee Wayne & Latisha	11/30/2010	4.25%	112,000	80.00	Jasper
Mattingly II, Douglas E.	12/27/2010	3.75%	77,120	30.00	Edgar
McLaughlin, Wade C.	12/27/2010	4.67%	150,000	60.70	Henry
Ridgely, Jordan	12/27/2010	3.95%	316,000	149.00	Hamilton
Werkheiser, Wade	12/27/2010	3.90%	345,330	161.00	Henry
Waldrop, Ryan D. & Heather D.	12/28/2010	4.25%	237,268	130.60	Lawrence

Total Beginner Farmer Bonds Issued	\$ 4,525,669	1,748.70
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AG Farm Purchase Guarantee	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>State Guarantee</u>
Kerber, Gregory & Jan	10/28/2010	5.85%	500,000	425,000
Total AG Farm Purchase Guarantee			\$ 500,000	\$ 425,000
Total Agriculture Guarantees			\$ 500,000	\$ 425,000



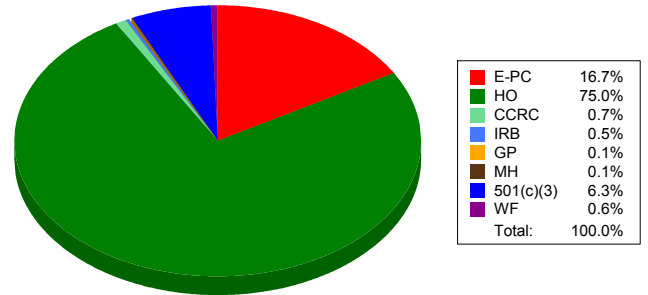
Bonds Issued - Calendar Year Comparison

Calendar Year 2009

#	Market Sector	Principal Issued
38	Agriculture - Beginner Farmer	7,286,635
9	Education - Private College	786,245,000
26	Healthcare - Hospital	3,526,456,927
2	Healthcare - CCRC	31,034,820
3	Industrial Revenue	24,000,000
1	Local Government	4,460,000
1	Multifamily/Senior Housing	5,700,000
11	501(c)(3) Not-for-Profit	295,436,458
1	Exempt Facilities Bonds	28,500,000
92		\$4,711,143,452

Bonds Issued in 2009

[excludes Beginner Farmer Bonds]

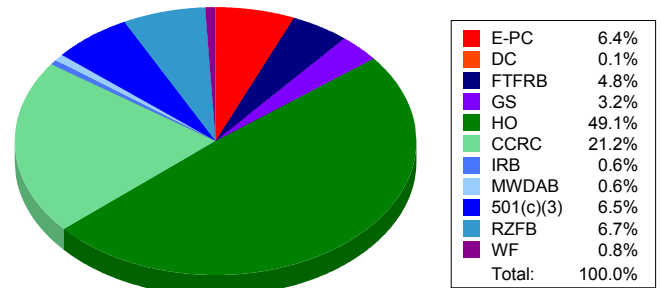


Calendar Year 2010

#	Market Sector	Principal Issued
52	Agriculture - Beginner Farmer	9,310,247
6	Education - Private College	201,895,000
1	Financially Distressed Cities	1,985,000
1	Freight Transfer Facilities Bonds	150,000,000
2	Gas Supply	100,000,000
20	Healthcare - Hospital	1,545,643,433
7	Healthcare - CCRC	667,855,000
4	Industrial Revenue	20,029,184
1	Midwest Disaster Area Bonds	20,200,000
8	501(c)(3) Not-for-Profit	203,041,062
8	Recovery Zone Facilities Bonds	211,488,000
1	Exempt Facilities Bonds	25,000,000
111		\$3,156,446,926

Bonds Issued in 2010

[Excludes Beginner Farmer Bonds]



ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

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

Section I (a)	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2010	January 31, 2011		
Illinois Finance Authority "IFA"				
306	Agriculture	\$ 46,455,000	\$ 50,761,000	
91	Education	3,721,552,000	3,706,239,000	
234	Healthcare	10,851,968,000	11,582,500,000	
76	Industrial Development [includes Recovery Zone/Midwest Disa	345,870,000	835,826,000	
22	Local Government	264,060,000	259,285,000	
18	Multifamily/Senior Housing	157,979,000	159,270,000	
96	501(c)(3) Not-for Profits	1,313,239,000	1,300,602,000	
5	Exempt Facilities Bonds	130,500,000	130,300,000	
848	Total IFA Principal Outstanding	\$ 16,831,623,000	\$ 18,024,783,000	
Illinois Development Finance Authority "IDFA" ^[b]				
4	Education	42,196,000	41,506,000	
5	Healthcare	404,660,000	219,360,000	
70	Industrial Development	562,917,000	547,784,000	
34	Local Government	386,034,000	355,436,000	
16	Multifamily/Senior Housing	147,219,000	145,902,000	
100	501(c)(3) Not-for Profits	1,025,002,000	981,560,000	
1	Exempt Facilities Bonds	24,860,000	24,860,000	
226	Total IDFA Principal Outstanding	\$ 2,592,888,000	\$ 2,316,408,000	
Illinois Rural Bond Bank "IRBB" ^[b]				
17	Bond Bank Revenue Bonds	26,385,000	25,715,000	
1	Conduit Debt	2,390,000	2,240,000	
18	Total IRBB Principal Outstanding	\$ 28,775,000	\$ 27,955,000	
102	Illinois Health Facilities Authority "IHFA"	\$ 2,908,471,000	\$ 2,646,626,000	
49	Illinois Educational Facilities Authority "IEFA"	\$ 1,446,134,000	\$ 1,419,672,000	
561	Illinois Farm Development Authority "IFDA" ^[f]	\$ 42,055,000	\$ 42,055,000	
1,804	Total Illinois Finance Authority Debt	\$ 23,849,946,000	\$ 24,477,499,000	\$ 28,150,000,000

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

Section I (b)	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2010	January 31, 2011		
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
17	Issued through IRBB - Local Government Pools	\$ 26,385,000	\$ 25,715,000	
7	Issued through IFA - Local Government Pools	28,000,000	28,000,000	
2	Issued through IFA - Illinois Medical District Commission	40,000,000	39,640,000	
26	Total General Moral Obligations	\$ 94,385,000	\$ 93,355,000	\$ 150,000,000
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
3	Issued through IFA	\$ 2,395,000	\$ 3,825,000	
1	Issued through IDFA	4,660,000	3,565,000	
4	Total Financially Distressed Cities	\$ 7,055,000	\$ 7,390,000	\$ 50,000,000
State Component Unit Bonds ^[c]				
17	Issued through IRBB	\$ 26,385,000	\$ 25,715,000	
1	Issued through IDFA	14,580,000	13,890,000	
1	Issued through IFA	4,863,000	4,233,000	
19	Total State Component Unit Bonds	\$ 45,828,000	\$ 43,838,000	

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

Section I (c)	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2010	January 31, 2011		
1	Midwest Disaster Bonds [Flood Relief]	\$ -	\$ 20,200,000	\$ 1,515,271,000

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

Section I (d)	ARRA Act of 2009 Volume Cap Allocated ^[h]	City/Counties Ceded Voluntarily to IFA	Bonds Issued as of January 31, 2011	Available "Ceded" Volume Cap
	-	Recovery Zone Economic Development Bonds;	\$ 666,972,000	\$ 16,940,000
8	Recovery Zone Facilities Bonds	\$ 1,000,457,000	\$ 292,400,000	\$ 218,745,000
-	Qualified Energy Conservation Bonds	\$ 133,846,000	\$ -	\$ -

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

Section II	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2010	January 31, 2011		
Illinois Power Agency	\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

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

Section III

		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2010	January 31, 2011		
Clean Coal, Coal ,Renewable Energy and Efficiency Projects	Energy	\$ -	\$ -	\$ 3,000,000,000 ^[d]	\$ 3,000,000,000

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

Section IV

		Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
		June 30, 2010	January 31, 2011			
Agri Debt Guarantees [Restructuring Existing Debt]		\$ 20,300,000	\$ 18,642,000	\$ 160,000,000	\$ 141,358,000	\$ 15,806,000
97 Fund # 994 - Fund Balance	\$ 9,940,751					
AG Loan Guarantee Program		\$ 47,229,000	\$ 43,771,000	\$ 225,000,000 ^[e]	\$ 181,229,000	\$ 31,531,000
55 Fund # 205 - Fund Balance	\$ 7,651,586					
12 Agri Industry Loan Guarantee Program		\$ 11,104,000	\$ 10,447,000			8,880,000
1 Renewable Fuels		24,445,000	23,498,000			14,299,000
2 Farm Purchase Guarantee Program		491,000	991,000			842,000
29 Specialized Livestock Guarantee Program		8,625,000	6,401,000			5,441,000
11 Young Farmer Loan Guarantee Program		2,564,000	2,434,000			2,069,000
152 Total State Guarantees		\$ 67,529,000	\$ 62,413,000	\$ 385,000,000	\$ 322,587,000	\$ 47,337,000

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

Section V

		Principal Outstanding		Appropriation Fiscal Year 2011	Fund Balance
		June 30, 2010	January 31, 2011		
116 Fire Truck Revolving Loan Program	Fund # 572	\$ 18,730,135	\$ 17,515,298	\$ 6,003,342	\$ 2,542,444
10 Ambulance Revolving Loan Program	Fund # 334	\$ 993,200	\$ 832,213	\$ 7,006,800	\$ 590

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

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

Section VI

		Principal Outstanding		Program Limitations	Remaining Capacity
		June 30, 2010	January 31, 2011		
Environmental [Large Business]					
9 Issued through IFA		316,440,000	\$ 316,156,000		
19 Issued through IDFA		372,065,000	357,165,000		
28 Total Environmental [Large Business]		\$ 688,505,000	\$ 673,321,000	\$ 2,425,000,000	\$ 1,751,679,000
Environmental [Small Business]		-	\$ -	\$ 75,000,000	\$ 75,000,000
28 Total Environment Bonds Issued under Act		\$ 688,505,000	\$ 673,321,000	\$ 2,500,000,000	\$ 1,826,679,000

Illinois Finance Authority Funds at Risk

Section VII

#	Participation Loans	Original Amount	Principal Outstanding	
			June 30, 2010	January 31, 2011
50	Business & Industry	23,020,157.95	17,018,322.85	14,086,303.55
22	Agriculture	6,079,859.01	4,969,295.79	4,600,580.37
72	Participation Loans excluding Defaults & Allowances	\$ 29,100,016.96	\$ 21,987,618.64	\$ 18,686,883.92
	Plus: Legacy IDFA Loans in Default			1,143,112.67
	Less: Allowance for Doubtful Accounts			3,761,032.86
	Total Participation Loans			\$ 16,068,963.73
1	Illinois Facility Fund	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
4	Local Government Direct Loans	\$ 1,289,750.00	\$ 309,303.50	\$ 294,526.74
5	FmHA Loans	\$ 963,250.00	\$ 495,772.95	\$ 331,374.37
2	Renewable Energy [RED Fund]	\$ 2,000,000.00	\$ 1,755,664.28	\$ 1,712,458.48
84	Total Loans Outstanding	\$ 34,353,016.96	\$ 25,548,359.37	\$ 19,407,323.32

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

^[b] State Component Unit Bonds included in balance.

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

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

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

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

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

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

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

**MINUTES OF THE JANUARY 18, 2011, MEETING OF THE COMMITTEE OF THE
WHOLE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Committee of the Whole Meeting at 8:30 a.m. on January 18, 2011, at the Chicago Office of the IFA at 180 North Stetson, Suite 2555, Chicago, IL 60601.

<p>Members Present:</p> <ol style="list-style-type: none"> 1. Michael W. Goetz, Vice Chairman 2. Gila J. Bronner 3. John “Jack” Durburg 4. Edward H. Leonard, Sr. 5. Heather D. Parish 6. Roger E. Poole 7. Bradley A. Zeller 	<p>Members Absent:</p> <ol style="list-style-type: none"> 8. William A. Brandt, Jr., Chairman 9. Dr. William Barclay 10. Ronald E. DeNard 11. James J. Fuentes 12. Norman M. Gold 13. Dr. Roger D. Herrin 14. Joseph McInerney 15. Terrence M. O’Brien <p>Vacancies: None</p>	<p>Staff Present:</p> <p>Christopher B. Meister, Executive Director Brendan M. Courname, General Counsel Rich Frampton, Vice President Pam Lenane, Vice President Arthur S. Friedson, Chief HR Officer Ximena Granda, Asst. CFO Nora O’Brien, Financial/Legal Analyst Norma Sutton, Procurement Officer Ahad Syed, Asst. Board Sect. /Admin. Asst.</p> <p>Staff Participating by Telephone:</p> <p>Jim Senica, Sr. Funding Manager</p> <p>IFA Advisors Present:</p> <p>Courtney Shea, Sr. VP, Acacia Financial Fiona McCarthy, Assoc, Acacia Financial</p>
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Call to Order and Roll Call

Vice Chairman Goetz called the meeting to order at 8:30 a.m. with the above Members present. He welcomed Members of the Board, IFA staff and financial advisors present at the meeting. The Chairman then asked the Assistant Board Secretary, Mr. Syed, to call the roll. There were seven (7) Members physically present.

Vice Chairman’s Remarks

None.

The Vice Chairman then asked the Executive Director to present his message.

Executive Director’s Presentation

Director Meister thanked the Vice Chairman and began his presentation. The Director noted that the Authority finished calendar year 2010 on a strong note. The Director explained that a key tool of the Authority, the Recovery Zone Facility Bonds (“RZFBs”), had expired on midnight December 31, 2010.

Director Meister stated that he expects few healthcare projects to come to the Authority’s attention for the remainder of January due to the seasonality of the business. However, the Director noted that this was historically the case and explained that there are upcoming closings in the healthcare sector and higher education in the coming months.

Director Meister thanked the Board for rehiring him unanimously to the position of Executive Director of the Authority at the last Board Meeting. The Director explained the Authority has completed a number of new financings since the Great Recession of 2008. Director Meister hopes that the CenterPoint Joliet project moves other projects like it forward. He is pleased as well by the prospect of more higher education financings such as DePaul University and first-time borrowers East-West University and Illinois College. Furthermore, the Director noted that the Authority closed three (3) Industrial Revenue Bonds in FY11—a significant improvement.

The Director stated that the Biodiesel Blender's Tax Credit was extended retroactively from the beginning of calendar year 2010 through to the end of calendar year 2011. This is important due to \$15 million State biodiesel plant guarantee in Danville, IL.

The Director explained that there have been a few external challenges to the Authority and that the Authority is actively responding to these challenges.

There has been discussion in the U.S. Congress about limiting or eliminating conduit financing. The Director stated that since conduit financing accounts for approximately 98% of the Authority's business the Authority will engage in discussion with lawmakers sympathetic to the Authority's mission to state its case. The Director stated that historically there have been cycles at the federal level where the elimination of conduit financing has been discussed.

Secondly, there is an item for consideration today that would authorize the Executive Director to work with agencies and trade groups to provide comments for proposed changes to SEC rules. The proposed changes would alter the definition of "municipal advisors" to include appointed members of Boards such as the Authority. Director Meister explained that this new definition could potentially create problems for the Authority.

Lastly, the Authority is continuing to challenge out-of-state entities claiming to be national issuers of conduit debt. The Director concluded by saying that the presence of these entities brings into question important matters such as transparency and accountability. The Authority supports a strengthened Host TEFRA process recently enacted by the Illinois legislature to enhance accountability.

There was brief discussion regarding the Prevailing Wage Act and related statutes.

Vice Chairman Goetz thanked Director Meister and asked for the Senior Staff Reports.

Senior Staff Reports

Vice Chairman Goetz asked Ms. Lenane for her report.

Ms. Lenane presented her report on healthcare.

Ms. Lenane explained that, as Director Meister had noted earlier, January has typically been a slow month due to the seasonality of business. However, Ms. Lenane stated that the Authority has one hold-over transaction for January—the Sarah Bush Lincoln project. Ms. Lenane briefly outlined some of the upcoming projects for the third-quarter of FY11. Ms. Lenane stated that she expects the University of Chicago Medical Center to return for an approximately \$100 Million dollar issuance. She also expects Smith Crossing to return in either February or March for a Final Bond Resolution. Lastly, Ms. Lenane explained to the Board that the Authority is working out the logistics in regard to implementing the Medicaid Receivables program and is planning to do a Request for Proposal.

Vice Chairman Goetz thanked Ms. Lenane and asked for Ms. Granda for her report.

Ms. Granda presented her report on the financials.

She explained that the gross revenue year-to-date for December was \$4.646 Million or \$1.910 Million over budget. Total operating expenses were \$2.362 Million or \$153,023 under budget. Year-to-date net income thru December 2010 was \$2.303 Million or \$2.082 Million higher than budget and \$400,922 higher than the same period last fiscal year.

Ms. Granda also noted that the January Board Book includes consolidated financial statements, gross revenue year-to-date thru December ended at \$6.339 Million or \$2.140 Million above the FY11 budget. Total operating expenses are \$4.241 Million or \$55,786 below budget. Due to transfer to the State of Illinois General Fund of \$3.310 Million we have a net loss of \$1.212 Million.

Ms. Granda continued her presentation by moving on to the Venture Capital portfolio. Ms. Granda explained that after an item in the portfolio, Smart Signal, was bought by GE the Authority received \$1.087 Million which includes a gain in investment of \$822,227. Director Meister noted that as a result of the sale another approximately \$100,000 is being held in escrow by the purchaser for approximately sixteen (16) months. Director Meister noted that the 2009 Compliance Examination and Financial Audit were accepted on the Consent Calendar at the Legislative Audit Commission meeting held on November 16, 2010. Lastly, Ms. Granda explained that there is one (1) additional finding which brings the tally of total findings to eleven (11). None of these findings appear to be material at this time.

Vice Chairman Goetz thanked Ms. Granda and asked Mr. Friedson for an update on Energy Efficiency Providers.

Mr. Friedson presented his update on the Energy Efficiency Providers.

Mr. Friedson explained that the Aon Financial and Mesirow Financial contracts are signed and in place. Furthermore, the insurance companies are guaranteeing the savings in the borrowers program and are in the process of creating an insurance product.

Vice Chairman Goetz thanked Mr. Friedson and asked Ms. Sutton for an update on procurement and SB 51 follow-up.

Ms. Sutton presented her update on procurement and SB 51 follow-up.

Ms. Sutton explained that all contracts with Energy Efficiency Project Vendors (“EEP”) are in place with the exception of Siemens and Hanson. She noted that the IFA is currently in the process of negotiating contracts with both Siemens and Hanson. Lastly, Ms. Sutton explained that NORESKO has notified her that they do not have a contract with the IFA and thus are not participating in the EEP.

Ms. Sutton presented her follow-up on the Procurement Communications Reporting Requirement (effective January 1, 2011). Ms. Sutton explained to the Members of the Board that this requirement mandates that material communication regarding procurement be reported on the Procurement Policy Board website. Ms. Sutton concluded by handing out a FAQ document to Members of the Board.

Vice Chairman Goetz thanked Ms. Sutton for her report and asked for the Committee Reports.

Committee Reports

Mr. Leonard reported that while the Agriculture Committee cancelled its regularly scheduled meeting they are actively searching for a candidate with experience in agricultural lending.

Vice Chairman Goetz thanked Mr. Leonard and asked for the Project Reports.

Project Reports

Agriculture

Mr. Senica presented the following projects for approval:

No. 1A: Greg D. & Krystal J. Goebel – \$114,000 – 60 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$114,000 for the purchase of approximately 60 acres of farmland. This project is located in unincorporated Jasper County, near Montrose, IL.

No. 1B: Thad & Lindsay Goebel – \$98,000 – 60 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$98,000 for the purchase of approximately 60 acres of farmland. This project is located in unincorporated Jasper County, near Montrose, IL.

No. 1C: Travis M. Maedge – \$171,928 – 40 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$171,928 for the purchase of approximately 40 acres of farmland. This project is located in unincorporated Madison County, near Highland, IL.

No. 1D: Travis Wesley Rich – \$146,667 – 26.66 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$146,667 for the purchase of approximately 26.66 acres of farmland. This project is located in unincorporated Crawford County, near Robinson, IL.

No. 1E: Paul David Thompson – \$139,500 – 46.5 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$139,500 for the purchase of approximately 46.5 acres of farmland. This project is located in unincorporated Warren County, near Edwards, IL.

No. 1F: Theresa Lois Thompson – \$139,500 – 46.5 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$139,500 for the purchase of approximately 46.5 acres of farmland. This project is located in unincorporated Warren County, near Little York, IL.

No. 1G: Kevin W. & Lindsay K. Cox – \$133,500 – 60 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$133,500 for the purchase of approximately 60 acres of farmland. This project is located in unincorporated Mercer County, near Illinois City, IL.

Higher Education, Cultural and Other Non-Healthcare 501(c)(3)'s

Mr. Frampton presented the following projects for approval:

No. 2: CHF-Normal, L.L.C. - \$65,000,000 – Final

CHF-Normal, L.L.C. and its affiliates are requesting approval of a Final Bond Resolution in an amount not-to-exceed \$65,000,000. Bond Proceeds will be used by CHF-Normal, L.L.C. to (i) acquire, construct and equip an approximately 896-bed student residence facility under a ground lease from Illinois State University in Normal, Illinois; (ii) demolish the project site which is currently the site of Cardinal Court student housing property; (iii) fund capitalized interest; (iv) fund a debt service reserve fund; and (v) pay costs of issuance.

No. 3: CHF-DeKalb II, L.L.C. - \$135,000,000 – Final

CHF-DeKalb II, L.L.C. and its affiliates are requesting approval of a Final Bond Resolution in an amount not-to-exceed \$135,000,000. Bond proceeds will be used by CHF-DeKalb II, L.L.C. to (i) acquire, construct and equip an approximately 1,008-bed facility, including dining facilities and a community center on Northern Illinois University's campus in DeKalb, Illinois; (ii) refund certain outstanding bonds of the Authority; (iii) pay capitalized interest during construction; (iv) fund a debt service reserve fund; and (v) pay costs of issuance.

Update/Resolutions

Mr. Senica presented the following update to the Board:

No. 4: Pere Marquette Associates, L.P. – Extension of Loan Term

After discussion of the status of the project, the Board members recommend an extension of the loan for an additional 120 days (approximately) until May 31, 2011.

Mr. Cournane presented the following resolutions for approval:

No. 5: Ratifying certain action taken to qualify Series 2007A Bonds (McKinley Foundation Project) as “Bank Qualified Bonds”

No. 6: Resolution authorizing the Executive Director to work with various agencies and trade groups to provide comments on behalf of the Authority to Securities Exchange Commission on proposed SEC Rules

There was limited discussion regarding Item No. 4 and Item No. 6.

Other Business

None.

Adjournment

The Vice Chairman thanked the Board, IFA staff and the financial advisors for appearing at the meeting and asked if there was any additional information for the Board’s consideration. Hearing none he asked for a motion to adjourn the meeting. Mr. Poole moved to adjourn the meeting and Vice Chairman Goetz seconded the motion. The Committee of the Whole unanimously agreed to adjourn the meeting.

The meeting adjourned at 10:25 a.m.

Minutes submitted by:
Ahad Syed
Assistant Board Secretary

**MINUTES OF THE JANUARY 18, 2011, MEETING OF THE BOARD OF DIRECTORS OF THE
ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA” or the “Authority”), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on Tuesday, January 18, 2011, at the Fairmont Chicago Millennium Park Hotel at 200 North Columbus Drive, Gold Room—2nd Floor, Chicago, IL 60601.

<p>Members Present:</p> <ol style="list-style-type: none">1. Michael W. Goetz, Vice Chairman2. Gila J. Bronner3. Ronald E. DeNard4. John “Jack” Durburg5. Edward H. Leonard, Sr.6. Heather D. Parish7. Roger E. Poole8. Bradley A. Zeller <p>By Telephone:</p> <ol style="list-style-type: none">9. Dr. William Barclay (joined at 11:32 a.m.)	<p>Members Absent:</p> <ol style="list-style-type: none">10. William A. Brandt, Jr., Chairman11. James J. Fuentes12. Norman M. Gold13. Dr. Roger D. Herrin14. Joseph McInerney15. Terrence M. O’Brien <p>Vacancies: None</p>
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GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Vice Chairman Goetz called the meeting to order at 11:30 a.m. with the above Members present. The Vice Chairman welcomed Members of the Board and all guests. He then asked the Assistant Board Secretary, Mr. Syed, to call the roll. There being eight (8) Members present, Mr. Syed declared a quorum present.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending December 31, 2010, and Minutes for both the Committee of the Whole and Board of Directors Meetings held on December 14, 2010, were presented to the Board. Vice Chairman Goetz stated that the Authority’s Financial Statements and such Minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held at 8:30 a.m. Vice Chairman requested a motion to approve the December 31, 2010, Financial Statements and Minutes from both the Committee of the Whole (amended to include Report of the Energy Committee) and Board of Directors Meetings held on December 14, 2010.

The motion was made by Mr. Leonard and seconded by Ms. Bronner. The December 31, 2010, Financial Statements and Minutes for both the Committee of the Whole and Board of Directors Meetings held on December 14, 2010, were unanimously approved by the Members of the Board.

Senior Staff Reports

None.

Project Approvals

Vice Chairman Goetz asked Mr. Frampton, Vice President, to present the projects for consideration to the Board. The Vice Chairman explained that all projects are reviewed by a staff Credit Committee and all agriculture, energy and healthcare projects are also reviewed at their respective committee's public meeting each month. Finally, each project is discussed at the Committee of the Whole Meeting held at 8:30 a.m. before the Board Meeting.

Agriculture – No Guests

Mr. Frampton presented the following projects for approval:

No. 1A: Greg D. & Krystal J. Goebel – \$114,000 – 60 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$114,000 for the purchase of approximately 60 acres of farmland. This project is located in unincorporated Jasper County, near Montrose, IL.

No. 1B: Thad & Lindsay Goebel – \$98,000 – 60 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$98,000 for the purchase of approximately 60 acres of farmland. This project is located in unincorporated Jasper County, near Montrose, IL.

No. 1C: Travis M. Maedge – \$171,928 – 40 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$171,928 for the purchase of approximately 40 acres of farmland. This project is located in unincorporated Madison County, near Highland, IL.

No. 1D: Travis Wesley Rich – \$146,667 – 26.66 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$146,667 for the purchase of approximately 26.66 acres of farmland. This project is located in unincorporated Crawford County, near Robinson, IL.

No. 1E: Paul David Thompson – \$139,500 – 46.5 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$139,500 for the purchase of approximately 46.5 acres of farmland. This project is located in unincorporated Warren County, near Edwards, IL.

No. 1F: Theresa Lois Thompson – \$139,500 – 46.5 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$139,500 for the purchase of approximately 46.5 acres of farmland. This project is located in unincorporated Warren County, near Little York, IL.

No. 1G: Kevin W. & Lindsay K. Cox – \$133,500 – 60 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed \$133,500 for the purchase of approximately 60 acres of farmland. This project is located in unincorporated Mercer County, near Illinois City, IL.

No guests attended with respect to Items Nos. 1A, 1B, 1C, 1D, 1E, 1F or 1G. Vice Chairman Goetz asked if the Board had any questions with respect to Items Nos. 1A, 1B, 1C, 1D, 1E, 1F or 1G. There being none, Vice Chairman Goetz called a roll call vote on Item Nos. 1A, 1B, 1C, 1D, 1E, 1F and 1G. Items Nos. 1A, 1B, 1C, 1D, 1E, 1F and 1G received approval with 8 ayes, 0 nays and 0 abstentions.

Higher Education, Cultural and Other Non-Healthcare 501(c)(3)'s – No Guests

No. 2: CHF-Normal, L.L.C. - \$65,000,000 – Final

CHF-Normal, L.L.C. and its affiliates are requesting approval of a Final Bond Resolution in an amount not-to-exceed \$65,000,000. Bond Proceeds will be used by CHF-Normal, L.L.C. to (i) acquire, construct and equip an approximately 896-bed student residence facility under a ground lease from Illinois State University in Normal, Illinois; (ii) demolish the project site which is currently the site of Cardinal Court student housing property; (iii) fund capitalized interest; (iv) fund a debt service reserve fund; and (v) pay costs of issuance.

No. 3: CHF-DeKalb II, L.L.C. - \$135,000,000 – Final

CHF-DeKalb II, L.L.C. and its affiliates are requesting approval of a Final Bond Resolution in an amount not-to-exceed \$135,000,000. Bond proceeds will be used by CHF-DeKalb II, L.L.C. to (i) acquire, construct and equip an approximately 1,008-bed facility, including dining facilities and a community center on Northern Illinois University's campus in DeKalb, Illinois; (ii) refund certain outstanding bonds of the Authority; (iii) pay capitalized interest during construction; (iv) fund a debt service reserve fund; and (v) pay costs of issuance.

Dr. Barclay joined the Board Meeting at 11:32 a.m.

No guests attended with respect to Items Nos. 2 or 3. Vice Chairman Goetz asked if the Board had any questions with respect to Items Nos. 2 or 3. There being none, Vice Chairman Goetz called a roll call vote on Items Nos. 2 and 3. Items Nos. 2 and 3 received approval with 9 ayes, 0 nays and 0 abstentions.

Resolutions – No Guests

- No. 4:** **Pere Marquette Associates, L.P. – Extension of Loan Term**
- No. 5:** **Ratifying certain action taken to qualify Series 2007A Bonds (McKinley Foundation Project) as “Bank Qualified Bonds”**
- No. 6:** **Resolution authorizing the Executive Director to work with various agencies and trade groups to provide comments to Securities Exchange Commission on proposed SEC Rules**

No guests attended with respect to Items Nos. 4, 5 or 6. Vice Chairman Goetz asked if the Board had any questions with respect to Items Nos. 4, 5 or 6. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Items Nos. 4, 5 and 6. Item Nos. 4, 5 and 6 received approval with 9 ayes, 0 nays and 0 abstentions.

Other Business

None.

Adjournment

Vice Chairman Goetz then asked if there was any other business to come before the Board. Hearing none, the Vice Chairman requested a motion to adjourn. Upon a motion by Ms. Parish and seconded by Mr. Poole, the Board unanimously voted to adjourn at 11:42 a.m.

Minutes submitted by:
Ahad Syed
Assistant Board Secretary

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors
From: Jim Senica and Lorrie Karcher
Date: February 8, 2011
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$477,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$319,000**
- **Calendar Year Summary:** (as of February 8, 2011)
 - Volume Cap: Note Request is Pending – 2011 amount is to-be-determined
 - Volume Cap Committed: \$1,262,095
 - Volume Remaining: To be determined
 - Average Acreage Farm Size: 37
 - Number of Farms Financed: 10
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - convey tax-exempt status
 - will use dedicated 2011 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
 - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

A.

Project Number:	A-FB-TE-CD-8447
Borrower(s):	Emmerich, Lucas John & Megan Marie
Borrower Benefit:	First Time Land Buyer
Town:	West Liberty, IL
IFA Bond Amount:	\$114,000
Use of Funds:	Farmland – 40 acres
Purchase Price:	\$228,000 / (\$5,700 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% (<i>Subordinate Financing</i>)
% IFA	50%
County/Region:	Jasper / Southeastern
Lender/Bond Purchaser	Peoples State Bank / Brian Bohnhoff
Legislative Districts:	Congressional: 19 th , John Shimkus State Senate: 55 th , Dale Righter State House: 108 th , David Reis

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on February 1, 2012. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2012 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

B.

Project Number:	A-FB-TE-CD-8448
Borrower(s):	King, Rodney A. & Christine M.
Borrower Benefit:	First Time Land Buyer
Town:	Wyoming, IL
IFA Bond Amount:	\$80,000
Use of Funds:	Farmland – 40 acres
Purchase Price:	\$160,000 / (\$4,000 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% (<i>Subordinate Financing</i>)
% IFA	50%
County/Region:	Stark / North Central
Lender/Bond Purchaser	State Bank of Speer / Steve Leuthold
Legislative Districts:	Congressional: 18 th , Aaron Schock State Senate: 37 th , Dale Risinger State House: 74 th , Pam Roth

Principal shall be paid annually in installments determined pursuant to a Twenty five year amortization schedule, with the first principal payment date to begin on February 1, 2012. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2012 with the twenty fifth and final payment of all outstanding balances due twenty five years from the date of closing.

C.

Project Number:	A-FB-TE-CD-8449
Borrower(s):	Dotson, Joshua A. & Bonnie L.
Borrower Benefit:	First Time Land Buyer
Town:	Lynwood, IL
IFA Bond Amount:	\$125,000
Use of Funds:	Farmland – 31 acres
Purchase Price:	\$250,000 / (\$8,065 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% (<i>Subordinate Financing</i>)
% IFA	50%
County/Region:	Will / Northeast
Lender/Bond Purchaser	Providence Bank / Eric Holtrop
Legislative Districts*	
(Note: Districts of residence):	Congressional: 2 nd , Jesse Jackson Jr.
	State Senate: 15 th , James Meeks
	State House: 29 th , Thaddeus Jones

Principal and interest shall be paid monthly in twenty installments, with the first nineteen installments to be equal payments pursuant to a thirty year amortization schedule. The first payments date shall be one month from the date hereof and successive payment dates shall be at one month intervals thereafter, with the twentieth and final balloon payment of all principal and interest then outstanding due twenty years from the date hereof.

CONDUIT

\$15,000,000

February 8, 2011 **Columbia College Chicago**

REQUEST	<p>Purpose: The proposed project will enable Columbia College Chicago (“Columbia” or the “Borrower”) to (i) current refund 100% of the outstanding balance of IFA Series 1998 Bonds (Columbia College Chicago Project); and (ii) pay bond issuance costs, if deemed necessary and desirable by the Borrower.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None</p>																
BOARD ACTIONS	Preliminary Bond Resolution																
MATERIAL CHANGES	None – this is the first time this project has been presented to the IFA Board of Directors.																
JOB DATA	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">2,439 (FT and PT)</td> <td style="width: 15%; text-align: center;">Current</td> <td style="width: 15%; text-align: center;">N/A</td> <td style="width: 45%; text-align: center;">New jobs projected (Refunding)</td> </tr> <tr> <td></td> <td style="text-align: center;">jobs</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained</td> <td style="text-align: center;">N/A</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">jobs</td> <td style="text-align: center;">Construction jobs projected (Refunding)</td> </tr> </table>	2,439 (FT and PT)	Current	N/A	New jobs projected (Refunding)		jobs				N/A	Retained	N/A			jobs	Construction jobs projected (Refunding)
2,439 (FT and PT)	Current	N/A	New jobs projected (Refunding)														
	jobs																
	N/A	Retained	N/A														
		jobs	Construction jobs projected (Refunding)														
DESCRIPTION	<ul style="list-style-type: none"> ● Location: Chicago (Cook County/Northeast Region) ● Columbia was originally established in 1890 as a college of education and became fully accredited as a four-year, undergraduate, liberal arts school in 1974. ● Columbia has grown to become the fifth largest private education institution in Illinois, with an approximate enrollment of 10,800 students in Fall 2010. ● Columbia College offer more than 120 academic majors and programs and is the largest private arts and media college in the nation. 																
CREDIT INDICATORS	<ul style="list-style-type: none"> ● Columbia College Chicago is currently rated Baa1/BBB+ long-term by Moody’s/S&P. 																
PROPOSED STRUCTURE	<ul style="list-style-type: none"> ● The Bonds will be underwritten based on the direct, underlying Baa1/BBB+ ratings of Columbia College Chicago. (Borrower will select the Underwriter in advance of documentation and presenting this financing for approval of the Final Bond Resolution, which is anticipated in March 2011.) ● Estimated interest rates range between 4.90% to 5.20% as of 1/20/2011. 																
SOURCES AND USES	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">IFA Refunding Bonds</td> <td style="width: 15%; text-align: right;">\$14,600,000</td> <td style="width: 30%;">Refunding Escrow</td> <td style="width: 25%; text-align: right;">\$14,600,000</td> </tr> <tr> <td>Borrower Equity</td> <td style="text-align: right;"><u>400,000</u></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>400,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$15,000,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$15,000,000</u></td> </tr> </table>	IFA Refunding Bonds	\$14,600,000	Refunding Escrow	\$14,600,000	Borrower Equity	<u>400,000</u>	Costs of Issuance	<u>400,000</u>	Total	<u>\$15,000,000</u>	Total	<u>\$15,000,000</u>				
IFA Refunding Bonds	\$14,600,000	Refunding Escrow	\$14,600,000														
Borrower Equity	<u>400,000</u>	Costs of Issuance	<u>400,000</u>														
Total	<u>\$15,000,000</u>	Total	<u>\$15,000,000</u>														
RECOMMENDATION	Credit Review Committee recommends approval																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 8, 2011**

Project: Columbia College Chicago

STATISTICS

Project Number:	E-PC-TE-CD-8451	Amount:	\$15,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Chicago	County/	
		Region:	Cook County/Northeast

BOARD ACTION

Preliminary Bond Resolution	
Conduit 501(c)(3) Revenue Refunding Bonds	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

None. This will be the first time this matter will be considered by the IFA Board of Directors.

Bond proceeds and other monies available to the Borrower will be used to:

1. Current refund 100% of the outstanding balance of IFA Series 1998 Bonds (Columbia College Chicago Project) of approximately \$14.6 million as of 12/31/2010.
 2. Pay bond issuance costs, if deemed necessary and desirable by the Borrower.
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IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the Borrower's interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

SOURCES AND USES OF FUNDS

Sources:	IFA Refunding Bonds	\$14,600,000	Uses:	Refunding Escrow	\$14,600,000
	Equity	400,000		Costs of Issuance	400,000
	Total	<u>\$15,000,000</u>		Total	<u>\$15,000,000</u>

JOBS

Current employment:	2,439 (FT and PT)	Projected new jobs:	N/A
Jobs retained:	Not applicable	Construction jobs:	N/A

FINANCING SUMMARY

Security/ Ratings:	The Bonds will be sold based on the direct, underlying rating of Columbia College Chicago. Columbia is currently rated Baa1/BBB+ long-term by Moody's/S&P.
Structure:	The IFA Series 2011A New Money Revenue Bonds will be underwritten by an underwriter to be determined and engaged pursuant to proposals submitted to Columbia and its Financial Advisor (John S. Vincent & Company) and sold on the basis of Columbia College Chicago's long-term ratings.
Interest Rate:	The IFA Series 2011 Revenue Refunding Bonds will be sold at a fixed interest rate. The estimated interest rates ranges between 4.90% and 5.20% as of 1/20/2011.
Underlying Ratings:	Baa1/BBB+ (as of 1/20/2011) from Moody's/S&P (and subject to review/affirmation/revision by the rating agencies prior to closing)
Maturity:	Columbia College Chicago preliminarily anticipates the maturity date on the IFA Series 2011 Revenue Refunding Bonds to match the terms of the Refunded bonds.
Anticipated Closing Date:	Late March 2011 or April 2011
Rationale:	The proposed Refunding Bonds will enable Columbia College Chicago to current refund its existing bonds and potentially reschedule principal payments over the remaining term.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Columbia College Chicago will use proceeds of the proposed IFA Series 2011 Bonds together with other monies available to the Borrower to (i) current refund the outstanding principal amount of Illinois Educational Facilities Authority Series 1998 Revenue Bonds (Columbia College Chicago Project), and (ii) to pay costs of issuance on the IFA Series 2011 Revenue Refunding Bonds (Columbia College Chicago Project) if deemed necessary or desirable.

BUSINESS SUMMARY

Background:	Columbia College Chicago (also, " Columbia " or the " Borrower ") is incorporated under Illinois law and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.
Description:	Columbia College Chicago is private, not for profit, independent, fully accredited, unaffiliated undergraduate and graduate college located in downtown Chicago. Columbia was originally established in 1890 as a college of education and became fully accredited as a four-year, undergraduate, liberal arts school in 1974. Columbia offers educational opportunities in the performing, visual, communications, and writing arts at both the graduate and undergraduate levels, and is home to the one of the largest film schools in the world. Its primary location in the South Loop area of Chicago provides easy access to the Art Institute of Chicago, Adler Planetarium and Astronomy Museum, Field Museum, Chicago Symphony Orchestra and other notable cultural and educational institutions.

Founded in 1890 as the Columbia School of Oratory, Columbia has grown to become the fifth largest private higher education institution in Illinois. Columbia College's enrollment of approximately 10,800 students is drawn primarily from the City of Chicago and its suburbs, but also attracts students from across the United States and from 36 other countries. Approximately 30 percent of the students are individuals who are African American, Latino, Native American, or Pacific Islander. The student body is evenly divided between men and women. Approximately 522 students are enrolled in graduate studies (representing 341 FTEs).

Columbia College offers more than 120 academic majors and programs and is the largest private arts and media college in the nation. Columbia's operations are located in 27 properties comprising more than 1.3 million SF that the Borrower owns and leases in Chicago's South Loop. Columbia College has been located in the South Loop since 1975. Columbia College Chicago is currently the largest landowner in the South Loop.

Due to Chicago's role as a key media center, Columbia College has developed a strong internship and part-time job placement program for its students and has developed relationships with nine independent film festivals, 200 theatre groups and venues, 35 radio stations, and 25 magazines and newspapers. These employment opportunities have been critical in attracting students to Columbia. The faculty consists of more than 1,300 practicing artists, scholars, and professionals.

According to management, Columbia College's annual tuition of \$19,140 for academic 2010-2011 is less than the national average for private colleges in the U.S.

As a result of Columbia's strategic initiatives over the last 15 years, enrollment has increased from approximately 7,300 in 1993 to over 10,800 for the Fall 2010 term. Columbia believes this growth has resulted from Columbia's focus on (i) small class size to facilitate close interaction with a faculty of working professionals, (ii) abundant internship opportunities with major employers in the Chicago area, and (iii) outstanding physical facilities.

Columbia College has been accredited at the undergraduate and graduate levels by the North Central Association of Colleges and Schools since 1974. Columbia College Chicago is also accredited as a teacher training institution by the Illinois State Board of Education.

Columbia College currently has four IFA (IEFA) bond issues outstanding. The total balance outstanding as of 8/31/2010 was \$103,030,000 and includes three series of Fixed Rate Bonds and one series of Variable Rate Bonds secured with a Direct Pay LOC from Harris Bank.

All bond payments on Columbia College's existing IFA debt obligations have been current since issued as of 2/1/2011.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Columbia College Chicago

Contacts: Patricia Heath, Interim VP-Business Affairs & CFO, Columbia College Chicago, 600 S. Michigan Ave., Chicago, IL 60605-1996; Ph. (312) 344-7215; Fax: (312) 344-8069; E-mail: pheath@colum.edu

Kevin Doherty, Associate VP-Business Affairs and Controller, Columbia College Chicago, 600 S. Michigan Ave., Chicago, IL 60605-1996; Ph. (312) 344-7162; E-mail: kdoherly@colum.edu;

Web Site: www.colum.edu

Project name: Columbia College Chicago Series 2011 Revenue Refunding Bonds

Location: Refundings relating to projects at Columbia's Chicago campus originally financed with IEFA Series 1992 and IEFA Series 1998 Bonds.

Organization: Illinois 501(c)(3) organization

Board

Membership: *For list of Board of Trustees, see page 6*

Current Land Owners: Columbia College Chicago owns the subject project sites involved in this refinancing.

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	Wildman, Harrold, Allen & Dixon LLP	Chicago, IL	Mark Huddle
Borrower's Financial			
Advisor:	John S. Vincent and Co. LLC	Chicago, IL	John Vincent
Auditor:	KPMG, LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Chris Walrath
Underwriter:	To be determined pursuant to RFP and selected in advance of Bond Resolution		
Underwriter's			
Counsel:	To be determined		
Trustee:	US Bank, N.A.	Chicago, IL	Grace Gorka
Rating Agencies:	Moody's Investors Service	New York, NY	
	Standard & Poor's	Chicago, IL	
IFA Counsel:	Requested – Assignment Forthcoming		
IFA Financial			
Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	7	Danny K. Davis
State Senate:	13	Kwame Raoul
State House:	26	William D. Burns

**Columbia College Chicago -
Board of Trustees**

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Doctors Solomon, SC

Asha Spencer
Bartlit Beck Herman Palenchar
& Scott LLP

Arthur Sussman
MacArthur Foundation

Nancy Tom
Center for Asian Arts and Media

Robert A. Wislow
U.S. Equities Realty, Inc.

\$400,000,000
The Carle Foundation

February 8, 2011

REQUEST

Purpose: The proceeds from the sale of the Series 2011 Bonds, together with other monies provided by **The Carle Foundation** (the “**Corporation**”) will be used to: (i) potentially refinance existing taxable debt; (ii) pay or reimburse the Corporation and/or the other tax-exempt affiliates of Carle for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities, including, but not limited to, acquiring, constructing and equipping an approximately 360,000 square foot, nine story heart and vascular institute consisting of approximately 136 beds and located at its campus in Urbana, Illinois (collectively, the “**Project**”) (also, see Project Summary Section); (iii) pay a portion of the interest on the Series 2011 Bonds, if applicable; (iv) fund a debt service reserve fund, if applicable; (v) providing working capital, if deemed necessary, and (vi) pay certain expenses incurred in connection with the issuance of the Series 2011 Bonds.

Program: Conduit 501(c)(3) Revenue Bonds

Extraordinary Conditions: None.

BOARD ACTIONS

Preliminary Bond Resolution

MATERIAL CHANGES

None. This is the first time this project has been presented to the IFA Board of Directors.

JOB DATA

4,900	Current jobs	0	New jobs projected
4,900	Retained jobs	275	Construction jobs projected

DESCRIPTION

- Location: Urbana (Champaign County/East Central Region)
- The Carle Foundation, headquartered in Urbana, Illinois, is an Illinois not-for-profit corporation engaged in providing health care services to residents of central Illinois.

CREDIT INDICATORS

- AA-/AA- from Standard & Poor’s/Fitch
- Any variable rate demand bonds issued will be uninsured and backed by either (i) a Standby Bond Purchase Agreement or (ii) Letter of Credit (the prospective Liquidity or LOC Bank(s) are to be determined, but will carry a long-term rating of A- or better). Any fixed rate bonds will carry the underlying rating of The Carle Foundation as successor to The Carle Foundation Obligated Group.

SECURITY

- The Bonds are expected to be secured by an obligation of The Carle Foundation under a Master Trust Indenture. Such obligation will include a pledge of revenues and may or may not include a debt service reserve fund or mortgages.

MATURITY

- Not more than 40 years.

SOURCES AND USES

Sources:	Uses:
IFA Bonds	Project Fund/Capitalized interest
\$400,000,000	\$301,000,000
	Debt Service Reserve Fund
	40,000,000
	Refinancing
	55,000,000
	Costs of Issuance
	<u>4,000,000</u>
Total	Total
\$400,000,000	\$400,000,000

RECOMMENDATION

Credit Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 8, 2011**

Project: The Carle Foundation

STATISTICS

Project Number: H-HO-TE-CD-8450	Amount: \$400,000,000 (not-to-exceed)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Pam Lenane and Nora O'Brien
Location: Urbana	County/Region: Champaign/East Central

BOARD ACTION

Preliminary Bond Resolution	No IFA funds at risk
Conduit 501(c)(3) Bonds	No extraordinary conditions
Credit Review Committee recommends approval	

VOTING RECORD

This is the first time this project is being presented to the IFA Board.

PURPOSE

The proceeds from the sale of the Series 2011 Bonds, together with other monies available to the Corporation, will be used to: (i) potentially refinance existing taxable debt; (ii) pay or reimburse Carle and/or the other tax-exempt affiliates of Carle for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain of their health facilities, including, but not limited to, acquiring, constructing and equipping an approximately 360,000 square foot, nine story heart and vascular institute consisting of approximately 136 beds located at its Urbana campus; (iii) pay a portion of the interest on the Series 2011 Bonds, if applicable; (iv) fund a debt service reserve fund, if applicable; (v) providing working capital, if deemed necessary, and (vi) pay certain expenses incurred in connection with the issuance of the Series 2011 Bonds.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the Borrower's interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	<u>\$400,000,000</u>	Uses: Project Fund/Capitalized interest	\$301,000,000
		Debt Service Reserve Fund	40,000,000
		Refinancing	55,000,000
		Costs of Issuance	<u>4,000,000</u>
Total	<u>\$400,000,000</u>	Total	<u>\$400,000,000</u>

JOBS

Current employment:	4,900	Projected new jobs:	0
Jobs retained:	4,900	Construction jobs:	275

FINANCING SUMMARY

Security:	The Bonds are expected to be secured by an obligation of The Carle Foundation under a Master Trust Indenture. Such obligation will include a pledge of revenues and may or may not include a debt service reserve fund or mortgages.
Structure:	The plan of finance may include the issuance of both fixed rate and variable rate bonds, to be determined based on market conditions.
Interest Rate:	To be determined at the time of pricing based upon market conditions.
Interest Mode:	Floating rate obligations for which interest rate is established periodically and paid monthly. Fixed rate bonds on which interest is paid semiannually. Carle may consider issuance of additional variable rate alternatives.
Underlying Rating:	“AA-”/“AA-” issued from Standard & Poor’s/Fitch
Maturity:	2051 (Up to 40 Years)
Estimated Closing Date:	April, 2011

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

The Corporation proposes to expand and modernize its current hospital facility by constructing a 350,027 gross square foot (“GSF”) bed tower and modernizing 10,000 gross square feet. The budget for this project is \$218 million with supplemental funds not provided through the Series 2011 Bonds being provided by The Carle Foundation.

In addition to the Tower project, proceeds from the Series 2011 Bonds will be used to refinance the Foundation’s outstanding bridge loan, and outstanding notes related to mortgages on two of its facilities. Remaining Bond proceeds will reimburse Carle for previous capital expenditures, fund capitalized interest and working capital related to the new money projects, potentially fund a debt service reserve fund, and fund costs associated with the Series 2011 Bonds.

Timing (approximate): It is expected site work will begin in January 2011 and continue through August 2011; construction will commence in July 2011 and continue through June 2013; and start-up and IDPH inspection and certification will occur between July 2013 through September 2013.

The Carle Foundation Hospital submitted a Certificate of Need (“CON”) application to the Illinois Health Facilities Planning Board (“Planning Board”) on February 29, 2008. On August 12, 2008, the Planning Board approved the CON.

BUSINESS SUMMARY

The Carle Foundation Hospital (“Hospital”) is a subsidiary of The Carle Foundation and is a 501(c)(3) corporation established under Illinois law.

The Foundation serves as the sole member and elects all of the trustees of, and thereby controls the following Illinois not-for-profit organizations and affiliates:

- a. *The Carle Foundation Hospital* operates a licensed 325-bed hospital, a certified home health agency, and a certified hospice, all which lease property and equipment from the Foundation. The Hospital also operates Rx Express, a multi-outlet retail pharmacy operation; Carle Medical Supply, a provider of medical equipment and supplies to the general public and hospital patients; the Danville Surgery Center and outpatient surgical recovery centers which are located in Champaign and Danville, Illinois; and Carle Risk

Management Company which provides insurance claims processing and management services to the Foundation.

- b. *Carle Health Care, Incorporated* operates Carle Arrow Ambulance and AirLife, an ambulance and an air medical transport service; The Caring Place, a day care center; and Carle Foundation Physician Services, LLC, which operates physician practices. Effective April 1, 2010, the clinical physician practices which were formerly operated by Carle Clinic Association, P.C. began to provide services through Carle Physician Group, a new division of Carle Health Care, Inc.

Carle Health Care, Inc. also operates the Champaign SurgiCenter, LLC, a free-standing ambulatory surgery center located in Champaign, Illinois. Until April 1, 2010, it was owned 51% by Carle Health Care, Inc. and 49% by Carle Clinic Association, P.C. Due to the ownership changes noted above, the Foundation now owns 100% of the SurgiCenter.

- c. *Carle Retirement Centers, Inc. (Windsor)* operates a 174-unit retirement living center located in Savoy, Illinois.
- d. *The Carle Development Foundation* is engaged in fund-raising activities and also manages all activity relating to restricted and unrestricted contributions. In addition, it is the sole owner of Carle Community Health Corporation, which is engaged in funding charitable, scientific and educational community-based health care initiatives.

The Foundation serves as the sole stockholder and elects all the directors of, and thereby controls, the following for-profit affiliates:

- a. *Health Systems Insurance, Limited*, an off-shore captive insurance company was established to underwrite the general and professional liability risks of the Foundation and, until April 1, 2010, those of Carle Clinic Association, P.C. and its subsidiaries and affiliates.
- b. *Carle Holding Company, Inc.* is the sole owner of *Health Alliance Medical Plans* and its subsidiaries ("*Health Alliance*") which is a licensed life, accident, and health insurance company in the State of Illinois regulated by the Illinois Department of Insurance (DOI). Health Alliance was granted a certificate of authority to transact business as a health maintenance organization (HMO) on November 28, 1989. Health Alliance had approximately 318,000 members at June 30, 2010.

Health Alliance has the following wholly-owned subsidiaries, Health Alliance-Midwest, Inc. which is incorporated as a licensed HMO to write health insurance policies in the states of Illinois and Iowa and Health Care Horizons, Inc. (HCH), which was acquired by Health Alliance on July 1, 2008. HCH's principal business is to provide support to its wholly-owned subsidiaries which act as third-party administrators for its client's health plans.

The **Carle Health Care System** consists of The Carle Foundation and its affiliates, all of which are either controlled by or all of the outstanding stock of which is owned directly or indirectly by the Corporation. The Carle Health Care System functions as a vertically integrated provider of a broad spectrum of inpatient, outpatient, and long-term health care services to a large and predominantly rural service area in east-central Illinois and west-central Indiana surrounding the cities of Champaign and Urbana, Illinois.

On April 1, 2010, the Foundation acquired **Carle Clinic Association, P.C. and its subsidiaries and affiliates** (“**Clinic**”) which includes Health Alliance Medical Plans, Inc. and Subsidiaries (Health Alliance), a wholly owned subsidiary of the Clinic. The Clinic operated as a private, multi-specialty, group medical practice comprised of approximately 330 physicians and surgeons who have medical practices in the Clinic. In addition to the group medical practice, the Clinic also wholly owned Health Alliance, a licensed life, accident and health insurance company in the State of Illinois. After the purchase, substantially all of the assets and operations of the Clinic were transferred to various Foundation affiliates, while the Clinic retained certain liabilities and their ownership interest in the operations of Health Alliance. The Clinic also converted from a Professional corporation to a Limited Liability Company (LLC) and changed its name to **Carle Holding Company, Inc.** (“**CHC**”) which merged into the Corporation. The acquisition has significant impact on the Corporation’s scope of operations.

Upon issuance of the Series 2011 Bonds, the Corporation and its affiliates (The Carle Foundation Hospital, Carle Health Care, Incorporated, and Carle Retirement Centers, Inc.) will be the Obligated Group. Each Member of the Obligated Group is jointly and severally liable on each obligation now or hereafter issued and outstanding under the Master Indenture, and pursuant to the Master Indenture each Member of the Obligated Group pledges its unrestricted receivables to secure payment of the Obligations. Each of the Corporation, The Carle Foundation Hospital, Carle Health Care Incorporated, and Carle Retirement Centers, Inc. is an Illinois not for profit corporation and is exempt from federal taxation.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: The Carle Foundation
611 W. Park St.
Urbana (Champaign County), IL
61801

Contact: Scott Hendrie, Director – Treasury, 217.383.4369, scott.hendrie@carle.com

Website: www.carle.com

Project name: The Carle Foundation (IFA Series 2011 Bonds)

Organization: 501(c)(3) Not-for-Profit Corporation

State: Illinois

Board Membership: Kenneth Aronson, M.D.
Phil Blankenburg
Matthew Gibb, M.D.
Donna Greene
Thomas E. Harrington, Jr.
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David Ikenberry
James C. Leonard, M.D.
E. Phillips Knox
J. Michael Martin
Cora E. Musial, M.D.
Martin K. Smith, Chairman
Rick Stephens
Paul Tender, M.D.
George Timmons
R. Bruce Wellman, M.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McGuire Woods	Chicago	Kevin Dougherty Kevin Downes
Auditor:	McGladrey and Pullen	Champaign	Jon Trupin Randy Ragan
Financial Advisor:	Ponder & Co.	Chicago	Jennifer Brown Terrence Shirey
Bond Counsel:	Jones Day	Chicago	David Kates Valerie Pearsall
Underwriters:	Barclays Capital	Los Angeles, CA	James Kim
	Goldman Sachs	New York, NY	Rondy Jennings
Underwriter's Counsel:	Orrick Herrington	Sacramento, CA	John Myers
Credit Enhancement/ Standby Purchaser:	To be determined (only applicable if variable rate bonds are issued)		
Counsel to Credit Enhancer/ Standby Bond Purchaser:	To be determined (only applicable if variable rate bonds are issued)		
Architect:	To be determined		
General Contractor:	To be determined		
IFA Counsel:	Miller Canfield	Chicago	Paul Durbin
IFA's Financial Advisor:	Acacia Financial Group	Chicago	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	15	Timothy V. Johnson
State Senate:	52	Michael W. Frerichs
State House:	103	Naomi D. Jakobsson

SERVICE AREA

The primary service area includes Champaign County and selected zip codes in east-central Illinois. The secondary service area includes Vermilion County and selected zip codes from 38 other counties in east-central Illinois and west-central Indiana. Based on zip codes of patient origin, 47.5% of total hospital inpatient admissions in the primary service area were to Carle, while 13.7% of total hospital inpatient admissions in the combined primary and secondary service area were to Carle, both during the 2010 fiscal year.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: Illinois Finance Authority (“IFA”) Board of Directors
From: Jim Senica
Date: February 8, 2011
Re: Delegation of authority to Executive Director to negotiate the Repurchase of an IFA Loan Participation (IFA Loan #B-LL-TX-6224)

Loan #B-LL-TX-6224

Original Loan Balance: \$300,000.00 (Participation on a \$600,000 Loan)

Outstanding IFA Amount: \$238,874.28

Background:

The Borrower is a four-time user of the IFA/Illinois Development Finance Authority (“IDFA”, a predecessor to IFA) Participation Loan Program dating back to 1996. Three prior loans were paid as scheduled, in full, when due. The current loan was closed on October 23, 2007, and all payments were made on time until April 2009, when its primary customer substantially reduced orders causing a major decrease in the Borrower’s sales, net income, and operating cash flow. To assist the Borrower, IFA and the Bank approved (1) a 7-month moratorium on principal payments for the period May 2009 through December 2009, (2) a decrease in IFA’s interest rate from 6.5% to 5.0%, and (3) deferral of the April through June, 2009 principal and interest payments until the end of the scheduled loan term, October 23, 2014.

When the payment moratorium ended in January 2010, IFA staff worked diligently with the Bank monitoring the Borrower’s business operations and loan activity and maintaining the loan on the IFA watch list. Recent meetings with the Bank have clearly indicated that the Borrower continues to struggle. Operating cash flow has been insufficient to repay debt, and the Borrower is currently in excess of 120 days past due on its scheduled payments on this loan.

Proposed Workout Plans:

Numerous scenarios designed to assist the Borrower in bringing the loan current have been discussed and reviewed with the Bank including: (1) a further interest rate reduction, (2) an extension of the maturity date with re-amortization of the loan, and (3) the prospective repurchase of the IFA loan participation by the Bank.

After reviewing these options, the Bank has proposed a discounted repurchase of IFA’s loan participation in an amount which would provide the Borrower with immediate payment relief, providing the Bank with the flexibility it needs to restructure the Borrower’s total Bank debt while allowing IFA to limit its loss on the financing.

Recommendation: Staff recommends a delegation of authority to the Executive Director to negotiate repurchase of the subject Participation Loan with the Bank.