Illinois Finance Authority

September 13, 2005
11:30 AM
Board Meeting
Illinois State Library
300 S. Second Street, Room 403/404
Springfield, Illinois

IFA FILE COPY

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ILLINOIS FINANCE AUTHORITY

Illinois Finance Authority
Executive Session
Illinois State Library
300 S. Second Street, Authors Room
Springfield, IL

September 13, 2005
Agenda

8:30 am	Opening Remarks - Introduce new board member	Joseph Valenti
8:45 am	Interim Executive Director's Report	Jill Rendleman
9:00 am	Financial Performance	Jose Garcia
	Sales Activity	Michael Pisarcik
	Marketing/Public Relations	Diane Hamburger
	Human Resources	Stuart Boldry
	Audit & Compliance	Jose Garcia
9:45 am	Funding Managers Presentations	
10:45 am	IFA's Homeland Security Program	Michael Pisarcik
11:00 am	Resolutions / Amendments	Steven Trout
11:15 am	Adjournment	
11:30 am	Board Meeting Illinois State Library, 300 S. Second Street, Rooms 403 & 404	
12:30 pm	Lunch - Rooms 403 & 404	

ILLINOIS FINANCE AUTHORITY

ILLINOIS FINANCE AUTHORITY
BOARD MEETING
September 13, 2005
Springfield, Illinois

EXECUTIVE SESSION
8:30 a.m.
Illinois State Library
300 S. Second Street, Authors Room

BOARD MEETING
11:30 a.m.
300 S. Second Street, Rooms 403/404

- Call to Order – Joseph Valenti
- Introduction of New Board Member and Guests
- Roll Call
- Chairman's Report
- Director's Report
- Other Business
- Projects
- Resolutions / Amendments

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Constr Jobs	FM
1	**Participation Loans** Michael & Trisha Haag/ Jeffrey & Christine Stark	Ermington	$ 228,400	1	7	BB
2	Mark & Sara Lefler	Stronghurst	120,000	0	10	BB
3	**Specialized Livestock Guarantees** Linker Farms	Lanark	121,000	0	0	BB
4	Davis and Dennis Biddle dba D & D Farms	Aledo	500,000	0	6	ER
5	**Beginning Farmer Bonds** 1. Donald and Joyce Whitten 2. Brian Lobdell 3. Todd and Joyce Line	 Carlock Erin Seaton	 136,000 134,310 210,000	 0	 0	 BB
TOTAL AGRICULTURE PROJECTS			**$ 1,449,710**			

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Constr Jobs	FM
6	**501(c)(3) Bonds** Spertus College of Judaica (dba Spertus Institute of Jewish Studies)	Chicago	$ 53,000,000	55 FTEs 43 PTEs	300	TA
7	**501(c)(3) Bonds** WBEZ	Chicago	22,500,000	14	140	TA
8	**501(c)(3) Bonds—Preliminary** Congregation Adas Yeshurun Anshe Kanesses Israel	Chicago	3,500,000	7	120	TA
9	Chicago Charter School Foundation	Chicago	26,000,000	210	67	TA
10	Alternative Behavior Treatment Centers	Unincorporated Mundelein	3,100,000	10	5	RKF
11	**Commercial Paper ("CP") Revenue Notes—Preliminary** Rehabilitation Institute of Chicago	Chicago	21,000,000	0	0	RKF/ SCM
12	**Local Government Bonds** Village of Annawan	Annawan	680,000	0	0	EW
TOTAL COMMUNITIES AND CULTURE PROJECTS			**$ 129,780,000**			

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Constr Jobs	FM
13	**Rural Development Loan** Darrel and Marilyn Mattingly dba Derel's BBQ	Harrisburg	$ 110,000	6	3	RP
14	**Participation Loan** Experimur, LLC	Chicago	$ 1,000,000	200	300	ST
TOTAL BUSINESS AND INDUSTRY PROJECTS			**$ 1,110,000**			

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Constr Jobs	FM
15	**Commercial Paper ("CP") Revenue Notes** The University of Chicago Hospitals and Health System	Chicago	$ 75,000,000	0	0	RKF
16	**501(c)(3) Bonds** Kishwaukee Health System	DeKalb	85,000,000	0	TBD	PL/DS
17	The Clare at Water Tower	Chicago	230,000,000	147	400-1,500	PL/DS
18	OSF Healthcare System	Peoria	110,000,000	0	0	PL/DS
19	**501(c)(3) Bonds—Preliminary** Silver Cross Hospital	Joliet	150,000,000	0	0	PL/DS
20	Center for Residential Management	Multiple	15,000,000	0	0	PL/DS
21	Milestone, Inc	Multiple	4,000,000	0	0	PL/DS
TOTAL HEALTHCARE PROJECTS			**$669,000,000**			

GRAND TOTAL	**$802,339,710**

Project Revisions/Amendatory Resolutions

Tab	Resolution	Amendatory Resolution
22		P & P Press, Inc. requests approval to increase the Authority's loan participation by $250,000
23		Local Government Financing Assistance Program, authorizing a $5,000,000 increase in the aggregate amount of local government securities that the Authority may purchase and hold
24		Excel Crusher, LLC requests permission to transfer 51% of its membership to FFE Minerals USA Inc and substitute guarantees supporting the Authority's loan participation

Other

Adjournment

IFA
ILLINOIS FINANCE AUTHORITY

Illinois Finance Authority
Executive Director's Report
September 13, 2005

To: IFA Board of Directors and Office of the Governor

From: Jill Rendleman, Interim Executive Director

I. Financial Performance

The Illinois Finance Authority performed above planned performance levels posting Fiscal Year to Date net income of $356MM comprised of gross revenues of $1.3M and expenses of $907MM. While 2006 net income exceeds plan, it deviates significantly from 2005 Year-to-Date net income of $734MM. Increases in current year legal and compensation expenses, as well as the inception of accruals for annual expenses such as the allowance for loan losses and audit fees, explains the reduction in net income as compared to FY2005.

Illinois Finance Authority's financial position remains strong with total equity of $56.3M, comprised assets total $59.2M and liabilities $2.9M. This compares favorably to the August 30, 2004 balance sheet that states total equity of $54M, comprised of $58.4M in assets and $4.4M in liabilities.

II. Sales Activities

IFA funding managers will present 24 projects totaling $802,239,710 for approval in September.

Health Care: The healthcare group continues to work on programs which benefit the small and rural health care sector. Developing programs which focus on long term as well as intermediate term financing and provide options for "critical access" hospitals has continued to be a focus. Calling programs for large hospitals have been directed at expansions and systems upgrades for not-for-profit health care systems. The executive director continues to make numerous calls on public finance counsels and investment banking groups in the health care sectors.

Higher Education: The demand survey conducted by Illinois Finance Authority and the Federation of Independent Illinois Colleges and Universities results show a strong indication of interest for a pooled loan program to finance safety and other facility improvements for higher education.

Agriculture: The agricultural staff have been focused on major agricultural summer events including Agricultural Day at the Illinois State Fair, the National Farm Progress Show, and various producer oriented events sponsored by agricultural suppliers. Board members Edward Leonard and Bradley Zeller, the executive director and staff members, attended the Agricultural VIP Luncheon. The staff continues to make productive calls on agricultural lenders as well as agricultural legislators.

Community and Culture: Community and culture staff were active at the Local Officials Day at the Illinois State Fair and have sponsored or presented programs at numerous events this month including the Springfield Township Officials and the Metro-East Area Action Council. The executive director is working with the chancellor and other university officials and area developers on a convention center/museum/lodge on the campus of Southern Illinois University at Edwardsville. Calls continue to be made on regional public school superintendents, individual townships, and area legislators.

Industry and Commerce: Sales activities include developing a target list of 2,500 Illinois manufacturers with annual sales of to $50M for use in a targeted calling program for Industrial Revenue Bonds and other valuable Illinois Finance Authority programs. Calls continue to be made on manufacturers in central Illinois and with Department of Commerce and Economic Opportunity representatives in the southernmost regions. IFA continues to call on and make presentations to groups interested in developing ethanol plants as well as other alternative energy groups.

Venture Capital: Seven marketing calls were made on venture capital firms.

III. Marketing and Public Relations

Marketing efforts have supported development of a calling program for legislators outside Cook and the collar counties and the numerous August events in agriculture, community and culture, and alternative energy. Program marketing included the Agricultural Debt Restructuring Guarantee announced by Governor Blagojevich at the Illinois State Fair and rural health care initiatives.

In addition, IFA's marketing director coordinated Strategic Planning sessions for the agricultural and health care sectors and, IFA continues to receive wider press coverage that positively portrays our programs and mission.

IV. Human Resources and Operations

Human resource management reporting, corrective actions for HR issues in the 2004 Compliance Audit, and 2005 incentive compensation program payouts continues to be the focus of IFA's Chief Administrative and Human Resources Officer. Additionally there have been focused efforts to develop parameters and schedules for employee performance reviews for all staff members.

V. Legal and Legislative Issues

IFA legal needs include transaction documentation, risk management, regulatory compliance, contract administration and management, policy and procedure, bad debt collection, intergovernmental affairs, and human resource management. IFA will continue to review long term solutions for coverage in each of these areas ranging from paralegal to contract legal services.

Howard Kenner, intergovernmental affairs consultant, has met with members of the Governors Office and the Office of Management and Budget as well as other state and public officials to discuss IFA's legislative priorities as well as IFA relations and communications. Current legislative priorities include increasing our bonding authority from $24B to $29B, as well as obtaining multi-state bonding authority for health care projects.

The executive director has been notified by the Joint Committee on Administrative Rules that IFA Rules and Regulations which implement the Illinois Statute that formed IFA are still formally comprised of individual rules and regulations of predecessor authorities. The executive director has retained legal counsel and is developing a three phase plan to align formal rules and regulations with IFA Statutes as well as internal policies and procedures. Additionally, we will be reviewing potential changes to our statutes which would allow us to better serve Illinois' citizens, improve business practices, and reduce the potential for risks.

The executive director is working with counsel to reach settlement agreements by the end of October with parties to the "NTN Pooled Bond Transaction" for which an IFA settlement was reached with the Internal Revenue Service in June.

Additionally, the executive director has engaged a major independent insurance brokerage firm to review the amounts and coverage of IFA Directors and Officers Liability Insurance Policies.

VI. Audit and Compliance

The financial portion of the Fiscal Year 2005 Audit is underway and being conducted by McGladrey & Pullen located in Schaumburg, Illinois. The relationship with the audit partners and staff is positive and the audit management process is significantly improved with excellent cooperation from McGladrey. Eight of fourteen findings from the fiscal year 2004 audit are 100% complete and the remaining six findings are substantially complete.

Audit requirements for IFA Human Resources files were completed in August. In addition, an established list of documents are being collected, files are being updated to include required documents

IFA's executive director and its chief financial officer will meet with the audit committee, chaired by board member Joseph Valenti, directly following the September 12 board meeting. The main purpose of the meeting is to provide a detailed update on the FY 2005 and FY 2006 Financial and Compliance Audit.

Lastly, IFA board members and staff must comply with the State's Ethics Act by completing the ethics training course. A communication concerning training is being forwarded to all board members and will be discussed at the September board meeting during the executive session.

Illinois Finance Authority
Statement of Activities
for Period Ending August 31, 2005

	Actual August 2005	Budget August 2005	Current Month Variance Actual vs.Budget	Current % Variance	Actual YTD FY 2006	Budget YTD FY 2006	Year to Date Variance Actual vs. Budget	YTD % Variance	Explanations
REVENUE									
INTEREST ON LOANS	36,851	30,000	6,851	22.8%	69,215	60,000	9,215	15.4%	
INVESTMENT INTEREST & GAIN(LOSS)	95,311	70,000	25,311	36.2%	185,512	140,000	45,512	32.5%	
ADMINISTRATIONS & APPLICATION FEES	531,767	440,000	91,767	20.9%	745,619	560,000	185,619	33.1%	
ANNUAL ISSUANCE & LOAN FEES	127,705	135,000	(7,295)	(5.4%)	236,565	270,000	(33,435)	(12.4%)	
OTHER INCOME	12,614	-	12,614	0.0%	24,596	-	24,596	0.0%	
TOTAL REVENUE	804,248	675,000	129,248	19.1%	1,261,507	1,030,000	231,507	22.5%	
EXPENSES									
EMPLOYEE RELATED EXPENSES									
COMPENSATION & TAXES	233,615	255,000	(21,385)	(8.4%)	486,282	510,000	(23,718)	(4.7%)	
BENEFITS	19,127	19,510	(383)	(2.0%)	46,643	39,020	7,623	19.5%	
TEMPORARY HELP	8,409	2,500	5,909	236.4%	12,637	5,000	7,637	152.7%	Receptionist & File Clerk
EDUCATION & DEVELOPMENT	5,450	540	4,910	909.3%	5,450	1,080	4,370	404.6%	Tuition Reimbursement
TRAVEL & AUTO	7,525	10,410	(2,885)	(27.7%)	11,690	20,820	(9,130)	(43.9%)	
TOTAL EMPLOYEE RELATED EXPENSES	274,127	287,960	(13,833)	(4.8%)	562,703	575,920	(13,217)	(2.3%)	
PROFESSIONAL SERVICES									
CONSULTING, LEGAL & ADMIN	43,740	34,333	9,407	27.4%	80,840	68,667	12,173	17.7%	General Counsel, Legislative Consulting accrual
LOAN EXPENSE & BANK FEE	1,321	2,070	(749)	(36.2%)	2,587	4,140	(1,553)	(37.5%)	
ACCOUNTING & AUDITING	36,784	29,000	7,784	26.8%	70,207	58,000	12,207	21.0%	Audit & Acctng. Support accrual
MARKETING GENERAL	1,625	25,000	(23,375)	(93.5%)	4,078	50,000	(45,922)	(91.8%)	
FINANCIAL ADVISORY	8,000	8,000	-	0.0%	16,000	16,000	-	0.0%	
VENTURE CAPITAL CONFERENCE/TRAINING	2,065	590	1,475	250.0%	2,065	1,180	885	75.0%	
MISCELLANEOUS PROFESSIONAL SERVICES	-	10,833	(10,833)	(100.0%)	-	21,667	(21,667)	(100.0%)	
DATA PROCESSING	2,573	3,750	(1,177)	(31.4%)	4,154	7,500	(3,346)	(44.6%)	
TOTAL PROFESSIONAL SERVICES	96,108	113,577	(17,468)	(15.4%)	179,931	227,153	(47,222)	(20.8%)	
OCCUPANCY COSTS									
OFFICE RENT	15,433	15,745	(312)	(2.0%)	30,866	31,490	(624)	(2.0%)	
EQUIPMENT RENTAL AND PURCHASES	946	2,585	(1,639)	(63.4%)	2,819	5,170	(2,351)	(45.5%)	
TELECOMMUNICATIONS	2,938	4,583	(1,646)	3.4%	7,262	9,167	(1,904)	(20.8%)	
UTILITIES	627	1,065	(438)	(35.9%)	1,265	2,130	(865)	(40.6%)	
DEPRECIATION	1,858	3,000	(1,142)	(38.1%)	3,655	6,000	(2,345)	(39.1%)	
INSURANCE	630	1,300	(670)	(51.5%)	1,365	2,600	(1,235)	(47.5%)	
TOTAL OCCUPANCY COSTS	22,432	28,278	(5,847)	(20.7%)	47,233	56,557	(9,324)	(16.5%)	
GENERAL & ADMINISTRATION									
OFFICE SUPPLIES	5,290	9,167	(3,877)	(42.3%)	12,451	18,333	(5,883)	(32.1%)	
BOARD MEETING - EXPENSES	2,066	1,400	666	47.6%	4,559	2,800	1,759	62.8%	
PRINTING	-	900	(900)	(100.0%)	-	1,800	(1,800)	(100.0%)	
POSTAGE & FREIGHT	3,517	2,900	617	21.3%	5,233	5,800	(567)	(9.8%)	
MEMBERSHIP, DUES & CONTRIBUTIONS	360	1,700	(1,340)	(78.8%)	2,379	3,400	(1,021)	(30.0%)	
PUBLICATIONS	(143)	200	(343)	(171.5%)	230	400	(170)	(42.5%)	
OFFICERS & DIRECTORS INSURANCE	8,699	10,000	(1,301)	(13.0%)	17,398	20,000	(2,602)	(13.0%)	
MISCELLANEOUS	-	450	(450)	(100.0%)	-	900	(900)	(100.0%)	
TOTAL GENERAL & ADMINISTRATION EXPENSES	19,789	26,717	(6,928)	(25.9%)	42,249	53,433	(11,184)	(20.9%)	
LOAN LOSS PROVISION	25,000	25,000	-	0.0%	50,000	50,000	-	0.0%	
OTHER									
INTEREST EXPENSE	781	800	(19)	(2.4%)	1,562	1,600	(38)	(2.4%)	
TOTAL OTHER	781	800	(19)	(2.4%)	1,562	1,600	(38)	(2.4%)	
TOTAL EXPENSES	440,037	482,332	(42,295)	(8.8%)	885,478	964,663	(79,185)	(8.2%)	
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	366,011	192,668	173,343	90.0%	377,829	65,337	312,492	478.3%	
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	(21,397)	(58,333)	36,936	(63.3%)	(21,397)	(116,667)	95,269	(81.7%)	
NET INCOME/(LOSS)	344,614	134,335	210,279	156.5%	356,432	(51,330)	407,762	(794.4%)	

Illinois Finance Authority
Balance Sheet
for the two Months Ending August 31, 2005

	July 2005	August 2005
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 26,998,565	$ 27,024,197
LOAN RECEIVABLE, NET	13,096,618	13,028,828
ACCOUNTS RECEIVABLE	477,047	825,951
OTHER RECEIVABLES	24,328	21,206
PREPAID EXPENSES	81,694	72,560
TOTAL CURRENT ASSETS	40,678,251	40,972,742
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	69,402	71,145
DEFERRED ISSUANCE COSTS	933,227	923,636
CASH, INVESTMENTS & RESERVES	7,471,516	7,485,153
VENTURE CAPITAL INVESTMENTS	5,318,237	5,768,237
OTHER	4,000,000	4,000,000
TOTAL OTHER ASSETS	16,789,753	17,253,390
TOTAL ASSETS	$ 58,470,632	$ 59,220,913
LIABILITIES		
CURRENT LIABILITIES	$ 473,372	$ 891,021
LONG-TERM LIABILITIES	2,050,602	2,038,620
TOTAL LIABILITIES	2,523,975	2,929,641
EQUITY		
CONTRIBUTED CAPITAL	23,828,249	23,828,249
RETAINED EARNINGS	13,151,863	13,151,863
NET INCOME / (LOSS)	11,818	356,432
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,268,199
UNRESERVED FUND BALANCE	12,686,528	12,686,528
TOTAL EQUITY	55,946,658	56,291,272
TOTAL LIABILITIES & EQUITY	$ 58,470,632	$ 59,220,913

Illinois Finance Authority
Balance Sheet
for two Months Ending August 31, 2005
ASSETS DETAIL

	July 2005	August 2005
CASH & INVESTMENTS, UNRESTRICTED:		
GENERAL OPERATING - IFA - CASH & INVESTMENTS, UNRESTRICTED	15,314,917	15,334,480
INDUSTRIAL REVENUE BOND INSURANCE FUND - CASH & INVESTMENTS, UNRESTRICTEI	11,263,302	11,267,280
IRBB SPECIAL RESERVE FUND - CASH & INVESTMENTS, UNRESTRICTED	5,708	5,723
IRBB TRUST FUND - CASH & INVESTMENTS, UNRESTRICTED	414,639	416,714
Total CASH & INVESTMENTS, UNRESTRICTED	26,998,565	27,024,197

	July 2005	August 2005
CASH & INVESTMENTS, UNRESTRICTED:		
LASALLE NATIONAL BANK - OPERATING	861,708	174,113
Illinois Funds - Chicago General Operating	7,835,836	8,688,706
Il. Funds - Springfield Operating	445,554	502,290
PETTY CASH -	100	100
PETTY CASH - CARBONDALE OFFICE	100	100
PETTY CASH - SPRINGFIELD OFFICE	200	200
MONEY MARKET ACCOUNT	(37)	(37)
MONEY MARKET- MS	69,319	81,215
BANTERRA BANK	228,042	234,987
BANTERRA BANK - CARBONDALE	43,135	43,135
IPTIP	1,146,138	1,146,138
IPTIP	1,593,359	1,593,359
IPTIP	823,794	823,794
INVESTMENT - FARM	2,198,149	1,998,149
CERTIFICATE OF DEPOSIT - LASALLE BANK	85,000	85,000
Unrealized Gain/Loss on Investment	(10,976)	(32,374)
Discount on FNA	(3,706)	(3,633)
Premium on FHLB	369	355
Discount on FNM	(1,166)	(1,118)
Total CASH & INVESTMENTS, UNRESTRICTED	15,314,917	15,334,480

	July 2005	August 2005
LOANS RECEIVABLE, NET		
GENERAL OPERATING - LOANS RECEIVABLE OUTSTANDING, NET	9,011,618	8,943,828
ILLINOIS FACILITIES FUND	1,000,000	1,000,000
CREDIT ENCHANCEMENT DEVELOPMENT - RECEIVABLES	600,000	600,000
IRBB SPECIAL RESERVE FUND - RECEIVABLE, NET	2,485,000	2,485,000
TOTAL LOANS RECEIVABLE, NET	13,096,618	13,028,828

	July 2005	August 2005
RECEIVABLES, NET		
ACCOUNTS RECEIVABLE	477,047	825,951
TOTAL RECEIVABLES, NET	477,047	825,951

Illinois Finance Authority
Balance Sheet
for two Months Ending August 31, 2005
ASSETS DETAIL

	July 2005	August 2005
OTHER RECEIVABLES		
GENERAL OPERATING - IFA - OTHER RECEIVABLES	20,349	16,846
INDUSTRIAL REVENUE BOND INSURANCE FUND - OTHER	3,978	4,360
IRBB SPECIAL RESERVE FUND - OTHER RECEIVABLES	-	-
IRBB TRUST FUND - OTHER RECEIVABLES	-	-
TOTAL OTHER RECEIVABLES	24,328	21,206

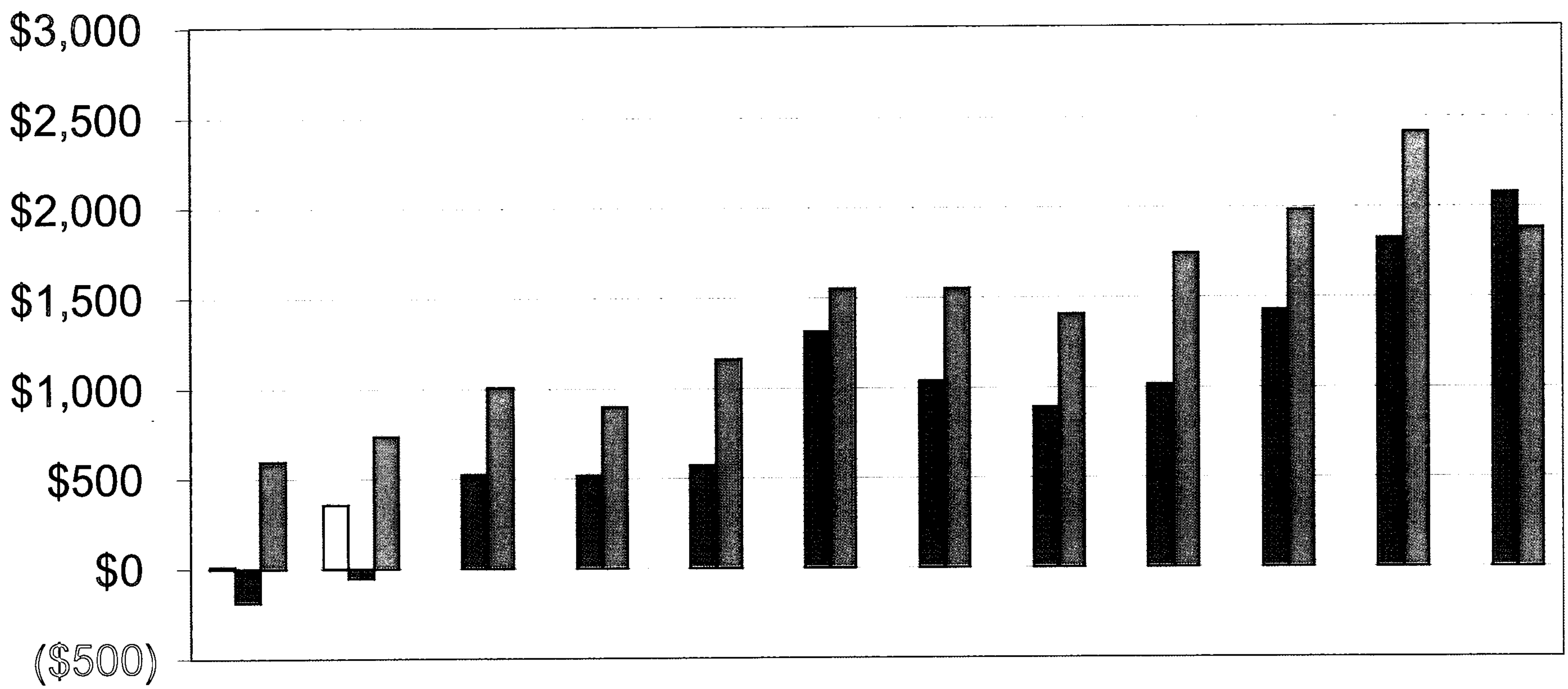
	July 2005	August 2005
PREPAID EXPENSES		
GENERAL OPERATING - IFA - PREPAID EXPENSES	81,694	72,560
TOTAL PREPAID EXPENSES	81,694	72,560

	July 2005	August 2005
OTHER ASSETS - RESTRICTED		
CASH, INVESTMENTS & RESERVES		
GENERAL OPERATING - IFA- CASH INVESTMENTS	6,065,638	6,079,252
CREDIT ENHANCEMENT DEVELOPMENT FUND - CASH, INVESTMENTS & RESERVES	1,401,319	1,401,319
IRBB SPECIAL RESERVE FUND - CASH, INVESTMENTS & RESERVES	4,558	4,582
	7,471,516	7,485,153

IFA Aging Report - DL-PL-PL/MPF - August 31, 2005

	Client Name	Date of	P.A	Payment	Original				Past Due	181-days -		Loan Balance
Client#		Closing		8/31/2005	Loan Amt	1-30 days	31-60 days	61-90 days	91-180 days	1 Year	over 1 year	8/31/2005
PARTICIPATION LOANS												
9580-pl	Act Bending & Steel Company, Inc.	4/3/2001		Past Due	300,000.00						143,236	143,236
9879-pl	Alexis Fire Equipment	3/4/2004	Senica	Yes	247,610.78							167,823
	American Allied Freight Car Co. Inc.	3/23/2005	Senica	Yes	246,766.18							236,320
9830-PL	Arnold, Michael & Sandy	7/15/2003	Senica	Yes	147,406.77							136,637
9677-PL	Berry, Todd (Precision Laser)	11/5/2001	Senica	Yes	188,613.10							150,445
2110-PL	Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes	300,000.00							226,198
9757-PL	Brahler, Richard W.	4/30/2002	Senica	Yes	297,591.78							270,617
	Bramm, Karen	3/22/2005	Reed	Annual Pymnt	847,738.68							847,739
1943-PL	Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000.00							177,182
1881-PL	Caywood's Youth Center, Inc.	6/16/1998	Pigg	Yes	237,500.00							182,534
9792-PL	Chapman, Marc (Quality Water Services, I	10/25/2002	Senica	Yes	227,386.96							156,041
9817-PL	Centurion Investments	11/4/2003	Pigg	Yes	300,000.00							285,539
9588-PL	Cushing, Steve & Ed	5/21/2001	Pigg	Yes	149,237.50							94,426
	Dell Star Corporation	1/10/2005	Pigg	Yes	150,000.00							38,294
9835-PL	Eagle Theater Corporation	9/8/2003	Trout/Albright	Yes	295,070.51							268,675
	Excel Crusher Technologies	4/19/2005	Senica	No	1,000,000.00							945,340
9793-PL	Excel Foundry	3/27/2003	Senica	Yes	237,112.35							186,175
	Excel Foundry	5/24/2005	Senica	Yes	762,561.63							737,009
1904-PL	Hagel & Leong (2nd loan)	2/8/2002	Senica	Yes	100,817.48							31,958
1844-PL	Hawkeye Food Machinery, Inc.	1/17/1997	Senica	Yes	250,000.00							183,176
9726-PL	Kevin Krosse	2/15/2002	Senica	Yes	114,084.45	990						93,574
9783-PL	Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000.00							70,766
1907-PL	Lincoln Tool Company	6/12/1997	Senica	Yes	150,000.00						106,448	106,448
	Martin & Rebecca Koster	7/27/2005	Reed	New Loan	200,000.00							200,000
1927-PL	Moerchen, William J.	6/12/1997	Pigg	Payment recv'd in 9/1	300,000.00							85,337
	Newline Harwoods, Inc	11/4/2004	Senica	Yes	294,600.74							267,393
	Octochem	12/31/2003	Pigg	Yes	281,538.00							265,049
	Perkins & Perkins Ltd. Partnership	8/23/2005	Senica	New Loan	165,190.53							165,191
	Roesch, Inc	9/23/2004	Pigg	Yes	294,368.11							273,752
9781-PL	S & B Investments	2/18/2003	Pigg/Trout	Yes	197,889.23							173,966
9699-PL	Shults Machine	11/26/2002	Pigg	Yes	234,693.00							178,340
9579-PL	Siebenberger, Douglas & Robt Ewen	5/17/2002	Pigg	Yes	235,698.79							208,045
9225-PL	Siracusa, Charles & Sharon	3/23/2000	Frampton	Yes	300,000.00							254,222
1869-PL	Specialty Machine & Tool, Inc.	4/2/1997	Cochran	Past due	87,172.87						71,943	71,943
	Spaulding Composites, Inc	3/23/2005	Curtis-Martin	Yes	622,508.14							612,665
9671-PL	Upchurch Oil & Ready Mix Concrete	5/4/2001	Pigg	Yes	300,000.00							195,313
	Uresil	12/1/2004	Curtis-Martin	Yes	300,000.00							276,756
0631-PL	The Weisiger Family Trust	4/6/2001	Senica	Yes	250,000.00							222,138
2164-PL	Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484.09							143,464
9782-PL	Wilson, Michael L. Sr.	12/6/2002	Senica	Past due	296,031.82					284,229		284,229
	WorkSaver Inc	12/31/2003	Pigg	Yes	112,500.00							80,031
9672-PL	Young, Clinton (Precision Pattern)	8/1/2001	Senica	Payment recv'd in 9/1	149,600.71							139,699
PL-Motion Picture Financing												
9733-PL/MPF	Big Picture Chicago,LLC	2/20/2002			82,500.00						16,432	16,432
9739-PL/MPF	SMS Productions	7/29/2002	Trout		49,269.97							-
	TOTAL				$ 12,789,739.05	990	-	-	-	284,229	338,058	9,850,117
PL/MPF Late amounts are estimates.												
DL Loans												
98	Roe Machine Co.	12/31/1980	Pigg	Yes	45,000.00							3,987
1470	T.K.G. Inc.	8/26/1994	Pigg	Past due	179,000.00						107,808	107,808
	TOTAL				$ 224,000.00	-	-	-	-	-	107,808	111,794
FMHA Loans												
9627	Grayson Hill Energy, LLC	1/31/2001	Pigg	Yes	130,000.00							79,196
1589	Ray's Body, Inc.	1/17/1995	Pigg	Yes	100,000.00							-
1952	Sublette Developers, Inc.	1/15/1998	Albright	Yes	150,000.00							109,197
9643	Ultra Play Systems, Inc	5/3/2001	Pigg	Yes	90,000.00	1,314						42,152
1789	Walters Trucking	6/25/1996	Senica	No	100,000.00					21,209		21,209
	TOTAL				$570,000.00	1,314	-	-	-	21,209	-	251,754
	GRAND TOTAL					2,304	-	-	-	305,438	445,865	10,213,665

Cumulative Net Income



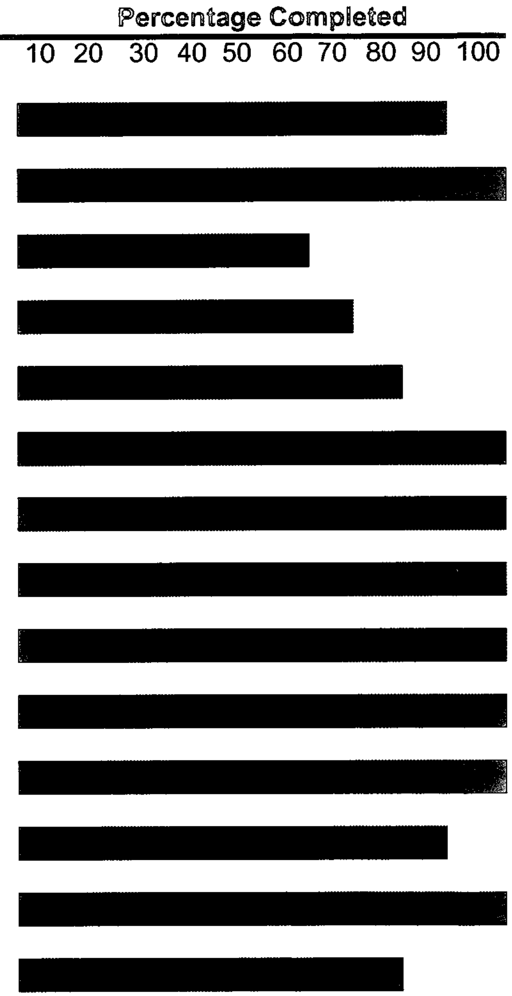
	July	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun
FY 2006 Actual	$12	$356										
FY 2006 Plan	($186)	($51)	$523	$517	$569	$1,314	$1,038	$892	$1,015	$1,429	$1,823	$2,078
Actual FY05	$594	$734	$1,007	$898	$1,162	$1,551	$1,551	$1,408	$1,742	$1,982	$2,416	$1,880

(In thousands)

Illinois Finance Authority
Status of
FY 04 Audit Findings
Update as of August 31, 2005

Total Number of 14

Item Number	Description	Status Action Items/ Action Items Completed
04-01	Lack of Comprehensive Accounting System and Procedures	15/17
04-02	Inadequate Segregation of Duties	**Complete**
04-03	Failure to Monitor Bond Compliance	5/8
04-04	Inadequate Internal Control Review of Bond trustees	4/6
04-05	Non Compliance with Illinois Procurement Code and SAMS	2/3
04-06	Inadequate Invoice processing	**Complete**
04-07	Non-Submission of Credit Enhancement Development Report	**Complete**
04-08	Inadequate Maintenance of Personnel Files	**Complete**
04-09	Inadequate Cash receipts processing	**Complete**
04-10	Inaccurate Completion of Agency Fee Imposition	**Complete**
04-11	Lack of Adequate Time reporting Documentation	**Complete**
04-12	Untimely Review of Monthly Reconciliations	**90% reviewed**
04-13	Unreported Assignments of State Vehicles	**Complete**
04-14	Incomplete accounting for Capital Assets	**Year-end inventory**



Notes:

50% = Partially Completed	0
60% = Substantially Completed	6
100% = Completed	8

ILLINOIS FINANCE AUTHORITY
AUGUST 9, 2005
BOARD MEETING

MINUTES OF THE REGULARLY SCHEDULED MEETING 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 its regularly scheduled meeting at 11:30 a.m., on August 9, 2005 in the Plaza Club at 130 E. Randolph, 40th Floor, in Chicago, Illinois.

Members Present:	Members Absent:
Magda M. Boyles	Dr. Roger D. Herrin
James J. Fuentes	Martin H. Nesbitt
Demetris A. Giannoulias	Bradley A. Zeller
Michael W. Goetz	
David C. Gustman	
Edward H. Leonard, Sr.	
Terrence M. O'Brien	
Andrew W. Rice	
Joseph P. Valenti	

GENERAL BUSINESS ITEMS

Call to order

Chairman Gustman called the meeting to order at 11:30 a.m., with the above members present.

Roll Call

Chairman Gustman asked Secretary Burgess Jones to call the roll. There being nine members physically present, a quorum was declared.

Chairman's Report

On behalf of the Members, Chairman Gustman thanked everyone present for attending the meeting and announced that roughly $400M in new projects were reviewed during the executive session.

Interim Executive Director's Report

Director Rendleman gave an overview of the projects presented to the Members this month, *noting* there are roughly $400M in requests.

Acceptance of Minutes of July 2005 Board Meeting

Chairman Gustman requested leave of the board to approve Minutes of the July, 2005. The motion was approved with 9 ayes, 0 nays, and 0 abstentions/present.

Project Considerations

Agriculture:

Item-01 ***B-LL-TX-638 Roy E. and Nathan T. Wiegand***

Roy E. and Nathan T. Wiegand, of Roanoke seek final approval of a participation loan in an amount not-to-exceed **$175,000**.

Chairman Gustman requested a motion to approve. The motion was approved with 9 ayes, 0 nays and 0 abstentions/present.

Item-02 ***B-LL-TX-637 Earl and Sue Hesterberg***

Earl and Sue Hesterberg, of Gifford seek final approval of a participation loan in an amount not-to-exceed **$103,500**.

Chairman Gustman requested a motion to approve. The motion was approved with 9 ayes, 0 nays and 0 abstentions/present.

Item-03 ***A-FB-TE-CD-612 Brian Atherton and A-FB-TE-CD-641 Alan Rumbold***

Brian Atherton, of Earlville and Alan Rumbold, of Tremont, seeks final approval of a beginning farmer bond loan in an amount-not-to-exceed, respectively, **$194,500** and **$250,000.**

Chairman Gustman requested a motion to approve. The motion was approved with 9 ayes, 0 nays and 0 abstentions/present.

Business and Industry:

Item-04 ***M-MH-TE-CD-639 Urban St. Pauls Limited Partnership***

Urban St. Pauls Limited Partnership seeks preliminary approval of housing bonds in an amount not-to-exceed **$7M** to purchase and renovate an existing 72-unit rental property for seniors.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays and 0 abstentions/present.

Item-05 ***L-DC-TE-MO-635 City of East St. Louis***

City of East St. Louis seeks preliminary approval of revenue refunding bonds bonds in an amount not-to-exceed **$6M** for purposes of debt restructuring.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays and 0 abstentions/present.

Item-06 ***I-ID-TE-CD-413 E. Kinast Distributors, Inc.***

E. Kinast Distributors, Inc. seeks final approval of industrial revenue bonds in an amount not-to-exceed **$4.3M** for purposes of land acquisition, construction, machinery and equipment.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays and 0 abstentions/present.

Item-07 ***P-SW-PO-TE-CD-547 Waste Management of Illinois, Inc.***

Waste Management of Illinois, Inc. seeks final approval in an amount not-to-exceed **$30M** for purposes of landfill and transfer station improvements and equipment purchases.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays and 0 abstentions/present.

Health Care:

Item-08 ***H-HO-TE-CD-595 Alexian Brothers Health System***

Alexian Brothers Health System seeks final approval in an amount not-to-exceed **$265M** to advance refund existing IHFA Series 1999 bonds and pay issuance costs.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays and 0 abstentions/present.

Item-09 **H-HO-TE-CD-636 Kishwaukee Health System**

Kishwaukee Health System seeks final approval in an amount not-to-exceed **$85M** to advance refund two series of bonds, fund a replacement hospital, fund capitalized interest and pay issuance costs.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 9 ayes, 0 nays and 0 abstentions/present.

Chairman Gustman asked if there was any other business to come before the Board, or if any member of the public wished to address the Board. There being no further business, Chairman Gustman adjourned the meeting at approximately 11:50 a.m.

Respectfully Submitted,

Carla B. Burgess Jones

Carla B. Burgess Jones, Secretary

ILLINOIS FINANCE AUTHORITY
AUGUST 9, 2005
BOARD MEETING

IFA
ILLINOIS FINANCE AUTHORITY

MINUTES OF THE REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

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Respectfully Submitted,

Carla B. Burgess Jones

Carla B. Burgess Jones, Secretary

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
SEPTEMBER 13, 2005

Project: **Michael & Trisha Haag/Jeffrey and Christine Stark**

STATISTICS

Project Number:	A-LL-TX-651	Amount:	Not to exceed $228,400
Type:	Agricultural Participation Loan	IFA Staff:	Bart Bittner
Location:	Emington, IL	Tax ID:	356-66-9952/321-68-0948
SIC Code:	0213-Swine Production	Est. fee:	$11,277 (1st year's interest)

BOARD ACTION

Approval to purchase $228,400 loan participation from Pontiac National Bank.
$228,400 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan, including:

- Receipt of an independent appraisal confirming loan to fair market value of 80% or less.

PURPOSE

To finance the purchase of 22 acres of land and a newly constructed 2,400-head hog finishing building for $422,400, site preparation for $20,000, and the purchase of necessary equipment for $26,000.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA-Participation Loan	$228,400	Uses:	Project Costs.	$800,000
	Pontiac National Bank Loan	$240,000			
	PNB Home Mortgage	$202,000			
	Borrower Equity*	$129,600			
	Total	**$800,000**		**Total**	**$800,000**

* To be funded from pre-paid rent payments.

JOBS

Current employment:	0	Projected new jobs:	1
Jobs retained:	0	Construction jobs:	7

BUSINESS SUMMARY

Background: Michael and Trisha Haag and Jeffrey and Christine Stark are entering a joint venture to purchase 27 acres from Haag Farms, Inc. in order to build a new 2400 head hog finishing building and a new home on the property. The home is being fincanced separately through a conventional home mortgage with Pontiac National Bank. The building will then be rented back to Haag Farms, Inc., a large hog producer that reported over $1 million in net farm income and over $3.2 million in equity as of 7/22/05. Haag Farms is owned by Dewaine Haag, father of Michael and Christine. This purchase has been structured to enable the Haag's next generation to get involved with ownership of some of Haag Farm's hog facilities. Michael and Christine and their spouses will buy the property from Haag Farms and then rent it back to the operation.

Michael Haag is 38 years old and has been working in the swine industry nearly all of his life. He has a bachelors degree in animal science from the University of Illinois and is currently employed by Haag Farms, Inc. as a manager. He also has his own small row crop operations and does custom spraying as well. Even though he will be providing labor and management to this new enterprise, he plans to retain his job with Haag Farms, Inc. Michael's wife Trisha Haag is 35 years old and is currently employed as manager in the feed mill for Haag Farms, Inc. She will also retain her present employment with Haag Farms, Inc.

Jeffrey Stark is 37 years old and has 20 years experience in the swine industry. He has an animal science degree from the University of Illinois. He is currently employed by Haag Farms, Inc. as well as Stark Farms, Inc. which is an area row crop operation. Even though he will be providing labor and management to this new operation, he will retain his present jobs. Jeffrey's wife Christine Stark, is 35 years old and is currently employed as an occupational therapist for Livingston County Schools.

In addition to this project, Haag Farms is also constructing a residence on the Farm that Michael and Trisha Haag and Jeff and Christine will own and lease to Dewaine. Pontiac National Bank is financing the residence through a conventional mortgage with participation from IFA. Haag Farms has already commenced the site preparation, construction of the home and the 2400 head hog finishing building which should be completed by mid October 2005. The borrowers will provide the labor and management in the finishing building. Haag Farms, Inc. will continue to own the hogs and provide feed, veterinary care and utilities. The hogs that will be populating this building are currently being finished out of the local area.

The hog building is slated to be ready for use by October 1, 2005. The home should be ready to be occupied within a few weeks of completion of the hog building. DeWaine Haag will be living in the home and renting it from the two couples.

The borrowers are requesting financing of $468,400 total for an $800,000 project. They will be using equity in the operation for the down payment. Since the borrowers do not have a large amount of cash available, they have worked out an arrangement whereby Haag Farms, Inc. will prepay enough rent to give the borrowers the down payment. There is not debt service on these dollars but annual hog building rent is reduced over the 10 year contract period.

Project Rationale: By handling this as a Joint Venture the Haags and Starks can begin to show ownership in Haag Farms, Inc which is the family operation that each couple draws income from. Haag Farms, Inc. looks at it as an opportunity to have the next generation take ownership of some of the hog production facilities.

Transaction: Michael & Trisha Haag and Jeffrey & Christine Stark are entering into a joint venture to purchase 27 acres of land where a home and a 2400 head hog finishing building are being constructed that will be rented back to Haag Farms, Inc. Currently, Michael, Jeffrey and Trisha are all employees of Haag Farms, Inc. and this will allow them to assume ownership of a hog finishing facility for Haag Farms, Inc.

The Haag's and Stark's have requested $468,400 in financing to complete the transaction. Pontiac National Bank has requested that IFA participate in the permanent financing in order to lower the cost of financing for the borrowers.

Financial Commentary: Financial spreads were done for each couple separately for the last 3 years and then a combined spread was done for 2005. In addition, a combined cash flow is provided that includes 3 months worth of rental income and expenses for the balance of 2005. Beyond 2005, cash flow projections for the venture alone go out to 2008. Personal cash flows for each of the couples were not projected beyond 2005.

FINANCIAL SUMMARY

Borrower's Finances:

FINANCIAL DATA FOR:	Michael & Trisha Haag Year 5/28/2003	Year 4/14/2004	Year 5/12/2005
Cash	(2,400)	(881)	3,884
Crops/Livestock	7,339	23,445	3,547
Other Current Assets	20,900	16,900	16,639
Total Current Assets	**25,839**	**39,464**	**24,070**
Farm Machinery/Equipment	74,500	62,200	107,500
Real Estate/Improvements	212,000	232,500	335,000
Other LT Assets	34,472	34,500	51,162
Total Non-Current Assets	**320,972**	**329,200**	**493,662**
Total Assets	**346,811**	**368,664**	**517,732**
Notes Payable	5,951	9,594	4,159
Current Maturities LT debt	10,790	5,450	11,333
Other Current Liabilities	20,318	8,038	9,187
Total Current Liabilities	**37,059**	**23,082**	**24,679**
Equipment Debt	31,745	25,390	57,916
Real Estate Debt	111,224	100,435	83,014
Other LT Liabilities	0	0	0
Total Non-Current Liabilities	**142,969**	**125,825**	**140,930**
Total Liabilities	**180,028**	**148,907**	**165,609**
Net Worth	**166,783**	**219,757**	**352,123**
Working Capital	**(11,220)**	**16,382**	**(609)**
Current Ratio	**0.70**	**1.71**	**0.98**
Debt-to-asset ratio	**0.52**	**0.40**	**0.32**
Debt-to-worth Ratio	**1.08**	**0.68**	**0.47**

Financials for Mike and Trisha Haag are solid for a young couple. Debt to asset ratios are good for the 3 years of financials provided at an average of approximately .40 and net worth is building nicely. They do not show much in the way of long term assets, but in turn this has kept their level of debt down as well. The values of long term assets have been increased to reflect current market prices and thus there are no increases concurrent increases in long term liabilities. This venture will give them more long term assets and the chance to build equity in a multi million dollar business, Haag Farms, Inc.

Mike draws a salary from Haag Farms, Inc of approximately $45-$50,000 and Trisha makes an hourly wage that amounts to approximately $12-$15,000 per year. In addition, Mike also has a small row crop operation and does about $16,000 per year in custom spraying.

FINANCIAL DATA FOR:	Jeffrey & Christine Stark		
	Year	**Year**	**Year**
	4/18/2003	**4/16/2004**	**4/15/2005**
Cash	2,000	1,500	3,500
Crops/Livestock	0	0	4,750
Other Current Assets	2,050	0	4,500
Total Current Assets	**4,050**	**1,500**	**12,750**
Farm Machinery/Equipment	57,500	46,400	65,350
Real Estate/Improvements	60,135	60,135	60,135
Other LT Assets	38,600	51,700	67,630
Total Non-Current Assets	**156,235**	**158,235**	**193,115**
Total Assets	**160,285**	**159,735**	**205,865**
Notes Payable	0	0	5,227
Current Maturities LT debt	2,030	2,089	3,667
Other Current Liabilities	922	815	759
Total Current Liabilities	**2,952**	**2,904**	**9,653**
Equipment Debt	28,536	20,056	17,045
Real Estate Debt	48,295	46,198	43,951
Other LT Liabilities	68,049	69,042	68,000
Total Non-Current Liabilities	**144,880**	**135,296**	**128,996**
Total Liabilities	**147,832**	**138,200**	**138,649**
Net Worth	**12,453**	**21,535**	**67,216**
Working Capital	**1,098**	**(1,404)**	**3,097**
Current Ratio	**1.37**	**0.52**	**1.32**
Debt-to-asset ratio	**0.92**	**0.87**	**0.67**
Debt-to-worth Ratio	**11.87**	**6.42**	**2.06**

Financials for Jeff and Christine Stark are not quite as strong but still strengthening through the last 3 years. Their debt to asset ratio shows improvement for 2005 at a projected .67 and their net worth is growing steadily. Long term assets are also something that is lacking for Jeff and Christine. This venture will change this dramatically.

Jeff draws a salary from Haag Farms, Inc of Approximately $18,000 per year combined with a salary of $27,000 per year from his family farming operation, Stark Farms, Inc. In addition, Jeff is provided with a vehicle by Haag Farms, Inc. Christine, works as an occupational therapist in the Livingston County Schools and makes approximately $24,000 per year.

FINANCIAL DATA FOR:	Haag & Stark Combined Year 8/15/2005
Cash	7,384
Crops/Livestock	48,297
Other Current Assets	21,139
Total Current Assets	**76,820**
Farm Machinery/Equipment	172,850
Real Estate/Improvements	1,189,138
Other LT Assets	144,792
Total Non-Current Assets	**1,506,780**
Total Assets	**1,583,600**
Notes Payable	9,386
Current Maturities LT debt	24,386
Other Current Liabilities	9,949
Total Current Liabilities	**43,721**
Equipment Debt	74,461
Real Estate Debt	756,965
Other LT Liabilities	68,500
Total Non-Current Liabilities	**899,926**
Total Liabilities	**943,647**
Net Worth	**639,953**
Working Capital	**33,099**
Current Ratio	**1.76**
Debt-to-asset ratio	**0.60**
Debt-to-worth Ratio	**1.47**

When the financials for the two couples are combined, they look solid with a debt to asset ratio of .60 and a combined net worth of $639,953 with the inclusion of the new purchase. It is obvious that Mike and Trisha bring more to the table, but combined there is strength in the financials provided. Combined cash flow for 2005 shows strong off-farm income, in the form of wages that each of the individuals earns. Combined income from wages earned for the couples is $132,000 in addition to farm income and custom work. All totaled, the couples combined have good earning potential.

The projections include rent on the financed assets but exclude non-farm income from the analysis of repayment capacity. As for the Joint Venture, the couples should each realize approximately $20K in additional income each year after taxes and debt service. This venture will also provide them equity in a very successful family hog farm.

Haag Farms, Inc. shows net farm income of $1.05 Million for 2005 as of 7/20/05. Gross revenues to that point totaled $4.2 Million. Owner equity as of 7/2/05 is over $3 Million. The backing of the family business and the fact that DeWaine is going to be living on this farm makes it a much more secure situation.

The loan will be secured by a 1st Mortgage and assignment of rents and leases on 22 acres purchased at $50,192, which includes a new 2400 head hog finishing facility which will cost $392,208. In addition, a first lien will also be taken on all business assets including new equipment purchases of $26,000.

An appraisal of the property has been ordered and it is recommended that the loan be approved subject to an adequate appraisal of the property. Based on purchase costs, the adjusted LTV on the loan is 57%.

Cash Basis Accounting **Combined Projection**

	2005	2006	2007	2008
House/Land/Building Rent	24500	97,800	97,800	97,800
Crop/Livestock Sales	51960	0	0	0
Government Payments	4463	0	0	0
Custom Hire Income	19039	0	0	0
Other income	27690	0	0	0
Total Farm Income	**127,652**	**97,800**	**97,800**	**97,800**
Insurance	375	1,485	1,550	1,615
Real Estate Taxes	1000	7,147	7,250	7,350
General Farm Expenses	39097	0	0	0
Total Farm Expenses	**40,472**	**8,632**	**8,800**	**8,965**
Net Cash Farm Income	**87,180**	**89,168**	**89,000**	**88,835**
Accrual Adjustments	**0**	**0**	**0**	**0**
Stored Crops Adj.	**0**	**0**	**0**	**0**
Accounts Rec. Adj.	**0**	**0**	**0**	**0**
Prepaid Exp. Adj.	**0**	**0**	**0**	**0**
Accounts Payable Adj.	**0**	**0**	**0**	**0**
Accrual Adj. Income	**87,180**	**89,168**	**89,000**	**88,835**

Repayment Margin Analysis

	2005	2006	2007	2008
Net Farm Operating Income	87,180	89,168	89,000	88,835
Add: Non-farm Income	132,000	0	0	0
Add: Depreciation Expense	35,291	0	0	0
Add: Annual Term Debt Interest	23,525	40,000	35,000	32,000
Less: Income Taxes	(5,000)	0	0	0
Less: Family Living W/D	(68,000)	0	0	0
Balance Avail. for Term Debt Rpymt	**204,996**	**129,168**	**124,000**	**120,835**
Principal on Term Debt	35,307	45,000	48,000	51,000
Interest on Term Debt	23,525	40,000	35,000	32,000
Total Principal and Interest Pymts	**58,832**	**85,000**	**83,000**	**83,000**
Equals Term Debt Coverage Ratio	**3.48**	**1.52**	**1.49**	**1.46**
Equals Term Debt Repayment Margin	**146,164**	**44,168**	**41,000**	**37,835**

COLLATERAL ANALYSIS:

Collateral Description	**Value**	**Advance**	**Adj. Value**
Stored Crops		0.85	$ -
Growing Crops		0.65	$ -
Breeding Stock	$ -	0.80	$ -
Proposed Facilities	$ 592,000	0.70	$ 414,400
Equipment	$ 26,000	0.65	$ 16,900
Total Collateral	$ 618,000		$ 431,300
Total Loans Outstanding:			$ 228,400
Adjusted LTV:			53%
Excess Collateral:			$ 202,900

PROJECT SUMMARY

The Joint Venture being entered into by Michael and Trisha Haag and Jeffrey and Christine Stark has requested financing in the amount of $428,400 to purchase 22 acres where a 2400 head hog finishing building is being constructed. The site preparation is complete and the construction of the facilities is underway. Pontiac National Bank has requested that IFA participate in the permanent financing in order to lower the cost of financing for the borrowers. An estimate of project costs is summarized below:

FINANCING SUMMARY

Interest:	The borrowers note rate will be fixed at 6.27% for 10 years. Pontiac National Bank's rate will be 7.12 and the bank will pass on 1.7% of the 2% discount from IFA to the borrower resulting in an IFA rate of 5.12%.
Security:	The loan facility will be secured by a 1st mortgage and an assignment of rents will be obtained on 22 acres with a new 2400 head finishing building with an estimated value of $592,000. A first lien will also be taken on all business assets. IFA will have a pro-rata share of 48.8% in all collateral
Sources of Repayment:	Primary: Rental income on the property Secondary: Other farm and off-farm income/liquidation of collateral
Maturity:	10 year term, 10 year amortization, with quarterly P&I of $$15,865.24

COLLATERAL

The proposed loan facility will be secured by a 1st Mortgage and assignment of rents and leases on 22 acres, which includes a new 2400 head hog finishing facility which cost $392,208. In addition, a first lien will also be taken on all business assets including new equipment purchases of $26,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Michael E. & Trisha B. Haag Jeffrey L. & Christine M. Stark
Location:	32426E 2200 North Rd., Emington, IL 60934 (Livingston, Co.)
Organization:	Joint Venture
State:	Illinois
Ownership:	Michael E. & Trisha B. Haag and Jeffrey L. & Christine M. Stark

PROFESSIONAL & FINANCIAL

Accountant:	David Pilgrim	
Bank:	Pontiac National Bank	Robert P. Tronc, Community President

LEGISLATIVE DISTRICTS

Congressional: Tim Johnson, 15th State Senate: Dan Rutherford, 53rd State House: Shane Cultra, 105th

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
SEPTEMBER 13, 2005

Project: **Mark & Sara Lefler**

STATISTICS

Project Number:	A-LL-TX-649	Amount:	Not to exceed $120,000
Type:	Participation Loan	IFA Staff:	Bart Bittner
Location:	Stronghurst, IL	Tax ID:	347-54-7578
SIC Code:	0213 – Swine Production	Est. fee:	$5200 (1st year's interest)

BOARD ACTION

Approval to purchase $120,000 loan participation from Raritan State Bank.
$120,000 of IFA funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

Provide financing for the construction of a 1200 head wean to finish hog facility.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA-Participation	$120,000	Uses:	Building Costs	$224,540
	Raritan State Bank	$120,000		Site Preparation	$15,460
	Total	**$240,000**	**Total**		**$240,000**

JOBS

Current employment:	3	Projected new jobs:	0
Jobs retained:	3	Construction jobs:	10

BUSINESS SUMMARY

Background: Mark and Sara Lefler live north of the Village of Stronghurst, Henderson County, IL. Mark has been a full time farmer since high school and has worked with his father and brother whom farm as well. Sara works as a medical technician/nurse for a family practice in Stronghurst. Mark has been mainly a livestock farmer specializing in hogs and sheep.

Mark currently farms approximately 700 acres. For most of his farming career the grain farming was done mainly for feed purposes and supplemental income. Mark grows predominantly corn and soybeans but does have some wheat and hay ground which he uses for feed and bedding.

2005 is the last year that Mark and Sara will have any ownership in hogs. Mark has entered into a contract with Browns Forest Home Farms to custom raise 4200 hogs per year wean to finish. Mark currently has a 2000 head finishing unit which is already housing Browns Forest Home

Farms hogs. The unit is paid for and has been in place for 10 years. Mark and Sara also rent 2 other hog finishing units from local retired hog producers that he has used for his own hogs however, they will soon be switched over to be used as overflow facilities for the new finishing unit and the existing 2000 head unit.

Mark and his family handle all of the labor as well as the manure management according to industry standards. Mark anticipates breaking ground soon for the new facility and hopes to have hogs in the new facility January 1, 2006. According to the lender, Mark has been an excellent farm manager especially through the troubled hog markets of the late 90's. Mark is also a township trustee and an active participant in local FFA Alumni activities.

Project Rationale: The Leflers are seeking to expand production to meet a contract with Browns Forest Home Farms for 4200 finished hogs each year. This will take them out of the hog ownership business and allow them to operate on a more risk adverse basis. The Leflers will own no hogs after 2005.

Transaction: Mark and Sara Lefler have requested financing in the amount of $240,000 to construct a new 1200 head wean to finish building. Construction has not yet commenced on the project. Raritan State Bank has requested that IFA participate in the financing in order to lower the cost of the financing for the borrowers. The bank has proposed a 10 year amortization on the loan, with a 10 year fixed rate of 5.5 percent to the borrower. Raritan State Bank will pass on the full 2% savings from IFA to the borrowers.

Financial Commentary: Financial statements and tax returns for Mark and Sara Lefler are prepared by Western Farm Business Farm Management. The Lefler's current assets have been on a gradual increase due to management, favorable livestock and grain markets and excellent crop yields the last couple of years. The Lefler's Debt-to-Asset ratio has improved steadily each year increasing their investment in the operation. Debt-to-Worth ratio has also come a long way over the last few years.

Other than stored crop inventory, hogs and machinery, most of the Lefler's assets consist of 93 acres of farm ground market valued at $162K, 6 acres that include the existing 2000 head finishing building valued at $103,500 and a 2 acre plot that contains a water well valued at $3000 and Machinery. The Leflers have maintained a low term debt load for the size of the operation. As of FYE 2004, the Leflers only show $22,000 of debt against the properties market valued at $268,500.

As for repayment capacity, the Leflers have entered into a 6 year contract in which Browns Forest Home Farms will pay Mark $38.00 per pig space. Pig space has been calculated at 4200 spaces. The lender estimates that building and site costs will be $16.30 per pig space per year leaving the Leflers with residual of $21.70 per pig space a year for labor, machinery and equipment, manure management, reinvestment and incidentals.

The Lefler's will also be retaining 460 full share acres of crop land at a net per acre of approximately $65.00. The Hog and grain residual combined is estimated to leave the Lefler's with $120,000 a year to cover operation and living costs. Sara also has an off farm job as a part time nurse in a local doctor's office that generates approximately $20,000 per year.

Debt service coverage for the years reviewed has been rising each year. The average DSC for the last 3 years is 1.58x debt service. Projections show a drop back closer to an estimated 1.14 debt service coverage for 2005. Given the impact of the drought conditions, crop inventories will be low and low market prices will compound the issue. Therefore the projection is very conservative to reflect the potential drought impact.

Collateral for the loan request is good. Based on an August 1, 2005 appraisal done at the request of the lender, the appraised value of the pledged collateral is $445K. IFA's adjusted LTV is 39%. Please see collateral analysis on pages 4 & 5 for further details.

FINANCIAL SUMMARY

Borrower's Finances:

FINANCIAL DATA FOR:	Mark & Sara Lefler Year 12/31/2002	Year 12/31/2003	Year 12/31/2004	Proforma 6/30/2005
Cash	(7,362)	13,305	(3,286)	3,000
Crops/Livestock	221,703	196,420	246,299	112,460
Other Current Assets	31,039	41,039	72,227	95,088
Total Current Assets	**245,380**	**250,764**	**315,240**	**210,548**
Farm Machinery/Equipment	96,275	83,250	100,937	90,844
Real Estate/Improvements	279,000	283,800	268,500	490,850
Other LT Assets	79,732	89,857	84,307	77,087
Total Non-Current Assets	**455,007**	**456,907**	**453,744**	**658,781**
Total Assets	**700,387**	**707,671**	**768,984**	**869,329**
Notes Payable	23,158	10,500	18,918	23,000
Current Maturities LT debt	54,440	38,347	25,220	45,000
Other Current Liabilities	202,453	223,212	197,839	115,197
Total Current Liabilities	**280,051**	**272,059**	**241,977**	**183,197**
Equipment Debt	44,384	30,885	27,421	30,000
Real Estate Debt	25,613	21,722	17,277	240,000
Other LT Liabilities	18,700	15,166	10,615	16,000
Total Non-Current Liabilities	**88,697**	**67,773**	**55,313**	**286,000**
Total Liabilities	**368,748**	**339,832**	**297,290**	**469,197**
Net Worth	**331,639**	**367,839**	**471,694**	**400,132**
Working Capital	**(34,671)**	**(21,295)**	**73,263**	**27,351**
Current Ratio	**0.88**	**0.92**	**1.30**	**1.15**
Debt-to-asset ratio	**0.53**	**0.48**	**0.39**	**0.54**
Debt-to-worth Ratio	**1.11**	**0.92**	**0.63**	**1.17**

Cash Basis Accounting

	2002	2003	2004	Average	Projection
Crop/Livestock Sales	417,182	525,598	691,166	544,649	302,440
Government payments	9,320	13,347	26,560	16,409	25,000
Other Farm Income	99,725	101,503	79,916	93,715	67,000
Total Farm Income	**526,227**	**640,448**	**797,642**	**654,772**	**394,440**
General Operating Expenses	202,643	192,015	258,558	217,739	285,000
Depreciation	35,537	24,394	25,674	28,535	25,000
Interest Expense	14,333	19,824	17,678	17,278	23,000
Total Farm Expenses	**252,513**	**236,233**	**301,910**	**263,552**	**333,000**
Net Cash Farm Income	**273,714**	**404,215**	**495,732**	**391,220**	**61,440**
Livestock Inv. Adj.	**(28,781)**	**9,995**	**55,871**	**12,362**	**0**
Stored Crops Adj.	**17,061**	**(22,645)**	**(422)**	**(2,002)**	**0**
Accounts Rec. Adj.	**(261,796)**	**(325,982)**	**(372,450)**	**(320,076)**	**0**
Prepaid Exp. Adj.	**1,034**	**(2,455)**	**(26,769)**	**(9,397)**	**0**
Accounts Payable Adj.	**5,124**	**(2,900)**	**(4,500)**	**(759)**	**0**
Accrual Adj. Income	**6,356**	**60,228**	**147,462**	**71,349**	**61,440**

Repayment Margin Analysis

	2002	2003	2004	Average	Projection
Net Farm Operating Income	6,356	60,228	147,462	71,349	61,440
Add: Non-farm Income	25,000	28000	30000	27,667	32,000
Add: Depreciation Expense	35,537	24,394	25,674	28,535	25,000
Add: Annual Term Debt Interest	14,333	19,824	17,678	17,278	23,000
Less: Income Taxes	5,369	5,074	6,158	(5,534)	(3,600)
Less: Family Living W/D	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Balance Available for Term Debt Rpymt	**36,595**	**87,520**	**176,972**	**89,295**	**87,840**
Principal on Term Debt	54,440	38,347	25,220	39,336	54,000
Interest on Term Debt	14,333	19,824	17,678	17,278	23,000
Total Principal and Interest Pymts	**68,773**	**58,171**	**42,898**	**56,614**	**77,000**
Equals Term Debt Coverage Ratio	**0.53**	**1.50**	**4.13**	**1.58**	**1.14**
Equals Term Debt Repayment Margin	**(32,178)**	**29,349**	**134,074**	**32,681**	**10,840**

COLLATERAL ANALYSIS:

Collateral Description	Value	Advance	Adj. Value
Stored Crops		0.85	$ -
Growing Crops		0.65	$ -
Breeding Stock	$ -	0.80	$ -
Existing Hog Building	$ 133,000	0.70	$ 93,100
Proposed Hog Building	$ 312,000	0.70	$ 218,400
Total Collateral	$ 445,000		$ 311,500

Total Loans Outstanding: $ 120,000

Adjusted LTV: 39%

Excess Collateral: $ 191,500

PROJECT SUMMARY

Mark and Sara Lefler have requested financing in the amount of $240,000 to construct a new 1200 head hog finishing building. The borrowers have not yet commenced construction of this project. Raritan State Bank has requested that IFA participate in the financing in order to lower the cost of financing for the borrower.

FINANCING SUMMARY

Interest:	The borrower's note rate will be fixed at 5.5% for 10 years. Raritan State Bank's rate will be 6.5% and the bank will pass on the full 2% discount from IFA to the borrower, resulting in an IFA rate of 4.5%.
Security:	The loan facility will be secured by a 2nd Mortgage on 6 acres with a 10 year old 2000 head hog finishing facility and a brand new 1200 head hog finishing facility.
Sources of Repayment:	Primary: Sale of market livestock Secondary: Sale of grain farming income/off farm income
Maturity:	10 year term, 10 year amortization with annual P&I of $14,924.

COLLATERAL

The proposed loan facility will be secured by a 1st mortgage on 6 acres with a 10 year old 2000 head hog finishing building and a new (proposed) 1200 head hog facility with a total appraised value of $445,000 as of the most recent appraisal completed, August 1, 2005. Based on the appraised value of the collateral, IFA's adjusted LTV is 39%.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Mark and Sara Lefler
Location:	Route 1, Box 220, Stronghurst, IL 61480 (Henderson Co.)
Organization:	Sole Proprietorship
State:	Illinois
Ownership:	Mark and Sara Lefler

PROFESSIONAL & FINANCIAL

Accountant:	Western FBFM	Michael J. Brokaw
Bank:	Raritan State Bank	Kim Kane, Loan Officer

LEGISLATIVE DISTRICTS

Congressional:	17th	State Senate:	47th	State House:	94th

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
SEPTEMBER 13, 2005

Project: **Linker Farms, Inc.**

STATISTICS

Project Number:	A-SG-TX-GT-650	Amount:	$121,000
Type:	Specialized Livestock Guarantee	IFA Staff:	Bart Bittner
Location:	Lanark, IL	Tax ID:	363-80-6400
SIC Code:	0213-Swine Production	Est. fee:	$907.50

BOARD ACTION

Approval of 85% Specialized Livestock Guarantee in favor of First State Bank of Shannon-Polo
$102,850 of State Treasurers Agricultural Reserve Funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

To finance the purchase of 320 sow shares in Long View Pork, LLC. near DeKalb, IL.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	First State Bank Loan	$121,000	Uses:	Purchase 320 sow shares	$121,000
	Total	**$121,000**		**Total**	**$121,000**

JOBS

Current employment:	2	Projected new jobs:	0
Jobs retained:	2	Construction jobs:	0

BUSINESS SUMMARY

Background: Linker Farms, Inc. is a hog finishing and corn and soybean production enterprise that is solely owned by Douglas and Jeanette Linker of rural Lanark, IL. The entire land base is either rented from Doug's parents or from neighboring retired farmers. Competition for rented land is becoming very intense and coupled with increasing crop input costs, profit margins in grain farming are steadily decreasing. Although Linker Farms, Inc. will maintain the crop enterprise, they feel there is more profit opportunities in feeding and finishing hogs as well as investing in the proposed Long View Pork, LLC. sow center.

At the present time, Linker Farms, Inc. has approximately 810 acres of growing corn and 560 acres of soybeans, all in Carroll County, IL. In addition, Doug has 3600 head of feeder pigs at 15-80 lbs. in a finishing facility near Shabbona, IL and also will be placing feeder pigs in the new facility near Prophetstown, IL when construction is completed. Doug leases the facilities and owns the feeder pigs. Doug also has room to finish approximately 1500 head of hogs on one of the farms that he cash rents for crop production. A $450K line of credit has been established at First State

Bank of Shannon-Polo for feeder pig purchases, lease fees and feeding costs. In addition, a $455K operating line is in place for this year's crop and farm related expenses.

Project Rationale:

Linker Farms, Inc. plans to purchase 320 sow shares in Long View Pork, LLC. near DeKalb, IL. in order to stay in the pork production business at a more profitable rate. LongView Pork LLC is owned and managed by Marshall and Jeff Neisler.

LongView Pork has contracted with Great Plains Management, LLC to manage the activities at the new sow center. Great Plains purpose is to provide set up and on-going management services for network formed sow operations. (Contract sow operations).

The Linkers will invest in the new LongView sow center by purchasing sow shares in the operation. This means that they basically purchase 320 of the sows and pig space in the center and therefore benefit from the sale of the offspring from these 320 sows (feeder pigs). They are then also equity holders in the operation as they pay off the debt they take on in the percentage share that is the 320 sows in the center.

By investing in sow shares or sows in a sow center, they can benefit from a larger scale enterprise with improved genetics, minimized health issues and reduced labor costs which in turn reflect in lower cost production. In addition, Linker Farms, Inc. plans to replace their present feeder pig source with pigs from this new sow center. For now Linker Farms, Inc. can market the feeder pigs from the sow center at a rate above production costs that will allow them to pay down the debt from the sow shares purchase and build equity in the Long View Pork, LLC. sow center.

Transaction:

Linker Farms, Inc. will purchase 320 sow shares in the Long View Pork, LLC., sow center located near DeKalb, IL. Linker Farms, Inc. will purchase the sow shares at $377 per share for a total purchase price of $121,000.

The purchase will be secured by 100% of the sow shares, a 1992 Case IH 7140 Magnum tractor and a 1999 John Deere 9510 Maximizer Combine. Both pieces of equipment are contained within a blanket security agreement on equipment. Douglas and Jeanette will also personally guarantee the loan.

Financial Commentary:

Financials are provided in the form of separate balance sheet spreads for Linker Farms, Inc. and Douglas and Jeanette Linker. Cash flow was combined to show a global statement. As of February 1, 2005, Linker Farms, Inc. is now solely owned by Douglas and Jeanette Linker. Douglas & Jeanette finished buying out Douglas' parents in 2004.

Linker Farms, Inc. has shown a solid net worth over the last three years on the balance sheets provided. Debts to asset ratios have been consistently .50-.60. The diversification of the operation is an asset and will likely demonstrate that fact this year with drought conditions being prevalent in the area. Grain and livestock sales tailed off in 2004 due to little carryover crop from 2003 and a reduced number of hogs marketed in that same year. 2005 financials project a solid rebound as carry over from an excellent 2004 crop will certainly bolster a drought stressed 2005 crop sales. In addition, the number of hogs marketed will increase for 2005 as well.

Off farm income and family living expenses were added to the cash flow summary to accurately show the full financial picture for the Linker's. Jeanette is a very successful local insurance agent for Country Companies. Gross pay from that off-farm job has averaged well over $90K annually over the last 3 years. Doug is paid a monthly salary from Linker Farms Inc. that amounts to an average of $55,000 per year gross income as well.

Projected cash flow was conservatively figured in relation to crop sales as the drought conditions of this growing season will certainly have an adverse impact on yields. Combine the drought conditions with low market prices for fall corn and beans and the outlook requires a conservative approach. Linker Farms, Inc. has 810 acres of corn and 560 acres of soybeans to harvest this crop year. Therefore, projected sales for 2005 were figured as follows. Corn is projected at 130 bushels per acre at a price of $2 per bushel. Soybeans are projected at 45 bushels per acre at a price of $6 per acre. Given the thought that some carry over crop will exist, sales for 2005 were figured at 60% of the 2005 harvested crop. This will allow for 40% carryover to help realize better market prices in the winter 2006 markets and to level out annual farm income.

Projected hog sales with the addition of the sow shares or sows purchase were figured at 320 sow shares purchased with an average of 22 pigs per sow per year. As a result, the yield will be 1280 pigs per cycle and 5 ½ cycle turns per year are projected resulting in 7040 feeder pigs per year. The selling contract range is $32-$36 per feeder costs with production costs ranging from $27-29 per feeder pig.

At a conservative average sale price of $32.50 per pig and production costs figured at $29 per pig, net profit will be $3.50 per pig. Based on the above production projections, net profit will be $24,640 per year. This will allow for a net return on investment of $7125 or 5.8% before depreciation or taxes.

An overall look at the Linker's financials shows decent farm profitability with the promise of better livestock production numbers with this investment. In addition, repayment capacity on this note is good given the combination of farm and off-farm income.

Finally, repayment capacity is strong. DSC has averaged 3.02x debt service over the last 3 years. The projection with the new project will bring debt service down slightly to 2.82x debt service.

FINANCIAL SUMMARY

Borrower's Finances:

FINANCIAL DATA FOR:	Linker Farms, Inc. Year 1/31/2003	Year 1/30/2004	Year 1/27/2005
Cash	9,000	5,000	4,000
Crops/Livestock	250,896	144,717	323,265
Other Current Assets	0	0	156,383
Total Current Assets	**259,896**	**149,717**	**483,648**
Farm Machinery/Equipment	381,300	431,200	412,000
Real Estate/Improvements	0	0	0
Other LT Assets	14,000	11,000	10,000
Total Non-Current Assets	**395,300**	**442,200**	**422,000**
Total Assets	**655,196**	**591,917**	**905,648**
Notes Payable	237,640	180,000	441,113
Current Maturities LT debt	0	0	0
Other Current Liabilities	13,405	10,653	17,585
Total Current Liabilities	**251,045**	**190,653**	**458,698**
Equipment Debt	90,460	128,272	90,183
Real Estate Debt	0	0	0
Other LT Liabilities	0	0	0
Total Non-Current Liabilities	**90,460**	**128,272**	**90,183**
Total Liabilities	**341,505**	**318,925**	**548,881**
Net Worth	**313,691**	**272,992**	**356,767**
Working Capital	**8,851**	**(40,936)**	**24,950**
Current Ratio	**1.04**	**0.79**	**1.05**
Debt-to-asset ratio	**0.52**	**0.54**	**0.61**
Debt-to-worth Ratio	**1.09**	**1.17**	**1.54**

FINANCIAL DATA FOR:	Douglas & Jeanette Linker Year 1/31/2003	Year 1/30/2004	Year 2/1/2005
Cash	4,500	6,300	6,000
Crops/Livestock	0	0	0
Other Current Assets	47,750	60,538	4,600
Total Current Assets	**52,250**	**66,838**	**10,600**
Automobiles	36,900	28,500	25,000
Real Estate/Improvements	55,000	57,000	285,000
Other LT Assets	424,808	408,779	518,767
Total Non-Current Assets	**516,708**	**494,279**	**828,767**
Total Assets	**568,958**	**561,117**	**839,367**
Notes Payable	14,015	10,200	22,000
Current Maturities LT debt	0	0	0
Other Current Liabilities	0	0	0
Total Current Liabilities	**14,015**	**10,200**	**22,000**
Automobile Debt	11,308	5,665	5,150
Real Estate Debt	40,131	28,132	237,744
Other LT Liabilities	0	0	0
Total Non-Current Liabilities	**51,439**	**33,797**	**242,894**
Total Liabilities	**65,454**	**43,997**	**264,894**
Net Worth	**503,504**	**517,120**	**574,473**
Working Capital	**38,235**	**56,638**	**(11,400)**
Current Ratio	**3.73**	**6.55**	**0.48**
Debt-to-asset ratio	**0.12**	**0.08**	**0.32**
Debt-to-worth Ratio	**0.13**	**0.09**	**0.46**

Cash Basis Accounting

	2002	2003	2004	Average	Projection
Crop/Livestock Sales	502,972	548,071	423,539	491,527	482,600
Government payments	43,226	43,159	97,534	61,306	75,000
Other Farm Income	59,653	63,774	79,324	67,584	80,000
Total Farm Income	**605,851**	**655,004**	**600,397**	**620,417**	**637,600**
General Operating Expenses	564,001	496,501	554,038	538,180	565,000
Depreciation	43,610	41,043	47,942	44,198	50,000
Interest Expense	17,585	13,405	10,653	13,881	20,000
Total Farm Expenses	**625,196**	**550,949**	**612,633**	**596,259**	**635,000**
Net Cash Farm Income	**(19,345)**	**104,055**	**(12,236)**	**24,158**	**2,600**
Accrual Adjustments	**0**	**0**	**0**	**0**	**0**
Stored Crops Adj.	**0**	**0**	**0**	**0**	**0**
Accounts Rec. Adj.	**0**	**0**	**0**	**0**	**0**
Prepaid Exp. Adj.	**0**	**0**	**0**	**0**	**0**
Accounts Payable Adj.	**0**	**0**	**0**	**0**	**0**
Accrual Adj. Income	**(19,345)**	**104,055**	**(12,236)**	**24,158**	**2,600**

Repayment Margin Analysis

	2002	2003	2004	Average	Projection
Net Farm Operating Income	(19,345)	104,055	(12,236)	24,158	2,600
Add: Non-farm Income	90,721	105411	107709	101,280	110,000
Add: Depreciation Expense	43,610	41,043	47,942	44,198	50,000
Add: Annual Term Debt Interest	17,585	13,889	10,653	13,881	20,000
Less: Income Taxes	21,869	19,236	19,231	(20,112)	(22,000)
Less: Family Living W/D	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Balance Available for Term Debt Rpymt	**114,440**	**243,634**	**133,299**	**123,406**	**120,600**
Principal on Term Debt	22,200	24,700	21,400	22,767	19,800
Interest on Term Debt	17,585	20,168	16,575	18,109	23,000
Total Principal and Interest Pymts	**39,785**	**44,868**	**37,975**	**40,876**	**42,800**
Equals Term Debt Coverage Ratio	**2.88**	**5.43**	**3.51**	**3.02**	**2.82**
Equals Term Debt Repayment Margin	**74,655**	**198,766**	**95,324**	**82,530**	**77,800**

COLLATERAL ANALYSIS:

Collateral Description	Value	Advance	Adj. Value
Stored Crops		0.85	$ -
Growing Crops		0.65	$ -
Sow Shares	$ 120,640	0.50	$ 60,320
Equipment	$ 117,500	0.65	$ 76,375
Real Estate	$ -	0.80	$ -
Total Collateral	$ 238,140		$ 136,695

Total Loans Outstanding: $ 121,000

Adjusted LTV: 89%

Excess Collateral: $ 15,695

PROJECT SUMMARY

Linker Farms plans to buy 320 sow shares in a sow center Known as Long View Pork, LLC. Near DeKalb, IL at a cost of $121,000 or $377 per share. They will continue to operate their 1370 acre grain farm and plan to replace the current feeder pig source with pigs from the new sow center. In the meantime, Linker Farms can market the feeder pigs from the sow center at $4-$6 above production costs. This will allow Linker farms to retire the original sow share capital investment as well as gain equity in the Long View Pork Sow Center.

FINANCING SUMMARY

Interest:	7.25% fixed for 5 years, variable interest thereafter at Prime plus 50 basis points adjusted annually on the anniversary date of the note.
Security:	320 Sow shares valued at $121K, 1992 Case IH 7140 Magnum Tractor market valued at $39,500 and a 1999 John Deere 9510 Maximizer combine market valued at $78,000 under blanket security agreement.
Sources of Repayment:	Primary: Farm Income from sales of grain and hogs. Secondary: Off farm income from Jeannette's insurance sales job with Country Companies/Liquidation of collateral.
Maturity:	11 year term, 11 year amortization.

COLLATERAL

The subject loan is secured by 1st lien on 320 sow shares with an indicated value of $120,640 in addition to a 1992 Case IH 7140 Magnum tractor market valued at $39,500 and a 1999 John Deere 9510 combine market valued at $78,000. The adjusted Loan To Value Ratio for the subject loan would be 89% at a 50% advance rate on the sow shares and a 65% advance rate on the equipment.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Linker Farms, Inc.
Location:	11855 Otter Creek Dr., Lanark, IL 61046
Organization:	Limited Liability Corporation
State:	Illinois
Ownership:	Douglas and Jeannette Linker 100%

PROFESSIONAL & FINANCIAL

Accountant:	Blackhawk FBFM, Lena, IL
Bank:	First State Bank, Shannon-Polo

LEGISLATIVE DISTRICTS

Congressional: Donald Manzullo, 16th State Senate: Denny Jacobs, 36th State House: Mike Boland, 71st

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Davis and Dennis Biddle, dba D & D Farms

STATISTICS

Project Number:	A-SA-TX-AT-657	Amount:	$500,000
Type:	Specialized Livestock Guarantee	IFA Staff:	Eric Reed
Location:	Aledo, IL	Tax ID:	337-58-7691
SIC Code:	0213-Swine Production	Est. fee:	$3,750

BOARD ACTION

Approval to initiate an 85% Loan Guarantee to Country Bank in Aledo, Illinois
$425,000 of State Treasurer's Agricultural Reserve funds at risk.
Staff recommends approval, subject to:

- Satisfying all conditions of the bank loans
- Subordination of all shareholder debt/debt to Winters Creek and Biddle Farms Inc.
- Execution of loan documents by both the borrowers and general partnership so both are liable.
- Receipt of satisfactory appraisals confirming that loan to value is 80% or less.
- Receipt of corporate Guarantees from Winters Creek Inc. and Biddle Farms Inc.

PURPOSE

The Borrowers have requested $500,000 to finance the construction of a 2400 head wean to finish hog facility. The addition of this facility will increase their overall cash flow allow them to realize further cost savings in the sale of market hogs.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA-Guarantee	$ 425,000	Uses:	Construct Hog facility	$500,000
	Country Bank	$75,000			
	Total	**$500,000**		**Total**	**$500,000**

JOBS

Current employment:	2	Projected new jobs:	0
Jobs retained:	2	Construction jobs:	6

BUSINESS SUMMARY

Background: Davis and Dennis Biddle operate a grain farm and swine operation near Joy, IL. The Biddles have operated a swine operation for approximately 20 years, starting with a 350 sow farrow to finish unit. Since 1998, they have increased their hog production revenues by providing breeding stock for Premier Hybrids, Inc. By entering into this agreement, the Biddles have been able to receive premiums on the hogs that are produced and sold from their breeding stock. These premiums can be as much as $300K annually.

In 1998, the Biddles decided to form two S-Corporations, which are Biddle Farm Inc. and Winters Creek Inc., to expand their hog operations. Together, Davis and Dennis now own and operate 3 separate entities within their farming operation. Biddle Farm Inc., which purchases 14 day old pigs from Winters Creek Inc., feeds those pigs and sells them as market hogs. Winters Creek Inc. owns the sow herd and produces approximately 30,000 pigs annually. Historically, Winters Creek Inc. has sold half of their weaned pig production to Biddle Farms Inc. and the other half of their pigs to a third party producer. In 2005, the Biddles plan to finish all their pigs through Biddle Farms Inc. with the exception of two growers currently under contract.

The third entity, which is operated by Dennis and Davis Biddle, is known as D & D Farms. This entity is primarily used to manage the assets and income for their grain farming operation, which totals 1300 acres. D & D also rents buildings and facilities to the other two entities.

The loan officer states that the Dennis and Davis Biddle are excellent managers in the areas of production, financial position, and risk management. They frequently loan funds between the corporations to maximize income tax efficiencies and reduce overall taxable income, which is evidenced by several notes payable listed on the balance sheets of the three entities. They also exchange rent between each of the three corporations for equipment and buildings.

Project Rationale: The Borrowers have requested $500,000 to finance the construction of a 2400 head wean to finish hog facility. The Biddles have had trouble finding qualified producers in their area to finish hogs for them. Country Bank in Aledo has advised them to construct another finishing unit on their property in order to better utilize their pig production. The addition of this facility will increase their overall cash flow and allow them to realize further cost savings in the sale of market hogs.

Transaction: The proceeds will fund the construction of a 2400 head finishing building. The loan will have an amortization not to exceed 10 years with monthly payments. The loan will be secured by a blanket security agreement, as well as a mortgage on all real estate and improvements.

Financial Commentary: Financial statements for D&D Farms are prepared by FBFM, which reflect an informal partnership between Davis and Dennis Biddle. The income and expenses are for the grain farming operation are split and reported on their personal tax returns.

Assets and net worth have been increasing the past 3 years along with the increase in stored crops and real estate values.

The borrower's liquidity has fluctuated over the past 3 years. The most notable cause for the recent decline in liquidity is the increase in CMLTD. The borrowers have purchased real estate in the past two years, which has increased their debt load.

Leverage has also fluctuated over the past 3 years. While still above the desired level, the borrower's D/A ratio for 2004 did decline to 1.45:1.

Debt Service coverage has been historically strong; however it has decreased in recent years with the decline in profits and the increase in term debt payments.

Projections reflect the additional hog sales, as well as those associated expenses. Sales include grain and livestock sales. The expenses associated with the grain operation have been increased in the projection to reflect the additional increase in input costs due to high energy prices.

Other Related Entities: Historical financial statements for the previous 5 years were also submitted for Biddle Farm, Inc. and Winters Creek, Inc. Since D & D Farms has sufficient assets and cash flow to service the proposed debt, the financial spreads for those two entities were not included. However, a summary of those two financial statements is as follows:

Winters Creek: Assets have been increasing over the past five years. As of FYE 2004, total assets were $1.9M, with total liabilities of $875K, providing a D/W ratio of .85:1. Liquidity has historically been negative, although improving over the past 5 years.

Profitability has declined over the past 3 years and in 2004 indicated a loss of $37K. Debt Service coverage has fluctuated, but has generally been sufficient. For FYE 2004, the DSC ratio for Winters Creek, Inc was 1.33x debts.

Biddle Farm Inc. Total assets have fluctuated over the past five years, but have increased significantly over the past 3 years. Liabilities have been decreasing slightly each of the past 3 years. Leverage, while high in the past, has been declining and equaled .72:1 at FYE 2004. Liquidity has been very strong the past 4 years, with working capital of $654K and a current ratio of 2.6:1 at FYE 2004.

Profitability has fluctuated over the previous 5 years; however profits have been increasing significantly in 2003 and 2004. For 2004, Biddle Farm, Inc. generated a profit of $698K, which yielded a DSC ratio of 2.70x debts.

FINANCIAL SUMMARY

Borrower's Finances:

FINANCIAL DATA FOR: **D & D Farms**

	Year 12/31/2002	Year 12/31/2003	Year 12/31/2004	Proforma 12/31/05
Cash	4,008	88,899	4,444	21,937
Crops/Livestock	376,321	414,375	428,475	440,640
Other Current Assets	63,039	67,018	132,846	132,286
Total Current Assets	**443,368**	**570,292**	**565,765**	**462,577**
Farm Machinery/Equipment	263,086	263,086	263,086	263,086
Real Estate/Improvements	735,001	1,019,068	1,054,255	1,554,255
Other LT Assets	59,722	61,164	286,466	286,466
Total Non-Current Assets	**1,057,809**	**1,343,318**	**1,603,807**	**2,103,807**
Total Assets	**1,501,177**	**1,913,610**	**2,169,572**	**2,566,384**
Notes Payable	139,497	1,500	132,949	280,000
Current Maturities LT debt	162,198	131,712	368,767	134,962
Other Current Liabilities	9,578	115,752	7,623	0
Total Current Liabilities	**311,273**	**248,964**	**509,339**	**414,962**
Shareholder Debt	0	0	0	0
Real Estate Debt	481,328	517,349	555,270	1,055,270
Other LT Liabilities	182,704	337,082	218,910	218,910
Total Non-Current Liabilities	**664,032**	**854,431**	**774,180**	**1,274,180**
Total Liabilities	**975,305**	**1,103,395**	**1,283,519**	**1,689,142**
Net Worth	**525,872**	**810,215**	**886,053**	**877,242**
Working Capital	**132,095**	**321,328**	**56,426**	**47,615**
Current Ratio	**1.42**	**2.29**	**1.11**	**1.11**
Debt-to-asset ratio	**0.65**	**0.58**	**0.59**	**0.66**
Debt-to-worth Ratio	**1.85**	**1.36**	**1.45**	**1.93**

Cash Basis Accounting

	2002	2003	2004	Average	Projection
Crop/Livestock Sales	305,141	592,711	585,596	494,483	806,400
Government payments	48,892	55,881	118,634	74,469	75,000
Other Farm Income	95,630	174,703	211,574	160,636	160,000
Total Farm Income	**449,663**	**823,295**	**915,804**	**729,587**	**1,041,400**
General Operating Expenses	279,832	561,290	571,249	470,790	781,499
Depreciation	62,464	58,640	104,631	75,245	154,631
Interest Expense	5,791	60,000	56,567	40,786	92,767
Total Farm Expenses	**348,087**	**679,930**	**732,447**	**586,821**	**1,028,897**
Net Cash Farm Income	**101,576**	**143,365**	**183,357**	**142,766**	**12,503**
Accrual Adjustments					
Stored Crops Adj.	**70,838**	**38,054**	**14,100**	40,997	**12,165**
Accounts Rec. Adj.	**8,177**	**12,428**	**(45)**	6,853	**0**
Prepaid Exp. Adj.	**34,146**	**14,005**	**35,353**	27,835	**0**
Accounts Payable Adj.	**(41,771)**	**(4,727)**	**(127,047)**	(57,848)	**0**
Accrual Adj. Income	**172,966**	**203,125**	**105,718**	**160,603**	**24,668**

Repayment Margin Analysis

	2002	2003	2004	Average	Projection
Net Farm Operating Income	172,966	203,125	105,718	160,603	24,668
Add: Non-farm Income	93,141	88,189	71,399	84,243	84,000
Add: Depreciation Expense	62,464	58,640	104,631	75,245	154,631
Add: Annual Term Debt Interest	5,791	60,000	56,567	40,786	92,767
Less: Income Taxes	(82,142)	(44,094)	(24,200)	(50,145)	(2,381)
Less: Family Living W/D	(85,000)	(117,778)	(94,702)	(99,160)	(95,000)
Balance Available for Term Debt Rpymt	**167,220**	**248,082**	**219,413**	**211,572**	**258,685**
Principal on Term Debt	12,672	92,585	161,513	88,923	134,962
Interest on Term Debt	5,791	60,000	56,567	40,786	92,767
Total Principal and Interest Pymts	**18,463**	**152,585**	**218,080**	**129,709**	**227,729**
Equals Term Debt Coverage Ratio	**9.06**	**1.63**	**1.01**	**1.63**	**1.14**
Equals Term Debt Repayment Margin	**148,757**	**95,497**	**1,333**	**81,862**	**30,956**

COLLATERAL ANALYSIS:

Collateral Description	Value	Advance	Adj. Value
Growing Crops	$ 368,640	0.65	$ 239,616
REM on 160 acres	$ 312,000	0.8	$ 249,600
REM on 166 acres	$ 707,068	0.80	$ 565,654
Less existing Bank liens	$ (850,000)	1.00	$ (850,000)
Equipment Equity	$ 68,077	0.65	$ 44,250
Hog Facilities w/15 acres	$ 459,000	0.70	$ 321,300
Total Collateral	$1,064,785		$ 570,420
Total Loans Outstanding:			$ 500,000
Adjusted LTV:			88%
Excess Collateral:			$ 70,420

PROJECT SUMMARY

The Borrowers have requested $500,000 to finance the construction of a 2400 head wean to finish hog facility. The addition of this facility will increase their overall cash flow allow them to realize further cost savings in the sale of market hogs.

FINANCING SUMMARY

Interest: The interest rate on the proposed loan will be fixed for 5 years at 7.24%. At the end of 5 years, the rate will adjust to a 5 year rate equal to the 5 year Treasury + 2.75%.

Security: The loan facility will be secured by a security agreement, which gives the bank a blanket security interest on all business assets, as well as a mortgage on all real estate. The proposed hog facilities will be constructed on 15 acres with an estimated value of $459,000. The loan will also be secured by mortgages on 160 and 166 acres of land, which include another hog facility. Based on the estimated values provided by the bank, the **adjusted LTV for this loan will be 88%.**

Sources of Repayment: Primary: Sale of harvested crops and market hogs
Secondary: Liquidation of collateral

Maturity: 10 year amortization. P&I payments will be paid monthly.

COLLATERAL

The loan facility will be secured by a security agreement, which gives the bank a blanket security interest on all business assets, as well as a mortgage on all real estate. The proposed hog facilities will be constructed on 15 acres with an estimated value of $459,000. The loan will also be secured by mortgages on 160 and 166 acres of land, which include another hog facility? Based on the estimated values provided by the bank, the **adjusted LTV for this loan will be 88%.**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Davis Biddle and Dennis Biddle.
Location:	1277 Hwy 17, Joy, IL 61260
Organization:	General Partnership
State:	Illinois
Ownership:	Davis and Dennis Biddle

PROFESSIONAL & FINANCIAL

Accountant:	Latta, Harris, Hanon, & Pennington, LLP, Tipton, IA	
Bank:	Country Bank-Aledo	Mr. Andy Frye, Asst. Loan Officer

LEGISLATIVE DISTRICTS

Congressional:	16th	State Senate:	45th	State House	89th

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Bart Bittner

Date: August 24, 2005

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** amounts up to $250,000 maximum of new money for each project
- **Project Type:** **Beginning Farmer Revenue Bonds**
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2005 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 ($27,105) combined for Final Bond Resolutions, as proposed)
- **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

Voting Record:

Ayes: Nays: Abstentions: Absent: Vacant:

Project Number:	A-FB-TE-CD-642
Borrower(s):	Donald E. & Joyce C. Whitten
Town:	Carlock, IL
Amount:	$136,000
Fees:	$2040
Use of Funds:	Farmland – 40 acres
Purchase Price:	$149,600
%Borrower Equity	9.1%
%Other Agency	0%
%IFA	90.9%
County:	Woodford
Lender/Bond Purchaser	Flanagan State Bank, Bloomington, IL

Principal shall be paid annually in installments determined pursuant to a thirty-year equal principal payment schedule for $4987.00, with the first principal payment date to be one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be one year from the date of closing, with the thirtieth and final payment of all interest then outstanding due thirty years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.0% for the first five years of the loan; thereafter, the rate shall be adjusted every year on the anniversary payment date of the loan to a rate not to exceed 1.00% above the weekly average yield of U.S. Treasury Securities, a one-year constant maturity as quoted in The Wall Street Journal. The rate, however, shall never be lower than 4.0%.

Project Number:	A-FB-TE-CD-643
Borrower(s):	Brian M. Lobdell
Town:	Erin, IL
Amount:	$134,310
Fees:	$2015
Use of Funds:	Farmland – 72.6 acres
Purchase Price:	$268,620
%Borrower Equity	50%
%Other Agency	0%
%IFA	50%
County:	Stephenson
Lender/Bond Purchaser	Citizens State Bank, Lena, IL

Principal shall be paid annually in installments determined pursuant to a thirty-year amortization schedule, with the first principal payment date to be December 1, 2006. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be December 1, 2006, with the thirtieth and final payment of all interest then outstanding due thirty years from the December 1, 2006.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 5.15% for the first five years of the loan; thereafter, the rate shall be adjusted every three years to 1.25% below prime per The Wall Street Journal, set on the payment date at three-year intervals after the initial five-year period.

Project Number:	A-FB-TE-CD-652
Borrower(s):	Todd E. & Joyce A. Line
Town:	Seaton, IL
Amount:	$210,000
Fees:	$3150
Use of Funds:	Farmland – 80 acres
Purchase Price:	$210,000
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County:	Mercer
Lender/Bond Purchaser	Farmers State Bank of Western Illinois, Aledo IL

Principal shall be paid annually in installments of $13,254.95, determined pursuant to a thirty-year amortization schedule, with the first principal payment date to be December 1, 2006. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be December 1, 2006, with the thirtieth and final payment of all interest then outstanding due thirty years from December 1, 2006.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.64% for the first five years of the loan; thereafter, the rate shall be adjusted every five years to 50 basis points over a 5-year Treasury below prime per The Wall Street Journal.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Spertus College of Judaica (dba Spertus Institute of Jewish Studies)**

STATISTICS

Number:	E-NP-TE-CD-646	Amount:	$53,000,000
Type:	501(c)(3) bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago	Tax ID:	36-2662739
Est. fee:	$108,000	SIC Code:	8221

BOARD ACTION

Final Bond Resolution
Conduit
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to (i) construct an approximately 152,000 sq. ft.10-story facility on a site that Spertus owns, (ii) refinance an $8,000,000 bank loan used to purchase the land, and (iii) pay for bond issuance costs.

IFA CONTRIBUTION

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

This project is being presented to the Board one time for its approval. There was no voting record from an IFA Preliminary Bond Resolution.

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$53,000,000	Uses:	Project cost	$41,750,000
	Capital Gifts	9,000,000		Loan Refinancing	8,000,000
				Capitalized interest	2,700,000
				Bond issuance costs	550,000
	Total	$62,000,000		Total	$62,000,000

JOBS

Current employment:	52 FTEs, 38 PTEs	Projected new jobs:	3 FTEs, 5 PTEs
Jobs retained:	N/A	Construction jobs:	300 (20 months)

BUSINESS SUMMARY

Background: Spertus College of Judaica ("Spertus", the"Applicant") was organized in 1924 to provide post-secondary education for Chicago's Jewish community. Today, Spertus provides a dynamic learning environment to people all over the world, both on on-site and through distance learning, serving students in 28 US states, and nine foreign countries. Spertus invites all people of all ages and backgrounds to explore the multi-faceted Jewish experience. All of Spertus' programs are offered through Spertus College, Asher Library, and the Spertus Museum. Spertus inspires learning, serves diverse communities, and fosters understanding for Jews and people of all faiths. Spertus serves over 200,000 individuals each year through programs which preserve and disseminate Jewish culture. Spertus is an Illinois 501(c)(3) corporation. Spertus is served by a 37-member board. A list of members is attached for Board review.

Spertus enjoys a strong partnership with the Jewish Federation of Metropolitan Chicago (the "Federation"). The Federation manages investments for Spertus receives approximately 10.0% of its operating income from the Federation. Details of the relationship are included in the Financing Summary of this report.

Description: Spertus intends to use the proposed bond proceeds to finance (i) the construction of an approximately 152,000 sq. ft.10-story facility on a site Spertus owns on South Michigan Avenue, to refinance an $8,000,000 loan bank loan used to purchase the land, and (iii) pay for bond issuance costs. Amenities of the new facility include (i) a state-of-the art theater for lectures, live performances, and film, (ii) space for community events, (iii) a special education center for children, parents, and seniors, and (iv) a café.

Remarks: Spertus' existing facility no longer meets the needs of those who use Spertus' many services. The building, which was built in 1911, cannot meet the needs of more space and state-of-the-art educational resources. The proposed new facility will allow Spertus to continue to provide an environment conducive to learning and advanced technology for students and faculty.

Financials: Audited financial statements for fiscal years ending 6-30-2002– 2004, forecasted income and expenses for fiscal years 2005 and 2006.

(Dollars in 000s)

	2002	2003	2004	2005	2006
Income Statement					
Total Revenues	$6,587	$5,802	$6,111	$5,564	$6,160
Operating expenses	(6,371)	(6,915)	(6,493)	(5,863)	(6,112)
Operating Revenues	216	(1,113)	(382)	(299)	48
Change in Net Assets	216	(1,113)	(382)		
EBIDA	666	(618)	129		
Balance Sheet					
Current Assets	7,482	6,137	6,967		
PP&E	5,171	4,932	5,580		
Other Assets	7,351	8,655	8,770		
Total	20,004	19,724	21,317		
Current Liabilities	741	859	1,148		
Other LT Liabilities	571	686	871		
Debt	5,900	6,500	8,000		
Net Assets	12,792	11,679	11,298		
Total	$20,004	$19,724	$21,317		
Ratios:					
Debt coverage	(0.0)	(0.0)	(0.0)		
Current Ratio	10.10	7.14	6.07		
Debt/Net Assets	0.46	0.56	0.71		

Notes: (i) The Applicant currently has an $8,000,000 line of credit and a $200,000 operating line of credit with LaSalle bank, NA, Chicago, Illinois at various interest rates ranging from LIBOR plus 0.5% to Prime less 0.5%.
(ii) The $8,000,000 line of credit will be refinanced with the proceeds of the proposed bond issue.
(iii) The Jewish Federation of Metropolitan Chicago (he "Federation") manages the Applicant's investments. These assets are treated as permanently restricted and are recorded on the statements of the Federation. Applicant is the sole beneficiary of the earnings on these investments. The earnings are regularly distributed to the Applicant. Investment portfolio totals were $18,771,581, $18,303,386, and $19,451,739 in fiscal years 2002, 2003, and 2004, respectively.
(iv) It is expected that a part of the proceeds of the current $9,000,000 capital campaign will be deposited with the Federation and held for the exclusive benefit of the Applicant.
(v) The Applicant receives approximately 10.0% of its income from the Federation exclusive of portfolio income.
(vi) Debt Coverage was computed using operating revenues.
(vii) Operating Revenues were negatively impacted in fiscal 2002 and 2003 by increased security expenses and insurance premiums due to 9/11.

FINANCING SUMMARY

Security:	Direct pay Letters of Credit from The Northern Trust Company, Chicago, Illinois; and Harris Trust and Savings Bank, Chicago, Illinois.
Structure:	Multi-mode Variable Rate Demand Bonds
Maturity:	30 years

PROJECT SUMMARY

Proceeds will be used to (i) construct an approximately 152,000 sq. ft.10-story facility on a site Spertus owns at 610 South Michigan Avenue, Chicago, Cook County, Illinois, (ii) to refinance an $8,000,000 bank loan used to purchase the land, and (iii) pay for bond issuance costs.

Project Costs:	New Construction	$41,750,000
	Total	$41,750,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Spertus College of Judaica (dba Spertus Institute of Jewish Studies)
Project names:	Spertus Institute of Jewish Studies
Location:	610 South Michigan Avenue, Chicago, Cook County, Illinois
Organization:	501(c)(3) Corporation
State:	Illinois
Board of Directors:	Attached for IFA Board review

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	McDermott Will & Emery	Chicago, IL	Franklin W. Nitikman
Accountant:	Altschuler, Melovin and Glasser LLP	Chicago, IL	Beverly Tomasiewicz
Bond Counsel:	Perkins Coie LLP	Chicago, IL	Bruce Bonjour
Issuer's Counsel	Shefsky & Froelich Ltd.	Chicago, IL	Kimberly Kopp
Underwriter: Placement Agent	William Blair & Company, LLC	Chicago, IL	Thomas E. Lanctot
Underwriter's Counsel:	Perkins Coie LLP	Chicago, IL	Daniel G.M. Marre
LOC Banks Counsels:	Sonnenschein, Nath & Rosenthal, LLP (The Northern Trust Company)	Chicago, IL	Mary G. Wilson
	Chapman and Cutler (Harris Bank)	Chicago, IL	Carol Thompson
Development: Consultant	Institutional Project Management, LLC	Chicago, IL	Ken McHugh
Trustee:	LaSalle Bank, N.A.	Chicago, IL	Russell Bergman
General Contractor:	W-E-O'Neil Construction Co.	Chicago, IL	
Architect:	Krueck & Sexton Architects,	Chicago, IL	

LEGISLATIVE DISTRICTS

Congressional:	07, Danny K. Davis
State Senate:	11, Louis S. Viverito
State House:	26, Lovanna S. "Lou" Jones

ta/h/SpertusCollege of Judaicafinonetime

SPERTUS INSTITUTE OF JEWISH STUDIES
BOARD OF TRUSTEES

Name	Service From	Affiliation
Jonathan E. Persky	2003	Property Manager, Parliament Enterprises, Inc.
Lisa Rosenkranz	2004	President, Business Women, Inc.
Ricardo Rosenkranz, M.D.	2004	Neonatalogist
Susan Rosenstein	2004	Principal, Susan Rosenstein Executive Search Limited
Georgette G. Spertus	1986	Retired Art Conservator
Herman Spertus	1971	Life Trustee
Michael Spertus	2001	Executive, Veritas Corporation
Philip Spertus	1976	Spertus Investments
Caryn Straus	1986	Alumna, Spertus College
Howard A. Sulkin, President	1984	President, Spertus
Bobette C. Takiff	1998	President, Margie K. Cohen Associates
Eric Wanger	2004	Trustee
Marc R. Wilkow, Chairman	1997	President, M&J Wilkow Ltd.
Eugene Zeffren	2001	Retired CEO, Helene Curtis

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: The WBEZ Alliance, Inc. (dba Chicago Public Radio)

STATISTICS

Number:	N-NP-TE-CD-615	Amount:	$22,500,000
Type:	501(c)(3) bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago	Tax ID:	36-3687394
Est. fee:	$75,000	SIC Code:	4832

BOARD ACTION

Final Bond Resolution
Conduit
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to (i), renovate and expand by adding two additional floors to the existing facility, (ii) house 12 new production booths with state-of-the art equipment, (iii) purchase furniture, fixtures, and equipment, (iv) capitalize interest, (v) refund outstanding debt, and (vi) fund bond issuance costs.

IFA CONTRIBUTION

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

Voting record from IFA Preliminary Bond Resolution on July 12, 2005:

Ayes: 8 Nays: 0 Abstentions: 0 Absent: 3, (O'Brien, Rice, Valenti) Vacancies: 4

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$22,500,000	Uses:	Project cost	$12,880,000
				Debt Refunding	7,600,000
				Capitalized interest	1,700,000
				Bond issuance costs	320,000
	Total	$22,500,000		Total	$22,500,000

JOBS

Current employment:	112	Projected new jobs:	14
Jobs retained:	N/A	Construction jobs:	140 (11 months)

BUSINESS SUMMARY

Background: The WBEZ Alliance, Inc. ("the Applicant", "WBEZ"), was incorporated in 1989 as an Illinois not-for-profit corporation. WBEZ (Chicago Public Radio) owns and operates WBEZ-FM (91.5) in Chicago, Illinois; WBEW-FM (89.5) in Chesterton, Indiana; and WBEQ-FM (90.7) in Morris, Illinois. The first Federal charters for public broadcasting went to local educational systems. In 1943 the Chicago Board of Education received such a charter. For the next 48 years WBEZ was managed by the Chicago Board of Education ("CBE"). By 1988 CBE was supplying approximately 26.0% of the total station cash budget, with 74.0% being raised from outside sources. To increase fundraising efforts, the Applicant's Community Advisory Board formed The WBEZ Alliance, Inc. After lengthy deliberations with the CBE, the Alliance offered to purchase the station. In 1990 the CBE sold the station to the Alliance.

Today, the station operates at the maximum allowable power, (50,000 megahertz) and reaches an audience within a radius of 60 miles of Chicago. The station's audience, as measured by Arbitron Audience Estimates, has increased over 84.0% from approximately 315,000 in 1995 to approximately 580,000 in 2004. Chicago Public radio has over 59,000 members and 250 business partners. The Applicant is recognized as an outlet for thorough news coverage, thoughtful discussion-oriented programming, and unique variety shows. The Applicant is governed by a 26-member Board. A list is attached for IFA Board review.

Description: The proposed project consists of (i) adding an additional 20,500 sq. ft. to their existing 24,000 sq. ft. facility at Navy pier. (ii) housing 12 new production booths with state of the art equipment, and (iii) reconfigure the existing facility to:

(1) accommodate a City Room where reporters, producers, editors work and collaborate on breaking news and long form pieces,
(2) build an Outreach Center which reaches out to the Applicant's listening community offering a gathering place for sharing resources and viewpoints, and
(3) form Satellite Bureaus which will integrate the station with residents of Chicago's neighborhoods and suburbs *via* satellite offices staffed by full-time reporters or producers.

The expansion has been approved by the Metropolitan Pier and Exposition Authority ("MPEA"). The Applicant has a 99-year lease with the MPEA. The Applicant is pursuing a five-year capital campaign. The goal is $15 million. To date $2.7 million has been raised. Additionally, bond proceeds will be used to refund $7,600,000 par value of bonds the Applicant issued through the Illinois Development Finance Authority in 1994.

Remarks: The improved facilities and additional space will ensure Chicago Public Radio's future as a leading producer of original content and new talent. It will give the station the means to continue to develop new programming – to renew the Applicant's mission to provide Chicago with the best available radio programming.

Financials: Audited financial statements for fiscal years ending 8-31-2002– 2004, and 4-30-2005 internal financial statements (8 months).

(Dollars in 000s)

	2002	2003	2004	2005
Income Statement				
Total Revenues	$12,460	$14,879	$15,844	$11,761
Operating Expenses	(12,272	(14,262)	(15,599)	(10,510)
Operating Revenues	188	617	245	1,251
Investment gain (loss)	(331)	219	183	134
Change in Net Assets	(143)	836	428	1,385
EBIDA	964	1,366	1,082	1,874
Balance Sheet				
Current Assets	2,313	2,563	2,243	6,549
PP&E	6,944	6,869	7,278	8,050
Other Assets	6,877	8,085	8,646	7,345
Total	16,134	17,517	18,167	21,944
Current Liabilities	996	1,445	1,876	5,186
Other LT Liabilities	135	266	96	96
Debt	7,776	7,742	7,703	7,703
Net Assets	7,227	8,064	8,492	8,959
Total	$16,134	$17,517	$18,167	$21,944
Ratios:				
Debt coverage	2.0x	3.32x	2.37x	4.49x
Current Ratio	2.32	1.77	1.20	1.26
Debt/Net Assets	1.08	0.96	0.91	0.86

Note: (i) The Applicant's financial condition is strong. (ii) The Applicant has a $2,000,000 line of credit with LaSalle Bank Chicago, Illinois which bears an interest rate of prime plus 1.0% per annum. (iii) As of May 31, 2005, the balance outstanding was $700,000. (iv) The Applicant currently has cash and investments of approximately $7.8 million.

Operating Revenues were used to compute debt service coverage. The Applicant issued $7,600,000 floating rate bonds, Series 1994, through the IDFA. Debt service coverage is computed as if the Applicant were paying level debt service on the outstanding principal of the bonds. The Applicant plans to pay off the Series 1994 Bonds with cash and proceeds from the capital campaign.

FINANCING SUMMARY

Security: Direct pay Letter of Credit from LaSalle Bank, NA, (A+/A-1) Chicago, Illinois.
Structure: Multi-mode Variable Rate Demand Bonds
Maturity: 35 years

PROJECT SUMMARY

Proceeds will be used to (i) renovate and expand by adding two additional floors to the existing facility located at 848 East grand Avenue – Navy Pier, Chicago, Cook County, Illinois , (ii) house 12 new production booths with state-of-the art equipment, (iii) purchase furniture, fixtures, and equipment, (iv) capitalize interest, (v) refund $7,600,000 par value of Series 1994 bonds, and (vi) fund bond issuance costs.

Project Costs:	Construction/ Renovation	$ 8,645,000
	Arch/Eng	1,050,000
	Machinery/Equipment	3,185,000
	Total	$12,880,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The WBEZ Alliance, Inc. (dba Chicago Public Radio)
Project names:	Chicago Public Radio Expansion Project
Location:	848 East Grand Avenue – Navy Pier, Chicago, Cook County, Illinois
Organization:	501(c)(3) Corporation
State:	Illinois
Board of Directors:	Attached for IFA Board review

PROFESSIONAL & FINANCIAL

Counsel:	Lord Bissell and Brook, LLP	Chicago, IL	Kay W. McCurdy
Accountant:	Altschuler, Melovin and Glasser LLP	Chicago, IL	
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Janet Goelz Hoffman
Issuer's Counsel	Wildman, Harrold, Allen & Dixon	Chicago, IL	Mark Huddle
Underwriter: Placement Agent	LaSalle Capital Markets	Chicago, IL	Peter Glick
Underwriter's Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Mark Laughman
LOC Bank Counsel:	Seyfarth Shaw LLP	Chicago, IL	James Schraidt
Financial Advisor:	LaSalle Bank – ABN AMRO	Chicago, IL	Niresh Pande
Development: Consultant	U.S. Equities Realty	Chicago, IL	
Trustee:	LaSalle Bank, N.A.	Chicago, IL	Jacob Weinstein
General Contractor:	W-E-O'Neil Construction Co.	Chicago, IL	
Architect:	Nagle, Hartry, Danker, Kagan, McKay Architects Planners, Ltd.	Chicago, IL	

LEGISLATIVE DISTRICTS

Congressional:	07, Danny K. Davis
State Senate:	11, Louis S. Viverito
State House:	26, Lovanna S. "Lou" Jones

EXHIBIT C

The WBEZ Alliance, Inc.
Board of Directors
April 2005

Chair **Merrill Hewson Smith (1996)** Civic Leader C/o Chicago Public Radio 848 E. Grand Ave Chicago, IL 60611 312-948-4600	Vice-Chair **Heather Steans (1998)** Civic Leader C/o Chicago Public Radio 848 E. Grand Ave Chicago, IL 60611 312-948-4600
Secretary **Tony Dean (2003)** Financial Executive C/o Chicago Public Radio 848 E. Grand Ave Chicago, IL 60611 312-948-4600	Treasurer **Susan McKeever (1996)** Attorney at Law 819 S. Wabash, Suite 600 Chicago, IL 60605 312-786-0330
Director **Scott Baskin (1993)** President Mark Shale, Inc. 900 North Michigan Avenue, Level 4 Chicago, IL 60611 312-654-5063	Director **Prudence (Prue) R. Beidler (2003)** Civic Leader C/o Chicago Public Radio 848 E. Grand Ave Chicago, IL 60611 312-948-4611
Director **Louis Carr (1998)** President of the Advertising Sales BET Holdings, Inc. 180 North Stetson Court Suite 4350 Chicago, IL 60601 312-819-8615	Director **Christy N. Harris (2004)** Assistant to the Board Chicago Board of Education Office of the Board 125 South Clark Street 6th Floor Chicago, IL 60603 312-553-1600

EXHIBIT C

The WBEZ Alliance, Inc.
Board of Directors
April 2005

Director **Larry Keeley (1994)** President Doblin Group 330 N. Wabash, #1300 Suite 1300 Chicago, IL 60611 312-443-0800	Director **Ken Lehman (1990)** Managing Partner KKP Group LLC 1603 Orrington Avenue, Suite 1880 Evanston, IL 60201 847-328-2288
Director **Robert B. (Bud) Lifton (1990)** Civic Leader C/o Chicago Public Radio 848 E. Grand Ave Chicago, IL 60611 312-948-4600	Director **Lyle Logan (2005)** Senior Vice President Northern Trust Company 50 S. LaSalle Street, B-2 Chicago, IL 60603 312-557-1359
Director **James W. Mabie (1994)** Principal William Blair & Company 222 West Adams Street Chicago, IL 60606 312-364-8678	President and General Manager **Torey Malatia** President and General Manager Chicago Public Radio Navy Pier 848 East Grand Avenue Chicago, IL 60611 312-948-4612
Director **Scott P. Marks, Jr. (1995)** Banking Executive C/o Chicago Public Radio 848 E. Grand Ave Chicago, IL 60611 312-948-4600	Director **Kay W. McCurdy (1990)** Partner Lord, Bissell & Brook 115 South LaSalle Street, 35th Floor Chicago, IL 60603 312-443-0267

EXHIBIT C

The WBEZ Alliance, Inc.
Board of Directors
April 2005

Director **James L. Nagle (2000)** Principal Nagle Hartray Danker Kagan McKay Penney Architects Ltd. 30 West Monroe, Suite 700 Chicago, Illinois 60603 312-425-1000	Director **Cassandra M. Pulley (1999)** Vice President Public Responsibility Sara Lee Corporation 70 West Madison Chicago, IL 60602 312-558-4955
Director **Alison P. Ranney (2003)** Managing Partner The Prairie Partners Group, LLC 736 N. Western Avenue, #203 Lake Forest, IL 60045 847-644-4754	Director **Raul I. Raymundo (2000)** Executive Director The Resurrection Project 1818 South Paulina Chicago, Illinois 60608 312-666-1323
Director **David J. Rudis (1994)** Senior Executive Vice President LaSalle Bank 135 South LaSalle Street Chicago, IL 60603 312-904-8262	Director **Esther S. Saks (1990)** Civic Leader C/o Chicago Public Radio 848 E. Grand Ave Chicago, IL 60611 312-948-4600
Director **Alexander (Sandy) Stuart (2000)** President and Chief Executive Conway Farms 150 Field Drive, Suite 100 Lake Forest, IL 60045 847-735-7085	Director **Tony Weisman (2000)** Chief Marketing Officer DRAFT 633 North St. Clair Chicago, IL 60611 312-397-2774

EXHIBIT C

The WBEZ Alliance, Inc.
Board of Directors
April 2005

Director **Gary Weitman (1998)** Vice President, Communications Tribune Company 435 North Michigan Avenue 6th Floor Chicago, IL 60611 312-222-3394	Director **Woodward A. (Woody) Wickham (2004)** Civic Leader C/o Chicago Public Radio 848 E. Grand Ave Chicago, IL 60611 312-948-4600

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Congregation Adas Yeshurun Anshe Kanesses Israel**

STATISTICS

Number:	E-PS-TE-CD-648	Amount:	$3,500,000 (not to exceed)
Type:	501(c)(3) bonds	IFA Staff:	Townsend S. Albright
Locations:	Chicago	Tax ID:	36-2962553
Est. fee:	$17,500	SIC Code:	8211

BOARD ACTION

Preliminary Bond Resolution
Conduit
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to refinance (i) the acquisition of land and an existing facility, (ii) the renovation, equipping and furnishing thereof, and (iii) fund legal and professional costs.

IFA CONTRIBUTION

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

Preliminary Bond Resolution, no prior Board vote

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$3,300,000	Uses:	Project cost	$3,496,000
	Equity	524,250		Capitalized interest	259,250
				Bond issuance costs	69,000
	Total	$3,824,250		Total	$3,824,250

JOBS

Current employment:	3	Projected new jobs:	7
Jobs retained:	N/A	Construction jobs:	120 (5 months)

BUSINESS SUMMARY

Background: Congregation Adas Yeshurun Anshe Kanesses Israel ("the Applicant") is a combination of two Orthodox synagogues with a long Chicago history. The first synagogue traces its roots to the Maxwell Street area where it opened its doors in 1875. It was called Anshe Kneseth Israel. The congregation came to the West Rogers Park in the 1980s. Adas Yeshurun was located on Chicago's West Side and came to West Rogers Park in 1969.

Today the Applicant is a community resource with goals to serve the entire community (which includes the Jewish and general communities) and catering to educational, communal, and charitable needs. Programs include:

- Social Service - The Applicant recently developed the Heritage Program which was designed to address the social needs of Russian immigrants who are integrating into the community. The Applicant offers job placement assistance to the community, meals to the sick and incapacitated, and youth groups for socialization.
- Community Programs – The Applicant houses camp activities for the community that is part of the Jewish Community Centers, and affiliate of the Jewish Federation of Metropolitan Chicago.
- Educational Programs – The Applicant offers a high school program which offers, in addition to Jewish studies, language arts, mathematics, science, social studies, and computer science. Physical education will soon be offered. Educational programs are offered to teens and youth of the community. The Applicant offers further educational programs for those interested in Jewish law, the torah and Talmud, and other studies. The classes are open for all to attend.

The Applicant is an Illinois not-for-profit corporation as is governed by a 55-member Board. A list of current members is attached for IFA Board review.

Description: The proposed project consists of refinancing (i) the acquisition of land and an approximately 30,203 sq. ft. existing facility located at 2949 West Touhy Avenue in the West Rogers Park community of Chicago. The proposed project financing will be an integral part of the Applicant's mission and experience. Funds were used to completely renovate and modernize the facility, including a new HVAC system, roof, elevators, and remodeling of kitchen and bath facilities. Based on representations of the Applicant, Bond Counsel has concluded that approximately 15.0% of the costs of the acquisition and renovation of the building relate to dedicated sanctuary space, and thus should be excluded from the project being financed by the proposed bond issue.

Remarks: The proposed tax-exempt bond issue will enable the Applicant to borrow money at the lowest cost of capital. This will allow the Applicant to maintain its existing services to its constituents as well as afford the opportunity to expand it's the scope of its existing services, and offer new educational and social service community-oriented programs.

Financials: Applicant's Reviewed financial statements for fiscal years ending 6-30-2003 - 2005, and *pro-forma* financial statements for fiscal year 2006

(Dollars in 000s)

	2003	2004	2005	2006
Income Statement				
Total Revenues	$292	$274	$1,070	$432
Operating expenses	(306)	(289)	(380)	(430)
Operating Revenues	(14)	(15)	690	2
Extraordinary income	0	0	0	1,304
Change in Net Assets	(14)	(15)	690	1,306
EBIDA	(1)	(3)	931	102
Balance Sheet				
Current Assets	171	132	248	62
PP&E	157	157	2,419	3,050
Other Assets	0	22	548	2,061
Total	328	311	3,215	5,173
Current Liabilities	6	4	12	4
Other LT Liabilities	0	0	100	0
Debt	285	285	2,390	3,150

Net Assets	37	22	713	2,019
Total	$328	$311	$3,215	$5,173
Ratios:				
Debt coverage	(0.0)	(0.0)	7	5.89
Current Ratio	28.5	33	20.67	15.5
Debt/Net Assets	7.70	12.95	3.35	1.560

Note: (i) In fiscal 2005 the Applicant's Board of Directors authorized a $2,050,000 purchase of the subject property. (ii) There are $2,390,000 outstanding bank notes which mature on November 1, 2005 which financed this purchase. The notes will be paid with the proceeds from the proposed bond issue. (iii) The Applicant has entered into an agreement to close the sale of its current facility located at 3050 West Touhy Avenue, Chicago, Cook County, Illinois for $1,000,000 by November 1, 2005.

FINANCING SUMMARY

Security: Direct pay Letter of Credit from Fifth Third Bank (AA/Aa), Chicago, IL
Structure: Multi-mode Variable Rate Demand Bonds
Maturity: 30 years

PROJECT SUMMARY

Proceeds will be used to refinance (i) the acquisition of land and an approximately 30,203 sq. ft. existing facility located at 2949 West Touhy Avenue, Chicago, Cook County, Illinois, (ii) the renovation, equipping and furnishing thereof, and (iii) fund legal and professional costs

Project Costs:	Land/Building	$2,050,000
	Construction/ Renovation	1,370,000
	Arch/Eng	76,000
	Total	$3,496,000*

* $524,250 of this amount is funded by Applicant equity.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Congregation Adas Yeshurun Anshe Kanesses Israel
Project names: Multi-purpose Building Project
Location: 2949 West Touhy Avenue, Chicago, Cook County, Illinois
Organization: 501(c)(3) Corporation
State: Illinois
Board of Directors: Attached for IFA Board review

PROFESSIONAL & FINANCIAL

Accountant:	Altschuler, Melovin & Glasser	Chicago, IL	
Bond Counsel:	Peck, Shaffer & Williams LLP	Columbus, OH Chicago, IL	Michael J. Melliere George Buzard
Issuer's Counsel:	TBD		
Underwriter: Placement Agent	Cornerstone Capital Corporation.	Dublin, OH	Peter Paras
Underwriter's Counsel:	Peck, Shaffer & Williams LLP	Columbus, OH Chicago, IL	Michael J. Melliere George Buzard

LOC Bank Counsel:	TBD		
Financial Advisor:	Alan Gold	Chicago, IL	Alan Gold
Trustee:	The Bank of New York Trust Co.	Cincinnati, OH	Chris McKim
General Contractor:	Home Time	Skokie, IL	
Architect:	Nevin Hedlund Architects	River Forest, IL	

LEGISLATIVE DISTRICTS

Congressional:	09,	Janice Shakowsky
State Senate:	08,	Ira I. Silverstein
State House:	16,	Lou Lang

ta/h/adasyeshurunminyaninc

EXHIBIT B

Borrower's Board of Directors

Mr. Joseph Abramchik
Dr. Gary Bekritsky
Mr. Herschel Block
Rabbi David Brand
Mr. Fred Brody
Rabbi Zev Cohen
Dr. Avy Dachman
Mr. Zevi David
Rabbi Louis Fliegelman
Dr. Mark Freedman
Dr. Jerome M. Garden
Mr. Henry R. Goldberg
Dr. Harold Goldmeier
Mrs. Leslie Goldmeier
Mr. Shaya Goldmeier
Mrs. Chana Goldstein
Mr. Mort Goldstein
Dr. Shmuel Goldstein
Mr. H. David Gordon
Mr. Avigdor Horowtiz
Mr. Asher Karp
Mr. Frank Kleinerman
Rabbi Moshe Kushner
Mr. Edward Loew
Mr. Michael Loskove
Mr. Moshe Lyons
Dr. Nathan Marcus
Dr. David Margulis
Mr. Jeffrey Mendelsberg
Mr. Sheldon Mendelsberg
Rabbi Hillel Meyers
Mr. Joel Jay Meyers
Mr. Steven Miretzky
Dr. Jerry Noble
Mr. Michael Nussbaum
Bradley Olswang
Marc D. Olswang
Rabbi Yisroel Prero
Mr. Walter Richtman
Mr. Eric Rothner
Rabbi Sam Seleski
Mr. Ari Shabat
Mr. Stewart Sheinfeld
Sen. Ira Silverstein
Mr. Marc Sommer
Josh Spielman
Mr. Chaim Suss
Mr. Lance Taxer
Dr. Yakov Weil
Mr. Bennie R. Weinfeld
Avi Weissman
Mr. Heshy Wengrow
Mr. Hymen Wolinetz
Dr. Phillip Zaret
Mr. Joe Zimmerman

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Chicago Charter School Foundation**

STATISTICS

Deal Number:	N-NP-TE-CD-644	Amount:	$26,000,000 (not-to-exceed amount)
Type:	Not-for- Profit	IFA Staff:	Townsend Albright
Location:	Chicago	Tax ID:	36-4141583
SIC Code:	6111 Elementary & Secondary Schools	Est. fee:	$80,000

BOARD ACTION

Preliminary Bond Resolution	Staff recommends approval
Conduit 501(c)(3) Bond Financing	No Extraordinary Conditions
No IFA funds at risk	

PURPOSE

Finance (i) the purchase and renovation of (i) the Applicant's Northtown Academy Campus, and a CPS closed school located on the Southeast Side of Chicago, (ii) the construction of a new high school to be located on the South Side of Chicago, (iii) the purchase of furniture, fixtures and equipment, and (iv) bond issuance costs.

IFA CONTRIBUTION

Conveys Federal tax-exempt status on bond interest.

VOTING RECORD

This the first time that this project has been present to the IFA Board.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$25,502,000	Uses:	Project Costs	$25,502,000
	Total	$25,502,000		**Total**	$25,502,000

JOBS

Current employment:	9	Projected new jobs:	210 (within 2 years)
Jobs retained:	N/A	Construction jobs:	67 (6 months)

BUSINESS SUMMARY

Description: The Chicago Charter School Foundation is an Illinois 501(c)(3) corporation established in 1997 to provide educational and community opportunities for youths in pre-kindergarten through grade twelve. The Foundation operates its charter school at seven campuses – Bucktown, Prairie, Washington Park, West Belden, Longwood, Basil and Northtown under a Charter Agreement with the Chicago Public Schools that was renewed through June 30, 2007. The Foundation has hired three management companies, American Quality School ("AQS"), Edison and Civitas Schools to implement a complete educational program and maintain and repair the campus facilities. The Foundation is responsible for providing the school facilities constituting the campuses and completing facilities improvements and capital repairs. Chicago Charter School Foundation had its charter renewed by the Chicago Board of Education on June 2002 for five years.

Background: Sixteen years ago, James K. Murphy and a group of civic-minded business and education leaders began awarding promising youth from poor Chicago neighborhoods scholarships to attend private high schools. Over the last decade, the Daniel Murphy Scholarship Foundation (DMSF) has grown to support approximately 400 scholars annually who attend 60 prominent high schools in Chicago and boarding schools nationwide. The foundation finances over $1.2 million in tuition annually.

Today, CCSF operates the largest charter school in Illinois, with 7 campuses serving approximately 5,000 students in grades preK-12. The Foundation is led by an active Board of Directors with expertise in educational research and scholarship, non-profit incorporation and management, contract creation and negotiation, special education and basic skills acquisition; law, school construction and real estate development and education philanthropy. Its mission is to provide, through innovation and choice, an attractive and rigorous college preparatory education that meets the needs of today's student.

CCSF contracts with three school-management organizations to deliver instruction at its campuses:

- Edison Schools (Edison) is a publicly traded company that manages 157 schools in 20 states and serves approximately 71,592 students in grades K-12. Currently, Edison manages the Longwood Campus through a performance-based agreement with CCSF.
- American Quality Schools (AQS) is a Chicago-based non-profit firm led by Michael Bakalis, a Professor at the Kellogg Graduate School of Management at Northwestern University and past Illinois State Superintendent of Education. AQS manages Bucktown, Prairie, Washington Park, West Belden and the proposed Avalon/South Shore campuses.
- Civitas Schools is a wholly owned subsidiary of CCSF managed by Megan Quaile and Dr. Charles Venegoni. Civitas manages the Northtown Academy, Basil and the anticipated Wrightwood campuses.

CCSF is the nation's only charter holder that contracts with multiple organizations to manage its campuses. CCSF has over 2,000 children on waiting lists for admission.

With the improvements to the CICS Northtown Academy Campus and the development of the additional campuses, the Foundation would increase its total enrollment by up to 1,150 students. It would establish footholds in new communities of Chicago and help CCSF to transform sites into vibrant learning centers offering a full range of educational programs to children and their families.

The Project: NORTHTOWN ACADEMY CAMPUS—Purchase and Renovation

CCSF entered into a lease with an option to purchase property at 3900 West Peterson Avenue in the Northtown community for $3.7 million. The property includes school buildings, a sanctuary and parking lot. CCSF now leases this property from the Felician Sisters. Acquisition and ADA work is budgeted at $4 million.

PURCHASE AND RENOVATION OF EXISTING SCHOOL

CCSF has begun discussions with CBE to purchase an existing closed school located on the southeast side of Chicago. The school building is roughly 50,000 square feet, large enough to house a high school with approximately 550 students. Total budget for the purchase and renovation of this school is $7 million.

NEW HIGH SCHOOL CONSTRUCTION

The proposed 60,000 square foot complex would cost approximately $14 million to construct. CCSF plans to raise $4 million of this amount with fundraising efforts leaving $10 million to be funded with the proposed bonds.

Remarks: (i) IDFA issued $16,050,000 in 501(c)(3) and taxable bonds in June 2002 to finance the Foundation's purchase and renovation of the former St. Basil school and convent and a campus that it previously leased. (ii) Tax-exempt financing will help CCSF leverage its public funds and human resources to enhance the quality and quantity of its services.

Financials: Financial summary for the Chicago Charter School, Foundation, Chicago Charter School, LLC and Chicago International School Campuses from audited financial statements for fiscal years ended June 30, 2002, 2003 and 2004 and interim financial statements for fiscal year ended June 30, 2005. Forecast for fiscal years ending 2006, 2007 and 2008 prepared by staff based on operating forecasts for the Foundation provided by management. All figures are in $000s.

	Actual				**Forecast**		
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Income Statement							
Net Revenues	$16,433	$21,750	$30,686	$34,599	$39,543	$50,429	$55,450
Change in Net Assets	791	583	2,850	2,319	1,591	306	836
Earnings Before Interest, Taxes, Depreciation & Amortization	2,324	3,332	5,624	4,952	3,706	5,631	6,230
Balance Sheet							
Current Assets	17,843	12,108	10,120	13,501	16,537	18,812	20,265
Net Property, Plant and Equipment	5,377	13,277	17,726	16,970	41,485	40,843	40,339
Other Assets	2,194	2,213	2,176	2,138	2,100	2,062	2,024
Total Assets	24,317	26,473	28,897	31,484	58,996	60,592	61,502
Current Liabilities	3,787	5,435	4,922	5,460	6,184	8,145	8,906
Long-term Debt	16,337	16,262	16,348	16,079	41,276	40,605	39,917
Other Liabilities	0	0	0	0	0	0	0
Stockholder's Equity	4,193	4,776	7,627	9,945	11,536	11,842	12,678
Total Liabilities and Stockholder's Equity	$24,317	$26,473	$28,897	$31,484	$58,996	$60,592	$61,502
Statistics and Ratios							
Enrollment (Actual and Projected)	2,352	3,142	4,215	4,458	5,209	6,409	6,909
Fixed Charge Coverage (X)	2.48	1.71	2.85	2.62	1.93	1.67	1.69
Current Ratio	4.71	2.23	2.06	2.47	2.67	2.31	2.28
Days Cash on Hand	23.6	60.2	57.1	57.9	65.2	47.2	44.6
Debt to Fund Balance	4.02	3.49	2.19	1.65	3.61	3.49	3.20

Discussion: The figures presented above summarize the operations and financial position of the Foundation, its campuses and wholly owned management company. The CBE provides 89% of its revenue, consisting of per pupil payments (72%), payments for bilingual and special education (3%), and pass-through of federal Title I funds (3%) and school lunch funds (4%) and state Special General Supplemental Aid (7%). These entities received an additional (6%) of revenues from cash and in-kind contributions, fundraising and grants and 3% of income from student fees. Revenues have increased rapidly because of growth in enrollment and per student payments and contributions, grants and fundraising. In FY 2003, management opened the and West Belden Campus (513 student capacity) and Basil campus at mid-year (584 student capacity). In FY 2004, management opened Northtown Campus (556 student capacity). Change in net assets (the excess of revenues over expenses) has generally increased with growth in enrollment.

The Foundation has $15,830,000 in outstanding 501(c)(3) bonds that IDFA issued in 2002. These bonds were rated "BBB" by Standard & Poor's and amortize over 30 years and an average rate of interest of about 6%. The Foundation has also entered into notes with Edison, a contractor and a bank to finance various improvements on its campuses. The outstanding balance as of June 30, 2005 was $518,000 and is scheduled to be fully repaid by December 2009. The bond issue caused leverage to increase significantly. Debt to fund balance (akin to equity for for-profit entities) has declined rapidly with the amortization of notes and bonds and growing balances. The Foundation makes significant lease payments for equipment and facilities, which are factored into the "Fixed Charge Coverage" ratios presented above.

The forecast assumes that the project is begun and completed in FY 2006. The income statement forecast incorporates management enrollment forecast coupled with staff estimates for per capita payments and expense growth. The Foundation is opening the Avalon Campus and Wrightwood Campus, which will add 721 students in FY 2006. Management reports a waiting list of 2,000 and expects to add 339 students per year in FY 2007, 2008 and 2009 at Avalon and Wrightwood as students in the lower grades advance into higher grades at those campuses. Interest expense is forecast assuming a $25,502,000 borrowing amount, 30-year amortization and average 6.5% interest rate on all debt. We anticipate fixed charge coverage to remain solid during the forecast period, despite the significant increase in indebtedness.

FINANCING SUMMARY

Bonds: Tax-exempt fixed-rate bonds amortizing over 30 years.

Security: The Bank's facility will be secured by: 1) a first lien pledge of all legally available revenues collected by the Foundation and the management companies and a 2) a first mortgage interest in all real property and improvements financed, and 3) a pledge of unspent project and cost of issuance funds and moneys held under the trust indenture.

1. It is anticipated that the proposed bonds will receive an investment grade rating from Standard & Poor's.
2. If market rates permit a significant savings, the Applicant will consider refinancing its Series 2002 Bonds which have an outstanding balance of approximately $16-million.

PROJECT SUMMARY

Finance (i) the purchase and renovation of (i) the Applicant's Northtown Academy Campus which is located at 3900 West Peterson Avenue, Chicago, Illinois, and a CPS closed school located on the Southeast Side of Chicago, (ii) the construction of a new high school to be located on the South Side of Chicago, (iii) the purchase of furniture, fixtures and equipment, and (iv) bond issuance costs.

Estimated Project Costs <u>$25,202,000</u>

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Chicago Charter School Foundation, 228 South Wabash, Suite 600, Chicago, Illinois 60604 (Contact: Thresa Nelson, PhD, Chief Operating Officer, Phone: (312) 455-7710)
Project name:	Chicago International Charter School Northtown Academy Campus, Chicago International Charter School New High School Construction Chicago International Charter School High School Acquisition and Renovation
Location:	3900 West Peterson, Chicago, Illinois (Cook County) 60659 TBD TBD
Organization:	Illinois 501(c)(3) organization.

Land Owner: Chicago Public Schools and the City of Chicago

Board Members:		
	Gregory White	President
	Gary Gries	Vice President
	Hellen DeBerry	Secretary
	Janice Lucchesi	Treasurer
	Ken Alpert	Director
	Carole Brown	Director
	Gary Garret	Director
	Vinni Hall	Director
	Burt Miller	Director
	Marcia Osher	Director
	David Schwartz	Director

PROFESSIONAL & FINANCIAL

Counsel:	Goldberg, Kohn, Bell, Black and Rosenbloom and Moritz, Ltd.	Chicago, IL	
Accountant:	Ostrow Reisen, Berk & Abrams	Chicago, IL	
Bond Counsel:	Mayer Brown Rowe & Maw	Chicago, IL	David Narefsky
Underwriter:	Kirkpatrick Pettis	Denver, CO	Russell Caldwell
		Chicago, IL	Bill Morris
Underwriter's Counsel:	Kutak Rock LLP	Chicago, IL	Robert M. Star
Financial Advisor:	William Blair and Company	Chicago, IL	Thomas E. Lanctot
Issuer's Counsel:	To be determined		
Trustee:	To be determined		

LEGISLATIVE DISTRICTS

Congressional:	05	Rahm Emanuel
State Senate:	08	Ira I. Silverstein
State House:	15	John C. D'Amico

Ta/h/chicagocharterschoolfdn2005

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 13, 2005

Project: **Alternative Behavior Treatment Centers**

STATISTICS

Deal Number:	N-NP-TE-CD-647	Amount:	$3,100,000 (not-to-exceed amount)
Type:	Not-for-Profit Bonds	IFA Staff:	Rich Frampton
Location:	Unincorporated Mundelein	Tax ID:	36-3569630
SIC Code:	8300	Est. fee:	$15,000

BOARD ACTION

Preliminary Bond Resolution
Conduit Tax-Exempt 501(c)(3) Revenue Bonds
Staff recommends approval

No IFA funds at risk
No extraordinary conditions

PURPOSE

The proposed financing will allow Alternative Behavior Treatment Centers ("ABTC") to (1) construct a gymnasium, (2) construct a new cafeteria and renovate/expand existing kitchen facilities, and (3) consolidate and refinance taxable mortgage debt with tax-exempt bonds over a lengthened amortization schedule.

IFA CONTRIBUTION

Federal Tax-Exempt interest on the Bonds.

VOTING RECORD

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

PROPOSED SOURCES AND USES OF FUNDS

Sources:	501(c)(3) New Bonds	$3,000,000	Uses:	Project/Refin. Costs	$3,900,000
	Equity/Bank Financing	1,100,000		Issuance costs	200,000
	Total	**$4,100,000**		**Total**	**$4,100,000**

ABTC previously invested $1,000,000 of cash equity to finance acquisition of the subject facilities. Additionally, ABTC has a $500,000 Line of Credit from Shorebank to support this project, as needed.

JOBS

Current employment:	140	Projected new jobs:	10
Jobs retained:	Not applicable	Construction jobs:	5-10 (average) over 6 months

BUSINESS SUMMARY

Background: **Alternative Behavior Treatment Centers ("ABTC" or the "Borrower")** was established in 1988 as Health Connection, II and was incorporated under Illinois law in 1988. In 1997, the organization changed its corporate name to Alternative Behavior Treatment Centers. The Borrower's 13-member Board of Directors establishes policies, strategic planning, and budgets.

Description: ABTC provides a continuum of residential treatment and housing services to sexually aggressive children and youth (i.e., 15 to 20 years old) on its 14 acre campus in unincorporated Lake County, near Mundelein. ABTC also provides outpatient services for youths/young adults between the ages of 6 and 22 at an outpatient office in Chicago (Hyde Park).

ABTC's predecessor initiated operations in 1988 by providing outpatient services at its original location in Des Plaines. ABTC currently serves youth from throughout Illinois through both its current inpatient treatment facility in Mundelein and outpatient facilities located in Hyde Park and at the Illinois Department of Correction's youth facility near Kewanee (Henry County).

ABTC is permitted to house a maximum of 50 youths at its current Lake County facility. ABTC provides an on-site high school to educate the youths who live on-campus in a self-contained school. Other youths served by ABTC may attend a local high school or Lake County College.

In 1997, ABTC purchased its Lake County campus and relocated operations from Des Plaines. In 1999, ABTC opened the first independent living program in Illinois specifically targeted to serve sexually abusive youth on ABTC's campus in Mundelein and constructed 10 new apartments to house this program.

In 2001, the Illinois Department of Corrections ("DOC") awarded ABTC a 5-year contract to develop and manage a treatment program at DOC's new 360-bed facility in Kewanee.

The Illinois Department of Children and Family Services ("DCFS") is ABTC's primary source of contractual support. In addition to DOC and DCFS revenues, ABTC has also received state funding from the Illinois Department of Human Services ("DHS") and the Illinois Department of Public Aid ("DPA").

ABTC is licensed by DCFS and is the first agency in Illinois to receive DCFS's certification to provide sexual aggression treatment through both its residential and outpatient programs.

The proposed financing will allow ABTC to (1) construct a gymnasium, (2) construct a new cafeteria and renovate/expand existing kitchen facilities, and (3) consolidate and refinance taxable mortgage debt with tax-exempt bonds over a lengthened amortization schedule.

Financials: Audited financial statements 2002-2004. Projected financial statements for FYE 6/30/2005 (based on 9 month borrower-prepared results as of 3/31/2005).

	Year Ended June 30			
	2002	2003	2004	2005 Projected
	(Dollars in 000's)			
Statement of Revenues/Exp.:				
Revenue/Support	$5,794	$5,482	$6,310	$7,124
Rev. over Expenses	(181)	(185)	150	453
Balance sheet:				
Current Assets	909	972	907	1,615
PP&E - Net	2,587	2,511	2,468	2,836
Other Assets	1	2	2	75
Total assets	3,497	3,485	3,377	4,526
Current Liabilities	1,790	2,030	1,484	738
LT Debt/Liabil.	1,560	1,493	1,781	3,223
Other LT Liabil	--	--	--	--
Total Net Assets	147	(38)	112	565
Total Liab & Nt. Asst.	3,497	3,485	3,377	4,526
Ratios:				
Debt coverage	0.22x	(0.00)x	1.36x	2.17x
Current ratio	0.51	0.48	0.61	2.19
Debt/Net Assets	11.53	(0.00)	17.19	5.71

Discussion: ABTC receives funding from (1) Illinois Department of Children and Family Services (DCFS), (2) Illinois Department of Corrections/Kewanee ("DOC"), (3) Illinois Department of Human Services (DHS), (4) the Illinois Department of Public Aid ("DPA"), (5) Cook County Juvenile Courts, (6) Lake County Juvenile Court, and (7) Chicago Public Schools. Overall, these sources provided approximately 90.5% of ABTC's operating revenues for the nine months ended 3/31/2005.

ABTC's primary sources of state contractual support are DCFS and DOC. For the nine months ended 3/31/2005, DCFS provided approximately 52.6% and DOC provided approximately 24.0% of ABTC's revenues.

Facility lease payment payments from Mundelein School District and The Special Education District of Lake County generated $125,000 in revenue in 2004 and $116,000 in 2005.

ABTC's improved profitability in 2004 and resulted from increased contract revenues, primarily from DCFS and DOC, as well as improved overhead control. ABTC's improved financial strength has enabled it to refinance its existing line of credit and term loans twice over the past two years. Concurrently, ABTC has also been able to reliance on its Bank Line of Credit to support operations.

ABTC's $700,000 line of credit provided adequate additional liquidity to fund operations in both 2002 and 2003 (when operating cash flows were insufficient to cover ABTC's long-term debt obligations).

Based on projected 2005 results (extrapolated from 9 month operating results), ABTC's was projected to generate sufficient operating cash flow to cover the projected debt service payments by 2.17 times.

FINANCING SUMMARY

Security:	Bonds will be secured by a (nonrated) Direct Pay Letter of Credit from Shorebank and further enhanced by an A+/Stable/A-1 rated (S&P) Confirming Letter of Credit from JPMorgan Chase Bank.
Structure:	7-day variable rate demand bonds [current effective interest rate of approximately 4.65% as of 8/17/2005 (inclusive of anticipated credit enhancement, bond remarketing, and trustee fees)].
Maturity:	25 years

PROJECT SUMMARY

Bond proceeds will be used to finance construction and renovation of various facilities located on ABTC's residential campus in Mundelein. These improvements will include but not be limited to (1) construction of an on-site gymnasium, (2) construction of a cafeteria, (3) capital improvements to on-site kitchen/food service facilities for ABTC's approximately 14.0 acre campus located at 27255 N. Fairfield Rd., in unincorporated Lake County, Illinois, near Mundelein, and (4) to refinance existing taxable debt at its Mundelein campus.

Project costs are currently estimated as follows:

New Construction	$700,000
Renovation	1,000,000
Refinancing	2,200,000
Total	**$3,900,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Alternative Behavior Treatment Centers (Contact: Ms. Robin McGinnis, President/CEO, 27255 Fairfield Road, Mundelein, IL 60060; (T) 847/487-9455; (Fax) 847/487-9360; e-mail: rmcginnis@abtc-centers.org)
Project name:	Alternative Behavior Treatment Centers
Location:	27255 Fairfield Road, Mundelein (Lake County), IL 60060
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Ownership:	Not applicable for 501(c)(3) Corporations. ***List of 2005 Board of Directors attached.***
Property Owner:	The proposed improvements will be located on ABTC's existing campus.
Tenants:	Mundelein School District No. 120 and The Special Education District of Lake County.

PROFESSIONAL & FINANCIAL

Counsel:	Michaeline Gordon, P.C.	Chicago, IL	Michaeline Gordon
Accountant:	Ostrow Reisin Berk & Abrams, Ltd.	Chicago, IL	Larry Sophian
Bond Counsel:	Ice Miller	Chicago, IL	Tom Smith
Direct Pay LOC:	Shorebank	Chicago, IL	Thurman Smith
Shorebank Counsel:	To be determined		
Confirming LOC:	JPMorgan Chase	Chicago, IL	
JPMorgan Chase Counsel:	To be determined		
Underwriter:	Wachovia Bank, NA	Charlotte, NC	Bill Ockerland
Underwriter's Counsel:	Ice Miller	Chicago, IL	Patra Geroulis
Purchaser's Couns.	Winston & Strawn	Chicago, IL	Christine Carroll
Financial Advisor:	Carroll Financial Group, Inc.	Des Plaines, IL	Allan Carroll, Stanley Schwartz
Trustee:	To be determined		
Rating Agency:	Standard & Poor's	Chicago, IL	
Architect:	To be determined		
General Contractor:	To be determined		
IFA Counsel:	To be determined		

LEGISLATIVE DISTRICTS

Congressional:	8	Melissa Bean
State Senate:	26	William E. Peterson
State Senator	51	Ed Sullivan, Jr.

Alternative Behavior Treatment Centers
BOARD OF DIRECTORS

2005

NAME	PHONE	BOARD POSITION	OUTSIDE AFFILIATION
Peter Cotsirilos **25W571 Plamondon** **Wheaton, IL 60187** Joined Board: 12/04	**(630) 462-2568 (H)** **(630) 253-4929 (C)**	**Fundraising**	**Coldwell Banker** **Real Estate**
Norm Croft **Service Packaging, Inc** **5915 Lincoln Ave.** **Morton Grove IL 60053** Joined Board: 8/01	**(847) 966-6556** **(847) 966-6658 (F)** **ncroft@servicepackaging.com**	**Member**	**Service Packaging**
Jamie Curcio **1130 Lake Cook Rd.** **Suite 175** **Buffalo Grove, IL 60089** Joined Board: 12/04	**(847) 934-7709 (H)** **(847) 279-7341 (W)** **(847) 279-0535 (F)** **jcurcio@curciowebb.com**	**Fundraising**	**Curcio-Webb**
Curtis Gentry **XBear Enterprises, Inc.** **387 Meadow Green Ln.** **Round Lake Beach, IL 60073** Joined Board: 6/00	**(847) 546-4677** **ped464@clcillinois.edu** **curtgentry46@msn.com**	**Fundraising**	**Self Employed**
Michaeline Gordon, P.C. **8 S. Michigan, Suite 2600** **Chicago, IL 60603** Joined Board: 1994	**(312) 920-9820 (W)** **(312) 332-0600 (F)** **(312) 332-9194 (H)** **(312) 342-7281 (Cell)** **michalinegordon@att.net** **mg@mgordonlaw.com**	**Secretary** **Finance/Programs**	**Attorney** **Private Practice**
Rita Hobin **McDonald's Corp.** **Kroc Drive** **Oak Brook, IL 60523** Joined Board 9/14/04	**(630) 623-3553 (W)** **(312) 822-0302 (H)** **(630) 248-5678 (C)** **(630) 623-3995 (F)** **rita.hobin@mcd.com**	**Fundraising**	**McDonald's Corp.**
Chicky Johnson **RE/MAX** **1344 S. Milwaukee Ave.** **Libertyville, IL 60048** Joined Board 12/03	**847-367-8686 Ext. 212 (W)** **847-356-8674 (H)** **847-602-8600 (Cell)** **847-356-5517 (F)** **chixbmw@aol.com**	**Member**	**Real Estate**
Deborah Newberger **1775 Carol Ct.** **Deerfield, IL 60015** Joined Board: 1998	**(847) 913-9700/Ext. 1** **(847) 940-8409 (H)** **(847) 913-9232 (F)** **Debiorah2@aol.com**	**President** **Fundraising**	**President** **dana mills**
Mark Pignotti **SmithBarney** **10 S. Wacker Drive.** **Suite 2800** **Chicago IL 60606**	**(800)-621-5231** **(312)-648-3486** **(312)-648-3344 Fax** **QP03@aol.com** Home **mark.a.pignotti@smithbarney.com**	**Finance &** **Programs**	**Smith Barney** **Investments**

Alternative Behavior Treatment Centers
BOARD OF DIRECTORS

Richard Ribando, PHR **The News Sun** **2383 N. Delany Rd.** **Waukegan, IL 60087** Joined Board 3/04	**847-249-7284 (W)** **847-249-7275 (F)** rribando@scn1.com	**Member**	**The News Sun** **Publisher**
Joyce Rossen **256 Hickory Lane** **Lake Barrington, IL 60010** Joined Board 9/14/04	**(847) 842-0618** jrossen@eckercenter.org	**Programs**	**Ecker Center** **Therapist**
Jim Schneider **25380 Bonner Rd.** **Wauconda, IL 60084** Joined Board: 9/97	**(847) 487-0352 (H)** **(708) 760-8205 (Pager)** **(708) 826-8180 (Cell)** **(847) 487-5047 (Fax)** **deven@core.com**	**Finance**	**Deven Ventures, Inc** **Engineer**
Richard White **Lake County Sheriff** **25 S. Martin Luther King, Jr. Ave** **Waukegan, IL 60085** Joined Board 6/04	**(847) 377-4250 Ext. 1169** **(847) 377-4334 Voice Mail** rwhite@co.lake.il.us	**Programs**	**Detective Sergeant** **Lake County Sheriff's Dept.**

HONORARY

The Honorable ***William E. Peterson***	***(217) 782-8010*** ***(847) 634-6060***		***State Senator***

ABTC STAFF:

Robin McGinnis **President/CEO**	**rmcginnis@abtc-centers.org**
Ed Sherk **Executive Vice President** **Programs & Professional Services**	**esherk@abtc-centers.org**
Deborah May **VP Quality Assurance &** **Placement**	**dmay@abtc-centers.org**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 13, 2005

Project: **The Rehabilitation Institute of Chicago**

STATISTICS

Deal Number:	H-HO-TE-CP-655	Amount:	$21,000,000 (Not-to-exceed amount)
Type:	Commercial Paper ("CP") Revenue Notes	IFA Staff:	Rich Frampton/Sharnell Curtis-Martin
Location:	Chicago	Est. fee:	$11,000

BOARD ACTION

Preliminary CP Revenue Notes Resolution
Conduit 501(c)(3) Commercial Paper Revenue Notes
Staff recommends approval

No IFA funds at risk
No extraordinary conditions

Security: The CP Revenue Notes will be secured by a Direct Pay Letter of Credit from The Northern Trust Company.

PURPOSE

Commercial Paper proceeds will provide interim financing for the acquisition of a new Health Information System (HIS).

IFA CONTRIBUTION

Federal Tax-Exempt interest on Commercial Paper Revenue Notes.

VOTING RECORD

Preliminary Resolution, this is the first time this project has been presented to the Board.

SOURCES AND USES OF FUNDS

Sources:	IFA Commercial Paper	$18,200,000	Uses:	Capital Projects	$18,088,000
				Costs of Issuance	112,000
	Total Sources	$18,200,000		Total Uses	$18,200,000

JOBS

Current employment:	1,095 FTE	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: The Rehabilitation Institute of Chicago ("RIC") is an Illinois not-for-profit corporation established in 1954. The concept for establishing the RIC was developed by Dr. Paul Magnuson, a former chief of the Veteran's Administration, whose vision was to provide high quality rehabilitative care to private citizens comparable to that received by returning World War II and Korean War veterans.

RIC's first hospital facility began as a small outpatient clinic in a converted warehouse at 401 E. Ohio Street. In 1974, RIC built the nation's first freestanding rehabilitation center, a 20-story facility located at 345 E. Superior Street in Chicago.

The hospital's primary facility provides comprehensive rehabilitative inpatient and outpatient services and programs. RIC also provides outpatient and day rehabilitation programs at 11 Chicago land area locations. Additionally, RIC has ongoing partnerships established with several other health systems throughout Illinois including: Southern Illinois Hospital Services (Carbondale and Southern Illinois), Alexian Brothers Medical Center (Elk Grove Village and Hoffman Estates), and RML Specialty Hospital (Hinsdale).

In the July 18th "Best Hospitals" Issue, U.S. News and World Report named RIC the nation's best rehabilitation hospital for the 15th consecutive year. No other hospital, in any specialty, has been ranked #1 for as long.

The anticipated Commercial Paper Revenue Notes will enable RIC to acquire a new Healthcare Information System that is designed to use an open-platform technology to allow RIC's management to improve patient care information as well as manage data of all aspects of RIC's organization and its related affiliates.

Financials: Audited financial statements for the Rehabilitation Institute, Inc. and Affiliates 8/31/02 – 8/31/04
Interim financial statements 9/1/04 – 5/31/05

	Fiscal Year Ended August 31			
	2002	**2003**	**2004**	**2005**
		(Dollars in 000's)		**(9 months)**
Statement of Revenues & Expenses:				
Total Revenues	$99,122	$102,461	$119,440	$94,050
Change in Net Assets	(24,598)	(1,334)	3,271	8,462
EBIDA	(14,672)	10,011	14,068	14,140
Balance sheet:				
Current assets	$29,573	$30,585	$25,869	$32,425
PP&E – Net	62,252	69,711	67,184	64,847
Long-term Investments	135,517	145,036	153,999	167,603
Long-term Pledges Receivables	4,844	4,486	5,828	5,829
Other Non-Current Assets	2,883	5,941	12,511	15,355
Total assets	$235,069	$255,759	$265,391	$286,059
Current Liabilities	$17,147	$19,560	$27,524	$40,350
Long Term Debt	52,700	65,047	58,922	52,700
Other Non-Current Liabilities	8,756	16,020	20,541	22,272
Net Assets	156,466	155,132	158,404	170,737
Total liabilities & Net Assets	$235,069	$255,759	$265,391	$286,059
Ratios:				
Debt Service Coverage	(0.00x)	2.07x	1.01x	1.07x
Days Cash & Investments	188.57	209.94	224.48	222.03

Discussion: In 2002, RIC reported a net loss primarily due to approximately $17 million investment losses. Investment gains of approximately $9.2 million and $7.7 million in 2003 and 2004 assisted with improving the organization's reported profitability. In 2004, RIC had a $12.9 million balloon payment to retire a portion of previously issued debt. As a result the debt service coverage ratio, current assets and long-term debt were lower compared to those in 2003.

In contrast, combined cash and unrestricted short-term and long-term investment balances totaled approximately $136.2 million in 2002, $145.8 million in 2003 and $154.5 million and 2004 (equivalent to 224 days cash). RIC has additional liquidity under a $7.5 million operating line of credit with a major commercial bank that has approximately $2.5 million available as of May 31. 2005. The line of credit will be paid off upon receiving reimbursements of Medicare payments. Overall, RIC is in good financial condition as evidenced by its rating of AA by Standard & Poor's.

FINANCING SUMMARY

Security: The Bonds will be secured by a Direct Pay Letter of Credit provided by The Northern Trust Company. The anticipated initial LOC term is two years, subject to extension.

Structure: The CP Notes will be sold at an interest rate that will mature between 1 and 270 days and will be subject to extension (i.e. "rollover") upon maturity for an additional term and interest rate to be determined by the JP Morgan Securities, Inc. (the "Dealer"). The proceeds from the sale of the CP Revenue Notes will be loaned to the RIC through the purchase of the Rehab Institute's promissory notes issued by the Rehab Institute pursuant to a Security Agreement between the Rehab Institute and the Illinois Finance Authority.

The Trust Indenture will allow additional borrowers to be added to the CP Note program provided that the Northern Trust Company provides a Letter of Credit commitment for each borrower.

Interest Rate: The interest rate and maturities on the CP Notes will bear an interest rate determined by the maturity (i.e., between 1 and 270 days) set by the Dealer.

Maturity: The CP Notes will mature every 1 to 270 days and will be subject to extension based on continued availability of the Direct Pay Letter of Credit securing the Notes.

PROJECT SUMMARY

Proceeds of the Commercial Paper issuance will be used by the Rehabilitation Institute of Chicago to acquire a new Health Information System (HIS) that is designed to use an open-platform technology to allow RIC's management to improve patient care information as well as manage data of all aspects of RIC's organization and its related affiliates. Project costs are estimated as follows:

Equipment	$16,444,000
Contingency	1,644,000
Total Project Costs	$18,088,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Rehabilitation Institute of Chicago, 345 East Superior Street, Chicago, IL 60611. Greg Ward, Vice-President of Finance, CFO and Treasurer – Telephone # (312) 238-2906
Project name:	Commercial Paper Revenue Notes
Location:	Chicago, IL
Organization:	501(c) (3) Not-For-Profit Corporation
State:	Illinois
Board of Trustees:	Please see attached list.
Current Land Owner:	Not Applicable

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	To Be Determined		
Accountant:	KPMG, LLP	Chicago	
Bond Counsel:	Chapman and Cutler	Chicago	Jim Luebchow, Nancy Burke
LOC Bank:	The Northern Trust Company	Chicago	Sally Parnell
LOC Bank Counsel:	Winston & Strawn	Chicago	Ellen Duff
CP Dealer:	JP Morgan Securities, Inc.	New York, NY	Suzanne Beitel
		Chicago	Tim Wons, Bettina Johnson
CP Dealer's Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
Issuer's Counsel:	To Be Determined		
Trustee:	To Be Determined		

LEGISLATIVE DISTRICTS

Congressional:	7 -- Danny Davis
State Senate:	13 -- Kwame Raoul
State House:	26 -- Louvana Jones

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 9, 2005

Deal: **Village of Annawan**

STATISTICS

Deal Number:	L-GP-MO-TE-659	Amount:	$680,000
Type:	Local Government	PA:	Eric Watson
Location:	Henry County	Est. fee:	$6,120

BOARD ACTION

Final Bond Resolution
Conduit Local Government Bonds
Moral Obligation of the State

Staff recommends approval
Conditions: Pledge intercept and 1.25x coverage

PURPOSE

The Village proposes to borrow an amount not to exceed $680,000 to refinance the Village's outstanding water/sewer project loan with the GMAC and finance sewer, water, road, sidewalk and utility improvements.

VOLUME CAP

Local government bonds – no volume cap required.

VOTING RECORD

This is the second time the IFA Board of Directors has reviewed this project for the Village.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$680,000	Uses:	Refinance GMAC Loan	$ 490,000
	Grant Funds(DCEO)	0		Engineering	0
	Funds on Hand	0		Miscellaneous	190,000
				Issuance Costs	0
	Total	**$680,000**		**Total**	**$680,000**

JOBS

Current employment:	n/a	Projected new jobs:	n/a
Jobs retained:	n/a	Construction jobs:	n/a

CREDIT SUMMARY

The Village of Annawan (the "Village") is a residential community located in Henry County approximately 30 miles east of the Quad Cities. Assessed value growth has been good at nearly 9.07% annually and tax collections have averaged 99.79% over the past five years. The Village's top ten taxpayers account for 23.09% of the Village's 2004 EAV. The Village does not have any taxpayer or employer concentration. The population of the Village increased an average of 3.98% between each of the 1980, 1990 and 2000 censuses and 8.23% between the 1990 and 2000 censuses.

The General Fund has performed poorly over the last five fiscal years with the last three years in the red. Revenues increased 2.68% during the last five years while expenses increased by 30.81%. These figures have been skewed due to a grant of $82,000 received in 2002 and a $205,411 payment from the General Fund for a public building in 2004, which the Village financed with cash on hand. The fund balance has decreased to its lowest level in the last five years and shows a deficit of ($44,483) as of April 30, 2004. The Village has no General Obligation debt outstanding. The Villages' enterprise funds experienced collective revenue and expense growth rates of 15.39% and 8.69%, respectively. Excluding transfers, these funds generated debt service coverage of less than 1x from 2000 through 2002. Coverage in 2003 and 2004 was 1.10x and 1.27x, respectively. There has been no change in connections the last five years, and average demand is 47.88% of capacity. The top five users of the system account for 6.8% of system revenues.

The Village proposes to borrow an amount not to exceed $680,000 through the issuance of alternate revenue bonds to refinance its loan with GMAC ($490,000 outstanding) and finance sewer, water, road, sidewalk and utility improvements. We estimate debt service to be approximately $70,000 with an intercept 2.10x proposed debt service. The 2004 net annual revenues available from the enterprise funds before the payment of current outstanding debt service were $59,583 after transfers. These revenues generate projected coverage of approximately 0.85x. Provided the Village pledges an intercept of its State shared revenues, raises rates to generate debt service coverage of 1.25x and the resulting rates fall within normal ranges as determined by DCCA, this issue is recommended as an alternate revenue bond.

Ratios

Fund Balance/Expenses	(9.79%)
Cash/Liabilities	74.36%
Short Term Borrowing/Expenses	0.00%
Debt/Market Value	2.18%
Per Capita Debt	$783
GO Debt Service/Expenses	15.41%
GO and Alternate Revenue Debt Service/Expenses	15.41%
Projected GO Debt Service/Net	(4.04x)

Enterprise Funds

2004 Net Available	Current Max P&I	Coverage	Total Max P&I *	Coverage
$59,583	$0	n/a	$70,000	0.85x

* Outstanding maximum annual debt service of $0 plus new debt service of $70,000

FINANCING SUMMARY

Security:	Alternate Revenue Bonds. Not Rated
Structure:	Fixed rate serial bonds
Maturity:	15 Years

PROJECT SUMMARY

The Village proposes to borrow an amount not to exceed $680,000 to refinance the Village's outstanding water/sewer project loan with the GMAC and finance sewer, water, road, sidewalk and utility improvements.

Project costs include the following:

Refinance GMAC Loan	$490,000.00
Village Improvements	190,000.00
Total Project Costs	**$680,000.00**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Village of Annawan
Project Name:	The Village proposes to borrow an amount not to exceed $680,000 to refinance the Village's outstanding water/sewer project loan with the GMAC and finance sewer, water, road, sidewalk and utility improvements.
Location:	203 W. Front Street, P.O. Box 446 Annawan, Illinois 61234
Organization:	Village
State:	Illinois
Officials:	Kennard Franks, Mayor Marilyn DeSplinter, Treasurer Julie DeSplinter, Clerk

PROFESSIONAL & FINANCIAL

Accountant:	Blucker, Kneer & Assoc., Ltd.	Galesburg, IL	
Bond Counsel:	Chapman and Cutler	Chicago, Il	Chuck Jarik
Underwriter:	AG Edwards	Chicago, IL	Anne Noble
Rating Agency:	Standard & Poors	Chicago, Illinois	
Rating Agency:	Fitch Ratings	Chicago Illinois	
Financial Advisor:	RW Baird	Naperville, IL	Tom Gaving

LEGISLATIVE DISTRICTS

Congressional:	14 J. Dennis Hastert
State Senate:	37 Dale E. Risinger
State House:	74 Donald L. Moffitt

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 13, 2005

Project: Darrel and Marilyn Mattingly d/b/a Derel's BBQ

STATISTICS

Project Number:	B-LL-TX-658	Amount:	$110,000 (not to exceed amount)
Type:	Rural Development Loan	IFA Staff:	Rick Pigg
Location:	Harrisburg	Tax ID:	333-30-7163
NAICS Code:	72221: Limited Service Restaurant	Est. Fee:	$3,655 (first year's interest)

BOARD ACTION

Rural Development Loan
Up to $110,000 of IFA funds at risk
First mortgage in the subject real estate and first lien in equipment financed
Staff recommends approval, subject to the following conditions:

- Loan amount shall not exceed 75% of the subject property's fair market value less outstanding indebtedness
- Receipt of an independent appraisal
- Receipt on a second mortgage on the Mattingly's residence
- Assignment of life insurance in an amount equal to the loan amount

PURPOSE

To finance the acquisition and installation of restaurant equipment and improvements to a commercial kitchen and dining facility located at 130 Ingram Hill Road in Harrisburg.

VOTING RECORD

No voting record. This is the first time the IFA Board of Directors has reviewed this project.

SOURCES AND USES OF FUNDS

Sources:	IFA Rural Development Loan	$90,000	Uses:	Project Costs:	$90,000
	Total	**$90,000**		**Total**	**$90,000**

JOBS

Current employment:	4	Projected new jobs:	6
Jobs retained:	4	Construction jobs:	3

BUSINESS SUMMARY

Background: Darrel and Marilyn Mattingly, own and operate as husband and wife a sole proprietorship doing business as Derel BBQ, a neighborhood catering and restaurant that they opened in fall 2004. Darrel and Marilyn owned and operated a similar business called the Garden Patch in the same building between approximately 1985 and 1995. During those years Darrell worked as the cook and Marilyn managed the administrative and service aspects of the business. The Mattingly's sold the business to another area couple in 1995 after Marilyn became ill. That couple had success operating the business but closed it because they felt that it was too demanding. They opened a retail furniture store in the building that was not successful, leading them to sell the building back to the Mattingly's during the second half of 2004.

Darrel has since operated on a part-time basis, focusing on providing catered food or packaged barbecued beef, chicken, turkeys and hams to longstanding customers. The Mattingly's have also attracted a modest dine-in business for breakfast and lunch, which they feel could be easily expanded to include dinner and significantly higher volume. Darrel plans to devote himself full-time to cooking and running the business, hiring staff and acquiring additional equipment and completing modest enhancements to the building to accommodate the additional business.

Darrel has also been approached by Sysco Foods, a national food distributor to serve as a wholesale distributor of barbecued meat and poultry. Darrel believes that this business could generate significant sales and income with less work than running a catering business and restaurant. Tabgha, a family operation that previously ran a deli and catering business in Harrisburg, has grown from 5 to 25 employees since becoming a regional wholesales cheesecake supplier to Sysco about 7 years ago. Darrel believes that this project could provide sufficient capacity to begin serving as a supplier to Sysco and also expand the catering and restaurant business. A decision on proceeding with this initiative is not expected for at least several months.

The Project: The project includes the purchase of new freezers, refrigerators, fryers and a stove, renovation of the kitchen, pickup and dining area, office equipment and construction of a food storage building.

Financing: This project will be funded from the Authority's Rural Relending Fund. IDFA began this program in 1990 with a $2 million 1% loan from the UDDA's Rural Development Administration. This program authorized loans up to $250,0000 or 75% of total project costs in communities with populations under 25,000 for up to 10 years at a 6% fixed rate of interest. IDFA made 34 loans under this program with 5 outstanding and all current. The Authority repaid the original loan several years ago but has approximately $2 million in funds available from interest earned on loans and unloaned program proceeds. To encourage use of this program, the Authority recently reduced rates charged to borrowers to Prime less 1.25%, with a cap at 6%.

Borrower Financials: US Individual Tax Returns for Derrel and Marilyn Mattingly for 2002, 2003 and 2004. Personal financial statement for Darrel and Marilyn Mattingly as of July 28, 2005.

	2002	2003	2004	7/28/2005
Adj Gross Income	8,706	13,095	2,763	
Balance Sheet				
Current Assets				18,000
Real Estate				345,000
Other Assets				58,000
Total Assets				421,000
Liabilities				140,000
Net Worth				281,000

Discussion: The Mattingly's US income tax returns summarized above were prepared by Ron Emery of Ron Emery Accounting, a well known local CPA. Reported income has been highly variable over the period reviewed. Income reported in 2002 reflected $7,200 in wages, salaries and tips plus income earned from the Mattingly's ownership of the Cherry Street Bar and Grill.

Income reported in 2003 was generated entirely form that business. Income earned in 2004 came from wages, salaries and tips, rental income earned on part of the building that was reacquired that year, a small gain on the sale of a gambling business that was partially offset by a loss on the sale of the Cherry Street Bar and Grill.

The Mattingly's personal financial statement presented as of July 28, 2005 was also prepared by Ron Emory Accounting. Current assets consist of cash and investments. Real estate assets consist of the subject building valued at $170,000 and a residence in Harrisburg valued at $150,000 and 5 acres of land between the residence and the subject property valued at $25,000. Other assets consist of restaurant equipment ($26,000), personal furnishings and vehicles. Liabilities consist of mortgages on the residence and the subject property. Trans Union assigned the Mattingly's a credit score of 790 and reported no history of late or non-payment.

Tenant Financials: Financial data for the year ended December 31, 2004 for Derel's BBQ extracted from the Mattingly's US individual income tax returns. Forecast for 2005 prepared by staff from interim financial statements as of June 30, 2005 prepared by Ron Emory Accounting. Forecasts for 2006, 2007 and 2008 prepared by staff from operating forecasts prepared by Ron Emory Accounting.

	Actual		**Forecast**		
	2004	**2005**	**2006**	**2007**	**2008**
Income Statement					
Net Sales	14.9	39.0	240.0	300.0	360.0
Net Income	0.4	18.4	25.6	15.9	22.7
Earnings Before Interest, Taxes, Depreciation & Amortization	5.0	20.8	38.5	28.4	34.8
Balance Sheet					
Current Assets		4.5	14.8	18.5	25.1
Net Property, Plant & Equipment		55.7	148.2	145.7	144.2
Other Assets		0.0	0.0	0.0	0.0
Total Assets		60.2	163.0	164.2	169.3
Current Liabilities		0.1	6.9	7.3	7.8
Long-term Debt		0.0	83.2	76.0	68.3
Other Liabilities		0.0	0.0	0.0	0.0
Stockholder's Equity		60.1	72.9	80.8	92.2
Total Liabilities & Stockholder's Equity		60.2	163.0	164.1	168.3
Ratios					
Debt Service Coverage (x)		N/A	4.68	2.10	2.56
Proforma Debt Service Coverage (x)		1.67			
Current Ratio		45.00	2.14	2.53	3.09
Days Cash on Hand		72.68	26.11	24.37	26.73
Debt to Equity		N/A	0.55	0.51	0.45

Discussion: Derel's BBQ has been profitable since opening late in 2004 but has generated modest sales to date because the business is only open on a part-time basis. Derel's BBQ has reported only $14,900 in sales during the Fall, 2004 and $14,000 for the first half of 2005. Lease payments of $540 a month received from another food business operating in the subject property are included in the historical and projected income statement.

The balance sheet includes $59,000 in building improvements and equipment and no indebtedness. (Mr. Mattingly values the subject property at $170,000 with $42,000 mortgage balance and reports these items in the Mattingly's personal financial statement as of July 28, 2005.)

Sales are projected to increase during the second half of the year as business picks up with the holiday season. Operating margins for the balance of the year are expected to remain at levels realized for the first six months of 2005. The forecast assumes that the project is begun by October 1, 2005 and is completed by December 31.

The operating forecast was prepared by Ron Emory, a well regarded local CPA who prepared the Mattingly's tax returns for over 25 years. Operating margins are based on margins realized by similar businesses operating in small towns in the region. (Mr. Emory currently does taxes for eight catering companies, independent and franchise restaurants.) Mr. Emory does not anticipate the Mattingly's having difficulty rapidly increasing sales once the business returns to full-time operation. A similar business that Mattingly's owned in operated generated $350,000 to $400,000 in annual sales and was consistently profitable. Currently Darrel is doing sporadic dine-in business for breakfast and lunch and is turning away catering business from everyone but longstanding customers. The forecast assumes no revenues from Sysco because discussions are still too preliminary to be included in the forecast.

The forecast includes salary expense for a full time service manager/administrator to perform the work that Marilyn did when she was in better health. The forecast assumes $105,000 in additional operating expenses in 2006, largely from increased staffing, which could be scaled back if revenues growth is slower than projected. Interest expense is forecast at 6%, the maximum rate of interest authorized under this program. Debt service is calculated assuming amortization over ten years, with level debt payments. Debt service coverage based on projected 2005 projected cashflows is estimated at 1.67 times. Coverage is expected to increase from those levels if the revenues grow as Ron Emory expects.

Collateral:

Item	Value	Basis	Advance Rate	Adj Value
Subject Property	165,000	FMV Appr (2001)	75%	132,000
Subject Equipment	30,000	Cost	0%	0
Total Collateral				132,000
Current Mortgage Balance				(42,000)
Remaining Collateral				80,000
Maximum Permitted Loan Amount (based on 2001 appraisal)				80,000

IFA will require an updated, independent appraisal confirming a loan to value ratio below 75%. Ron Emory believes that the property will appraise for $200,000, based on recent installation of new windows, siding and roof. Such a valuation would permit a borrowing up to $108,000.

FINANCING SUMMARY

Amount: The loan amount will be limited to 75% of the appraised fair market value of the subject property less any outstanding mortgage balance.

Security: First mortgage in the subject property and first lien in the equipment financed.
Second mortgage in the Mattingly's residence.

Structure: Prime less 1.25% changing as Prime changes but not to exceed 6%, pursuant to guidelines for IFA's Rural Development Loan program.

Maturity:	10 years
Amortization:	Principal payment schedule based on level monthly debt service payments over 10 years using interest rates prevailing on the closing date.

PROJECT SUMMARY

Loan proceeds will be used to finance the acquisition and installation of restaurant equipment and improvements to a commercial kitchen and dining facility located at 130 Ingram Hill Road in Harrisburg. Project costs are estimated as follows:

Renovate and expand kitchen and renovate entrance	$50,000
Acquire and install freezers and refrigerators	10,000
Construct storage building	6,000
Office equipment	6,000
Acquire and install deep fryer	5,000
Acquire and install 8 burner stove	5,000
Carpet and furnishings	3,000
Contingency	5,000
Total	$90,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Darrel & Marilyn Mattingly D/B/A Derel's BBQ
Location:	130 Ingram Hill Rd Harrisburg IL 62946
Organization:	Proprietorship
State:	Illinois
Ownership:	Darrel & Marilyn Mattingly

PROFESSIONAL & FINANCIAL

Accountant:	Ron Emery Accounting	Ron Emery, E.A.	Harrisburg, IL

LEGISLATIVE DISTRICTS

Congressional:	19th John Shimkus
State Senate:	59th Gary Forby
State House:	118th Brandon Phelps

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 13, 2005

Project: **Experimur, LLC and a Limited Liability Company to be formed**

STATISTICS

Project Number:	B-LL-TX-656	Amount:	$1,000,000
Type:	Participation Loan	IFA Staff:	Steven Trout
Location:	Chicago	Tax ID#:	36-4342846
NAICS Code:	541380: Testing Laboratories	Est. Fee:	$45,000 (first year's interest)

BOARD ACTION

Participation Loan
$1,000,000 IFA funds at risk
Staff recommends approval

PURPOSE

Finance the acquisition, renovation and equipping a 72,000 square-foot industrial building located at 4045 South Morgan Avenue in Chicago to provide toxicological testing and research for pharmaceutical and chemical companies

VOTING RECORD

No voting record. This is the first time that the IFA Board of Directors has reviewed this project.

SOURCES AND USES OF FUNDS

Sources:	IFA Participation:	$1,000,000	Uses:	Project Costs:	$7,000,000
	Originating Bank Loan:	5,000,000			
	SBA 504 Loan (Sub):	2,000,000			
	Total:	$7,000,000		Total	$7,000,000

JOBS

Current employment:	3.5	Projected new jobs:	200
Jobs retained:	3.5	Construction jobs:	300

BUSINESS SUMMARY

Description: Experimur, LLC is an Illinois Limited Liability Company established to in January, 2000 to provide toxicological research and testing for pharmaceutical and industrial companies. Experimur was founded by Dr. Nabil Hatoum and Dr. Bernadette Ryan, who previously administered a $50 million annual revenue research organization for Illinois Institute of Technology after years of work there as researchers. Much of their business comes from their reputations and relationships established at IIT.

Background: Experimur offers the full range of toxicological testing and research, including subchronic, chronic, acute, teratology, reproduction, neurotoxicity, and pharminokinetics. The firm conducts its research using a variety of animals and administers tests via oral, dermal, ocular, intravaneous, subcutaneous, internasal, intramuscular, and intraperitoneal means. Its work is supervised and certified by a surgical veterinerian. The firm has been certified by AALAC since 1983, registered with the USDA and assured by NIH/PHS/OPRR.

Experimur currently operates in 2,700 square-feet of space leased from Michael Reese Hospital. Experimur has been operating near full capacity for the last three years. The project will be located with within a Chicago tax increment financing district and will receive support from the City in a form that is currently being negotiated. The founders are seeking bids from several area banks to finance the development of a 72,000 square-foot, state of the art facility. Closing on the acquisition is scheduled for October 7, 2005.

Financials: Internal Financial Statements and Federal Tax Returns for Experimur, LLC for the years ended December 31, 2002, 2003 and 2004. Interim financial statements year to date through August 9, 2005. All dollars in thousands.

	Actual			Forecast			
	2002	2003	2004	2005	2006	2007	2008
Income Statement							
Net Sales	4,528	4,401	4,265	4,591	4,683	5,151	5,666
Net Income	1,414	1,305	1,062	974	493	494	637
Earnings Before Interest, Taxes, Depreciation & Amortization	1,602	1,574	1,321	1,309	1,258	1,393	1,536
Balance Sheet							
Current Assets	1,588	2,500	3,514	3,275	3,543	3,669	3,860
Net Property, Plant and Equipment	194	240	206	7,227	7,102	6,931	6,798
Other Assets	1	1	0	0	0	0	0
Total Assets	1,783	2,741	3,720	10,501	10,646	10,600	10,658
Current Liabilities	4	674	842	53	224	244	265
Long-term Debt	44	30	9	7,005	6,835	6,650	6,450
Stockholder's Equity	1,735	2,037	2,869	3,443	3,586	3,705	3,943
Total Liabilities & Stockholder's Equity	1,783	2,741	3,720	10,501	10,645	10,600	10,658
Ratios							
Debt Service Coverage	21.15	17.66	11.27	7.43	2.28	1.98	2.16
Current Ratio	397.00	3.71	4.17	61.77	15.81	15.01	14.54
Long-term Debt to Equity	0.03	0.01	0.00	2.03	1.91	1.79	1.64

Discussion: Experimur's finances for 2002, 2003 and 2004 summarized above have been prepared based on US tax returns prepared by Weber & Associates, CPA of Aurora, Illinois. Revenues have been relatively flat, reflecting the lack of space to take on additional contracts. Space constraints have prevented the firm from taking on significant new business over the past three years. The firm has maintained considerable liquidity, reporting virtually no accounts receivables and modest payables and accrued expenses during the period reviewed. Experimur has incurred relatively little indebtedness over the past three years, with yearend balances under $50,000.

The forecast for 2005 was developed based on year to date statements through August 9, 2005. The forecast assumes that the project is begun by October 1, 2005 and completed within one year. The forecast assumes revenue growth at 2% in 2006 and 10% annually thereafter as the founders win additional contracts. Operating expenses are projected to grow with revenues over the forecast period. Interest expense for 2005 includes two months of interest at an average rate of 7%. Interest for the project is estimated at Prime (currently 6.5%) for the bank and SBA debt and 4.5% for the IFA debt. Principal payments are expected to begin in 2007 and amortize over 20 years based on conversations with bidding lenders.

FINANCING SUMMARY

Obligor: Experimur, LLC and/or a Limited Liability Company to be formed.

Guarantor: Experimur, LLC and possibly, Nabil Hatoum and Bernadette Ryan

Security: First mortgage interest in the subject real estate and first lien in all equipment financed all corporate assets of the borrower and guarantor.

Conditions: Receipt of an independent "as improved" appraisal demonstrating an acceptable loan to value ratio. Completion of a survey and environmental evaluation. SBA approval of its loan facility.

The Facility: Banks are bidding to provide a loan for $1.5 million to finance the purchase of the real estate, a construction loan for $4.6 million and permanent financing. Financing for the land purchase and construction is expected to have a term of one year or less, convertible to permanent financing with a term up to 20 years. IFA has been asked to participate in the permanent financing upon completion on construction. The term of our facility will not exceed ten years.

Interest: Real Estate Acquisition and Construction: Prime Rate changing when and as Prime changes. Permanent: The Bank will charge Prime Rate changing when and as Prime changes or a fixed rate to be negotiated. The Authority will receive 2% below the Bank's rate.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Experimur, LLC, 2929 South Ellis Avenue, Dreyfus Building Suite 600, Chicago, Illinois 60616 (Contact: Nabil Hatoum, PhD, DABT)
Organization: Illinois Limited Liability Company
Ownership: Nabil Hatoum: 26%,
Bernadette Ryan: 26%
Other individuals with no one owning more than a 7% interest.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	To be determined		
Accountant:	Weber & Associates		Aurora, IL
Bank	To be determined		
Bank Counsel:	To be determined		
IFA Counsel:	Dykema Gossett	David Celitti	Chicago, IL

LEGISLATIVE DISTRICTS

Congressional:	3	Daniel Lipinski
State Senate:	3	Mattie Hunter
State House:	6	Patricia Bailey

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 13, 2005

Project: **The University of Chicago Hospitals and Health System (Commercial Paper Revenue Notes)**

STATISTICS

Project Number:	H-HO-TE-CP-619	Amount:	$75,000,000 (not to exceed amount)
Type:	Commercial Paper ("CP") Revenue Notes	IFA Staff:	Rich Frampton
Location:	Chicago	Est. fee:	$21,000 (CP Revenue Notes)

BOARD ACTION

Final CP Revenue Notes Resolution
Conduit 501(c)(3) Commercial Paper Revenue Notes
Staff recommends approval

No IFA funds at risk
No extraordinary conditions

Security: The CP Revenue Notes will be secured by a Direct Pay Letter of Credit from The Northern Trust Company.

PURPOSE

Commercial Paper proceeds will provide interim financing for the proposed U of C Hospitals and Health System financings in Chicago. Ultimately, the Borrower may refund the IFA Commercial Paper or pay off the obligations from contributions prior to maturity. This CP Revenue Notes origination would supplement Prior Trust Indentures executed for this Program since 11/1/1995.

The majority of proceeds of this CP issuance will (1) finance improvements at the Hospital's Pediatric Emergency Department. Additionally, CP proceeds will be used to (2) renovate space to accommodate additional ICU single bed rooms at Wyler Hospital, and (3) to construct an employee parking garage and adjacent administration building for the Psychiatric Department and (4) to provide shell space for future expansion. -

The CP Revenue Notes will be issued in two tranches consistent with the Borrower's need to finance capital improvements. The Borrower anticipates originating the respective tranches in an initial tranche of $30 million in September 2005, with the follow-on tranche in late 2005 or early 2006.

IFA CONTRIBUTION

Federal Tax-Exempt interest on Commercial Paper Revenue Notes.

VOTING RECORD

Preliminary CP Revenue Notes Resolution, July 12, 2005:

Ayes: 8 Nays: 0 Abstentions: 0

Absent: 4 (Goetz [not present for this item by telephone], O'Brien, Rice, Valenti) Vacancies: 3

SOURCES AND USES OF FUNDS

Sources:	IFA Commercial Paper	$75,000,000	Uses:	Capital Projects	$75,000,000
	Equity	162,000		Costs of Issuance	89,500
				Underwriter's Discount	72,500
	Total	$75,162,000		Total	$75,162,000

JOBS

Current employment:	6,085	Projected new jobs:	N/A
Jobs retained:	Not applicable	Construction jobs:	N/A

BUSINESS SUMMARY

Organization: The **University of Chicago Hospitals** ("UCH") is an Illinois not-for-profit incorporated under Illinois law in 1986 and doing business as **The University of Chicago Hospitals and Health System** ("UCHHS"). UCH and its related organizations are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

The **University of Chicago** ("U of C") is the sole corporate member of UCH and has the sole power to elect the UCH's Board of Trustees (see attached listing).

Background: The University of Chicago's hospital and clinic facilities are located on the University's main campus in Hyde Park and have been in continuous operation since 1927.

UCH is currently licensed to operate 593 beds located in the following three hospitals:

- Bernard Mitchell Hospital: the primary adult patient care facility
- Chicago Lying-in Hospital, the maternity and women's hospital, which occupies two floors of the building that houses Bernard Mitchell Hospital
- The University of Chicago Children's Hospital and is now known as The University of Chicago Comer Children's Hospital, after its new facility opened in February 2005.

UCH's ambulatory care facility, the **Duchossois Center of Advanced Medicine** ("DCAM"), opened in 1996. The DCAM has 310 exam rooms, 90 rooms for outpatient procedures, eight operating rooms for ambulatory surgery, and houses specialty outpatient clinics for medicine, surgery, obstetrics and gynecology, pediatric care, neurology and ophthalmology, adult primary care, and executive health practices.

Additionally, UCH operates several area-wide treatment centers including (1) a pediatric trauma center, (2) a regional burn and perinatal units, and (3) an emergency care center with a specially equipped and staffed medical helicopter. UCH also operates the Windermere Senior Health Center in Hyde Park and the Outpatient Senior Health Center at South Shore, located approximately two miles from the Medical Center.

As of June 2004, there were 1,391 physicians using UCH's facilities.

Competing tertiary care teaching hospitals include: Advocate Christ Medical Center, Northwestern Memorial Hospital, Rush-Presbyterian-St. Luke's Medical Center, University of Illinois Hospital and Clinics, and Loyola University Medical Center.

Impact of Proposed Project on Emergency Pediatric Care: The anticipated initial $30 million tranche of IFA Commercial Paper Revenue Notes will enable The University of Chicago Hospital to relocate its pediatric emergency room to a location adjacent to the new Comer Children's Hospital, which opened in February 2005. Additionally, the new facility will expand the capacity of the current pediatric emergency room and treatment stations by 2.5 times.

UCH has approximately 28,000 visits annually to its pediatric emergency room. UCH is one of six designated Level 1 Pediatric Trauma Centers in the Chicago metropolitan area and is one of only two pediatric trauma centers that are staffed 24 hours/day. The nearest pediatric trauma centers are the John H. Stroger, Jr., Cook County Hospital (1901 W. Harrison Street in Chicago) or the Advocate Christ Medical Center (4400 W. 95th Street in Oak Lawn).

Financials: Audited financial statements for The University of Chicago Hospitals and Health System for the fiscal years ended 6/30/2002 through 6/30/2004.

(Dollars in 000's)	**FYE June 30**		
	2002	**2003**	**2004**
Statement of Revenues & Expenses:			
Total Revenue	$681,105	$727,472	$753,916
Operating Income	68,924	43,582	41,825
Change in Net Assets	(28,511)	35,902	73,986
EBIDA	24,791	89,051	125,821
Balance Sheet			
Current Assets	$196,464	$207,319	$197,177
PP&E – Net	331,584	361,468	412,417
Other Non-Current Assets	398,654	424,391	442,599
Other Assets	15,472	16,121	19,612
Total Assets	$942,174	$1,009,299	$1,071,805
Current Liabilities	$136,345	$151,235	$148,449
Long-term Debt	358,114	352,720	350,471
Other Non-Current Liab./Self Ins.	98,131	98,163	90,013
Net Assets	349,584	407,181	482,872
Total Liabilities & Net Assets	$942,174	$1,009,299	$1,071,805
Ratios			
Debt Service Coverage	1.24x	4.51x	6.49x
Days Cash & Investments	215	210	240

Discussion: Financial condition is excellent. Combined cash and unrestricted short-term and long-term investment balances totaled approximately $447.8 million as of 6/30/2004, equivalent to approximately 240 days cash. (UCH's operating expenses, excluding interest expense and depreciation, totaled approximately $660.3 million for the fiscal year ended 6/30/2004.)

Additional liquidity is available under a $15 million Line of Credit with LaSalle Bank NA. This Line of Credit has been renewed on an annual basis. UCH expects to maintain this Line of Credit going forward upon its expiration on 12/22/2005.

Historical debt service coverage has been extremely strong as exhibited by 6.49 time debt coverage for the year ended 6/30/2004.

All of UCH's long-term debt is secured with credit enhancement (i.e., insured or secured with Bank Letters of Credit).

FINANCING SUMMARY

Security: The Bonds will be secured by a Direct Pay Letter of Credit provided by The Northern Trust Company. The anticipated initial Bank LOC term is two years, subject to extension.

Structure: The CP Notes will be sold at an interest rate that will mature between 1 and 270 days and will be subject to extension (i.e., "rollover") upon maturity for an additional term and interest rate to be determined by the JPMorgan Securities, Inc. (the "Dealer"). The CP Revenue Notes will be originated in two tranches, to reflect UCH's draw down needs. The proceeds from the sale of the CP Revenue Notes will by loaned to UCH through the purchase of the UCH's promissory notes issued by UCH pursuant to a Security Agreement between UCH and the Illinois Finance Authority.

The Trust Indenture will allow additional borrowers to be added to the CP Note program provided that the Northern Trust Company provides a Letter of Credit commitment for each borrower.

Interest Rate: The interest rate and maturities on the CP Notes will bear an interest rate determined by the maturity (i.e., between 1 and 270 days) set by the Dealer.

Maturity: The CP Notes will mature every 1 to 270 days and will be subject to extension based on continued availability of the Direct Pay Letter of Credit securing the Notes.

PROJECT SUMMARY

Proceeds of the Commercial Paper issuance will be used by the University of Chicago Hospitals and Health System to finance, refinance, and reimburse the costs of certain educational and health care capital projects, including the following:

Initial Tranche:

- **Construction of a new, freestanding Pediatric Emergency Center.** This project will be located near the intersection of 58th Street and South Drexel Avenue, and will be located adjacent to and provide direct access to the University of Chicago's Comer Children's Hospital (at 5721 South Maryland Avenue). Additionally, the project will provide for the construction of three additional floors located above the Pediatric Emergency Center that will be used for future expansion of the hospital facilities.
- **Construction of addition for Wyler Hospital:** This project will renovate and retrofit two existing floors to provide additional adult ICU single bed rooms at 5839 South Maryland Avenue in Chicago.
- **Construction of a new Employee Parking Garage and an attached administrative building**: Facility will house Administrative Offices for the Psychiatric Department and provide shell space for future hospital expansion. This project will be located at the northwest corner of 61st Street and South Drexel Avenue in Chicago.
- **Renovation of existing labor and delivery suites and the addition of new labor and delivery suites at the Mitchell Hospital**, 5815 South Maryland Avenue in Chicago.

Second Tranche:

- **Various capital expenditures located through the University of Chicago Hospitals and Health System facilities** including the following locations in Chicago: 5634½-5721-5758-5815-5839-5840-5841 South Maryland Avenue, 850 and 901 East 58th Street, and the following sites:
  - A portion of the block bordered on the north by 57th Street, on the south by 58th Street, on the east by South Drexel Ave., and on the west by the property known as the University of Chicago Comer Children's Hospital, located at 5721 South Maryland Avenue.
  - A portion of the block bordered on the south by 61st Street, on the east by South Drexel Ave., on the west by an alleyway located parallel and between Cottage Grove Avenue and South Drexel Avenue, and on the north by a building located at 6022 South Drexel Ave.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The University of Chicago Hospital and Health Care System, Finance and Strategic Development, 5841 South Maryland Avenue, Chicago, IL 60637.
Borrower Contacts:	(1) Lawrence J. Furnstahl, Chief Financial Officer and Chief of Strategic Development; (T) 773-834-5354; (Fax) 773-834-0970; e-mail: lawrence.furnstahl@uchospitals.edu (2) Ann McColgan, Assistant Treasurer; (T): 773-753-9106; (F): 773-834-0970; e-mail: ann.mccolgan@uchospitals.edu
Project name:	Commercial Paper Revenue Notes
Locations:	See locations described above under the Project Summary (i.e., description from IFA CP Revenue Note Resolution)
Organization:	501(c)(3) not-for-profit corporation
State:	Illinois
Board of Trustees:	See attached listing for 2004-2005 Board of Trustees and Life Trustees
Current landowner:	All of the buildings and/or land is currently owned by the University of Chicago and leased by The University of Chicago Hospitals.

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman	Chicago	Elizabeth Weber
Accountant:	PricewaterhouseCoopers	Chicago	
Bond Counsel:	Chapman and Cutler	Chicago	Jim Luebchow, Jennifer DeVriendt
LOC Bank:	The Northern Trust Company	Chicago	Sally Parnell
LOC Bank Counsel:	Winston & Strawn	Chicago	Ellen Duff
CP Dealer:	JPMorgan Securities, Inc.	New York, NY, Chicago	Suzanne Beitel Meghan O'Keefe
CP Dealer's Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
Trustee:	JPMorgan Institutional Trust Services	New Albany, OH	Robert Granto
Rating Agency:	Standard & Poor's	New York, NY	
Issuer's Counsel:	Kevin Cahill	Chicago	Kevin Cahill

LEGISLATIVE DISTRICTS

Congressional:	1	Bobby L. Rush
State Senate:	13	Kwame Raoul
State House:	25	Barbara Flynn Currie

Officers of the Corporation

Paula Wolff
Chair of the Board of Trustees, University of Chicago Hospitals and Health System

Michael C. Riordan
President and Chief Executive Officer, University of Chicago Hospitals and Health System

Kenneth P. Kates
Executive Vice-President and Chief Operating Officer, University of Chicago Hospitals and Health System

Ivy H. Bennett
Vice-President and Chief Marketing Officer

Jeffrey A. Finesilver
Vice-President and Director, Duchossois Center for Advanced Medicine

Mayumi Fukui
Vice-President for Managed Care

Lawrence J. Furnstahl
Chief Financial Officer, Chief of Strategic Development, Treasurer

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Mark A. Urquhart
Vice-President for Support Services

Eric B. Yablonka
Vice-President and Chief Information Officer

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 13, 2005

Project: Kishwaukee Health System

STATISTICS

Project Number:	H-HO-TE-CD-636	Amount:	$85,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane and Dana Sodikoff
Location:	DeKalb, IL	Est. fee:	$138,000

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) bonds

Staff recommends approval
No IFA funds at risk

PURPOSE

Proceeds will be used to: (i) to fund a replacement hospital for approximately $58,000,000, (ii) to fund capitalized interest, and (iii) to pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA Board gave its approval for a Purchase Contract Resolution on August 9, 2005 by the following vote:

Ayes- 9 Nayes- 0 Absent- 3 Vacancies-3

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$63,050,000	Uses:	Capitalized Interest	3,069,000
				New Money and Cost Of Issuance	59,981,000
	Total	$63,050,000		Total	$63,050,000

JOBS

Current employment: 1100 FTE's
Jobs retained: N/A

Projected new jobs: N/A
Construction jobs: TBD

BUSINESS SUMMARY

Background: Kishwaukee Health System ("KHS") is an Illinois not-for-profit corporation and is the parent company of Kishwaukee Community Hospital ("KCH"), Valley West Community Hospital ("VWCH"), Kishwaukee Health Foundation, Kishwaukee Medical Foundation, DeKalb County Hospice and Health Progress Inc., the Health System's for-profit arm. KHS began with the opening of KCH on December 27, 1975 at its current location in DeKalb, Illinois. In 1998 KHS acquired the assets of the former Sandwich Community Hospital, now VWCH.

Description: KHS is headquartered in DeKalb, Illinois. KCH, also located in DeKalb, is currently licensed for 172 acute care beds. VWCH, located in Sandwich, Illinois, is licensed for 82 acute care beds and has been federally designated a Critical Access Hospital. In addition to its acute care facilities, KHS' array of services and specialties include hospice via DeKalb County Hospice, specialty eye services via the Hauser Ross Eye Institute, radiation oncology via the Illinois Regional Cancer Center (51% equity), diagnostic imaging services via DeKalb Magnetic Resonance Center (30% equity), and specialty orthopedics via the Musculoskeletal Institute (30% equity).

Service Area: KCH's primary service area ("PSA") includes DeKalb, Sycamore, and Cortland counties. The hospital has consistently maintained 66-67% market share in its PSA, accounting for 80% of its total admissions. KCH's secondary service area ("SSA") is made up of the communities surrounding the PSA and terminates at Route 30, where VWCH's PSA begins. VWCH's PSA includes Somonauk, Sandwich, Leland, and Plano counties. VWCH has approximately 35% market share in its PSA.

Financials*:

	Fiscal Years Ended April 30,		
($ in millions)	**2003**	**2004**	**2005**
Income Statement			
Support and Revenues	$108.7	$121.6	$133.7
Revenue Over Expenses – Operating Income	4.5	10.9	13.8
*EBIDA	9.7	17.0	20.1
Balance Sheet			
Current Assets	27.2	31.7	42.4
PP&E	43.5	43.5	45.1
Investments	53.7	65.2	69.3
Other Assets	0.5	1.5	3.9
Total Assets	**124.9**	**141.8**	**160.7**
Current Liabilities	18.3	18.5	20.8
Debt	11.9	12.8	11.2
Other Liabilities	1.6	1.8	2.6
Total Net Assets	93.1	108.7	126.2
Total Liabilities and Net Assets	**124.9**	**141.8**	**160.7**
Ratios			
Debt Service Coverage (x)	11.2	16.9	10.9
Current Ratio	1.5	1.7	2.0
Debt / Total Net Assets	12.8%	11.8%	8.9%
Days Cash on Hand	197.9	233.5	258.3

Discussion: The Hospital has experienced consistently strong operations over the last few years. Future financial projections are not required by Illinois Finance Authority for strong healthcare borrowers.

FINANCING SUMMARY

Security:	The bonds will be rated based upon the use of CIFG, which is a AAA rated municipal bond insurer. Kishwaukee Health will also have an underlying rating from Standard & Poor rating agency, which will be determined before closing.
Structure:	The plan of finance contemplates the issuance of floating rate bonds, which were swapped to fixed rate debt in late July. The bonds will be insured by CIFG, a AAA rated municipal bond insurer.
Maturity:	Up to 30 years.

PROJECT SUMMARY

Bond proceeds will be used to (i) to fund new money projects, specifically the construction of a new hospital (ii) capitalized interest, and (iii) pay bond issuance costs.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Kishwaukee Hospital
Location:	626 Bethany Road DeKalb, IL 60115
Applicant:	Kishwaukee Health System
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Board of Directors:	Dewey Yaeger, Chair Mike Mooney, 1st Vice Chair Anita Zurbrugg, JD 2nd Vice Chair Kevin P. Poorten, President & CEO Martin Brauweiler, MD VWCH Chief of Staff Michael Thornton, MD KCH Chief of Staff Gerald Bemis Michael Cullen Terry Duffy Ronald Feldmann, MD Stan Free James Hawkins, MD Don Kieso Michael Larson Mary Lynn McArtor Kathy Butler, KCH Auxiliary President Diane Shroyer, VWCH Auxiliary President

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Reinhart Boener Van Deuren	Chicago	Bill Flynn
Accountant:	McGladrey & Pullen	Chicago	James Grigg Sam Miller
Bond Counsel:	Chapman & Cutler	Chicago	Jim Luebchow Chris Walrath
Underwriter:	JP Morgan	Chicago	Tim Wons
Underwriter's Counsel	Ungaretti & Harris	Chicago	Raymond Fricke
Financial Advisor:	Kaufman, Hall & Associates	Chicago	Kit Kamholz
Bond Trustee:	First National Bank	Omaha	John Lenihan
Issuer's Counsel:	Mayer, Brown, Rowe & Maw	Chicago	David Narefsky

LEGISLATIVE DISTRICTS

Congressional: 14- J. Dennis Hastert
State Senate: 70- Robert W. Pritchard
State House: 35- J. Bradley Burzynski

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 13, 2005

Project: **The Clare at Water Tower**

STATISTICS

Project Number:	N-NP-TE-CD-405	Amount:	$230,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	PA:	Pam Lenane and Dana Sodikoff
Location:	Chicago	Est fee:	211,000

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Bonds
No IFA funds at risk

Staff recommends approval subject to compliance with IFA policy requirement for non-rated debt

PURPOSE

Proceeds will be used to: 1) finance the costs of developing, constructing and equipping The Clare, 2) capitalize a debt service reserve fund 3) interest expense, letter of credit and remarketing fees for a period of 30 months and 4) pay costs of issuance

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA Board gave its approval for a Preliminary Bond Resolution on April 20, 2004 by the following vote:

Ayes – 10 Nayes -0 Absent -3 Vacancies – 2

The IFA Board gave its approval for a Purchase Contract Resolution on July 12, 2005 by the following vote:

Ayes- 9 Nayes- 0 Absent- 3 Vacancies-3

ESTIMATED SOURCES AND USES OF FUNDS

Sources:			Uses:	
	IFA Bonds	$219,840,000	Land and Related	$9,747,000
	Resident Deposits [1]	19,404,000	Construction Related Costs	124,975,000
			Occupancy Development/Marketing	10,815,000
			Development and Planning	14,374,000
			Return on Pre-Finance Capital	12,906,000
			Other Costs	2,522,000
			Project Contingency	5,000,000
			Financing and Issuance Costs	6,694,000
			Funded Interest, LOC & Remarketing Fees for 30 Months	32,147,000
			Debt Service Reserve Funds	13,049,000
			Design and Engineering Costs	5,575,000
			Additional Pre-Finance Costs	1,440,000
	Total	$239,244,000		$239,244,000

[1] Resident deposits will primarily be used to fund start-up deficits.

JOBS

Current employment: N/A
Jobs retained: N/A

Projected new jobs: 147
Construction jobs: see below

During the construction period, it is estimated that an average of approximately 400 construction jobs will exist at any one time. However, throughout the entire construction process it is expected that 1,500 distinct jobs will be required to complete the project.

BUSINESS SUMMARY

Background: Although The Clare will be a stand-alone credit, it will be associated with Franciscan Communities, Inc. ("FC"), Franciscan Sisters of Chicago ("FSC") and Franciscan Sisters of Chicago Service Corporation ("FSCSC"), each of which is described below. The Clare will also be affiliated with Loyola University, which will utilize the first two floors of the new building.

FC owns and operates 13 senior living facilities with a total of 2,230 units/beds located in Illinois, Indiana, Kentucky, and Ohio. FC is an obligated group viewed to be a leading Catholic senior living provider in the Midwest.

FSC was founded in 1894 and its members have dedicated themselves to the care of the aged and the sick in hospitals and nursing homes, the education of students at the elementary and secondary levels, the operation of day care centers, religious education, pastoral ministry, social service activities and the ministry of prayer and suffering. FSC ministers in Illinois, Indiana, Ohio and Kentucky.

FSCSC was organized to coordinate all FSC-sponsored facilities and assist FSC in establishing and extending its charitable mission in health care, social and pastoral services and education.

The Clare will be developed with assistance from Greystone Communities ("Greystone"), a leading national developer of not-for-profit CCRCs. Greystone specializes in planning, development, marketing, management and strategic consulting services related to all areas critical to the senior housing and services business. Greystone currently has a staff of approximately 120 persons, and senior management provides more than 20 years of senior living experience. Greystone is based in the Dallas, Texas area. Greystone has developed a number of projects in the past 10 years that are similar to The Clare with respect to its size, resident profile, amenities and services and financing structure.

Greystone has been engaged by more than 300 sponsors and owners of senior living communities to assist in project planning, financing, marketing and management. Greystone has been responsible for more than 50 senior living community development and expansion projects. In addition, Greystone's management experience encompasses more than forty communities, including 8,000 housing and supportive care units.

Description: The Clare will be the Borrower for this financing. The Clare will be built on land located at the intersection of Rush Street and Pearson Street in the Water Tower area of Chicago. The 0.6-acre piece of land is located at 41-47 Pearson Street. The land will be leased from Loyola University pursuant to a 100-year land lease.

The Clare will be new full service world-class high rise CCRC. FC currently owns and operates 13 senior living communities in the Midwest. The Clare will target a different geographic and economic market (versus its existing communities) due to its location and price points. Compared to the existing FC communities, The Clare will be more expensive and the project will be more upscale and prestigious. The Clare will offer residents a lifestyle and personal services strategically designed to appeal to seniors seeking an active social environment, high quality maintenance-free housing and supportive services in an upscale urban environment.

Given the size and location of the project site, the project is designed to consist of 241 independent living apartments, 9 catered living apartments, 39 assisted living suites, 15 memory support assisted living suites and 32 private and semi-private skilled nursing rooms. Services provided to independent living residents include one meal daily and continental breakfast, housekeeping, utilities, concierge services, valet parking, unit maintenance, scheduled transportation, security monitoring, 24-hour emergency response and a full array of educational, recreational, cultural, spiritual and social programs designed to enhance independence. Assisted living residents will receive the same services as independent living residents plus two additional meals per day and assistance with activities of daily living. Residents requiring nursing care will receive the same basic services as assisted living, as well as 24-hour medical assistance and a full complement of physical, social and recreational services consistent with their needs.

The site currently has two existing structures owned by Loyola University that will have to be demolished prior to the initiation of construction. When completed, The Clare will consist of approximately 670,000 square feet, including a 250-car parking garage. The first two floors will be utilized by Loyola University. The building is envisioned to be more than 50 stories tall and will have a distinct impact on the Chicago skyline. The ninth floor of the community will include a swimming pool, fitness and aerobics studio, beauty salon, café and outdoor landscaped terrace with walking paths. The community will also include various dining rooms, library rooms, administrative spaces, living rooms, art studio, educational conference center, chapel, game rooms and access to the rooftop terrace. A 24-month construction period is expected. The overall appearance of the project will be a stone and glass base with a painted concrete and glass tower.

A preliminary resident fee structure has been developed and is expected to be in place until January 1, 2008. Residents who first enter the CCRC in an independent living unit will pay an initial entrance fee ranging from $513,000 to $1,400,000 (depending on unit size, location and amenities) and a monthly fee ranging from $2,395 to $4,995. When the resident permanently leaves The Clare and the unit is re-occupied, the resident or his/her estate will receive a refund equal to 90%-95% of the initial entrance fee. Residents who first enter The Clare in an assisted living unit will pay an initial entrance fee ranging from $53,000 to $94,000 (depending on unit size, location and amenities) and a monthly fee ranging from $4,195 to $4,895. Catered living residents will pay a fee of $15,200 per month. When the resident permanently leaves The Clare and the unit is re-occupied, the resident or his/her estate will receive a refund equal to 90% of the initial entrance fee. Residents who first enter The Clare in memory support assisted living unit will pay an initial entrance fee of $75,000 and a monthly fee ranging from $4,995 to

$5,495. When the resident permanently leaves The Clare and the unit is re-occupied, the resident or his/her estate will receive a refund equal to 90% of the initial entrance fee. Nursing care is estimated to be $150 per day for a semi-private room and $275 per day for a private room. Initial entrance fees will not be paid by residents who first enter the CCRC through nursing.

The issue is expected to consist of two tranches of debt. The "Temporary Debt" will consist of Letter of Credit-backed Variable Rate Demand Bonds ("VRDBs") and EXTRAS℠ (Extendable Rate Adjustable Securities, a proprietary product created and sold by Ziegler Capital Markets Group), and Special Fixed rate Bonds. If necessary, a series of fixed rate bonds may be added to the Temporary Debt tranche. The Temporary Debt of approximately $152.4 million is expected to be fully repaid from resident initial entrance fees in the first few years after the project opens. The "Permanent Debt" is expected to consist of 100% fixed rate bonds, the principal on which will be repaid over a 28-year period on a level debt service basis after the project has reached stable occupancy. All of the bonds will be federally tax-exempt and sold on a non-rated basis (with the exception of the VRDBs, which will carry the LOC Bank's rating). To the extent necessary, it may be necessary to issue a small about of taxable VRDBs to cover certain project costs that cannot be financed on a tax-exempt basis under current tax law.

The project will receive pre-finance capital from a seed capital provider who is active in the senior living area. This pre-finance capital will enable the Borrower to make progress on the project prior to the issuance of new IFA bonds.

Remarks: In connection with the bond offering, a comprehensive financial feasibility study will be prepared and included in the offering document. Greystone has prepared a comprehensive development plan which includes a market analysis, recommended project scope and definition, project economics and finance plan, marketing plan, analysis of regulatory requirements and preliminary development timeline.

Financing will not occur until presales equal to 10% of the initial entrance fee have been received for 65% of the independent living units. It is expected that this level of presales will be achieved in late summer 2005.

Financials: Because The Clare is a start-up, historical financial statements do not exist. The bonds will be sold based on the credit structure and the projected financial performance shown in the financial feasibility study prepared by BDO Seidman, LLP. Based on current projections prepared by Greystone, the project is expected to generate cash reserves of approximately $33.86 million after the retirement of all Temporary Debt and substantially full occupancy of the project. The projected debt service and lease payment coverage ratio is projected to be 2.10x and the projected cash to debt ratio is 52% in 2011, and the Days Cash on hand is projected to be 501 the first full year of stabilized occupancy.

Discussion: Greystone is the premier developer of high quality CCRCs for non-profit senior living organizations. Similarly, Ziegler is the leading underwriter in the area of startups and senior living in general. Both have worked with the Franciscans for a number of years. Chicago has a limited amount of upscale senior housing so competition will be somewhat limited, at least in the short-term. The projected operating performance is strong, especially when compared to other startups which have successfully been financed, constructed and filled. FC is an experienced senior living provider striving to service the elderly at many different economic levels. A comprehensive financial feasibility study will be prepared by BDO Seidman, LLP, a reputable firm and should be completed by early fall 2005.

FINANCING SUMMARY

Security: Consists of a mortgage, gross revenue pledge and master notes under a master indenture. Covenants and other legal provisions will be generally consistent with those in use throughout the senior living industry for startup CCRCs.

Structure:	Temporary Debt consisting of LOC-Backed VRDBs, EXTRAS and possibly a series of fixed rate bonds (if needed). Permanent debt consisting of fixed rate serial and term bonds. The vast majority of the bonds will be federally tax-exempt.
Maturity:	The Temporary Debt will be repaid in full within 5 years following issuance. The Permanent Debt will have a 34-year final maturity.
Waiver:	The bonds will be sold in denominations less than $100,000 (i.e. $1,000, $5,000). The Borrower has requested a waiver or our unrated and non-credit enhanced debt policy. They have met the conditions for a waiver, which they qualify for:

Conditions for Waiver:

- The Borrower has secured a published feasibility from BDO Seidman, LLP, an independent and qualified accounting or consulting firm acceptable to the Authority that supports the financial viability of the Project.

PROJECT SUMMARY

Bond proceeds will be used to finance The Clare, an upscale non-profit CCRC to be located at Rush Street and Pearson Street on Chicago's north side. The project will be affiliated with Franciscan Communities, Inc. and Loyola University. Bond proceeds will be used to fund (1) the costs of developing and constructing The Clare, (2) one debt service reserve fund for each series of bonds, (3) interest expense, letter of credit and remarketing fees for a period of 30 months and (4) bond issuance costs.

ECONOMIC DISCLOSURE STATEMENT

Project name:	The Clare at Water Tower
	Project Sponsor's Home Office: 1055 West 175th Street, Homewood, IL 60430
Location:	41-47 Pearson Street, Chicago, IL
Applicant:	The Clare at Water Tower. Sponsored by Franciscan Sisters of Chicago Service Corporation
Organization:	501(c)(3) Not-for-Profit Corporation (IRS tax exemption not yet received)
State:	Illinois
Board of Trustees:	Mr. Leonard A. Wychocki
	Sr. M. Francis Clare Radke
	Sr. M. Francine Labus, OSF

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Zavis Rosenman	Chicago	Elizabeth Weber
Accountant:	Ernst & Young	Chicago	Tadd Ingles
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	Ziegler Capital Markets Group	Chicago	Dan Hermann
Underwriter's Counsel:	Gardner, Carton & Douglas	Chicago	Steve Kite
Bond Trustee:	JP Morgan Trust Company	Indianapolis	John Pease
			F. Henry Kleschen, III
Issuer's Counsel:	Charity and Associates	Chicago	Alan Bell

LEGISLATIVE DISTRICTS

Congressional:	5 – Rahm Emanuel
State Senate:	20 – Iris Martinez
State House:	40 – Richard Bradley

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 13, 2005

Project: OSF Healthcare System

STATISTICS

Project Number:	H-HO-TE-CD-594	Amount:	$110,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane and Dana Sodikoff
Location:	Peoria, IL	Est fee:	$138,000

BOARD ACTION

Final Bond Resolution	Staff recommends approval
Conduit 501(c)(3) bonds	No IFA funds at risk

PURPOSE

Proceeds will be used to: (1) advance refund approximately $ 86,000,000 of existing IHFA Series 1999 bonds and (2) to fund a debt service reserve fund and; (3) to pay costs of issuance, including insurance premium.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA Board gave its approval for a Purchase Contract Resolution on June 14, 2005 by the following vote:

Ayes- 8 Nayes- 0 Absent- 5 Vacancies-2

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$110,000,000	Uses:	Refunding Escrow	$96,000,000
				Cost of Issuance and Insurance	2,500,000
				Debt Reserve Fund	11,500,000
	Total	$110,000,000		Total	$110,000,000

JOBS

Current employment:	8880 FTE's	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: OSF Healthcare System ("OSF" or the "Corporation") is an Illinois not-for-profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. OSF was incorporated in 1880 as The Sisters of the Third Order of St. Francis. The Corporation's current name was adopted as part of a corporate restructuring in 1989. The sole corporate member of OSF is The Sisters of the Third Order of St. Francis, a religious congregation founded in 1877 in Peoria, Illinois. The Corporation operates it health care facilities as a single corporation, with each health care facility functioning as an operating division of the Corporation.

Description: OSF is headquartered in Peoria. Six of the Corporation's facilities (five hospitals and one continuing care and nursing home center) are located in Illinois. One hospital is located in Michigan. OSF has 1399 licensed acute care beds and 110 licensed long term care beds. The Corporation's largest hospital, St. Francis Medical Center in Peoria, is a 710-licensed bed tertiary care teaching center providing numerous specialty services and extensive residency programs for physicians. The array of health services provided by OSF also includes 37 hospital-based outpatient facilities, approximately 72 physician office facilities of employed physicians, six home health agencies and five hospices. Multi-institutional membership status has been conferred on the Corporation by the Illinois Hospital Association and the American Hospital Association. Similar membership status exists with the Catholic Health Association of the United States and the Illinois Catholic Health Association.

Service Area: OSF has facilities in the following locations in Illinois: Peoria (St. Francis Medical Center); Rockford (Saint Anthony Medical Center); Bloomington (St. Joseph Medical Center); Galesburg (St. Mary Medical Center); Pontiac (Saint James Hospital); Peoria Heights (Saint Clare Home). The facility in Michigan, St. Francis Hospital, is located in Escanaba.

Financials:

($ in millions)	Fiscal Years Ended September 30,		
	2002	**2003**	**2004**
Income Statement			
Support and Revenues	$885	$979	$1098
Revenue Over Expenses – Operating Income	3	14	47
*EBIDA	65	79	67
Balance Sheet			
Current Assets	337	284	336
PP&E	401	432	433
Investments	185	260	278
Other Assets	132	124	151
Total Assets	**1055**	**1100**	**1198**
Current Liabilities	106	117	137
Debt	413	408	401
Other Liabilities	68	137	124
Total Net Assets	468	438	536
Total Liabilities and Net Assets	**1055**	**1100**	**1198**
Ratios			
Debt Service Coverage (x)	3.2	2.4	4.5
Current Ratio	4.9	4.7	2.5
Debt / Total Net Assets	47.5	49.0	43.8
Days Cash on Hand	143.1	136.3	143

Discussion: OSF's positive financial results in recent years reflect the Corporation's commitment towards execution of its strategies to provide healthcare services to the residents of Northern and Central Illinois and the Upper Peninsula of Michigan. The key strategies are to solidify the strength of the acute care hospitals, enhance the financial performance of the OSF Medical Group, and continue to provide services and products through OSF Health Plans in support of OSF's vertically integrated healthcare strategy. Other strategies include strengthening the relationship with specialty care physicians that utilize the Corporation's facilities and solidifying the development of the independent affiliated regional community hospitals and allied health providers.

FINANCING SUMMARY

Security: OSF currently maintains ratings with all three rating agencies. Current ratings are as follows: A2/A/A (Moody's/Standard and Poor's/Fitch); the Series 2005 refunding bonds will be rated based on the use of credit enhancement in the form of municipal bond insurance from FSA (Aaa/AAA/AAA rated).

Structure: The plan of finance contemplates the issuance of 100% floating rate bonds, all of which will be swapped to fix rate debt. All bonds will be insured by Aaa/AAA/AAA-rated FSA. OSF will realize significant interest rate savings.

Maturity: Up to 25 years.

PROJECT SUMMARY

Bond proceeds will be used to (i) advance refund a portion of the outstanding principal amount of the Series 1999 Bonds and (ii) to pay a debt service reserve fund; and (iii) pay bond issuance costs including insurance.

ECONOMIC DISCLOSURE STATEMENT

Project name:	OSF Healthcare System
Location:	800 North East Glen Oak Avenue; Peoria, Illinois 61603
Applicant:	OSF Healthcare System
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Board of Directors:	Sister Mary Ellen Flannery, O.S.F., Chairperson Sister Judith Ann Duvall, O.S.F., President and Assistant Secretary Sister Mary John Harvey, O.S.F. Sister M. Patricia Klosinski, O.S.F., Secretary Sister Maria Elena Padilla, O.S.F. Sister Diane Marie McGrew, O.S.F., Treasurer Sister Agnes Joseph Williams, O.S.F. Mr. James M. Moore, Vice-Chairperson Mr. Leonard E. Nevitt Mr. Vance Parkhurst James W. Girardy, M.D. Gerald J. McShane, M.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hinshaw & Culbertson	Rockford	Charles Thomas
Accountant:	KPMG LLP	Chicago	John Depa
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	Merrill Lynch.	New York	Neil Mathews
Underwriter's Counsel	Sonnenschein Nath & Rosenthal	Chicago	Steve Kite
Financial Advisor:	Anne Donahoe	Chicago	Anne Donahoe
Bond Trustee:	Wells Fargo	Chicago	Chitra Patel
Issuer's Counsel:	Goldberg Kohn Bell Black Rosenbloom & Moritz	Chicago	Keith Sigale

LEGISLATIVE DISTRICTS

Congressional:	18- Ray LaHood, 15-Timothy V. Johnson, 16- Donald A. Manzullo, 17- Lane Evans
State Senate:	46- George P. Shadid, 37- Dale E. Risinger, 53- Dan Rutherford, J. Bradley Burzynski, 44- Bill Brady
State House:	92- Aaron Schock, 73- David R. Leitch, 106- Keith P. Sommer, 69-Ronald A. Wait, 74- Donald L. Moffitt, 88-Dan Brady

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 13, 2005

Project: Silver Cross Hospital

STATISTICS

Project Number:	H-HO-TE-CD-654	Amount:	$150,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	PA:	Pam Lenane and Dana Sodikoff
Locations:	Joliet	Est. fee:	$138,000

BOARD ACTION

Preliminary Bond Resolution
Conduit 501(c)(3) bonds
No IFA funds at risk

No extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to: 1) new money, 2) refinance existing IHFA series 1996, 1999, and 2002 bonds (partial refinancing), 3) fund a debt service reserve fund, 4) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

This is the first time this has been presented to the Board.

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$150,000,000	Uses:	Project costs*	$150,000,000
Total		$150,000,000		Total	$150,000,000

* More information on project costs will be available at the time of final bond resolution.

JOBS

Current employment:	TBD	Projected new jobs:	TBD
Jobs retained:	TBD	Construction jobs:	TBD

BUSINESS SUMMARY

Background: Silver Cross Hospital ("SCH") is a 501(c)(3) corporation established under Illinois law.

Description: Silver Cross is a 300-bed hospital located in Joliet, Illinois, approximately 35 miles southwest of Chicago. SCH was recently recognized by Solucient as one of the 100 Top Hospitals in the United States and has a good reputation of providing a broad range of healthcare services, with substantial resources. Silver Cross has consistently gained market share and is the number two hospital in Will County, one of the most rapidly growing counties in the country. The county has experienced explosive growth over the past 15 years and projections suggest that strong growth will continue for the next 25 years.

Financials: **Silver Cross Hospital**
Audited Financial Statements for 2002, 2003 & 2004

	Year Ended June 30		
($ in thousands)	2002	2003	2004
Statement of Revenues/Exp.:			
Revenue/Support	$165,124	$173,177	$181,650
Operating Income	1,712	4,309	3,643
Balance sheet:			
Current Assets	$47,982	$56,355	$49,385
Assets whose use is limited	59,527	95,519	88,387
PP&E – Net	96,462	99,595	110,123
Other Assets	11,212	10,385	26,171
Total Assets	**215,183**	**261,854**	**274,066**
Current Liabilities	26,142	30,518	33,175
LT Debt/Liab.	65,179	93,845	77,583
Net Assets	123,862	137,491	147,291
Total Liab. & Net Assets	**$215,183**	**$261,854**	**$274,066**
Ratios:			
MADS coverage (x)	2.9	3.8	3.1
Days cash on hand (days)	170.3	230.6	220.6
Cash to debt (%)	141.5	125.4	131.1
Debt to capitalization (%)	30.3	38.0	35.8

Discussion: From 2002 to 2004 SCH's revenues increased by 10.0% while assets increased by 27.4%. SCH's liquidity has also increased from 170.3 days in 2002 to over 220 days in 2004.

FINANCING SUMMARY

Security: SCH currently maintains ratings with Standard and Poor's and Fitch. Current ratings are as follows: A-/A- (Standard and Poor's/Fitch); certain bonds may also be rated based upon the use of credit enhancement and/or liquidity facilities (i.e., provided by an "AAA" or "AA"-rated municipal bond insurer).

Structure: The current plan of finance will accomplish the following:

1) Fund $45 million of new money; and
2) Refinance SCH's outstanding Series 1996, 1999, 2002A and 2002B bonds

At this point in time Silver Cross plans to accomplish both goals by issuing 7-day auction rate bonds which will be swapped to a fixed rate at the time of issuance.

Maturity: Up to 30 years

PROJECT SUMMARY

Bond proceeds will be used by SCH to finance a 35-bed addition to the inpatient tower, a major expansion of the Emergency Department, for which a CON has been received and various other capital expenditures. Reimbursement resolutions to facilitate this process were put in place in March of 2004. The hospital also plans to fund routine capital expenditures for fiscal years 2006 through 2008.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Silver Cross Hospital
Location:	1200 Maple Road Joliet, IL 60432
Project name:	Silver Cross Hospital
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner LLP	Chicago	Kevin Egan
Bond Counsel:	Jones Day	Chicago	Rich Tomei
Underwriter:	UBS Financial Services Inc.	New York	Rondy Jennings Craig Kornett James Kim
Underwriter's Counsel:	Squire, Sanders & Dempsey LLP	Ohio	Bruce Gabriel
Bond Trustee:	American National Trust of Chicago	Chicago	Patricia Martirano

LEGISLATIVE DISTRICTS

Congressional: 11- Gerald C. "Jerry" Weller
State Senate: 43 – Arthur J. (A.J.) Wilhelmi
State House: 86 – Jack McGuire

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 13, 2005

Project: Center for Residential Management

STATISTICS

Project Number:	CP-TE-CD-645	Amount:	$15,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Multiple	Estimated fee:	$30,000

BOARD ACTION

Preliminary Bond Resolution	Staff recommends approval
Conduit 501(c)(3) Bonds	No IFA funds at risk

PURPOSE

Proceeds will be used to: (a) refinance 1992 and 1998 IFA bonds, (b) consolidate other loans, and (c) provide approximately $1.2 million of new money for the acquisition of new facilities.

The purpose of the refinancing is to permit the merger of Residential Centers Inc. and Progressive Housing into the parent company, the Center for Residential Management.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

This is the first time this has been presented to the Board.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$15,000,000	Uses:	Refunding:	$12,500,000
				New Money:	1,150,000
				Debt Service Reserve Fund:	1,000,000
				Cost of Issuance	350,000
	Total	$15,000,000	Total		$15,000,000

JOBS

Current employment: 200	Projected new jobs: N/A
Jobs retained: N/A	Construction jobs: N/A

BUSINESS SUMMARY

Background: Center for Residential Management ("CRM") is an Illinois not-for-profit corporation, exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. CRM is a management company overseeing and directing the financial and operational concerns for two not-for-profit corporations, Progressive Housing, Inc. (PHI) and Residential Centers, Inc. (RCI). These two organizations own and operate several life care residential facilities within the State of Illinois for the benefit of people with developmental disabilities and mental retardation. The funding for these organizations comes the state in the form of Medicaid, which includes matching Federal funds, along with minimal amounts of Social Security. Upon the completion of this financing, PHI and RCI will be merged into one CRM as one corporation.

Description: Progressive Housing, Inc. and Residential Centers, Inc. offer a variety of residential alternatives to individuals with developmental disabilities. The programs are certified and accredited by the Illinois- Department of Public Health, Illinois Department of Human Services, and CARF. All of the facilities are residential homes which blend into their neighborhoods and are attractively decorated reflecting the residents individual needs, performance, and abilities, while maintaining sensitivity to the cultural needs of those served.

Each facility serves from 6 to 16 individuals from ages 18 and up in an array of progressive programs designed to promote independence, choice, normalization, and age appropriateness, while preserving their individual rights and dignity.

Service Area: Progressive Housing maintains 12 facilities serving the following communities: Aviston, East Peoria, Hoyleton, Pana, Mt. Vernon, Woodlawn, and Country Club Hills. RCI maintains 4 facilities serving the following communities: Chicago, Evansville, Sparta, and Taylorville.

Financials: **Center for Residential Management**
Audited Financial Statements for 2002, 2003 & 2004

		Year Ended June 30			Proforma
		2002	2003	2004	2005
			(Dollars in 000s)		
Statement of Revenues & Expenses:					
Revenue/Support (excl. int earns)	$,	$15,821,786	$17,614,826		$15,196,531
Change in Net Assets		$616,679	1,135,840		337,523
Earnings Before Interest, Depreciation and Amortization		$1,959,725	2,595,237		2,031,256
Balance sheet:					
Current Assets	$,	$4,704,810	$4,775,058		$6,394,577
PP&E – Net		5,261,581	6,564,977		6,720,240
Other Assets		1,841,956	1665630		422,802
Total Assets		11,808,347	13,005,665		13,537,619
Current Liabilities		2,954,146	2,935,425		2,559,556
Long-term Debt		11,714,110	12,059,784		12,626,780
Other Non-Current Liab.		114,532	106,921		114,532
Net Assets		-2,974,440,	-2,096,465		-1,763,249
Total Liabilities & Net Assets					
Ratios					
Debt Service Coverage	x	1.34x	1.68x		1.35x
Days Cash		24.1	52.5		34.6
Current ratio		1.59	1.63		2.50
Debt to Net Assets		NA	NA		NA

Discussion:

The combined "Proforma 2005" income statement of Residential Center Inc and Progressive Housing presented above summarizes management's expectations for the fiscal year. Current management has produced positive bottom line performance and strong cash flow in a successful effort to turn around the performance of previous management.

FINANCING SUMMARY

Security: Mortgage, Gross Revenue Pledge, Debt Service Reserve Fund

Structure: Private placement with Merrill Lynch

Maturity: 15 years

Interest Savings: To be determined upon bond pricing but currently estimated to be approximately $70,000 annually.

ECONOMIC DISCLOSURE STATEMENT

Project name: Center for Residential Management
4239 North War Memorial Drive
Peoria, IL 61614

Applicant: Center for Residential Management

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

State: Center for Residential Management is located in Illinois.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Chicago	
Accountant: Altschuler, Melvoin and Glasser LLP	Chicago	
Bond Counsel: Jones Day	Chicago	Mike Mitchell
Bond Trustee: Wells Fargo	Chicago	Patricia Martirano
Issuer's Counsel:	Chicago	

LEGISLATIVE DISTRICTS

Congressional: 18- Ray LaHood
State Senate: 46- George P. Shadid
State House: 92- Aaron Schock

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 13, 2005

Project: Milestone, Inc.

STATISTICS

Project Number:	H-CP-TE-CD-653	Amount:	$4,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Multiple	Estimated fee:	$ 10,000

BOARD ACTION

Preliminary Bond Resolution
Conduit 501(c)(3) Bonds
No extraordinary conditions

Staff recommends approval
No IFA funds at risk

PURPOSE

Proceeds will be used to: (a) refinance existing tax-exempt debt (b) pay costs of issuance

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

This is the first time this has been presented to the Board.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$4,000,000	Uses: Refunding escrow:	$3,900,000
			Costs of issuance:	100,000
	Total	4,000,000	Total	$4,000,000

JOBS

Current employment: 580
Jobs retained: N/A

Projected new jobs: N/A
Construction jobs: N/A

BUSINESS SUMMARY

Background: Milestone is a private, not-for-profit corporation governed by a volunteer Board of Directors who are area business leaders and parents of our community's disabled. This organization has grown to become Winnebago and Boone Counties' largest provider of residential, developmental, vocational, and social support services for adults with mental retardation, autism, epilepsy, and cerebral palsy.

Milestone began its commitment in 1971 when a group of concerned parents with adult developmentally disabled children met with area professionals to discuss the lack of living centers for the mentally and physically disabled. At this time, the only available choice was an institutional environment far from home and family, and without the love and caring necessary to help these people reach their full potential. As their discussions progressed, the problem of finding compassionate residential placement for their children became more acute.

In 1973, Milestone opened Kishwaukee Apartments, the first residential-care program of its kind in Illinois. Three years later, Milestone established their Supported Living Arrangement program -- the first community support program in the state to provide guidance and support to mentally retarded adults who reside in their own apartments.

In order to serve the profoundly disabled, Milestone developed Elmwood Heights -- a highly specialized residential community created under a special grant from the State of Illinois. At Elmwood Heights, Milestone created a comfortable, home-like atmosphere combining individualized programs with around-the-clock medical supervision. Milestone provides the personalized attention and training necessary to help these individuals develop skills in daily living. Elmwood Heights currently serves 93 Rockford area disabled adults.

Milestone has developed an extensive network of over 30 group homes in the Greater Rockford Area. These homes offer area adults the advantages of living closer to family and friends, and the opportunity to share in the resources of our community.

The Milestone Training Center assists moderate to severely disabled adults in their self-care, social, educational, recreational, and vocational goals. This center currently serves more than 170 people and is recognized by the Department of Labor as a sheltered workshop.

Milestone, Inc. opened Milestone Industries in January of 1992, a sheltered workshop and vocational training center providing training and employment to developmentally disabled people. In this facility 70 disabled people work in a supervised environment.

In 2001, Milestone successfully merged with RocVale Children's Home, another local charity serving children ages 6 through 21. The merger enabled Milestone to expand its services, but more importantly, for the children and staff at RocVale, provided a sound financial basis and administrative structure for this struggling organization.

Financials: **Milestone, Inc.**
Audited Financial Statements for 2002, 2003 & 2004
Applicant prepared Financial Statement for 2005

Year Ended June 30

	Audited			Unaudited
	2002	2003	2004	2005
		(Dollars in 000s)		
Statement of Revenues & Expenses:				
Revenue/Support (excl. int earns)	$21,866	$23,033	$23,127	$23,227
Change in Net Assets	(244)	1186	945	210
Earnings Before Interest, Depreciation and Amortization	1,326	2,694	2,363	1,605
Balance sheet:				
Current Assets	$4,332	$5,759	$4,252	$4,451
PP&E – Net	10,599	10,839	10,802	11,435
Other Assets	1,460	1,374	1,954	1,499
Total Assets	16,391	17,972	17,008	17,385
Current Liabilities	2,858	3,606	2,298	2,460
Long-term Debt	7,505	7,152	6,086	6,091
Other Non-Current Liab.				
Net Assets	6,028	7,214	8,624	8,834
Total Liabilities & Net Assets	16,391	17,972	17,008	17,385
Ratios				
Debt Service Coverage	4.0x	8.0x	7.0x	4.8x
Days Cash	3.5	37.4	43.6	6.0
Current ratio	1.52	1.60	1.85	1.81
Debt to Net Assets	1.25	.99	.71	.69

Discussion:

Milestone, Inc. is funded primarily by state contracts through the Department of Human Services and also through fundraising. The unaudited income statement presented above summarizes management's expectation for the fiscal year 2005 based on the full years results. Milestone has three consecutive years of profitability, based on the budget and actual performance and has generated strong debt service coverage. The balance sheet shows relatively modest levels of cash on hand, which is typical for an organization of this type. Milestone's liquidity is supplemented by a line of credit of up to five million dollars from Amcore Bank.

FINANCING SUMMARY

Security: First mortgage on facilities, gross revenue pledge

Structure: Single fixed rate bond privately placed with Merrill Lynch.

Maturity: August 15, 2021

Interest Savings: To be determined upon bond pricing but currently estimated to be approximately $225,000

ECONOMIC DISCLOSURE STATEMENT

Project name:	Milestone, Inc.
Applicant:	4060 McFarland Road Rockford, IL 61111
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Milestone, Inc. is located in Illinois.
Board of Trustees:	Mr. Patrick Agnew Mr. Ronald W. Alden Mr. George Bass Mr. Thomas D. Budd Mrs. Tony DeVerdi Mr. Alan Furman Mr. James P. Hamilton Mrs. Richard Hanson Mr. Jack Kieckhefer Mr. Rick Powell Mr. David Raht Mr. Tom Sandquist Mr. Shawn Way Mrs. Richard Wickstrand

PROFESSIONAL & FINANCIAL

Borrower's Counsel:		Chicago	
Accountant:	Lindgren Callihan VanOsdol	Chicago	
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Bond Trustee:	Wells Fargo	Chicago	Patricia Martirano
Financial Advisor:	NonProfit Capital, LLC	Stamford	Chris Conley
Issuer's Counsel:		Chicago	
Private Placement Agent:	Merrill Lynch	New York	
Counsel to Placement Agent:	Hawkins, Delafield & Wood	New York	Steven Donovan

LEGISLATIVE DISTRICTS

Congressional: 16- Donald A. Manzullo
State Senate: 34- Dave Syverson
State House: 68- Dave Winters

MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica

DATE: September 13, 2005

RE: **Request for an Amendment to a Participation Loan for P & P Press, Inc.**
Project No. B-LL-TX-421

P & P Press, Inc. is a multi-faceted printing company providing high-speed, professional printing services to primarily commercial customers.

Heartland Bank and Trust Company and P & P Press, Inc. have asked IFA to approve an increase in the amount of its loan commitment to $900,000. The IFA Board approved on December 7, 2004, a $650,000 participation in a loan originated by the bank by the following vote:

Ayes: 8 Nays: 0 Absent: 3 (Giannoulias, Rice, Valenti) Abstentions: 0

The IFA Board also approved on June 14, 2005, a six-month extension to the maturity of its commitment to December 7, 2005 by the following vote:

Ayes: 8 Nays: 0 Absent: 3 (Giannoulias, Ozark, Rice) Abstentions: 0

The original loan amount was requested to finance the acquisition of new printing equipment; the borrower is seeking the additional $250,000 loan participation to be combined with an additional $250,000 increase in Heartland Bank's loan to finance the acquisition of another new piece of printing equipment to accommodate an increase in business from one of its largest accounts, Farmweek Magazine. (It is important to note that the new equipment will also be utilized to provide additional service to many of its other customers.) Farmweek Magazine has signed a new 5-year contract agreeing to pay an additional $130,000 annually which theoretically could easily pay for the equipment in five years.

The IFA Board approved the original participation based on historical financial results for years 2002 and 2003 and projected results for 2004, 2005 and 2006. (A copy of the project summary that was originally presented for Board consideration as well as a copy of the extension request are attached to this memorandum.) Actual results for 2004 as well as annualized amounts based on 6-month interim financial information for the period ending June 30, 2005, and projected amounts for 2006 are summarized below:

	2004	2005	2006
Income Statement			
Sales	4,942	5,335	5,891
Net income	116	213	235
Balance Sheet			
Current assets	896	847	1,433
P P & E	1,897	1,867	2,002
Other assets	37	0	0
Total assets	2,830	2,714	3,435
Current Liabilities	1,422	219	314
Debt	1,187	2,168	2,559
Equity	221	327	562
Total liab. & equity	2,830	2,714	3,435
Ratios			
Debt service coverage	1.95x	1.66x	1.53x
Current ratio	0.63	3.87	3.50
Debt/Equity	5.60	6.92	4.75

Based on P & P Press, Inc.'s interim operating results for the six month period ending June 30, 2005, management is anticipating a 7.95% annual increase in operating revenues compared to 2004 operations. Projected revenues for 2006 include a like increase plus $130,000 in additional annual sales from Farmweek Magazine. Projected net incomes for 2005 and 2006 are projected at 3.99% of total revenues based on 2005 interim operating results.

Given the projected operating results for 2006, debt service coverage including the additional $500,000 loan requested from IFA and the Bank is computed to be 1.53 times.

Staff recommends approval of the applicant's request.

RESOLUTION 2006-8

RESOLUTION AUTHORIZING THE PURCHASE OF LOCAL GOVERNMENT SECURITIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $10,000,000, AS PROVIDED HEREIN.

WHEREAS, the Illinois Finance Authority is a political subdivision, body politic and corporate, of the State of Illinois (the "Authority"), organized and existing pursuant to the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (2004), as supplemented and amended (the "Act");

WHEREAS, pursuant to Section 820-20 of the Act, the Authority has established the Illinois Local Government Financing Assistance Program (the "Program");

WHEREAS, pursuant to the Act and the Program, the Authority is authorized to purchase and sell "local government securities," as defined in the Act, from "units of local government," as defined in the Act;

WHEREAS, pursuant to that certain Resolution 2004-24, as adopted by the Authority on October 12, 2004 (the "2004 Resolution"), the Authority is authorized to purchase local government securities (the "Securities") issued by units of local government, including the units of local government described in the 2004 Resolution (the "Units");

WHEREAS, pursuant to the 2004 Resolution, the aggregate principal amount of Securities that may be purchased and held by the Authority may not exceed $5,000,000; and

WHEREAS, the Authority believes that it is in the best interests of the Authority to increase the aggregate principal amount of Securities that the Authority may purchase and hold.

NOW, THEREFORE, BE IT RESOLVED by the Members of the Illinois Finance Authority, as follows:

Section 1. That the Authority is hereby authorized to purchase the Securities in an aggregate principal amount not to exceed $10,000,000.

Section 2. That the Authority is hereby authorized to sell any Security purchased pursuant hereto; provided, that the sale price of any such Security shall not be less than 100% of the outstanding principal amount of such Security.

Section 3. That the Chairman, the Vice Chairman, the Interim Executive Director, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Authority and to take such other actions as may be required in connection with purchase of the Securities and the sale of any Securities authorized by this Resolution.

Section 4. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 5. That this Resolution shall be in full force and effect immediately upon its passage. That the provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

This Resolution 2006-__ is adopted this 13th day of September 2005 by roll vote as follows:

Ayes:
Nays:
Abstain:
Absent:

____
Chairman

Attested to:

____
Secretary

972124_2

MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica & Steve Trout

DATE: September 13, 2005

RE: **Amendment to a Participation Loan for Excel Crusher Technologies, LLC**

Excel Crusher Technologies, LLC has requested Pekin Savings Bank and the Illinois Finance Authority allow FFE Minerals USA to purchase 51% of Excel Crusher Technologies, Inc., an Illinois limited liability company established in Pekin by Doug and Rick Parsons to engage in the manufacture of cone crushers for use by the aggregate industry. IFA has$1,000,000 loan participation for Excel Crusher with Pekin Savings Bank that closed on April 7, 2005.

FFE Minerals USA was recently formed to significantly expand its 100% owner's (FFE Minerals Corp.) U.S. manufacturing of cone crushers for the aggregate industry. FFE Minerals Corp., is owned by FLS-US Holdings Inc., the U.S. subsidiary of FLSmidth & Co. of Denmark. The purchase of 51% of Excel Crusher Technologies, Inc. is designed to provide Excel Crusher with the additional financial resources to expand its Pekin crusher manufacturing operation while providing FFE Minerals USA with Excel's advanced technology and U.S. marketing resources.

IFA's participation loan was originally secured by a pro-rata first mortgage "*pari passu*" with Pekin Savings Bank on the project real estate with an as-if-completed appraised fair market value of $1,850,000 and a pro-rata first position "*pari passu*" on project equipment with a discounted (60%) cost value of $540,000 providing collateral coverage of 1.07 times (93.3% LTV). Under the 51% purchase scenario, this collateral remains intact. IFA's participation loan was also secured by the corporate guaranty of Excel Foundry and Machine, Inc. with a net worth of $7.5 million as of February, 2004 and the personal guaranties of Excel Crusher's owners, Doug and Rick Parsons.

Under the FFE Minerals USA purchase of 51% of Excel Crusher, the Excel Foundry corporate guaranty and the personal guaranties will be restricted to 49% of the debt and will be replaced by the corporate guarantees of 51% of the debt by FFE Minerals USA Inc., FFE Minerals Corporation and FLS-US Holdings, Inc. Additionally, FLS-US Holdings, Inc. has agreed to maintain a net worth of no less than $10,000,000.

The ultimate guarantor, FLS-US Holdings Inc., had a net worth of $83.1 million as of December 31, 2004, generated revenue of $347.2 million for the year then ended and posted income from operations of $3.2 million for the same period.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 9, 2004

Deal: Excel Crusher Technologies, L.L.C.

STATISTICS

Deal Number:	B-LL-TX-416	Amount	$1,000,000
Type:	Participation Loan	PA:	Jim Senica
Location:	Pekin	Est fee:	$20,000

BOARD ACTION

Purchase of Participation Loan from Pekin Savings Bank
$1,000,000 IFA Treasury Funds at risk.
Collateral is ***pari passu*** first position with the bank.
Staff recommends approval.

PURPOSE

Construction of an industrial building and acquisition of manufacturing machinery and equipment.

VOTING RECORD

Initial board consideration, no voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA	$1,000,000	Uses: Project Costs	$2,730,000
	Pekin Savings Bank	1,230,000	Total	$2,730,000
	Equity*	500,000		
	Total	$2,730,000		

*Equity will be comprised of land being contributed by the owners.

JOBS

Current employment:	N/A	Projected new jobs:	40
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Excel Crusher Technologies, L.L.C. is a newly formed Illinois limited liability company established by Doug and Rick Parsons to engage in the manufacture of cone crushers for use by the aggregate industry. This new Company in essence represents a specialization of foundry services provided by Excel Foundry and Machine, Inc., an Illinois S corporation founded in 1932. Doug and Rick Parsons hold the positions of President and Director of Sales respectively at Excel Foundry and Machine. Excel Foundry and Machine manufactures after market parts for crushers and other large mining equipment, and thus assembling forged components to create the crushers represents a logical extension of the foundry business.

Description: Excel Crusher Technologies, L.L.C. will manufacture cone crushers for use by aggregate road construction contractors to crush and pulverize rock used in the paving of roadways and as a foundation base in the building construction industry. The cone crushers are extremely large funnel or "cone" shaped units that are forged from hard metals such as steel. Excel Foundry and Machine, Inc. has been engaged in the manufacturing and marketing of precision bronze, brass, aluminum and steel castings for mining and rock-crushing equipment used by mining and aggregate industries and thus provides a wealth of industry knowledge and relationships.

Remarks: The North American crusher market is currently an $85 million industry annually with only four producers worldwide. The last of the domestic manufacturers, based in Milwaukee, has been purchased by a Finland firm and will be moving production offshore. With all manufacturing located overseas, access to quality service has been a problem. Excel Foundry's customers have been pleading with the Company to manufacture and distribute the entire crusher units as opposed to only the aftermarket parts. Given the experience, outstanding reputation and the contacts held by Excel Foundry and Machine, management anticipates that Excel Crusher Technologies, L.L.C. that it could obtain market share nearing 30% within 5 years.

Guarantor Financials: Audited financial statements of Excel Foundry and Machine, Inc.for years 2000 through 2004. Projected financial information of Excel Foundry and Machine, Inc. for years 2005 through 2006

	Year Ended February 28 (Dollars in 000's)						
	2000	2001	2002	2003	2004	2005	2006
Income Statement							
Sales	10,954	11,058	11,970	12,881	16,101	17,111	19,482
Net income	552	20	766	1,154	1,366	1,502	1,653
Balance sheet							
Current assets	4,852	5,187	5,403	6,440	8,166	9,777	11,914
PP&E	4,526	4,438	4,027	4,150	4,327	6,167	4,652
Other assets	458	465	64	73	86	90	90
Total assets	9,836	10,090	9,494	10,663	12,579	16,034	16,656
Current Liabilities	1,240	2,237	1,505	1,375	2,892	2,950	2,275
Debt	2,210	2,113	1,980	2,256	2,117	4,012	3,656
Equity	6,386	5,740	6,009	7,032	7,570	9,072	10,725
Total liab. & equity	9,836	10,090	9,494	10,663	12,579	16,034	16,656
Ratios							
Debt service coverage	4.95	1.03	4.20	4.15	4.69	4.30	5.36
Current ratio	3.91	2.32	3.59	4.68	2.82	3.31	5.24
Debt/equity	0.37	0.39	0.35	0.28	0.30	0.48	0.37

Discussion: Financial statements of Excel Foundry and Machine, Inc. are included to demonstrate the capacity of the guarantor to support this project if required.

Excel Foundry has a consistent earnings history as evidenced by 16 years of excellent financial results. (In fact, the company has just experienced 12 consecutive months of record sales.) Results for fiscal year-end February 28, 2004, for example, indicate a net profit of $1.37 million on sales of $16.1million. Excel's largest customer is Milwaukee-based Bucyrus International, with sales of $1.10 million in the past fiscal year. Foreign sales totaled $2.50 million in the past fiscal year. Excel is well capitalized and highly liquid, as indicated by the current and debt-to-equity ratios.

The projected financial information of Excel Foundry and Machine, Inc. for years 2005 and 2006 includes the debt and the assets being financed for Excel Crusher Technologies, L.L.C. The forecast assumes 10% growth in sales and operating expenses, well below recent experience. The forecast assumes no cash flow or income from Excel Crusher. **The forecast shows that the guarantor could easily absorb the additional debt and associated increased interest and depreciation expense, even under a worse case scenario in which Excel Crusher generated no additional income or cash flow.**

Borrower
Financials: Projections prepared by management

	Year Ended February 28 (Dollars in 000's)		
	Year 1	Year 2	Year 3
Income Statement			
Sales	3,825	7,212	12,375
Less: Cost of Sales	2,664	5,253	9,500
Gross Profit	1,161	1,959	2,875
Less:			
G & A Expense	1,071	1,272	1,435
Selling Expense	136	237	392
Operating Profit	(46)	450	1,048
Debt service coverage	1.33x	2.91x	5.01x

Discussion: Detailed P & L projections for Excel Crusher Technologies, L.L.C. for years 1 through 3 have been provided by the borrower, have been conservatively prepared and reflect demand for cone crushers expressed by customers of Excel Foundry and Machine, Inc. Each crusher has an average selling price of $300,000; year one production estimates approximately 12 units, year two estimates 24 units and year three estimates 41 units.

Excel Crusher Technologies, L.L.C. has negotiated access to a $500,000 line of credit for operating purposes to be secured by receivables and inventory with Pekin Savings Bank. Pekin Savings Bank's commitment is not subject to IFA participation. The Bank's sizeable Commitment and attractive pricing is attributable to its confidence in management and the Guarantor's capacity to carry this project if required.

FINANCING SUMMARY

Borrower:	Excel Crusher Technologies, L.L.C.
Security:	Pro-rata first mortgage "*pari passu*" with Pekin Savings Bank on the project real estate with an as-if-completed appraised value of $1.8 million and a pro-rata first position "*pari passu*" on the project machinery and equipment based on a discounted (60%) cost value of $540,000. representing collateral coverage to IFA and the bank on this participation loan of 1.07 times (93.3% LTV). IFA and the Bank will also share in the corporate guaranty of Excel Foundry and Machine, Inc. with a corporate net worth in excess of $7.5 million as of February, 2004. NOTE: IFA currently holds an existing loan with Excel Foundry and Machine, Inc. with a paid-down balance of approximately $200,000. Collateral on this loan is a shared pro-rata first mortgage with Commerce Bank, N.A. – Peoria on the Company's real estate with an appraised value of $3.1 million.
Structure:	Based on the guidelines of the Participation Lending Program, IFA's interest rate will be 200 basis points below what the Bank is charging the customer. The Bank's interest rate will be fixed at 5.0% for the 5-year term of the loan. The loan will be reviewed at the end of the 5-year term for renewal with IFA participation including a provision to extend its term to a maximum of 10 years.
Maturity:	The loan will be set on a 10-year amortization with 60 payments of principal and interest and a 5-year balloon due at the end of the loan.
Covenants:	1) Annual financial statements 2) Prior to funding, certified fair market appraisal on the project real estate for an amount of at least $1,850,000 3) Vendor invoice on the equipment being purchased 4) Proof of insurance on the collateral 5) Corporate guaranty of Excel Foundry and Machine, Inc.

PROJECT SUMMARY

The proposed project involves the construction of a new industrial building on land contributed by the owners of Excel Crusher Technologies, L.L.C. and the acquisition of new manufacturing machinery and equipment. Project costs are estimated as follows:

Land	$230,000
Building Construction	1,600 ,000
Machinery & Equipment Acquisition	900,000
Total	$2,730,000

ECONOMIC DISCLOSURE STATEMENT

Project name:	Excel Crusher Technologies, L.L.C.
Location:	14463 Wagonseller Road Pekin, Illinois 61554 (Tazewell County)
Applicant:	Excel Crusher Technologies, L.L.C.
Organization:	Illinois limited liability corporation

PROFESSIONAL & FINANCIAL

Accountant:	Wolf, Tesser & Co. CPA's	Peoria, Illinois	Jim Wolf
Bank:	Pekin Savings Bank	Pekin, Illinois	Andy Sparks
Borrowers Counsel:	Hush & Eppenberger LLC	Peoria, Illinois	David Higgs
Bank Counsel:	Elliss, Keyser, Oberle & Dancey PC	Pekin, Illinois	Bill Streeter
IFA Counsel:	Dykema Gossett PLLC	Chicago, Illinois	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional:	18 – Ray LaHood
State Senate:	45 – Claude Stone
State House:	89 – Keith P. Sommer