ILLINOIS FINANCE AUTHORITY
BOARD MEETING
March 10, 2009
Chicago, Illinois

COMMITTEE OF THE WHOLE
8:30 a.m.
James R. Thompson Center
100 W. Randolph, 9th Floor, Room 9-031

AGENDA

- Chairman's Remarks
- Executive Director's Report
- Financials Report
- Executive Staff Reports
- Committee Reports
- Project Reports
- Closed Session
- Other Business
- Adjournment

BOARD MEETING
11:30 a.m.
James R. Thompson Center
100 W. Randolph, 9th Floor, Room 9-040
Chicago, Illinois

- Call to Order
- Chairman's Remarks
- Roll Call
- Acceptance of Financials
- Approval of Minutes
- Executive Director's Remarks
- Project Approvals
- Resolutions / Amendments
- Other Business

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds *Final*						
1	Soltwedel, Kraig	St. Joseph	$200,000	0	0	ER
	Nelson, Neal & Lori	Orion	$220,000	0	0	ER
	Baumann, Christopher	Wyoming	$250,000	0	0	ER
	Carriker, Bradley & Amber	Raymond	$229,632	0	0	ER
	Joos, Thomas & Crystal	Buda	$103,200	0	0	ER
	France, Nicholas & Lynde	Table Grove	$250,000	0	0	ER
	Hartke, David	Litchfield	$250,000	0	0	ER
	Nofftz, James R.	Tolono	$164,000	0	0	ER
Participation Loan *Final*						
2	Helgen Partners	Ltchfield, IL	$250,000	0	0	ER
TOTAL AGRICULTURE PROJECTS			$1,916,832	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Industrial Revenue Bonds *Preliminary*						
3	Joliet Asphalt LLC	Chicago	$5,500,000	51	40	TA
TOTAL BUSINESS AND INDUSTRY PROJECTS			$5,500,000	51	40	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
4	Illinois Institute of Technology	Chicago	$25,000,000	0	130	TA
TOTAL HIGHER EDUCATION PROJECTS			$25,000,000	0	130	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Final*						
5	Northwestern Memorial Hospital	Chicago	$475,000,000	0	0	PL
6	Rehabilitation Institute of Chicago	Chicago	$48,000,000	0	0	PL
7	Central DuPage Hospital	Winfield	$100,000,000	33	400	PL
TOTAL HEALTHCARE PROJECTS			$623,000,000	33	400	
GRAND TOTAL			$655,416,832	84	570	

RESOLUTIONS

Tab	Project	FM
	Amendatory Resolutions / Resolutions	
8	Request to change underwriter and letter of credit provider as agreed to by the Borrower and the Illinois Finance Authority (Fitzpatrick Brothers, Inc Project I-ID-TE-CD-8130)	JS
9	Resolution to approve IFA funding criteria for individual applicants seeking loans for the Ambulance Revolving Loan Program that is jointly administered by the Office of the State Fire Marshal (OSFM) and IFA. (L-FT-NC)	NM
10	Resolution to approve IFA funding criteria for individual applicants seeking loans for the Fire Truck Revolving Loan Program that is jointly administered by the Office of the State Fire Marshal (OSFM) and IFA. (L-AMB-NC)	NM
11	Request to add additional underwriters, request to add additional re-marketing agents and request to add additional letter of credit providers as agreed to by the Borrower and the Illinois Finance Authority, (OSF Healthcare System: H-HO-TE-CD-8202)	PL
12	Resolution to authorize the Executive Director to offer assistance in connection with a State of Illinois bid to compete for a U.S. Department of Energy ("USDOE") Project to finance a Lithium Ion Battery Production Facility, subject to further Board consideration	ST
13	Resolution to authorize Executive Director to submit application to the US Small Business Administration to become an Intermediary Lender of the Micro Loan program.	SCM

Other

Adjournment

Illinois Finance Authority
Report of the Executive Director
March 10, 2009

To: IFA Board of Directors and Office of the Governor

From: John B. Filan, Executive Director

Financial Performance

General Fund:

The Illinois Finance Authority's General Fund un-audited financial position for the eight months ending 2/28/2009, reports total assets of $42,075,972, liabilities of $1,713,552 and total equity of $40,362,419. This compares favorably to the February 2008 balance sheet, with $38,166,676 in total assets, liabilities at $1,904,802 and total equity of $36,261,873.

Gross revenue YTD for February was $4,783,386, or $830,066 (-14.8%) below plan. The unfavorable plan performance is primarily due to fee income and investment income. Total operating expenses were $3,582,374, or $727,101 (-16.9%) below plan. This is primarily due to a reduction of employee related expenses, professional services and loan loss provision/bad debt.

Gross revenue YTD of $4,783,386, was $1,281,851 (-21.1%) below same period last fiscal year 2008. This is primarily due to interest on loans, fee income and investment income. Operating expenses YTD were $3,582,374, or $1,035,511 (-22.4%) lower than same period last fiscal year 2008. This is due to a reduction in employee related expenses, professional services and reduced loan loss reserve.

Consolidated Results:

The Illinois Finance Authority's un-audited financial position as of 2/28/2009 reports consolidated total assets of $176,984,969, liabilities of $63,869,732 and total equity of $113,115,238. This compares favorable to the February 2008 balance sheet of $158,031,341 in total assets, liabilities of $61,275,398 and total equity of $96,755,944.

Audit and Compliance

The FY 2008 audit report is complete, with the exit conference on March 9, 2009. The IFA received results of the compliance audit (8 findings) and is in the process of reviewing and submitting responses to the auditors, due by March 19, 2009.

Attached is the status of fiscal year 2007 audit findings for your review.

Financial Services

Market Update:
The volume of new municipal issues for the month of February, $20.3 billion (678 deals), reflects a 4.9% decrease compared to last year. Despite this decline, volume for the first two months of the year is up 5% compared to last year. This week's volume, estimated at $5.2 billion, is up $1.4 billion from last week and represents the highest level in months. The municipal market continues to show weak demand. However investor appetite for high grade municipal issues is expected to remain and possibly improve due to increased uncertainty over the stock market and high yields on municipal issues relative to treasuries. The ratio of 30-year "Aaa" General Obligation bonds to 30-year treasuries is 132%; down from a high of 209% before the mid-December 2008 rally. This week's volume is expected to test the market, including issuer and investor response to the federal stimulus package.

Treasury yields were up last week due to increased supply and negative economic news. The increasing federal deficit continues to put pressure on long-term treasury yields. However, treasury yields fell across the curve this week as investors resumed their flight to quality following AIG's reported fourth quarter loss. The Dow Jones Industrial Average dropped to 6705 on March 3, 2009; its lowest level since 1997.

Tax-Exempt Rates
- Variable Index (SIFMA): 0.67% (2/25), up 14 basis points from last month.
- Fixed Revenue Bond Index (RBI): 5.76% (2/26), down 13 basis points from last month.
- Fixed GO Bond (MMD-30yr-Aa): 4.98% (3/2), down 15 basis points from last month.

Taxable Rates
- Fed Reserve Target: 0.25% (3/2) unchanged
- 90-day LIBOR: 1.27% (3/2), up 5 basis points from last month
- 2-yr Treasury: 0.88%, (3/2) down 7 basis points from last month
- 30-yr Treasury: 3.61% (3/2) unchanged from last month

Economic Data:
President Obama's proposed FY 2010 budget (close to $1 trillion) includes higher marginal tax rates for highest wage earners; healthcare reform; and a shift in infrastructure spending. Based on the FY10 budget, the national deficit is projected to be $1.75 trillion. Fourth quarter GDP was revised from a contraction of 3.8% to a contraction of 6.2% on an annual rate; reflecting a deeper recession. National jobless claims for January were 598,000 vs. the 525,000 estimate. February job loss is expected to be 648,000 with unemployment expected to rise from 7.6% to 7.9%.

*Illinois 4th quarter economic data (vs. 4th Q 2007): Retail sales fell 34% (vs. 7.2% decrease US). Manufacturing exports rose 7.8% (vs. 5% drop US).

Manufacturing exports were more than $13 billion. Total Illinois direct exports increased 7% to $15.9 billion (vs. 11.8% increase US). Illinois building permits dropped 56% (vs. 43.7% US). Illinois unemployment data for January has not yet been released (expected 3/11).

*According to the Department of Economic Opportunity's Current Quarter Highlights, Illinois sales experienced a 34.9 percent decrease in the fourth quarter of 2008 over the fourth quarter of 2007, and the U.S. sales also saw a decrease of 7.2 percent. for the same time period. For the annual retail sales, Illinois 2008 annual sales experienced a 7.1 percent decrease over 2007 retail sales, while the U.S. sales decreased by 0.8 percent over the same period.

Stimulus Plan Update:
The American Recovery and Reinvestment Act ("ARRA"), passed February 17, includes most of the items previously proposed. The following updates the February board report summary of items related to the municipal bond market and relevant for IFA.

Tax-Exempt Bonds

- Alternative Minimum Tax Relief – repeal of AMT on private activity bonds issued in 2009 and 2010. Issuers may refund AMT deals as non-AMT only for deals issued after 12/31/03 and before 1/1/09. This measure is expected to reduce interest costs significantly; 20-25 basis points for variable rate bonds and up to 100 bps or more on housing bonds.
- Bank Qualified Bonds – increase in "bank qualified" limit from $10MM to $30MM for bonds issued in 2009 and 2010; change in application of limit to borrowers rather than issuer. This provision allows the IFA (and other large issuers) to issue BQ bonds. As a result of this provision, IFA's volume of small local government and 501c3 deals over the two year period is expected to increase. IFA is actively marketing BQ bonds to qualified borrowers and underwriters.
- Small Issue IDBs – expands the definition of "manufacturing facilities" to include facilities used for the creation or production of certain intangible property. Also removes the 25% cap on ancillary facilities. Applies to bonds issued after ARRA enactment and before 2011.
- Recovery Zone Facility Bonds – creates a new private activity, exempt facility bond category for recovery zones. A recovery zone must be designated by the issuer as having significant poverty; unemployment; home foreclosures; general distress; military base closure or certain military base realignment. Also includes empowerment zones and renewal communities. Subject to volume cap ($15 billion nationally for 2009 and 2010 combined). Allocated to states based on employment declines. Bonds may be issued after ARRA enactment and before 2011.
- Financial Institutions - allows banks to deduct 80% of the interest on tax-exempt bonds issued in 2009 and 2010, to the extent tax-exempt holdings do not exceed 2% of assets. This provision will encourage banks to more actively invest in tax-exempt bonds; which should facilitate the direct placement of IFA bonds with banks.

Tax Credit Bonds and Hybrids

- Build America Bonds – creates a new hybrid taxable bond option for governmental bonds. Interest on the bonds is taxable. The issuer has the option to receive, from the federal government, either a cash subsidy (direct payment) or a tax credit equal to 35% of the interest payable on the bonds. The issuer may pass the benefits on to the bondholders. Must be used for governmental purpose bonds; not private activity. For bonds issued after the ARRA enactment and before 2011. IRS clarification is expected on how the federal subsidy will be received.

- Recovery Zone Economic Development Bonds – creates a new hybrid taxable bond for recovery zone financing (same definition as Recovery Zone Facility Bonds). Issuer receives, from the federal government, a direct payment equal to 45% of the interest on the bonds. For bonds issued after the ARRA enactment and before 2011.
- Clean Renewable Energy Bonds ("CREBs") - $1.6B increase (from $800MM to $2.4B) in tax credit bonds used for renewable energy projects. CREBs are available to governmental bodies and mutual/cooperative electric power companies. CREBs may be used to finance wind, geothermal, biomass, solar, landfill gas, trash combustion, refined coal production and hydropower. Electric power companies currently receive CREB financing through a member co-op. IFA will market CREBs to government entities.
- Qualified Energy Conservation Bonds ("QECBs") - $2.4B increase (from $800MM to $3.2B) in tax credit bonds for projects that reduce greenhouse gas emissions and fund "green community programs", includes development of cellulosic ethanol and other fuels and mass commuting facilities. May be used for grants, loans or other repayment. IFA will market to government entities and developers.
- Qualified Zone Academy Bonds ("QZABs") - $1B increase in authorization (from $400mm to $1.4B) for 2009 and $1.4B authorization for 2010.
- Qualified School Construction Bonds ("QSCBs") – new tax credit bond category for construction/rehab of public school facilities. $11B limit for 2009 and 2010 combined.

ARRA requires prevailing wage on tax credit bonds (CREBs, QECBs, QZABs, QSCBs) and recovery zone bonds. The IFA relevant products are being incorporated into IFA's program portfolio (website) and marketed in connection with our Energy Initiative and Agriculture & Rural Development Initiative. ARRA also includes new provisions for mortgage revenue bonds and high speed intercity rail facility bonds.

Other Market News:

- Broadband Bill - a new bill pending in house committees would allow issuance of up to $11B in tax credit bonds over 3 years for broadband infrastructure projects. The bill would provide tax credits with proceeds used for broadband projects that provide residents or small businesses with high speed internet access. Government entities could issue up to $1B nationwide in years 2009-11; other issuers could issue up to $10B. Credits would be allocated among states based on jobs and economic benefits.
- Warren Buffet's BHAC insurance company is viewed as the strongest monoline insurer in the market; Aaa rated by Moody's. Market experts indicate BNAC insurance trades 35 bps better than Assured Guaranty and FSA. Buffet recently indicated he has a more conservative view of the industry's default history. BHAC insured 22 issues worth $3.3B in the primary market in 2008.

- MBIA spin off – MBIA split off its core municipal bond insurance business into an independent operating subsidiary, National Public Finance Guarantee Corporation, with a goal of regaining triple-A ratings.
- Citigroup received an additional $25 billion in TARP funding; the federal government is considering a conversion of its preferred shares into common equity.
- AIG posted a $61 billion 4th quarter loss and is expected to receive $30 billion in new federal capital and revised loan terms.
- The District of Columbia issued the first Build America bond, $445MM rated "AAA" by S&P.

Sales, Marketing and Credit:

- Marketing – 501c3 prospect call, calls and meetings with Podesta & Co (WBE firm) and Ramirez & Co (WBE firm).
- Agriculture & Rural Development Initiative – feedback from Illinois Farm Bureau; planning for next working group call focused on Broadband development in rural communities.
- Treasury, Risk Management and Management Reporting – committee meetings
- Program Development
  - Higher Education Pool program – introduced by Loop Capital Markets; could include public and private institutions as well as cultural/social service borrowers; requires seed funding.
  - Fire Truck and Ambulance programs – developed a revised review procedures and funding criteria with credit committee.
  - Micro Loan program and New Market Tax Credits – planning for applications.
  - Participation Loan Program – completion of program analysis and recommendations.
  - Local Government – review of new strategy for conduit bonds and coordination with IEPA for water projects.

Sales Activities

Funding Managers will be presenting 7 projects totaling $655,416,832 for approval in March, 2009. Agriculture projects total $250K; Business and Industry projects total $5.5M; Higher Education projects total $25M; Healthcare projects total $623M according to applicants. These projects are expected to create 84 new jobs and 570 construction jobs.

Agriculture

For the month of February and early March, the Ag Staff (and Board Members) participated in community development meetings with the Executive Director and Business and Industry Staff. The IFA held meetings with local legislators, community leaders, bankers, and economic development officials in Peoria, Peru, Bloomington and Springfield, as well as Carbondale and Marion, Illinois. Approximately 20 to 50people attended each meeting, which provided feedback to IFA staff in regard to the needs in area communities. The Southern Illinois meeting received extensive media coverage.

Staff has fielded a variety of IFA program inquiries in February from lenders and producers. Most of the project inquiries have been related to Beginning Farmer Bonds, as well as inquiries for Young Farmer Guarantees for two potential producers who wish to purchase and begin their own dairy farm. Staff made in person calls to lenders, which provided leads on an Agri-Debt Guarantee project, as well as two more Young Farmer Guarantee projects. Another promising project is being explored for a potential wind turbine project, which will provide a single wind turbine for a business in Northern Illinois that wishes to generate their own power. This project would likely require participation loan funding for IFA participation in the project.

Staff has processed and prepared 8 applications for new Beginning Farmer Bond transactions, which are being presented to the Board of Directors for approval at the March board meeting.

There were no Agriculture closings in February, 2009

Healthcare

This month the Healthcare Team worked on securing three new financings, one for Provena Health System for $120 million, which will be coming to the Board in April, 2009 and will be closing in this fiscal year. Also, Northwestern Memorial Hospital is coming for a one-time only
final resolution to convert $475 million of their outstanding variable rate bonds to fixed rate. Finally, we have a new money issue for a continuing care retirement community, Norwood Crossing in Norwood Park for approximately $25 million. They also hope to close before the end of IFA's fiscal year. The continuing care retirement community market remains closed, because most of these credits are either BBB or unrated and the pricing on these bonds, if the market would purchase them, would be too high for the Borrower to service.

This month we successfully closed the University of Chicago bond financing for $165 million and Rush University Medical Center for $211 million. We also priced Carle Foundation's $240 million financing (fixed and variable rate), which is scheduled to close on March 18, 2009. We continue to work with our Borrowers who.are restructuring their plans of finance to try to get into this very turbulent and unpredictable market, such as The Admiral and Silver Cross Hospital, both of which financings are for new facilities.

The IFA will be co-sponsoring the Illinois Critical Access Hospital (ICAHN) 2009 Facilities Workshop entitled "Hospital Building/Renovation Strategies for Success-Planning, Financing, Building and Compliance", in Springfield on March 18, 2009. Pam Lenane will be speaking on a panel "Financing in Today's Credit Crunch" and staffing a booth at the conference. ICAHN is composed of 52 small rural and urban hospitals. I will be speaking about the Authority's "toolbox" of financial products - The Capital Opportunity Bond ("COB") Program for small hospitals, equipment financing, the Private Placement Initiative for Critical Access Hospitals, and the Federal Home Loan Bank Letter of Credit Program. Pam Lenane and Rich Frampton will be attending the Wisconsin Health and Educational Facilities Authority 2009 Workshop on March 23, 2009 entitled "Insights into Capital Finance". This is always a very informative conference with good speakers, including the Federal Home Loan Bank of Chicago, and an opportunity to meet Borrowers from Wisconsin that have facilities in Illinois.

Finally, we will be meeting with the President of the Illinois Hospital Association on March 9, 2009 to discuss IFA programs that are under development to assist lesser rated credits.

Healthcare – February, 2009 Closings

Closing Date	Issuance$$	Borrower
02/10/09	$211,620,000	Rush University Medical Center, Series 2009
02/12/09	$165,000,000	University of Chicago Medical Center

Higher Education

The Higher Education team's marketing initiatives are continuing to focus on Illinois colleges and universities immediate infrastructure needs including mandated sprinkler systems in dorms and related facilities. Illinois Institute of Technology will be coming before the Board at the March meeting for inducement of a $25 million bond issue for campus improvements including sprinklers and related HVAC upgrades. Representatives from Loop Capital Markets LLC made a presentation to the Higher Education finance team and the Director of Financial Services about creating a marketing initiative targeted to public and private Illinois colleges and universities. The presentation included creating a discrete group or pool of issuers which would use similar documents and the same underwriter to minimize issuance costs. Loop Capital Markets representatives stated they would commit their marketing arm to broadcast the program to individual colleges and universities and through both the Federation of Independent Illinois Colleges and Universities and the Associated Colleges of Illinois. Representatives from Loop Capital Markets have scheduled a follow-up meeting with IFA staff in mid-March to refine their proposed marketing and underwriting program.

There were no Higher Education Closings in February, 2009

Communities and Culture

The Director of Finance for Newmark, Knight & Frank invited Townsend Albright to make a presentation before the firm's entire not-for-profit broker associate group which specializes in locating properties for not-for-profits statewide. In February, Mr. Albright had spoken before the firm's charter school associate group. Mr. Albright met with the new Economic Development Director and Economic Development Coordinator for the Village of Wheeling. The Village approached the IFA to learn about financing options for several pending projects including upgrading commercial areas along Milwaukee Avenue and Wolf Road. The Village needs to construct a new water tower and related infrastructure improvements in the northwest section of the Village which consists of undeveloped land. The Village is currently working with a major developer to research residential/commercial uses for the land. The group discussed the use of Special Service Area, Water Revenue, Alternate Revenue, and General Obligation bonds and combinations thereof to provide funding for the various future projects. The City of

Rockford's Economic Development Director contacted Mr. Albright for a similar discussion which included Industrial Revenue Bonds for small and mid-sized companies.

President Obama's stimulus legislation which was enacted on February 17, 2009, provides and excellent marketing opportunity for IFA and its Funding Managers to talk to not-for-profit and municipal entities. The legislation changes the application of the limit for bank qualification from the issuer (IFA) to the borrower (not-for-profit, local government, school district). The bank qualification limit for bonds issued in 2009 and 2010 increases from $10 million to $30 million. Investment bankers tell IFA funding managers the market values the bank qualification of a bond as being worth approximately 30 basis points off of the borrower's true interest cost. The interest earned on local government bonds issued through the IFA as a conduit financier are exempt from state as well as federal income taxes.

Communities & Culture – February, 2009 Closings		
Closing Date	Issuance$$	Borrower
02/19/09	$6,900,000	Everest Academy of Lemont

Business & Industry

Ongoing Marketing Developments with the Federal Home Loan Bank of Chicago:

- IFA continues to work directly with professional constituent groups (e.g., hospitals, private colleges), prospects (e.g., manufacturers), and finance professionals to increase awareness of the new, Federal Home Loan Bank Letter of Credit structure. IFA's objective is to help facilitate IRB's, 501(c)(3), Revenue Bonds, and Local Government Revenue Bond projects, particularly given tight credit markets. The Executive Director and IFA executive staff (Karen Walker, Rich Frampton and Pam Lenane) met with Federal Home Loan Bank of Chicago's President Matt Feldman and FHLB Chicago's Community Investment staff on February 18th. The results of this meeting included: (1) determining how IFA and FHLBC could help expedite prospective FHLB LOC - enhanced Bond Issues and (2) establishing a preliminary timetable (late April or May) for co-hosting an informational seminar/workshop in Chicago targeted to the Public Finance community (i.e., bond counsel and investment bankers), bank counsel, and select economic development practitioners to discuss how to structure and expedite FHLB LOC - enhanced bond issues.

- IFA closed its first FHLB Letter of Credit enhanced transaction on behalf of Everest Academy ($6.9 million) on Friday February 19th. The Federal Home Loan Bank of Chicago provided a Confirming (i.e., Standby) Letter of Credit to support a Direct Pay Letter of Credit provided by First Midwest Bank. The Everest Academy transaction was the first FHLBC LOC - secured transaction closed by both (1) the Illinois Finance Authority and (2) the Federal Home Loan Bank of Chicago.

- Despite continuing difficulties in the credit markets, IFA Staff believes that the FHLB LOC will provide a significant opportunity for many manufacturers, 501(c)(3) organizations, and some local governments/school districts to gain access to credit enhancement through locally-owned, community-based banks that are Members of the Federal Home Loan Bank system. According to the Council of Federal Home Loan Banks, approximately 80% of the nation's financial institutions (including commercial banks; savings banks; insurance companies; and credit unions).

Marketing and Opportunities related to the "2009 Recovery Act"

501(c)(3) Revenue Bonds and Local Government Revenue Bonds: The 2009 Recovery Act will temporarily expand the so-called "Bank Qualification" provisions which provide financial incentives for Banks to purchase and hold certain 501(c)(3) and Local Government/School District Revenue Bond financings as investments.

These temporary provisions under the 2009 Recovery Act will be in effect until 2011: Increase the maximum annual issuance limit for Issuers (including both conduit issuers and local governments) eligible to issued Bank Qualified Bonds from $10MM to $30MM.

1. New Provision: Enables the underlying 501(c)(3) (or Local Government) Borrower to elect "Bank Qualified" Status on the underlying bonds provided that the underlying 501(c)(3) Borrower issues less than $30MM of Tax-Exempt Bonds per calendar year:

    - This provision will enable both Local Issuers and IFA to issue Bank Qualified Bonds until 2011.
    - This will temporarily make projects between $10MM and $30MM eligible for Bank Qualification

Projected Impact: Will enable Banks to purchase additional Bank Qualified Bonds, thereby prospectively enabling improved pricing to underlying Borrowers. May facilitate refunding/refinancing activity.

Limitations: Underlying Borrowers must satisfy credit/underwriting criteria specified by the Bank (or Banks).

Marketing Efforts: IFA is disseminating information to Borrowers through selective e-mail blasts. IFA's web site will provide additional information.

Industrial Revenue Bonds: Temporary Expansion of Scope of Qualified Projects until 2011: The Recovery Act of 2009 will temporarily expand the scope of projects that qualify for Industrial Revenue Bond financing to also expenditures relating to on-site research/development facilities; on-site laboratory/testing facilities; and other facilities that are functionally related but subordinate to on-site manufacturing (e.g., warehousing, loading docks, office space).

Projected Impact: This provision will enable certain facilities that involved some manufacturing, but also involved significant research and development activities, to qualify for IRB financing. (In 2004, IFA had a prospect that had a large R&D Laboratory that developed flavorings -- although there was on-site manufacturing, the R&D facilities comprised the majority of project cost. Consequently, the project could not qualify for Industrial Revenue Bond financing.)

Limitations: IRB Borrowers will continue to be subject to (1) the $10MM IRB issuance cap, and (2) the 6-year, $20MM Capital Expenditure Limit that applies to all IRB-financed facilities, and (3) the $40MM corporate-wide limit on the maximum amount of IRB's that can be issued and outstanding at any one time (includes the Borrower and its affiliates).

As a result of the 6-year, $20MM Capital Expenditure Limitation (that is applicable to the municipality and county where the project is located) and the $40MM corporate-wide limitation, use will be limited to middle market firms. As a result, large, public companies (e.g., Baxter) are not expected to be able to finance new projects with IRB's in 2009 or 2010, while this expanded IRB "scope provision" is in effect.

The Borrower must still find a Bank willing to credit approve and project and support by either (1) providing a Direct Pay Letter of Credit or (2) purchasing the Bonds as a direct portfolio investment.

Marketing Efforts: IFA will supplement efforts already being implemented by public finance participants (i.e., underwriters and bond counsel) by providing direct newsletter information along with targeted presentations to select industry groups. IFA will use contacts with the Illinois Manufacturers Association, DCEO, and regional federally funded Manufacturing Technology Centers located statewide (Peoria and elsewhere) to make prospects aware of the increased applicability of IRB financing in 2009 and 2010 as a result of the Recovery Act.

Energy

RETECH 2009: Members of the Illinois Energy Team, including the Executive Director and the Deputy Director, and Argonne National Laboratories, University of Illinois and the Illinois Environmental Protection Agency, joined 3,000 renewable energy leaders in Las Vegas to attend the 2009 Renewable Energy Technology Conference and Exhibition, which was hosted by the American Council on Renewable Energy and held on February 25 through 27. The Executive Director made two presentations, one on the current state and outlook for renewable energy project finance and a second on the state's economic development efforts for renewable energy. During the conference IFA representatives met with 15 project developers and investors to review projects, learn about recent development trends and publicize the State's efforts to attract promising facilities to Illinois.

State Legislative Initiatives: Senate Bill 1912 provides for an increase in authority to issue energy related State Moral Obligation Bonds from $1.7 billion to $3.0 billion and authorizes its use beyond clean coal facilities to include renewable energy facilities and facilities that provide for the capture, transportation and storage of carbon dioxide. The bill also provides for an increase from $75 million to $225 million in authority to issue certain types of Agriculture Guarantees, including Agri-Industry Guarantees. A primary purpose of that authority is to provide IFA with the capacity to issue guarantees to facilitate the development of additional renewable energy projects, such as biofuels production facilities.

Project Pipeline: The Authority is reviewing financing requests from developers using a variety of energy feedstocks: wind, hydro, soy oil & animal fat, municipal solid waste and coal. The expansion of guarantee authority and State moral obligation bonding authority would dramatically expand IFA's capacity to support these types of projects.

There were no Energy Closings in February, 2009

Local Government

Springfield IFA staff participated in three meetings this month. A meeting was held in Springfield on February 17, 2009 for economic development specialists, bankers, and legislators to discuss borrowing needs of various markets in Central Illinois and to share information about IFA with participants. The other two meetings were sponsored by the Illinois Municipal League and were held in Macomb, Illinois on February 20 and in Carbondale on February 27. Approximately 15 individuals attended the session in Macomb and 50 individuals were in attendance at the Carbondale meeting. The participants were from various units of local government and were seeking information regarding financing options/programs available for their respective communities.

Springfield staff has also been working on processing Fiscal Year 2009 applications from the Office of the State Fire Marshal (OSFM). This year there were 60 applications received for the Fire Truck Revolving Loan Program and 12 applications received for the new Ambulance Revolving Loan Program. Both of these Programs are funded with revenue from State Appropriated funds. It is the role of the IFA to determine the credit worthiness of each Fire Department/District application and notify the OSFM. These programs will be presented to the IFA Board at the March 10, 2009 meeting for review and approval.

Additionally, staff has finalized an RFQ to be posted on the CMS website to secure services of underwriters to assist in the management/financing of the Local Government Pooled program, commencing with the Spring 2009 issue. There are additional activities/responsibilities included in the RFQ, however, managing the Local Government Pooled program is of primary importance.

There were no Local Government Closings in February, 2009

Venture Capital

A Venture Capital Board Committee meeting was held on February 10, 2009. IFA is participating in the orderly wind down of the Champaign Urbana Venture Fund. This investment has already been written down to zero. Final cash disbursements from the Fund have been received. The final tax return has been completed and submitted. Two outstanding items remain: Formal dissolution of the last remaining investment and formal dissolution of the Fund.

Staff participated in Board meetings for zuChem and Harmonic Vision. Updates for zuChem and Harmonic Vision were distributed to the Venture Capital Board Committee.

Staff has identified three different firms interested in performing valuation services related to the IFA's venture fund. Formal invitations to respond were sent on February 2, 2009. Additional information concerning IFA requirements and valuation methodologies has been researched and shared with each vendor. Non-disclosure agreements are being reviewed in anticipation of sharing information about the fund with each interested firm. This should facilitate the preparation of proposals.

The IFA formally declined to participate as an investor in the Illinois Innovation Accelerator Fund.

The venture capital portion of the IFA website was updated.

Human Resources

IFA submitted the required Ethics Training reports to the Office of the Inspector General.

A new policy, the Medical Leave and Family Care Policy ("MLFC"), has been drafted to replace the federal Family Medical Leave Act Policy (FMLA") that no longer applies to IFA. IFA's MLFC Policy is designed to provide the same employee protections that were provided by FMLA. A draft of the policy is currently being reviewed by ADP TotalSource.

The health care benefits comparison between the State provided benefits those obtained through ADP TotalSource was completed.

ADP TotalSource Open Enrollment for the next benefit plan year has begun. IFA elections are due by March 12, 2009.

IFA's new Chief Financial Officer, Yvonne Towers, joined the IFA effective February 23, 2009.

Treasury

IFA's proposed investment strategy for managing the funds that IFA has investment responsibilities for is nearly completed. Work on tasks required for implementation has started. Work on updating the investment policy has resumed now that a proposed investment strategy has been identified.

Operations

Facilities: The project to create additional office space by utilizing what was previously storage space has been completed. The library conference room has also been reconfigured to more efficiently utilized space.

Procurement: The RFP for Legal Services was completed and posted on the Illinois Procurement Bulletin. RFPs for Local Government Underwriters and CDARS are scheduled for completion the week of March 2, 2009.

IT: A proposal for replacing the products IFA uses for protecting against viruses and spam was completed.

Expenses: The expense reduction plan was completed and approved. Implementation will take place over the next 30-day period. Anticipated annualized savings total $155,000.

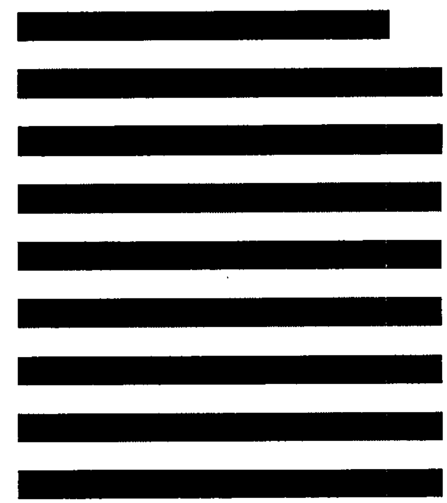
Risk Management: All preliminary work has been completed for the meeting with the IFA's insurance brokers in anticipation of the insurance policy renewal meeting scheduled for March 4, 2009.

Legal/Legislative

A verbal report will be provided at the March 10, 2009 meeting of the Committee of the Whole.

Illinois Finance Authority
Audit Findings Material and Immaterial
Update as of February 28, 2009

Item Number	Description	Estimated Completion Date	Status Action Items/ (not final) Action Items Completed	Percentage Completed 10 20 30 40 50 60 70 80 90 100
Total Number of 9				
FY 07 Immaterial Findings				
IM07-01	Approval of Incomplete Travel and Marketing Reimbursement Forms		**3/4**	
IM07-02	Inadequate Processing and Untimely Deposit of Cash Receipts and Refunds	4/30/2008	**4/4**	
IM07-03	Corrected Agency Workforce Report was not Filed Timely	4/30/2008	**4/4**	
IM07-04	Use of Telecommunications Devices Not Properly Monitored	4/30/2008	**3/3**	
IM07-05	Outdated Investment Report	4/30/2008	**4/4**	
IM07-06	Allowance of Old Accounts Receivable Not Performed	7/31/2008	**4/4**	
IM07-07	Statement of Economic Interest Report Not Filed Timely	4/30/2008	**4/4**	
IM07-08	Failure to File for a Refund of Telephone Excise Tax	4/30/2008	**2/2**	
IM07-09	Noncompliance with Printing Requirements	4/30/2008	**2/2**	



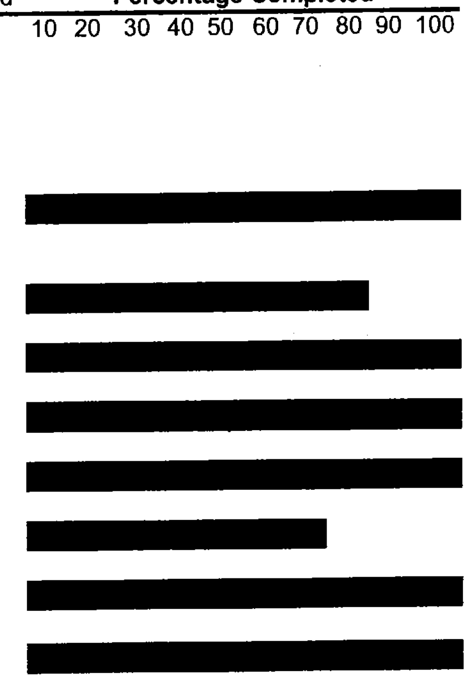
<50% = Partially Completed or under review
60% = Substantially Completed
100% = Completed

IM07-01 On January 8, meeting was held to discuss the automated e-expense program. The Director of Financial Services is evaluating the program and will make a determination.

Illinois Finance Authority
Audit Findings Material and Immaterial
Update as of February 28, 2009

tem Number	Description	Estimated Completion Date	Status Action Items/ (not final) Action Items Completed
Total Number of 8			
FY 07 Material Findings			
07-01	Missing Policy on Nondiscrimination	7/31/2008	2/2
07-02	Failure to Report Revenue bond Information to the Illinois Office of the Comptroller		4/3
07-03	Bad-Debts not Referred to the Illinois Office of the Comptroller	7/31/2008	4/4
07-04	Noncompliance with the Illinois Procurement Code and SAMS Procedures	6/30/2008	2/2
07-05	Lack of Segregation of duties in Managing Property and Equipment	4/30/2008	**4/4**
07-06	No Established Rules to Administer Loan Programs		**2/1**
07-07	Authority is Not a Member of the Illinois Forestry Development Council	4/30/2008	**2/2**
07-08	Failure to Administer the Exporter Award Program	11/30/2008	**2/2**

Percentage Completed



<50% = Partially Completed or under review
60% = Substantially Completed
100% = Completed

Finding 07-02 The Authority is in constant communiction with the Office of the Comptroller with formal discussion/meetings quarterly. They have agree to send their delinquency report quarterly. We are currently working to send a letter to the trustee to remind them of their duty to avoid having late CO 8's. Letter is schedule to be sent out by the end of February.

Finding 07- 06 A draft for the rules have been written, but not approved.

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Eight Months Ending February 28, 2009

		Actual February 2009
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$	13,618,338
RECEIVABLES, NET		135,123
LOAN RECEIVABLE, NET		25,137,043
OTHER RECEIVABLES		162,329
PREPAID EXPENSES		47,777
TOTAL CURRENT ASSETS		39,100,610
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION		119,318
DEFERRED ISSUANCE COSTS		448,995
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES		371,325
VENTURE CAPITAL INVESTMENTS		-
OTHER		2,035,724
TOTAL OTHER ASSETS		2,407,049
TOTAL ASSETS	$	42,075,972
LIABILITIES		
CURRENT LIABILITIES	$	1,069,254
LONG-TERM LIABILITIES		644,298
TOTAL LIABILITIES		1,713,552
EQUITY		
CONTRIBUTED CAPITAL		4,111,479
RETAINED EARNINGS		23,058,506
NET INCOME / (LOSS)		1,221,137
RESERVED/RESTRICTED FUND BALANCE		1,732,164
UNRESERVED FUND BALANCE		10,239,134
TOTAL EQUITY		40,362,419
TOTAL LIABILITIES & EQUITY	$	42,075,972

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
February 28, 2009

	Actual February 2009	Budget February 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2009	% of Budget Expended
REVENUE										
INTEREST ON LOANS	96,062	112,715	(16,653)	-14.77%	878,585	967,415	(88,830)	-9.18%	1,374,474	63.92%
INVESTMENT INTEREST & GAIN(LOSS)	10,036	45,932	(35,896)	-78.15%	208,769	361,226	(152,457)	-42.21%	547,221	38.15%
ADMINISTRATIONS & APPLICATION FEES	318,681	485,542	(166,861)	-34.37%	3,191,325	3,846,611	(655,286)	-17.04%	5,781,179	55.20%
ANNUAL ISSUANCE & LOAN FEES	54,558	55,972	(1,415)	-2.53%	433,881	438,200	(4,319)	-0.99%	665,579	65.19%
OTHER INCOME	9,298	-	9,298	0.00%	70,825	-	70,825	0.00%	-	0.00%
TOTAL REVENUE	488,633	700,161	(211,528)	-30.21%	4,783,386	5,613,452	(830,066)	-14.79%	8,368,453	57.16%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	245,132	268,333	(23,201)	-8.65%	1,877,249	2,136,836	(259,587)	-12.15%	3,206,787	58.54%
BENEFITS	30,083	23,288	6,795	29.18%	189,890	188,767	1,123	0.59%	281,903	67.36%
TEMPORARY HELP	3,942	3,333	609	18.26%	51,061	26,664	24,397	91.50%	40,000	127.65%
EDUCATION & DEVELOPMENT	-	417	(417)	0.00%	893	3,336	(2,443)	-73.22%	5,000	17.87%
TRAVEL & AUTO	5,446	10,250	(4,804)	-46.86%	42,185	82,000	(39,815)	-48.56%	123,000	34.30%
TOTAL EMPLOYEE RELATED EXPENSES	284,604	305,621	(21,017)	-6.88%	2,161,278	2,437,603	(276,325)	-11.34%	3,656,690	59.10%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	7,885	66,867	(58,982)	-88.21%	237,190	534,936	(297,746)	-55.66%	802,400	29.56%
LOAN EXPENSE & BANK FEE	10,787	11,825	(1,038)	-8.78%	91,163	94,600	(3,437)	-3.63%	141,900	64.24%
ACCOUNTING & AUDITING	23,298	29,764	(6,466)	-21.72%	225,006	238,112	(13,106)	-5.50%	357,168	63.00%
MARKETING GENERAL	554	8,333	(7,779)	-93.35%	17,299	66,664	(49,365)	-74.05%	100,000	17.30%
FINANCIAL ADVISORY	30,000	25,000	5,000	20.00%	210,000	200,000	10,000	5.00%	300,000	70.00%
CONFERENCE/TRAINING	-	1,250	(1,250)	0.00%	9,296	10,000	(704)	-7.04%	15,000	61.97%
MISC. PROFESSIONAL SERVICES	-	-	-	0.00%	20,000	-	20,000	0.00%	-	0.00%
DATA PROCESSING	3,520	3,750	(230)	-6.12%	25,199	30,000	(4,801)	-16.00%	45,000	56.00%
TOTAL PROFESSIONAL SERVICES	76,044	146,789	(70,745)	-48.19%	835,152	1,174,312	(339,160)	-28.88%	1,761,468	47.41%

Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
February 28, 2009

	Actual February 2009	Budget February 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2009	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	25,638	25,905	(267)	-1.03%	196,935	207,240	(10,305)	-4.97%	310,860	63.35%
EQUIPMENT RENTAL AND PURCHASES	9,276	3,867	5,409	139.88%	41,719	30,936	10,783	34.86%	46,404	89.90%
TELECOMMUNICATIONS	3,500	5,420	(1,920)	-35.43%	41,336	43,360	(2,024)	-4.67%	65,040	63.56%
UTILITIES	972	933	39	4.23%	9,627	7,464	2,163	28.97%	11,196	85.98%
DEPRECIATION	4,951	7,355	(2,404)	-32.68%	50,556	58,840	(8,284)	-14.08%	88,256	57.28%
INSURANCE	1,607	1,500	107	7.14%	12,952	12,000	952	7.94%	18,000	71.96%
TOTAL OCCUPANCY COSTS	45,944	44,980	964	2.14%	353,125	359,840	(6,715)	-1.87%	539,756	65.42%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	10,700	9,450	1,250	13.23%	62,577	75,600	(13,023)	-17.23%	113,400	55.18%
BOARD MEETING - EXPENSES	2,682	2,983	(301)	-10.09%	29,725	23,864	5,861	24.56%	35,796	83.04%
PRINTING	297	1,200	(903)	-75.23%	11,791	9,600	2,191	22.82%	14,400	81.88%
POSTAGE & FREIGHT	1,082	2,300	(1,218)	-52.96%	16,948	18,400	(1,452)	-7.89%	27,600	61.41%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,648	3,083	(1,435)	-46.55%	21,343	24,664	(3,321)	-13.46%	36,996	57.69%
PUBLICATIONS	58	300	(242)	-80.80%	2,611	2,400	211	8.79%	3,600	72.52%
OFFICERS & DIRECTORS INSURANCE	14,524	14,524	0	0.00%	117,678	116,192	1,486	1.28%	174,292	67.52%
MISCELLANEOUS	120	42	78	0.00%	4,048	336	3,712	1104.88%	504	803.25%
TOTAL GENL & ADMIN EXPENSES	31,111	33,882	(2,771)	-8.18%	266,722	271,056	(4,334)	-1.60%	406,588	65.60%
LOAN LOSS PROVISION/BAD DEBT	8,333	8,333	-	0.00%	(33,903)	66,664	(100,567)	-150.86%	100,000	-33.90%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	446,037	539,605	(93,568)	-17.34%	3,582,374	4,309,475	(727,101)	-16.87%	6,464,502	55.42%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	42,596	160,556	(117,960)	-73.47%	1,201,012	1,303,977	(102,965)	-7.90%	1,903,951	63.08%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	20,125	-	20,125	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	42,596	160,556	(117,960)	-73.47%	1,221,137	1,303,977	(82,840)	-6.35%	1,903,951	64.14%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
February 28, 2009

	Actual February 2009	Actual February 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	96,062	124,078	(28,016)	-22.58%	878,585	1,040,524	(161,939)	-15.56%
INVESTMENT INTEREST & GAIN(LOSS)	10,036	39,577	(29,542)	-74.64%	208,769	440,988	(232,219)	-52.66%
ADMINISTRATIONS & APPLICATION FEES	318,681	146,166	172,515	118.03%	3,191,325	3,880,396	(689,070)	-17.76%
ANNUAL ISSUANCE & LOAN FEES	54,558	64,354	(9,797)	-15.22%	433,881	593,163	(159,282)	-26.85%
OTHER INCOME	9,298	9,791	(493)	0.00%	70,825	110,166	(39,341)	0.00%
						-	-	-
TOTAL REVENUE	488,633	383,967	104,667	27.26%	4,783,386	6,065,237	(1,281,851)	-21.13%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	245,132	223,479	21,653	9.69%	1,877,249	2,146,786	(269,537)	-12.56%
BENEFITS	30,083	22,420	7,664	34.18%	189,890	184,678	5,212	2.82%
TEMPORARY HELP	3,942	4,025	(83)	-2.07%	51,061	62,742	(11,681)	-18.62%
EDUCATION & DEVELOPMENT	-	2,168	(2,168)	0.00%	893	3,553	(2,660)	-74.85%
TRAVEL & AUTO	5,446	6,474	(1,028)	-15.87%	42,185	89,327	(47,142)	-52.77%
TOTAL EMPLOYEE RELATED EXPENSES	284,604	258,566	26,038	10.07%	2,161,278	2,487,085	(325,807)	-13.10%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	7,885	33,918	(26,033)	-76.75%	237,190	614,866	(377,676)	-61.42%
LOAN EXPENSE & BANK FEE	10,787	13,300	(2,514)	-18.90%	91,163	105,959	(14,795)	-13.96%
ACCOUNTING & AUDITING	23,298	26,598	(3,300)	-12.41%	225,006	228,512	(3,506)	-1.53%
MARKETING GENERAL	554	4,462	(3,908)	-87.57%	17,299	37,583	(20,284)	-53.97%
FINANCIAL ADVISORY	30,000	43,696	(13,696)	-31.34%	210,000	192,559	17,441	9.06%
CONFERENCE/TRAINING	-	(55)	55	0.00%	9,296	4,188	5,108	121.97%
MISC. PROFESSIONAL SERVICES	-	-	-	0.00%	20,000	12,055	7,945	0.00%
DATA PROCESSING	3,520	3,269	252	7.71%	25,199	33,507	(8,309)	-24.80%
TOTAL PROFESSIONAL SERVICES	76,044	125,189	(49,144)	-39.26%	835,152	1,229,228	(394,076)	-32.06%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
February 28, 2009

	Actual February 2009	Actual February 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	25,638	26,040	(403)	-1.55%	196,935	186,838	10,096	5.40%
EQUIPMENT RENTAL AND PURCHASES	9,276	7,290	1,986	27.25%	41,719	47,715	(5,997)	-12.57%
TELECOMMUNICATIONS	3,500	4,978	(1,478)	-29.70%	41,336	49,439	(8,103)	-16.39%
UTILITIES	972	1,204	(232)	-19.26%	9,627	7,515	2,111	28.09%
DEPRECIATION	4,951	7,117	(2,165)	-30.43%	50,556	57,887	(7,331)	-12.66%
INSURANCE	1,607	1,100	507	46.10%	12,952	11,033	1,920	17.40%
TOTAL OCCUPANCY COSTS	45,944	47,729	(1,785)	-3.74%	353,125	360,428	(7,303)	-2.03%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	10,700	5,690	5,010	88.04%	62,577	62,650	(72)	-0.12%
BOARD MEETING - EXPENSES	2,682	2,479	203	8.20%	29,725	39,706	(9,981)	-25.14%
PRINTING	297	1,026	(729)	-71.04%	11,791	10,900	890	8.17%
POSTAGE & FREIGHT	1,082	1,932	(850)	-44.01%	16,948	18,263	(1,314)	-7.20%
MEMBERSHIP, DUES & CONTRIBUTIONS	1,648	964	684	71.02%	21,343	31,496	(10,152)	-32.23%
PUBLICATIONS	58	139	(82)	-58.63%	2,611	1,504	1,107	73.64%
OFFICERS & DIRECTORS INSURANCE	14,524	14,746	(222)	-1.51%	117,678	117,972	(293)	-0.25%
MISCELLANEOUS	120	313	(193)	0.00%	4,048	848	3,200	377.17%
TOTAL GENL & ADMIN EXPENSES	31,111	27,290	3,821	14.00%	266,722	283,338	(16,616)	-5.86%
LOAN LOSS PROVISION/BAD DEBT	8,333	33,333	(25,000)	-75.00%	(33,903)	257,806	(291,709)	-113.15%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	446,037	492,107	(46,070)	-9.36%	3,582,374	4,617,885	(1,035,511)	-22.42%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	42,596	(108,140)	150,736	-139.39%	1,201,012	1,447,352	(246,340)	-17.02%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	7,090	(7,090)	0.00%	-	48,276	(48,276)	0.00%
TRANSFER	-	-	-	0.00%	20,125	781,137	(761,012)	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	42,596	(101,050)	143,646	-142.15%	1,221,137	2,276,765	(1,055,628)	-46.37%

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Eight Months Ending February 28, 2009

	Actual February 2008	Actual February 2009	Budget February 2009	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$ 18,530,722	$ 29,622,366	27,147,084	$ 2,475,282
RECEIVABLES, NET	298,588	135,123	283,251	(148,128)
LOAN RECEIVABLE, NET	90,937,697	90,670,828	103,462,561	(12,791,733)
OTHER RECEIVABLES	538,539	173,347	1,195,049	(1,021,702)
PREPAID EXPENSES	46,846	47,777.00	171,109	(123,332)
TOTAL CURRENT ASSETS	110,352,391	120,649,441	132,259,054	(11,609,613)
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	209,404	119,318	132,191	(12,873)
DEFERRED ISSUANCE COSTS	727,970	610,797	630,028	(19,231)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	37,224,249	46,545,601	39,554,151	6,991,450
VENTURE CAPITAL INVESTMENTS	5,835,254	5,377,739	5,738,223	(360,484)
OTHER	3,682,072	3,682,072	3,682,072	0
TOTAL OTHER ASSETS	46,741,575	55,605,412	48,974,446	6,630,966
TOTAL ASSETS	$ 158,031,341	$ 176,984,969	$ 181,995,720	$ (5,010,752)
LIABILITIES				
CURRENT LIABILITIES	$ 1,189,487	$ 1,191,299	737,143	$ 454,156
LONG-TERM LIABILITIES	60,085,911	62,678,433	66,700,114	(4,021,683)
TOTAL LIABILITIES	61,275,398	63,869,732	67,437,257	(3,567,527)
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	35,608,692	35,608,692	-
RETAINED EARNINGS	17,921,049	24,799,651	24,799,651	-
NET INCOME / (LOSS)	4,716,711	297,743	1,740,967	(1,443,224)
RESERVED/RESTRICTED FUND BALANCE	25,491,190	39,760,982	39,760,982	-
UNRESERVED FUND BALANCE	12,565,531	12,648,171	12,648,171	-
TOTAL EQUITY	96,755,944	113,115,238	114,558,463	(1,443,224)
TOTAL LIABILITIES & EQUITY	$ 158,031,341	$ 176,984,969	$ 181,995,720	$ (5,010,750)

General Operating Fund
Projected Cash Flow
for the four months ending June 30, 2009

Cash Beg. Bal as of 2/28/09		12,954,277
Projected Additions: Mar thru Jun 09		
Administration Fees	2,920,762	
Service Fees	115,488	
Application Fees	24,933	
Interest on Loans	394,457	
Principal Bal. Reductions	832,196	
Investment Income	40,000	
Total projected income		4,327,836
Total Incoming Cash Flows thru June 30, 2009		17,282,113
Deductions:		
Operating Expenses Mar thru June 09	1,773,492	
Less non cash transactions		
Depreciation Expense	(22,740)	
Cost of issuance	(32,000)	
Loan Loss provision	(33,332)	
Total Outflows in Operating Exp.	1,685,420	
Loans to be funded/approved by the board as of Feb 09 board meeting	2,135,000	
Potential loan prospects	1,555,000	
	3,690,000	
Total Outflows as of June 30, 2009		5,375,420
Ending Cash balance as of 6/30/09		11,906,693
Net Increase/(decrease) on cash		(1,047,584)
Reserve for 6 months Operating Expenses	3,150,000	
	3,150,000	
Total Cash Available as of June 30, 2009		8,756,693

General Operating Fund
Projected Cash Flow
For Fiscal Year 2009

Cash Beg. Bal as of 06/30/08		9,886,971
Additions:		
Principal repayments Jul 08 thru Feb 09	3,409,796	
Revenues from Jul 08 thru Feb 09 Collected in cash	5,872,535	
Total cash Receipts		9,282,331
Total Cash		19,169,302
Projected Additions: Mar 09 thru Jun 09		
Administration Fees	2,920,762	
Service Fees	115,488	
Application Fees	24,933	
Interest on Loans	394,457	
Principal Bal. Reductions	832,196	
Investment Income	40,000	
Total projected income		4,327,836
Total Incoming Cash Flows thru June 30, 2009		23,497,138
Deductions:		
Expenses from July 08 thru Feb 09 Paid in cash	3,504,803	
Projected Operating Expenses Mar 09 thru June 09	1,773,492	
Less non cash transactions		
Depreciation Expense	(22,740)	
Cost of issuance	(32,000)	
Loan Loss provision	(33,332)	
Total Outflows in Operating Exp.	5,190,223	
Loans funded Jul 08 thru Feb 09	2,710,222	
Loans to be funded/approved by the board as of Feb 09 board meeting	2,135,000	
Potential loan prospects	1,555,000	
Total Loans	6,400,222	
Total Outflows as of June 30, 2009		11,590,445
Ending Cash balance as of 6/30/09		11,906,693
Net increase/(decrease) on cash		2,019,722
Reserve for 6 months Operating Expenses	3,150,000	
	3,150,000	
Total Cash Available as of June 30, 2009		8,756,693

MINUTES OF THE FEBRUARY 10, 2009 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 a Board Meeting at 11:30 a.m. on February 10, 2009 at the James R. Thompson Center, 100 W. Randolph, Room 9-040, Chicago, Illinois.

Members present:
William A. Brandt, Jr., Chairman
Michael W. Goetz, Vice Chairman
Dr. William J. Barclay
Ronald E. DeNard
James J. Fuentes
Edward H. Leonard, Sr.
Juan B. Rivera
April D. Verrett

Members absent:
Dr. Roger D. Herrin
Terrence M. O'Brien
Bradley A. Zeller

Vacancies:
4

Members participating by telephone:
None

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 12:03 p.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being eight (8) members physically present, Ms. Burgess Jones declared a quorum present.

Chairman's Remarks

Chairman Brandt thanked fellow Board members and guests for coming. Chairman Brandt announced that future IFA board meetings will be held at the James R. Thompson Center, and that the March 10, 2009 board meeting previously scheduled to take place in Springfield, Illinois will now be held in Chicago.

Executive Director's Remarks

Director Filan reported that the Authority has taken significant steps towards its strategic priorities:

Rural Development - As part of this Initiative, Director Filan will host a series of meetings with downstate legislators, bankers, state and local representatives, and members of the business community. The Authority is assessing its downstate program and marketing efforts in order to evaluate how the Authority can improve its programs in addition to providing greater access to capital that otherwise would not be available to individuals and the business community.

Energy Initiative - The Authority is moving forward in its efforts to work with the University of Illinois, Southern Illinois University, Western Illinois University, Department of Commerce and Economic Opportunity, and the Illinois Environmental Protection Agency to form an Energy Consortium.

Agriculture - The Authority has met with senior staff members from the Illinois Farm Bureau to ensure that the Authority's programs and policies are designed to effectively meet the needs of today's agricultural and rural economy.

Healthcare - The Authority continues to address the overall financing needs of the healthcare sector, which is a major component of the Authority's mission and revenue stream. Authority staff are diligently working to develop ways to assist lower rated hospitals in acquiring financial assistance, and staff are also working with various entities in order to develop creative solutions to meet the capital needs of lower rated hospitals.

Economic Development - In this challenging economic market, the IFA is evaluating the Federal Stimulus Package and its impact on our mission to provide financing assistance to various market sectors.

Lastly, Director Filan reported that the Illinois General Assembly has been supportive of the Authority's efforts.

Acceptance of Financial Statements

Financial statements for the period ending January 31, 2009, were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority's financial statements were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Financial Statements were unanimously approved by members of the Board.

Minutes

Chairman Brandt announced that the next order of business was to approve the minutes of the January 13, 2009 Meeting of the Board. Chairman Brandt announced that the January 13, 2009 minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. The January 13, 2009 minutes were unanimously approved by members of the Board.

Project Approvals

Chairman Brandt asked Ms. Walker to present the projects for consideration to the Board. Chairman Brandt announced that projects being presented today for approval were thoroughly reviewed at the Committee of the Whole Meeting held at 8:30 a.m. today.

Ms. Walker, Director of Financial Services, reported that at today's meeting 9 projects totaling $91,350,000.00 were being presented for board approval:

No. 1: **<u>I-ID-TE-CD-8127 – Anderson-Shumaker Company</u>**

Request for final approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $10M. Bond proceeds will be used to finance construction costs, acquisition of machinery and equipment, and to pay professional and certain bond issuance costs. This project is expected to create 18 new jobs and 60 construction jobs. This project is located in Chicago, Illinois. **(09-02-01).**

The Company is seeking a $10M allocation in 2009 IFA Volume Cap. The proposed project will require an allocation of Volume Cap in order to add a 23,000 square foot addition that can accommodate the new equipment necessary to manufacture larger scale products. The new product will enable the Company to continue its presence on the City's west side where it's been located since 1918.

No. 3: **<u>E-PS-TE-CD-8148 – Montessori Elementary School of South West Cook County</u>**

Request for final approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed $2.5M. Bond proceeds will be used to finance construction costs, refinance an existing mortgage and to pay certain bond issuance costs. This project is expected to create 7 new jobs and 50 construction jobs. This project is located in Lemont, Illinois. **(09-02-03).**

No guests attended with respect to Project Nos. 1 and 3. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1 and 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1 and 3. Leave was granted. Project Nos. 1 and 3 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 4: **<u>L-GP-MO-8206 – Village of Kincaid</u>**

Request for preliminary approval of the issuance of Local Government Bonds in an amount not-to-exceed $250K to provide permanent financing for the Village's sewer system improvements. This project is expected to create 2 construction jobs. This project is located in Kincaid, Illinois. **(09-02-04).**

No. 5: **<u>L-GP-MO-8207 – Village of Cowden</u>**

Request for preliminary approval of the issuance of Local Government Bonds in an amount not-to-exceed $300K to provide permanent financing for the Village's water system improvements. This project is expected to create 2 construction jobs. This project is located in Cowden, Illinois. **(09-02-05).**

No. 6: **<u>L-GP-MO-8208 – Village of Ridgeway</u>**
Request for preliminary approval of the issuance of Local Government Bonds in an amount not-to-exceed $800K to provide permanent financing for infrastructure improvements to the Village's water treatment plant. This project is expected to create 5 construction jobs. This project is located in Ridgeway, Illinois. **(09-02-06).**

No. 7: **<u>L-GP-MO-8209 – Village of Blandinsville</u>**
Request for preliminary approval of the issuance of Local Government Bonds in an amount not-to-exceed $250K to provide permanent financing for the Village's water system improvements. This project is expected to create 2 construction jobs. This project is located in Blandinsville, Illinois. **(09-02-07).**

No. 8: **<u>L-GP-MO-8210 – City of Sumner</u>**
Request for preliminary approval of the issuance of Local Government Bonds in an amount not-to-exceed $750K to provide permanent financing for the City's water system infrastructure improvements. This project is expected to create 5 construction jobs. This project is located in Sumner, Illinois. **(09-02-08).**

No guests attended with respect to Project Nos. 4, 5, 6, 7 and 8. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 4, 5, 6, 7 and 8. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 4, 5, 6, 7 and 8. Leave was granted. Project Nos. 4, 5, 6, 7 and 8 received preliminary approval with 8 ayes, 0 nays, and 0 abstentions.

No. 10: **University of Chicago Medical Center Amendatory Resolution.** Request to add additional underwriters, re-marketing agents, an additional LOC provider, and to engage additional underwriters and re-marketing agents, as agreed to by the Borrower and the Illinois Finance Authority. **(09-02-10).**

Chairman Brandt asked if there were any guests attending the meeting on behalf of the University of Chicago Medical Center. Ms. Pamela Lenane, Vice President, introduced Mr. Laurence Furnstahl, CFO, University of Chicago Medical Center. Mr. Furnstahl thanked the Board for its consideration. Chairman Brandt then asked if the Board had any questions for Mr. Furnstahl. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of the University of Chicago Medical Center Amendatory Resolution. Leave was granted. The University of Chicago Medical Center Amendatory Resolution received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 11: **Applewood Farms Amendatory Resolution.** Request by the Bank of Springfield and Applewood Farms LLC, to allow a six-month principal deferral of payments on two IFA guaranteed loans; extend the maturity date of the promissory notes and IFA Guarantees for two loans; and, to allow subordination to ADM Nutrition for specific collateral of 5,200 weaned pigs in an amount not-to-exceed $73K. **(09-02-11).**

No. 12: **Illinois American Water Company Amendatory Resolution.** A Resolution to Request an Execution of a Cancellation Agreement of MBIA (Municipal Bond Insurance) and Execution of an Amended and Restated Trust Indenture and Loan Agreement (IDFA Series 21002 Bonds). **(09-02-12).**

No guests attended with respect to Amendatory Resolutions Nos. 11 and 12. Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolution Nos. 11 and 12. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Amendatory Resolution Nos. 11 and 12. Leave was granted. Amendatory Resolution Nos. 11 and 12 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 2: **PU-WD-TE-CD-8182 – American Water Capital Corp., on behalf of Illinois-American Water Company**

Request for final approval of Water Furnishing Facilities Revenue Bonds in an amount not-to-exceed $28.5M. Bond proceeds will be used to finance a portion of the cost of new capital improvements to certain Illinois-American Water Company drinking water systems located statewide. This project is expected to create 4 new jobs and 120 construction jobs over an 18-month period. This project is located in Champaign-Urbana, Pesotum, Savoy, Alton, Grafton, East St. Louis, Granite City, Peoria and Streator, Illinois. **(09-02-02).**

This financing will require approximately $28.5M of 2008 Carryforward Volume Cap (which has been designated specifically for Water Furnishing Facilities Bonds in the IRS 8328 Carryforward Election).

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 2. Mr. Rich Frampton, Vice President, introduced Mr. Mark Chierici, Manager, Treasury Services. Mr. Chierici thanked the Board for its consideration. Chairman Brandt then asked if the Board had any questions for Mr. Chierici. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 2. Leave was granted. Project No. 2 received final approval with 8 ayes, 0 nays, and 0 abstentions.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. Goetz and seconded by Mr. Rivera, the meeting adjourned at approximately 12:17 p.m.

Respectfully Submitted

Carla B. Burgess Jones, Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/lk

Date: March 10, 2009

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:** Up to $250,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $1,666,832.00**
- **Calendar Year Summary:** (as of March 10, 2009)
  - Volume Cap: $15,000,000.00
  - Volume Cap Committed: $3,426,486.00
  - Volume Remaining: $ 11,573,514.00
  - Average Acreage Farm Size: 85
  - Number of Farms Financed: 16
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2009 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees:**
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
  - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

Project Number:	**A-FB-TE-CD-8213**
Funding Manager:	Eric Reed
Borrower(s):	**Soltwedel, Kraig**
Borrower Benefit:	First time land buyer
Town:	St. Joseph, IL
Amount:	$200,000.00
Use of Funds:	Farmland – 100 acres
Purchase Price:	$400,000 / ($4,000 per ac)
%Borrower Equity	0%
%Other Agency	50%
%IFA	50%
County/Region:	Shelby / Central
Lender/Bond Purchaser	First Mid Illinois Bank & Trust / Mark Cox
Legislative Districts:	Congressional: 15th, Timothy Johnson
	State Senate: 52nd, Michael Frerichs
	State House: 104th, William Black

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin 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 begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

***Kriag Soltwedel:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.5% fixed for the first five years and adjust every five years thereafter to the Wall Street Journal Prime Rate plus 1.25% with a floor of 3.5% and a ceiling of 5.5% at first reset period, with future floors and ceilings to be determined at the next reset period. IFA Fee: $3,000.00

Project Number:	**A-FB-TE-CD-8214**
Funding Manager:	Eric Reed
Borrower(s):	**Nelson, Neal & Lori**
Borrower Benefit:	First time land buyer
Town:	Orion, IL
Amount:	$220,000.00
Use of Funds:	Farmland – 115 acres
Purchase Price:	$439,875 / ($3,825 per ac)
%Borrower Equity	0%
%Other Agency	50%
%IFA	50%
County/Region:	Mercer / Northwest
Lender/Bond Purchaser	BankOrion / Tim Fritz
Legislative Districts:	Congressional: 14th, Bill Foster
	State Senate: 36th, Mike Jacobs
	State House: 71st, Mike Boland

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on January 15, 2010. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to on January 15, 2010 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

***Neal & Lori Nelson:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.75% fixed to January 15, 2014 and adjust every five years thereafter to 1.00% above the weekly average yield on US Treasury Securities adjusted to a constant maturity of 5 years as published in the Wall Street Journal. At no time shall the interest rate be adjusted to under 4.50%. IFA Fee: $3,300.00

*** Information enclosed in the border is to be considered confidential and may be exempt from disclosure under the Freedom of Information Act**

Project Number:	**A-FB-TE-CD-8215**
Funding Manager:	Eric Reed
Borrower(s):	**Baumann, Christopher**
Borrower Benefit:	First time land buyer
Town:	Wyoming, IL
Amount:	$250,000.00
Use of Funds:	Farmland – 40 acres/dairy
Purchase Price:	$250,000 / ($6,250 per ac)
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County/Region:	Stark / North Central
Lender/Bond Purchaser	State Bank of Speer / Steve Leuthold
Legislative Districts:	Congressional: 18th, Aaron Schock
	State Senate: 37th, Dale Risinger
	State House: 74th, Donald Moffitt

Principal shall be paid annually in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to begin on February 1, 2010. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to on February 1, 2010 with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

***Christopher Baumann:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.75% fixed for the first ten years and adjust every ten years thereafter to 2.25% above the 10 year US Treasury rate as listed in the Wall Street Journal. IFA Fee: $3,750.00

Project Number:	**A-FB-TE-CD-8216**
Funding Manager:	Eric Reed
Borrower(s):	**Carriker, Bradley & Amber**
Borrower Benefit:	First time land buyer
Town:	Raymond, IL
Amount:	$229,632.00
Use of Funds:	Farmland – 80 acres
Purchase Price:	$459,264 / ($5,741 per ac)
%Borrower Equity	0%
%Other Agency	50%
%IFA	50%
County/Region:	Macoupin / Central
Lender/Bond Purchaser	First National Bank of Litchfield / Ken Elmore
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 49th, Deanna Demuzio
	State House: 98th, Gary Hannig

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin 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 begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

***Bradley & Amber Carriker:** Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.00% fixed for the first five years and adjust every five years thereafter to 80% of the National Prime Rate as quoted in the Wall Street Journal. The interest rate on this note shall never be lower than 3.50% or higher than 10.50%. IFA Fee: $3,445.00

*** Information enclosed in the border is to be considered confidential and may be exempt from disclosure under the Freedom of Information Act**

Project Number:	**A-FB-TE-CD-8217**
Funding Manager:	Eric Reed
Borrower(s):	**Joos, Thomas & Crystal**
Borrower Benefit:	First time land buyer
Town:	Buda, IL
Amount:	\$103,200.00
Use of Funds:	Farmland – 40 acres
Purchase Price:	\$228,000.00 / (\$5,700 per ac)
%Borrower Equity	5%
%Other Agency	45%
%IFA	50%
County/Region:	Bureau / Northwest
Lender/Bond Purchaser	Central Bank of Illinois / Jason VanLanduit
Legislative Districts:	Congressional: 11th, Debbie Halvorson
	State Senate: 37th, Dale Risinger
	State House: 74th, Donald Moffitt

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin 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 begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

*<u>Thomas & Crystal Joos:</u> Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.03% fixed for the first five years and adjust every five years thereafter to 3.45% above the 5 year Treasury Rate as quoted in the Wall Street Journal. Lender will charge .10% points at closing. IFA Fee: \$1,548.00

Project Number:	**A-FB-TE-CD-8218**
Funding Manager:	Eric Reed
Borrower(s):	**France, Nicholas & Lynde**
Borrower Benefit:	First time land buyer
Town:	Table Grove, IL
Amount:	\$250,000.00
Use of Funds:	Farmland – 99 acres
Purchase Price:	\$564,870.00 / (\$5,706 per ac)
%Borrower Equity	0%
%Other Agency	44%
%IFA	56%
County/Region:	Fulton / North Central
Lender/Bond Purchaser	Havana National Bank / Greg Stephenson
Legislative Districts:	Congressional: 17th, Phil Hare
	State Senate: 47th, John Sullivan
	State House: 94th, Richard Myers

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin 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 begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

*<u>Nicholas & Lynde France</u> Note shall bear simple interest rate at the expressed rate. The expressed rate shall be 4.15% fixed for the first five years and adjust every 5 years thereafter to 2.75% over the 5 year US Treasury Rate as listed in the Wall Street Journal with a floor of 4.15%. IFA Fee: \$3,750.00

*** Information enclosed in the border is to be considered confidential and may be exempt from disclosure under the Freedom of Information Act**

Project Number:	**A-FB-TE-CD-8219**
Funding Manager:	Eric Reed
Borrower(s):	**Hartke, David**
Borrower Benefit:	First time land buyer
Town:	Litchfield, IL
Amount:	$250,000.00
Use of Funds:	Farmland – 60 acres
Purchase Price:	$336,960.00 / ($5,616 per ac)
%Borrower Equity	0%
%Other Agency	26%
%IFA	74%
County/Region:	Macoupin / Central
Lender/Bond Purchaser	First National Bank of Litchfield / Ken Elmore
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 49th, Deanna Demuzio
	State House: 98th, Gary Hannig

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin 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 begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

*__David Hartke__: Note shall bear simple interest at the expressed rate. The expressed rate shall be 3.75% fixed for the first three years and adjust every three years thereafter to .50% above the National Prime as quoted in the Wall Street Journal. At each adjustment period, said loan shall not adjusted more than 1.00% with a interest rate floor of 3.50% and a ceiling of 10.00% IFA Fee: $3,750.00

Project Number:	**A-FB-TE-CD-8220**
Funding Manager:	Eric Reed
Borrower(s):	**Nofftz, James R.**
Borrower Benefit:	First time land buyer
Town:	Tolono, IL
Amount:	$164,000.00
Use of Funds:	Farmland – 40 acres
Purchase Price:	$256,000.00 / ($6,400 per ac)
%Borrower Equity	0%
%Other Agency	36%
%IFA	64%
County/Region:	Champaign / East Central
Lender/Bond Purchaser	Busey Bank / Brady Allison
Legislative Districts:	Congressional: 15th, Timothy Johnson
	State Senate: 55th, Dale Righter
	State House: 110th, Chapin Rose

Principal shall be paid annually in installments determined pursuant to a Twenty year amortization schedule, with the first principal payment date to begin 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 begin one year from the date of closing with the twentieth and final payment of all outstanding balances due twenty years from the date of closing.

*__James Nofftz:__ Note shall bear simple interest at the expressed rate. The expressed rate shall be 5.00% fixed for the first five years and adjust annually thereafter to the National Prime Rate plus .50%.

*** Information enclosed in the border is to be considered confidential and may be exempt from disclosure under the Freedom of Information Act**

IFA Fee: $2,460.00

*** Information enclosed in the border is to be considered confidential and may be exempt from disclosure under the Freedom of Information Act**

NON-CONDUIT

ILLINOIS FINANCE AUTHORITY

March 10, 2009

$250,000
HELGEN PARTNERS
PRODUCT TYPE : PARTICIPATION LOAN

REQUEST	Purpose: IFA contributing funds used to finance the purchase of 448 acres Project Description: Ag Participation loan used to fund the purchase of 448 acres of farmland Program: Product Type: Participation Loan IFA Funds at risk $250,000. Conditions: Satisfactory appraisals to insure LTV of 80% or less
BOARD ACTIONS	Final Voting Record: None prior
MATERIAL CHANGES	N/A
JOB DATA	3 Current jobs; N/A New jobs projected N/A Retained jobs; N/A Construction jobs projected
BORROWER DESCRIPTION	• Type of entity: Partnership-Grain Farm • Location: Litchfield/Montgomery/Central • When was it established: 2003 • What does the entity do: Grain Farm • Who does the entity serve: N/A • What will new project facilitate: Permanent financing for land purchase
CREDIT INDICATORS	Personal Guarantees from principals
Proposed Structure	Participating Bank: Bank & Trust Company Collateral: 1381 Acres — Collateral Position: 1st & 2nd Corporate Guarantor: ________N/A_____ Personal Guarantor: Herman, Jeff, and Michael Helgen Maturity Years: 30 Years Interest Rate: 1% under Bank's rate
Sources and Uses	See below
Recommendation	Staff Recommends Approval Credit Review Committee Recommends Approval

Sources and Uses

Sources		Uses	
New Bank Loan:	1,829,396	Project Cost:	3,079,396
Refinance	1,143,147	Refinancing	1,143,147
FNB Participation	1,000,000		
IFA Participation	250,000		
Total	4,222,533	Total	4,222,533

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 10, 2009

Project: Helgen Partners

STATISTICS

Project Number:	A-LL-TX-8222	Amount:	$250,000
Type:	Participation Loan	IFA Staff:	Eric Reed
County/Region:	Montgomery/Central	City:	Litchfield

BOARD ACTION

Final Resolution
Credit Committee Recommendation:
IFA Funds Contributed: $250,000

Extraordinary conditions: None
Approval subject to bank conditions and satisfactory appraisals to insure LTV $\leq$ 80%

VOTING RECORD

None. This is the initial consideration of the project from the IFA Board of Directors.

PURPOSE

The IFA funds contributed to the transaction will fund the permanent financing required for the purchase of 448 acres of farmland. This purchase will allow the borrower to maintain a large part of the production base and help insure the viability of the farming operation.

IFA PROGRAM AND CONTRIBUTION

Under its Participation Loan Program, the Authority participates in bank loans financing capital projects for business, industry, farmers and agri-industry. The Authority will participate in loans for up to 10 years at a rate of interest that is variable or fixed for up to 5 years at 100 basis points below the originating Bank's rate. The Authority shares pro-rata in the Bank's collateral and generally in conjunction with the Bank's loan advances funds at rates up to 80% of appraised fair market value for real estate, 65% of cost for new equipment and 65% of orderly appraised liquidated value for used equipment.

IFA's participation reduces the borrower's interest expense.

VOLUME CAP

N/A

JOBS

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	Bank & Trust New loan:	$1,829,396	Uses: Refinance Debt	$1,143,137
	Bank & Trust Refinance:	$1,143,137	Land Purchase	$3,079,396
	FNB Participation:	$1,000,000		
	IFA Participation:	$250,000		
	Total	**$4,222,533**		**$4,222,533**

FINANCING SUMMARY/STRUCTURE

Security:	1st real estate mortgage on 1,264 acres 2nd mortgage on 117 acres with grain storage facilities used by the company
Obligors:	Helgen Partners, Herman Helgen, Michael Helgen, & Jeffrey Helgen
Structure:	30 year term and amortization with annual payments of principal and interest.
Interest Rate:	See confidential section
Interest Mode:	5 Year Fixed
Credit Enhancement:	None
Maturity:	30 years(5 Year initial commitment from IFA)
Estimated Closing Date:	3-31-09

PROJECT SUMMARY

Summary: Helgen Partners recently purchased 448 acres of farmland at public auction. The land they purchased was part of 1,100 acres, which they had leased and farmed for 25 years. Upon the landowners decision to sell the property, the Helgens sought financing approval from Bank & Trust in an effort to purchase part of the property in order to maintain as much of their production as possible. Bank & Trust Co. in Litchfield will originate a new mortgage for $4.2M with Helgen Partners. Bank & Trust Co. will refinance $1.2M of existing real estate debt, secured by 933 acres which provides $3.2M in equity, along with $3M for the new purchase.

Project Rationale: Helgen Partners has purchased 448 acres of farmland in an effort to maintain as much of their production capacity as possible after learning that 1,100 acres of their rented land would be sold. With the purchase, Helgen Partners will be able to retain 40% of the land base that they would have otherwise lost. For Bank & Trust Co., while they have enjoyed a long relationship with the Helgens, their relationship has grown to a point where the borrower's are near the bank's legal lending limit. As a result, Bank & Trust will participate $1M of the new loan to First National Bank and has requested a $500K participation from IFA.

Timing: Closing on the auction purchase is set for February 25, 2009. Bank & Trust will seek funding from IFA shortly after.

BUSINESS SUMMARY

Helgen Partners is a family farming partnership between Herman Helgen and his two sons Michael and Jeffrey Helgen. Herman, who has farmed for approximately 60 years, formed the partnership in 2003 in an effort to provide for future transition of the farming operation to his sons. Until the recent sale of their rented land, the partnership grain farmed 2,500 acres. For 2009, after the purchase of the subject property, the Helgens will now farm 1,758 acres, of which 1,381 is family owned. The family is very fortunate in the fact that all of their land, while not contiguous, is located within 3 mile radius.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Helgen Partners
Project Location:	1204 N. 15th Avenue Litchfield, IL 62056
Borrower:	Helgen Partners
Ownership:	Herman Helgen (84%) Michael D. Helgen (8%) Jeffrey S. Helgen (8%)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Lefevre, Oldfield, Myers, Apke, Payne LTD.	Vandalia	David Oldfield
Accountant:	Pritchard Osborne LLC	Litchfield	David Suhrenbrock
Originating Bank:	Bank & Trust Co.	Litchfield	John Martin, SFVP
Bank Counsel:			
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott
IFA Counsel:	Dykema Gosset	Chicago	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional:	19th, John Shimkus
State Senate:	49th, Deanna Demuzio
State House:	98th, Gary Hannig

SERVICE AREA

N/A

BACKGROUND INFORMATION

Helgen partners is a family farming partnership located near Litchfield which was formed in 2003. The company has its origins from a 60 year partnership between Herman Helgen and his brother. In 2003 Mr. Helgen formed a general partnership in order to allow his two sons Jeffrey and Michael Helgen to obtain ownership in the farming operation. Michael age 52, and Jeffrey age 42 are each involved in the daily operations of the farming operation. While their spouses are not significantly involved in the farming operation, Michael's wife is employed full time as a school teacher, while Jeffrey's wife works part time off the farm. Herman Helgen, Michael and his spouse, Jeffrey and his spouse will all personally guarantee the loan.

Prior to 2009, Helgen Partners farmed approximately 2,500 acres of continuous corn in Montgomery County. Of their land base, 1,100 acres was rented from Kilton Farms Inc., which the Helgens had leased and farmed for 25 years. In January 2009, the Kiltons liquidated their land holdings at public auction, causing the Helgens to lose a majority of their production capacity.

In an effort to recoup and maintain as much of the land capacity as possible, the Helgens purchased 448 acres at the public auction. With the purchase of the 448 acres, Helgen Partners will now farm 1,758 acres of corn in 2009. Due to a longstanding relationship with Bank & Trust Company in Litchfield, the Helgens have sought financing with the bank to finance the purchase. Bank & Trust has requested a participation loan from the IFA to help finance the project.

IFA ILLINOIS FINANCE AUTHORITY

$5,500,000
JOLIET ASPHALT LLC

CONDUIT

March 10, 2009

REQUEST	Purpose: Bond proceeds will be used to provide IRB financing for construction, site improvements on leased land, and purchase of equipment. Project Description: To finance (i) the construction of a 400ton/hour producing hot asphalt plant located on 10 acres of leased land at 3590 Ridge Road, Joliet, Will County, Illinois, (ii) necessary site improvements on said property, (iii) construct and equip a 2,100 sq. ft. office building located on said property. Program: Conduit Industrial Revenue Bonds Extraordinary Conditions: The City of Joliet has been contacted to provide Volume Cap. The City has not committed. It is the opinion of the Underwriter that the City will provide a substantial share of the required cap.
BOARD ACTIONS	Preliminary Bond Resolution Voting Record None. This is the first time the project has been presented to the Board.
MATERIAL CHANGES	N/A
JOB DATA	29 Current jobs 51 New jobs projected N/A Retained jobs 40 Construction jobs projected
BORROWER DESCRIPTION	• Type of entity: Manufacturer of paving products including recycling construction debris. • Location: Joliet, Will County, Northeast Region • When was it established: 2008 • Joliet Asphalt LLC is a newly formed Illinois LLC Corporation (November, 2008) by Ronald A Plunk, President; and Gary S. Schumal P.E., Operations Manager, for the purpose of constructing and operating a hot asphalt plant to provide asphalt materials for Austin Tyler Construction, Inc. an Illinois Limited Liability Corporation formed February 1, 2006, which is jointly owned by the two above mentioned gentlemen. • Joliet Asphalt LLC will produce all types of asphalt mixtures to be used in various types of construction projects. The proposed facility is a "green" facility which will crush concrete and asphalt generated form existing construction projects and reuse on future construction projects. • Due to the Prequalification rules established by the Illinois Department of Transportation, Austin Tyler currently can only bid on projects in which the asphalt tonnage is 1200 tons or less. Austin Tyler's wants to expand its expertise as a heavy highway and road contractor. In order to bid on larger projects it is required that the contractor own an asphalt plant. Owning an asphalt plant will enable Austin Tyler to bid on a larger range of projects on a fixed-contract basis, and be more competitive with the projects it currently bids since it must currently purchase asphalt from other producers and be subject to their price variations.
CREDIT INDICATORS	• Long Term and Short term ratings will be determined by the LOC provider. • Harris N.A. is the LOC bank. Outstanding ratings are Moody's "AA3" and Standard & Poors "A+". • The bonds will not be insured.
Proposed Structure	Enhanced by a Direct Pay Letter of Credit form a rated bank Variable Rate Demand Bonds Maturity: 20Years Swap Component TBD
Sources and Uses	IFA Bonds $5,108,000 Project Cost $6,385,000 Equity $1,277,000 Underwriter / Placement Fees to be paid out of equity injection. Total $6,385,000 Total $6,385,000
Recommendation	Credit Review Committee Recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 10, 2009

Project: **Joliet Asphalt LLC**

STATISTICS

Project Number:	I-ID-TE-CD-8211	Amount:	$5,500,000 (not to exceed)
Type:	Industrial Revenue Bond	IFA Staff:	Townsend Albright
Locations:	Joliet (Will County)	Region:	Northeast

BOARD ACTION

Preliminary Bond Resolution	Conduit Industrial Revenue Bonds
No IFA funds at risk	Credit Review Committee recommends approval.

VOTING RECORD

Preliminary Bond Inducement; no prior vote

PURPOSE

Proceeds will be used to (i) to construct and equip a 400 ton/hour hot mix asphalt plant, (ii) fund site improvements on said property, and (iii) construct and equip a 2,100 sq. ft. office facility.

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying industrial projects. IFA's issuance of Industrial Revenue Bonds will exempt income earned on the Bonds from federal income tax and thereby enable the Borrower to obtain a lower interest rate on this debt

VOLUME CAP

Issuance of the Bonds is subject to an allocation of Volume Cap. The borrower has requested the City of Joliet contribute Volume Cap for this project. The City has not yet committed an amount.

JOBS

Current employment:	29	Projected new jobs:	51
Jobs retained:	N/A	Construction jobs:	40 (3 months)

SOURCES AND USES OF FUNDS

Source:	IFA Bonds	$5,108,000	Uses:	Project costs	$6,385,000
	Equity	1,277,000			
	Total	$6,385,000	Total		$6,385,000

FINANCING SUMMARY

Security:	Direct Pay Letter of Credit from Harris N.A., Chicago, IL. The Bank's ratings are Moody's "Aa3", and Standard & Poors "A+".
Structure:	Weekly multi-mode floating rate bonds. The SIFMA rate as set on February 26, 2009 was 0.67%.
Underlying rating:	The Applicant's outstanding debt does not have an underlying rating.
Collateral:	The bonds will be secured by a first lien on the financed equipment and first mortgage on the financed building.
Maturity:	20 years
Timing:	Closing May, 2009, (subject to Volume Cap allocation)

PROJECT SUMMARY

Proceeds will be used to (i) construct a 400 ton/hour producing hot asphalt plant on approximately 10 acres of land located at 3590 Ridge Road, Joliet, Will County, Illinois, (ii) fund necessary site improvements on said property, and (iii) construct and equip an approximately 2,100 sq. ft office building on said property,

Project Costs:	Machinery/Equipment	$5,108,000
	Site Improvements	607,000
	New Facility	475,000
	Arch.Eng	195,000
Total		$6,385,000

Rationale: The Co-owners formed Joliet Asphalt LLC in order to make Austin Tyler Construction more competitive in the construction market. Due to the Prequalification rules established by the Illinois Department of Transportation, Austin Tyler currently can only bid on projects in which the asphalt tonnage is 1200 tons or less.. Austin Tyler's wants to expand its expertise as a heavy highway and road contractor. In order to bid on larger projects it is required that the contractor own an asphalt plant. Owning an asphalt plant will enable Austin Tyler to bid on a larger range of projects on a fixed-contract basis, and be more competitive with the projects it currently bids since it must currently purchase asphalt from other producers and be subject to their price variations.

The project is necessary to accommodate the growing demand for infrastructure development in Will County. There is currently one rail yard under construction in Joliet, and one proposed in Wilmington and one in Crete. There are three shopping malls proposed on the Will County metro area. Additionally, the Applicant's owners state that the Will County Highway Department will receive an additional $30 million per year in tax revenue from an RTA tax which will fund highway projects in addition to their regular annual highway budget.

The proposed facility will produce all types of asphalt mixtures to be used in various types of construction projects. The proposed facility is a "green" facility which will crush concrete and asphalt generated form existing construction projects and reuse on future construction projects. Allied Nursery will lease the 10-acre site to the Applicant upon which the Applicant will construct the proposed hot asphalt plant and office building. Allied Nursery is owned by Ronald A. Plunk, one of the owners of Joliet, under a 20-year lease.

BUSINESS SUMMARY

Background: Joliet Asphalt LLC ("Joliet"), the "Applicant") is a newly formed Illinois LLC Corporation (November, 2008) by Ronald A Plunk, President; and Gary S. Schumal P.E., Operations Manager, for the purpose of constructing and operating a hot asphalt plant to provide asphalt materials for Austin Tyler Construction, Inc. ("Austin Tyler")., an Illinois Limited Liability Corporation formed February 1, 2006, which is jointly owned by the two above mentioned gentlemen.

Austin Tyler primarily serves as a general contractor for the construction of streets and roads consisting of curb, gutter, pavement, storm sewer and related work, mainly for municipalities and real estate developers in the southwest Chicago region and metropolitan Will County. The company is prequalified with the Illinois Department of Transportation ("IDOT"). The company has a client mix of approximately 90.0% public, and approximately 10.0% private. The client list consists of local governments, park districts, forest preserve districts, school districts, transportation departments, Federal agencies, and development companies. Clients include:

- City of Joliet
- Illinois Department of Transportation
- Village of Minooka
- Forest Preserve District of Will County
- Village of Plainfield
- City of Crest Hill
- Iroquois Paving Corp
- Village of Peotone
- Joliet Junior College

- Troy School District 33-C
- Homer School District 30-C
- Plainfield Park District
- Herman & Kittles
- Larsen Danielson

Annual sales of Austin Tyler have grown from $5.72 million in 2006 to $7.2 million in 2008. The number of employees has grown from 6 in 2006 to 30 at the end of 2008. The owners project that approximately 80.0%-90.0% of the asphalt and concrete products produced at the hot mix plant will be sold to Austin Tyler. The remaining product will be purchased by local driveway and parking lot paving contractors. The owners will continue to operate and grow both Joliet and Austin Tyler.

Environmental: A permit application was submitted to the Illinois Environmental protection Agency ("IEPA") in January, 2009 to meet air quality standards. An approval is expected by mid-March, 2009. The proposed facility will comply with all Illinois sound ordinances.

Biographies: Ronald A. Plunk is co-owner of the Applicant and Austin Tyler, and owns and operates Allied Landscape Corporation and Allied Nursery Corporation. He formed both entities in 1976. Mr. Plunk is the non-manageing member of Joliet Asphalt.

Gary S. Schumal, PE is co-owner of the Applicant and Austin Tyler. He is the Operating Manager of Austin Tyler and will be operating Manager of the proposed hot asphalt plant. After graduation from Marquette University in 1984, he joined Sargent & Lundy, engineers and developers, in Chicago. In 1968 he left Sargent & Lundy to join IDOT as a Resident Engineer. He left IDOT for a position as Project Manager for P.T. Ferro Construction in Joliet until 2006. In 2006 he became Operating Manager and co-owner of Austin Tyler. Mr. Schumal has been a Registered Professional Engineer, State of Illinois, since 1991. Messrs Ronald A Plunk and Gary S. Schumal each own 50.0% of the shares of Austin Tyler and the Applicant.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Joliet Asphalt LLC., is an Illinois Limited Liability Corporation	
Project Name:	New facility and Equipment Purchase Projects	
Project Locations:	3590 S. Ridge Road, Joliet, Will County, Illinois 60436	
Land Owner:	Allied Nursery Corporation	
Shareholder Ownership:	Ronald A. Plunk	50.0%
	Gary S. Schumal	50.0%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	TBD		
Accountant:	TBD		
Bond Counsel:	TBD		
Underwriter:	BMO Capital Markets-GKST	Chicago, IL	Nick Knorr
Counsel to Bank:	TBD		
LOC Bank:	Harris N.A.	Chicago, IL	Mark Long
LOC Bank Counsel:	TBD		
Trustee:	TBD		
Trustee counsel:	TBD		
Issuer's Counsel:	Requested		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	11, Jerry Weller
State Senate:	43, A. J. Wilhelmi
State House:	86, Jack McGuire

CONDUIT

IFA ILLINOIS FINANCE AUTHORITY

$25,000,000
ILLINOIS INSTITUTE OF TECHNOLOGY

March 10, 2009

REQUEST	Purpose: Bond proceeds will be used to fund various campus renovations at IIT's main campus. The campus renovations are necessary for the University to maintain its position as a world class institution of higher education and research. Campus renovations include mandated sprinkler systems as required by law to be installed and operational by 2013. Project Description: To finance various campus renovation projects at IIT's main campus including classroom laboratories, technology infrastructure upgrades, residence hall and graduate housing improvements, campus energy and sustainability projects, HVAC upgrades and general campus renovation. Program: Conduit 501(c)(3) Bonds Extraordinary Conditions: None
BOARD ACTIONS	Preliminary Bond Resolution Voting Record None. This is the first time the project has been presented to the Board.
MATERIAL CHANGES	N/A
JOB DATA	750 Current jobs 0 New jobs projected N/A Retained jobs 130 Construction jobs projected
BORROWER DESCRIPTION	• Type of entity Private University • Location (Chicago, Cook County, Northeast Region • When was it established 1940 • The Illinois Institute of Technology is a private co-educational, non-sectarian institute of higher education. The University is a result of the merger of the Armour Institute of Technology and the Lewis Institute. The Institute of Design, created in 1937, joined the University in 1949. The Chicago Kent School of Law merged with the University in 1969. • IIT's mission is to provide a world-class education for students from the United States and around the world, and continue to serve as an institute for research. • The new project will enable the University to maintain state-of-the-art laboratories and campus facilities that will continue to attract and retain quality students and faculty.
CREDIT INDICATORS	• Long Term and Short term ratings will be determined by the LOC provider. • LOC bank has not yet been determined. • The bonds will not be insured.
Proposed Structure	Enhanced by a Direct Pay Letter of Credit from a rated bank Variable Rate Demand Bonds Maturity: 25Years Swap Component TBD

Sources and Uses				
	IFA Bonds	$25,000,000	Project Cost	$25,000,000
	Equity	$300,000	Refinancing	None
	Bank Financing	0	Cap Int.	No
	Loan	0	Debt Service Reserve	No
			Underwriter / Placement Fees	$300,000 including LOC fees
	Other Sources		Other Cost of Issuance	None
	Total	$25,300,000	Total	$25,300,000

Recommendation

Staff Recommends Approval — Defer to Credit Review Committee

Credit Review Committee Recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 10, 2009

Project: **Illinois Institute of Technology**

STATISTICS

Project Number: E-PC-TE-CD-8212	Amount: $25,000,000
Type: 501(c)(3) bonds	IFA Staff: Townsend Albright
County/Region: Cook, Northeast	City: Chicago

BOARD ACTION

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

VOTING RECORD

This is the first time this project has been brought before the Board.

PURPOSE

Proceeds will be used to renovate and equip existing campus facilities including classroom laboratories residence hall renovations, HVAC upgrades, and main building renovations.

IFA PROGRAM AND CONTRIBUTION

Convey Tax Exempt status on $25 million Series 2009 Bonds. 501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower's interest expense.

VOLUME CAP

501(c)(3) bond issues do not require Volume Cap.

JOBS

Current employment: 706 (FT Staff)/44 (PT Staff)		Projected new jobs:	N/A
Jobs retained: N/A		Construction jobs:	130/ 9 months

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	$25,000,000	Uses: Project Costs	$25,000,000
Contributed equity	300,000	Bond Issuance Costs	$300,000
Total	$25,300,000	Total:	$25,300,000

FINANCING SUMMARY/STRUCTURE

Security: The bonds will be a general obligation of the University.
Structure: Variable Rate Bonds ("VRDBs") to be sold directly to investors on an enhanced basis.
Interest Rate: Variable
Interest Mode: VRDBs are reset weekly and are paid monthly.
Credit enhancement: Direct pay Letter of Credit from a bank to be determined.
Maturity: 25 years outstanding
Rating: Outstanding bond ratings are: Moody's Baa-1, and Fitch A-. The long and short-term ratings of the proposed bond issue will be based upon the LOC obtained.

Estimated Closing Date: May 1, 2009

PROJECT SUMMARY

Bond Proceeds will be used to fund various campus renovation projects at IIT's main campus including classroom laboratory upgrades, technology infrastructure upgrades, residence hall and graduate housing, campus energy and sustainability improvements, HVAC upgrades and general campus renovations. IIT's main campus is located 10 West 33rd Street, Chicago, Cook County, IL 60616.

Description of Projects
Series 2009 Bond Projects
(in millions)

Academic Facility Projects		
Classroom Lab Upgrades	$	4,070
Technology Infrastructure Upgrades		1,200
Other		2,700
Academic Facility Projects Subtotal		**7,970**
Administrative Space Projects		
Main Building Renovations		300
Administrative Space Projects Subtotal		**300**
Student Support		
Graduate Housing/Repairs Renovations		1,138
Residence Hall Renovations		2,867
Phase I Residence Hall Sprinkler Installation		3,700
Other		72
Student Support Subtotal		**7,777**
Energy and Sustainability Projects		
Campus Energy & Sustainability Improvements Phase III		2,033
Galvin Perfect Power/Smart Grid Initiative		1,590
3424 HVAX Upgrades (Phase II)		400
Emergency Generator		800
Energy and Sustainability Projects Subtotal		**4,823**
Infrastructure Projects		
Facility Maintenance/Repair Projects		2,100
Roof Maintenance		750
Other		1,280
Infrastructure Subtotal		**4,130**
Total	**$**	**25,000**

Project Rationale: The proposed renovations are necessary to maintain the University's position as a world class institution of higher education and base of research. Campus renovations include mandated upgrades in sprinkler systems as required by State law to be installed and operational by 2013.

BUSINESS SUMMARY

The Illinois Institute of Technology ("IIT" or the "University") is a private co-educational, non-sectarian institute of higher learning located in Chicago. The University was established in 1940 through the merger of the Armour Institute of Technology and the Lewis Institute. The Institute of Design, founded in 1937, joined the University in 1949. The Chicago-Kent College of Law merged with the University in 1969.

The University's main campus is located approximately four miles south of downtown Chicago adjacent to the Dan Ryan Expressway (I-90/I-94) and consists of a 128-acre complex of approximately 50 buildings based on a master plan developed by Ludwig Mies van der Rohe. In 1991, the University opened its Daniel F. and Ada L. Rice Campus (the "Rice Campus") in Wheaton, Illinois. The Rice Campus offers engineering, computer science and business courses, primarily at the upper division and graduate levels, during late afternoons and evenings. In 1992, the University opened its downtown Chicago campus to house the Chicago-Kent College of Law and the Stuart Graduate School of Business. The University established its Moffat Campus in Summit-Argo, which provides degree and certification programs in food safety and technology, in 1988 following the donation of the site by CPC International, Inc.

The University is accredited by the North Central Association of Colleges and Schools. Specific professional programs are accredited or approved by the Accreditation Board of Engineering and Technology, the National Architectural Accrediting Board, the National Association of Schools of Art, the American Chemical Society, the Council on Rehabilitation Education, and the American Bar Association.

For academic year 2008, the University has a current enrollment of approximately 7,613 students, comprised of 2,639 undergraduate students, and 4,974 graduate and professional students. A list of the University's Board of Trustees is included in this report.

Infrastructure Initiatives: Innovation and infrastructure continue to be watchwords at IIT, exemplified by a significant gift in FY08 to endow WISER (Wanger Institute for Sustainable Energy Research). This multi-disciplinary incubator, which involves every college of the university, is designed to provide a holistic approach to taking "green" technology concepts from the drawing boards to market.

Infrastructure in development includes the "perfect power system", a partnership between IIT's Galvin Electricity Initiative, the U.S. Department of Energy, Exelon/ComEd, Endurant Energy Company, and Chicago-based S&C Electric Company, incorporating renewable energy sources (wind and solar) into "intelligent" micro-grids where computer systems manage demand and distribution, including detection of grid faults and re-routing electricity to avoid general power failures to buildings. This project will allow IIT to eventually sell electricity back to the general grid, and also serve as a model for technology-ready infrastructure in other public projects.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant	Illinois Institute of Technology
Project:	Series 2009 Renovation and Maintenance Project
Project Location:	10 West 33rd Street, Perlstein Hall 221, Chicago, IL 60616, Ms. Tondalaya Lewis-Hozier, Financial Analyst, 312-567-3824
Ownership:	(501c3):
Board of Trustees:	please see attached listing

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	In-house		Anthony D'Amato
Accountant:	KPMG LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Nancy Burke
Credit Enhancer/Purchasing Bank	TBD		
Bank Counsel:	TBD		
Bond Underwriter:	Loop Capital Markets	Chicago, IL	Lerry J. Knox, Jr.
Underwriter's Counsel:	TBD		
Issuer's Counsel:	Requested		
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	1st – Bobby L. Rush
State Senate:	3rd – Mattie Hunter
State House:	5th – Kenneth Dunkin

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Valor Equity Partners

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Robert A. Pritzker '46	President and Chief Executive Officer, Colson Associates, Inc.
M. A. Self	President, Allen Financial, Inc.

TRUSTEES

Life Trustees. In addition to the regularly elected Trustees, the Board is empowered to elect former Trustees as Life Trustees. The election may be based upon length of service and outstanding contributions to the progress and welfare of the University. Life Trustees possess all the rights of membership on the Board, except they may not serve as an officer of the Board not may they serve on the Board's Executive Committee. Life Trustees of the University are listed below.

TRUSTEES EMERITUS

ILLINOIS FINANCE AUTHORITY

CONDUIT

March 10, 2009

$475,000,000
NORTHWESTERN MEMORIAL HOSPITAL

REQUEST

Purpose: to (i) refund some or all of the outstanding principal amount of the Illinois Finance Authority Variable Rate Demand Revenue Bonds (ii) finance, refinance or reimburse NMH for costs associated with the acquisition, construction, renovation, remodeling or equipping of certain capital projects ("the Project"), if deemed necessary, (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Refunded Bonds, if deemed necessary or advisable by the Borrower.

Project Description: The proceeds of the proposed bond issuance will be primarily used to refund the outstanding principal amount of the Illinois Finance Authority Variable Rate Demand Revenue Bonds.

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

Extraordinary Conditions: None.

BOARD ACTIONS

Final Bond Resolution

This project is a streamlined one time final resolution due to market conditions.

MATERIAL CHANGES

None

JOB DATA

6,038	Current jobs	0	New jobs projected
6,038	Retained jobs	0	Construction jobs projected

DESCRIPTION

- Location (Chicago/ Cook County / Northeast Region)
- One of the nation's leading academic medical centers with a long tradition of leadership in patient care, education and research and a longstanding commitment to efforts that advance the quality and accessibility of healthcare service in Chicago.
- For 14 consecutive years, NMH has been ranked as the "most preferred" hospital in market research by consumers in Chicago and the nine-county region.
- Provides a complete range of adult inpatient and outpatient services in an educational and research environment.

CREDIT

- Fixed Rate Debt, may choose to convert some or all of the outstanding Refunded Bonds to a variable rate structure supported by self-liquidity.

INDICATORS

- Current rating of Northwestern Memorial is Aa2/AA+ (Fitch/S&P).

Proposed Structure

- Uninsured
- Bonds will Mature no later than 2049

Sources and Uses

IFA Bonds	$475,000,000	Refund Existing	$400,000,000
		Project Cost	$45,000,000
		Termination of Swap	$20,500,000
		Cost of Issuance	$9,500,000
Total	**$475,000,000**	Total	**$475,000,000**

Recommendation

Credit Committee recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

March 10, 2009

Project: Northwestern Memorial Hospital

STATISTICS

Project Number:	H-HO-TE-CD-8221	Amount:	$475,000,000 (Not to exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane
Locations:	Chicago	Region:	Northeast
County:	Cook		

BOARD ACTION

Final Resolution Streamlined Process due to Market Conditions
Conduit 501(c)(3) Bonds
No IFA funds at risk

No extraordinary conditions
Staff recommends approval

VOTING RECORD

This is the first time this project has been brought before the Board.

This project is coming for a One-time Final Resolution because of market conditions.

PURPOSE

Bond proceeds along with certain other funds will be used to (i) refund some or all of the outstanding principal amount of the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008 (Northwestern Memorial Hospital) (the "Series 2008 Bonds"), Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2007 (Northwestern Memorial Hospital) (the "Series 2007 Bonds"), Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2004B (Northwestern Memorial Hospital) (the "Series 2004B Bonds"), Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 2002C (Northwestern Memorial Hospital) (the "Series 2002C Bonds"), and the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 1995 (Northwestern Memorial Hospital) (the "Series 1995 Bonds") collectively referred to as "the Refunded Bonds", (ii) finance, refinance or reimburse NMH for costs associated with the acquisition, construction, renovation, remodeling or equipping of certain capital projects ("the Project"), if deemed necessary, (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iv) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Refunded Bonds, including but not limited to fees for insurance, credit enhancement or liquidity enhancement for the Bonds and payments related to the early termination of certain qualified hedges associated with the Refunded Bonds if deemed necessary or advisable by the Borrower.

Additionally, NMH may choose to convert some or all of the outstanding Refunded Bonds to a variable rate structure supported by NMH's own self-liquidity.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

501(c)(3) bond issues do not require Volume Cap.

JOBS

Current employment: 6,038 FTE's	Projected new jobs: N/A
Jobs retained: N/A	Construction jobs: N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$475,000,000	Current refund existing Bonds	$400,000,000
			Project Costs	$45,000,000
			Pay for termination of swaps	$20,500,000
			Cost of Issuance	$9,500,000
	Total Sources	$475,000,000	Total Uses	$475,000,000

FINANCING SUMMARY/STRUCTURE

Security: Payments under the loan agreements are secured by notes issued pursuant to the Master Indenture. The notes are joint and severable obligations of the Obligated Group of which NMH is the only member. The Master Indenture contains certain covenants for the benefit of all note holders.

Structure: The current plan of finance contemplates issuance of uninsured bonds in fixed-rate mode if market conditions are reasonable at the closing date. Based on market conditions, some or all of the bonds may be issued in term mode, or with put features.

Additionally, NMH may choose to convert some or all of the outstanding Refunded Bonds to a variable rate structure supported by self-liquidity.

Interest Rate: To be determined closer to pricing
Interest Mode: To be determined closer to pricing
Credit Enhancement: Moral Obligation / Guarantee and bank support if desirable based on structure
Maturity: No later than August 15, 2048
Rating: Aa2 / AA+ / NR
Estimated Closing Date: April 9, 2009

PROJECT SUMMARY

The proceeds of the proposed bond issuance will be primarily used to refund the outstanding principal amount of the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008 (Northwestern Memorial Hospital) (the "Series 2008 Bonds"), Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2007 (Northwestern Memorial Hospital) (the "Series 2007 Bonds"), Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2004B (Northwestern Memorial Hospital) (the "Series 2004B Bonds"), Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 2002C (Northwestern Memorial Hospital) (the "Series 2002C Bonds"), and the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 1995 (Northwestern Memorial Hospital) (the "Series 1995 Bonds") collectively referred to as "the Refunded Bonds" and to finance the Project, if deemed necessary. Finance, refinance or reimburse NMH for costs associated with the acquisition, construction, renovation, remodeling or equipping of certain capital projects ("the Project"), if deemed necessary

BUSINESS SUMMARY

Background: Northwestern Memorial Hospital ("NMH" or the "Hospital") is a subsidiary of Northwestern Memorial HealthCare and is a 501(c)(3) corporation established under Illinois law.

Description: Although the Hospital traces its roots back over 130 years, NMH was officially founded in 1972 through the consolidation of Chicago Wesley Memorial Hospital and Passavant Memorial Hospital. In 1975, Prentice Women's Hospital and Maternity Center and the Institute of Psychiatry joined NMH. Olson Pavilion, housing NMH's critical care nursing units and the emergency department opened in 1979. NMH opened the new Northwestern Memorial Hospital, a state-of-the-art hospital facility in 1999 and opened the new Prentice Women's Hospital on October 20, 2007.

Northwestern Memorial Hospital's main campus is located in downtown Chicago's Streeterville neighborhood. As the primary teaching affiliate of Northwestern University's Feinberg School of Medicine, NMH is one of the nation's leading academic medical centers with a long tradition of leadership in patient care, education and research and a longstanding commitment to efforts that advance the quality and accessibility of healthcare service in Chicago. For 14 consecutive years, NMH has been ranked as the "most preferred" hospital in market research by consumers in Chicago and the nine-county region. NMH was recognized in 2006 and again in 2008 by the Leapfrog Group, an organization that represents large corporate and public agency purchasers of healthcare services and aims to improve healthcare quality, safety and affordability, as one of the nation's "top Hospitals" for implementing its Hospital Quality and Safety Practices. In addition, NMH is listed among the top 15 academic medical centers in the University HealthSystem Consortium's Quality and Accountability Rankings. NMH is also one of approximately three percent of the nation's hospitals to achieve Magnet status from the American Nurses Credentialing Center. NMH provides a complete range of adult inpatient and outpatient services in an educational and research environment. NMH has three subsidiaries: Northwestern Memorial Physicians Group (NMPG), Northwestern Memorial Insurance Company (NMIC), and Northwestern HealthCare Corporation (NHC). These subsidiaries are engaged in a range of activities, including the provision of primary care services, general professional and liability insurance coverage, and managed care contracting services, respectively. NMH will be the direct obligor on the subject bond issue.

NMH has 873 licensed beds. Approximately 1,570 physicians, representing virtually every specialty, are affiliated with the Hospital.

Existing Bonds:

	(in thousands)
Variable Rate Demand Revenue Bonds Series 2008	$ 207,360
Variable Rate Demand Revenue Bonds Series 2007A	214,500
Variable Rate Demand Revenue Bonds Series 2007B	150,000
Variable Rate Demand Revenue Bonds Series 2004B	86,400
Variable Rate Demand Revenue Bonds Series 2002C	33,000
Variable Rate Demand Revenue Bonds Series 1995	100,000
	$ 791,260

OWNERSHIP/ECONOMIC DISCLOSURE STATEMENT

Project name:	Northwestern Memorial Hospital
Locations:	251 East Huron Street Chicago, IL 60611
Applicant:	Northwestern Memorial Hospital
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois

Northwestern Memorial Hospital Board of Directors

Director	Title	Employer
Thomas A. Cole, *Chair*	Chairman, Executive Committee	Sidley Austin LLC
John A. Canning, Jr., *Vice Chair*	Chairman	Madison Dearborn Partners LLC
Carol L. Bernick	Executive Chairman of the Board	Alberto Culver Company
William J. Brodsky	Chairman and CEO	Chicago Board of Options Exchange
Gregory Q. Brown	President and Chief Executive Officer	Motorola, Inc
Sharon Gist Gilliam	Civic Leader	N/A
Dean M. Harrison	President and CEO	Northwestern Memorial HealthCare
J. Larry Jameson, MD Ph.D.	Vice President, Medical Affairs and Dean, Northwestern University's Feinberg School of Medicine	Northwestern Memorial Hospital
Lee M. Mitchell	Managing Partner	Thoma Bravo, LLC
William D. Perez	Former CEO	Wm. Wrigley Jr. Company
Timothy P. Sullivan	Managing Director	Madison Dearborn Partners, LLC
Donald Thompson	President	McDonald's USA, LLC
Arvydas D. Vanagunas, MD	Chief of Staff	Northwestern Memorial Hospital
Abra Prentice Wilkin	Civic Leader	N/A
Richard L. Wixson, MD	Attending Physician, Dept. of Orthopaedics	Northwestern Memorial Hospital

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Sonnenschein Nath & Rosenthal LLP	Chicago	Mary Wilson
Bond Counsel: Jones Day	Chicago	Rich Tomei Amy Curran
Senior Manager: J.P. Morgan	Chicago	Tim Wons
Co-Senior Manager: Citi	Chicago	Ryan Freel
Co-Manager: Loop Capital Markets	Chicago	Lerry Knox
Co-Manager: Cabrera Capital Markets	Chicago	Santino Bibbo
Borrower's Financial Advisor: Kaufman Hall	Chicago	Ken Kaufman
Underwriter's Counsel: Ungaretti & Harris LLP	Chicago	Julie Seymour
Bond Trustee: Wells Fargo Bank, N.A.	Chicago	Patricia Martirano
Accountant: Ernst & Young LLP	Chicago	Jo Ellen Helmer
Issuer's Counsel: TBD	Chicago	
IFA Advisors: D.A. Davidson & Co.	Chicago	Bill Morris
Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

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

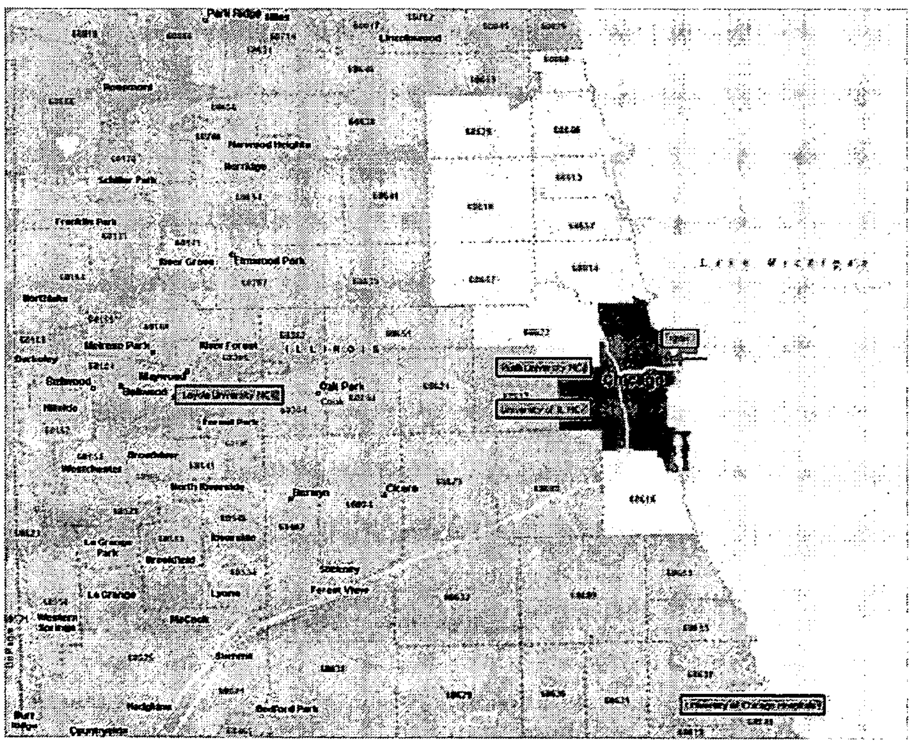
SERVICE AREA

The PSA consists of the 21 ZIP codes contiguous to the Hospital and is responsible for approximately 38.6% of the Hospital's total admissions. The boundaries of the Hospital's PSA extend north of the Hospital to Devon Avenue and Ridge Road, west to Pulaski Road, south to 16th Street, and east to Lake Michigan. The PSA had a population in calendar year 2008 of 878,393 (ARC).

The Hospital's market share in the PSA has increased over the past five years, as follows:

Fiscal Year 2004	19.1%
Fiscal Year 2005	19.2%
Fiscal Year 2006	20.3%
Fiscal Year 2007	20.9%
Fiscal Year 2008*	21.4%

The Hospital is the current market share leader within the PSA. In fiscal year 2008*, Advocate Illinois Masonic was second with an 11.4% market share, and St. Elizabeth/St. Mary of Nazareth Hospital Center was third with an 11.0% market share.



Notes:
*Market Share Statistics from partial FY08 (Sept 07 – March 08) CompData
Admission Statistics from NMH FY08 case mix data
7-County population from Claritas Population Statistics
City of Chicago and PSA population from ARC Population Statistics

CONDUIT

ILLINOIS FINANCE AUTHORITY

March 10, 2009

$48,000,000
REHABILITATION INSTITUTE OF CHICAGO ("RIC")

REQUEST

Purpose: to (1) refinance the Series 2003 tax-exempt direct note obligation, which has approximately $6.1 million outstanding; (2) refinance a term note with an outstanding amount of approximately $4.3 million; (3) pay or reimburse approximately $5 million for capital projects; and (4) fund a $28 million acquisition of land located near the current campus in Chicago, Illinois that is intended to be the future site of a hospital replacement facility

Project Description: Refinance all of RIC's Series 2003 direct note obligation and its term note. Fund the $28 million acquisition of land located near the current campus in Chicago, Illinois. RIC intends to use the land as the site for the future replacement rehabilitation hospital

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

Extraordinary Conditions: None.

BOARD ACTIONS

Final Bond Resolution

Voting Record: Ayes-8; Nays-0; Abstentions-0; Absent-3; Vacancies-4

MATERIAL CHANGES

None

JOB DATA

1,278	Current jobs	0	New jobs projected
1,278	Retained jobs	0	Construction jobs projected

DESCRIPTION

- Location (Chicago/ Cook County / Northeast Region)
- RIC operates a 155-bed hospital and outpatient facility located in downtown Chicago near the medical center campus of Northwestern University as well as a number of other non-hospital facilities in the Chicago metropolitan area.
- RIC's mission is to provide for quality programs in patient care, education and research and to strive for the fullest assimilation and acceptance of the physically disabled in the community.
- The land acquisition located near the current campus in Chicago, Illinois will serve as RIC's location for a future replacement facility, as RIC has determined that constructing a new facility is the most cost effective way to meet the latest rehabilitation facility standards while also increasing its capacity

CREDIT INDICATORS

- Long Term and Short Term ratings will be determined by the LOC provider.
- Chase N.A. has been selected to provide a Direct Pay Letter

Proposed Structure

- Chase N.A. Short Term rating is (MIG1,A-1+,F1+ - Moody's, S&P, Fitch)
- Variable Rate Demand Bonds
- Maturity to be determined

Sources and Uses

IFA Bonds	$43,500,000	Refinancing	$10,000,000
		Land Acquisition	$28,000,000
		Reimbursement for Capital Projects	$5,000,000
		Issuance Costs	$500,000
Total	**$43,500,000**	Total	**$43,500,000**

Recommendation

Credit Committee recommends approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 10, 2009

Project: Rehabilitation Institute of Chicago ("RIC")

STATISTICS

Project Number: H-HO-TE-CD- 8205
Type: 501(c)(3) Bonds
County/Region: Cook County/Northeast

Amount: $48,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Dana Sodikoff
City: Chicago

BOARD ACTION

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

Credit Committee recommends approval
No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution, February 9, 2009:

Ayes: 8 Nays: 0 Abstentions: 0
Absent: 3 (Rivera, Herrin, Zeller) Vacancies: 4

PURPOSE

Use of proceeds: Bonds will be used to (1) refinance the Series 2003 tax-exempt direct note obligation, which has approximately $6.1 million outstanding; (2) refinance a term note with an outstanding amount of approximately $4.3 million; (3) pay or reimburse approximately $5 million for capital projects; and (4) fund a $28 million acquisition of land located near the current campus in Chicago, Illinois that is intended to be the future site of a hospital replacement facility.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

501(c)(3) bond issues do not require Volume Cap.

JOBS

Current employment: 1,278 FTE's
Jobs retained: 1,278 FTE's

Projected new jobs: 0
Construction jobs: 0

ESTIMATED SOURCES AND USES OF FUNDS [1,2]

Sources:	IFA bonds	$38,500,000	Uses:	Refinancing	$10,000,000
				Land acquisition	28,000,000
				Reimbursement for Capital Projects	5,000,000
				Issuance Costs	500,000
	Total	$43,500,000		Total	$43,500,000

(1) Although the not-to-exceed amount is $48 million, the Obligated Group anticipates issuing approximately $39 million in bonds.
(2) Estimate does not include a debt service reserve fund, which may or may not ultimately be used.

FINANCING SUMMARY/STRUCTURE

Security: The bonds are expected to be secured by an obligation of Rehabilitation Institute of Chicago, the sole member of the Obligated Group, under a Master Trust Indenture. Such obligation will include a pledge of revenues and may or may not include a debt service reserve fund.

Structure: The plan of finance contemplates issuing weekly Variable Rate Demand Bonds ("VRDBs") supported by a direct pay letter of credit ("LOC"). Direct pay letter of credit provided from Chase N.A. Chase N.A. Short Term rating is (MIG1,A-1+,F1+ - Moody's, S&P, Fitch)

Interest Rate: Variable
Interest Mode: VRDBs reset weekly and are paid monthly.
Credit Enhancement: Direct pay letter of credit provided from Chase N.A.
Maturity: To be determined.
Rating: Chase N.A. Short Term rating is (MIG1,A-1+,F1+ - Moody's, S&P, Fitch)
Estimated Closing Date: Late March or early April.

PROJECT SUMMARY

Refinance all of RIC's Series 2003 direct note obligation and its term note. Fund the $28 million acquisition of land located near the current campus in Chicago, Illinois and to pay or reimburse approximately $5 million for capital projects. RIC intends to use the land as the site for the future replacement rehabilitation hospital.

BUSINESS SUMMARY

Description of Business: The Rehabilitation Institute of Chicago is the sole member of the Obligated Group. RIC's mission is to provide for quality programs in patient care, education and research and to strive for the fullest assimilation and acceptance of the physically disabled in the community. It operates a health care system specializing in providing comprehensive rehabilitation services to the physically disabled through an array of diagnostic and therapeutic services including physical, occupational and speech therapies. RIC operates a 155-bed hospital and outpatient facility located in downtown Chicago near the medical center campus of Northwestern University as well as a number of other non-hospital facilities in the Chicago metropolitan area. These facilities provide various day rehabilitation, outpatient, vocational and recreational care and activities.

Project Rationale: The land acquisition located near the current campus in Chicago, Illinois will serve as RIC's location for a future replacement facility, as RIC has determined that constructing a new facility is the most cost effective way to meet the latest rehabilitation facility standards while also increasing its capacity. Construction for the new facility is expected to begin within the next 3 - 5 years.

Timing: Closing is estimated to be in late March or early April. RIC expects to purchase the land in the fourth quarter of calendar year 2009.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Rehabilitation Institute of Chicago
Project Location: The northwest corner of Ontario and McClurg Court in the Chicago, Illinois
Borrower: Rehabilitation Institute of Chicago
Ownership/Board Members (501c3): M. Jude Reyes, Thomas A. Reynolds III, Esq., The Honorable Wayne R. Andersen, Susan Barclay, John H. Catlin, William Cernugel, Wesley M. Dixon, Jr., Daniel D. Dolan, Jr., Polly B. Kawalek, Michael P. Krasny, William E. Lowry, Jr., Andrew J. McKenna, Jr., David D. Olson, Joanne C. Smith, MD, Marilynn Thoma

PROFESSIONAL & FINANCIAL

Borrower's Counsel: Nancy Paridy, RIC, Senior Vice President, General Counsel & Government Affairs

Accountant:	Deloitte & Touche LLP	Chicago	
Bond Counsel:	Sonnenschein Nath & Rosenthal, LLP	Chicago	Katie Ashton
Credit Enhancer:	TBD		
Bank Counsel:	TBD		
Bond Underwriter:	JP Morgan	Chicago	Deborah Pike
Underwriter's Counsel:	TBD	Chicago	TBD

Trustee:	TBD	Chicago	TBD
Issuer's Counsel:	Requested	Chicago	Requested
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

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

SERVICE AREA

RIC's primary service area is the city of Chicago and the surrounding suburbs. RIC has developed strategic relationships with community hospitals extending to these communities our unique rehabilitation services. RIC also has strong referral relationships with Chicago's premier academic institutions. In addition to servicing the Chicagoland area, RIC maintains an international reach. In recent years RIC has gained significant exposure through providing leading services to our returning military heroes.

IFA ILLINOIS FINANCE AUTHORITY

CONDUIT

March 10, 2009 **$100,000,000**
CENTRAL DUPAGE HEALTH

REQUEST	**Purpose**: to (i) fund capital expenditures for the health care facilities of the Borrower or its affiliates, (ii) pay a portion of the interest on the Series 2009 Bonds, if deemed necessary or advisable, (iii) provide working capital, if deemed necessary or advisable, (iv) fund a debt service reserve fund, if deemed necessary or advisable, and (v) pay the cost of issuance. **Project Description**: Capital expenditures for Central DuPage Hospital Association health care facilities or its affiliates, including but not limited to 280,000 square foot bed pavilion, diagnostic imaging facility, 202 private medical surgical rooms, approximately 48,000 square foot cancer center, and approximately 400 space parking garage **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution Voting Record: Ayes-8; Nays-0; Abstentions-0; Absent-3; Vacancies-4
MATERIAL CHANGES	None

JOB DATA				
	2,428	Current jobs	33	New jobs projected
	2,428	Retained jobs	400	Construction jobs projected

DESCRIPTION	• Location (Winfield/ DuPage County / Northeast Region) • Owns and operates a general acute care hospital on a 44-acre. • The facility was renovated and converted into a 113-bed acute care hospital which opened on September 16, 1964 • The Hospital has received numerous awards for its delivery of care.
CREDIT INDICATORS	• Fixed Rate Debt •Current rating of Central DuPage Health is AA/AA (Fitch/S&P).
Proposed Structure	• Enhanced by a Direct Pay Letter of Credit • Bonds will Mature no later than 2049

Sources and Uses				
	IFA Bonds	$100,000,000	Project Cost	$87,000,000
			Funded Interest	$11,500,000
			Cost of Issuance	$700,000
			Underwriters Discount	$800,000
	Total	**$100,000,000**	Total	**$100,000,000**

Recommendation	Credit Committee recommends approval

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ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 10, 2009

Project: Central DuPage Health

STATISTICS

Project Number:	H-HO-TE-CD-8119	Amount: $100,000,000 (Not-to-Exceed)	
Type:	501(c)(3) Bonds	IFA Staff: Pam Lenane	
County/Region:	DuPage/Northeast	City: Winfield	

BOARD ACTION

Final Bond Resolution
No IFA Funds contributed
Conduit 501(c)(3) bonds

Staff recommends approval
No extraordinary conditions

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on August 12, 2008 by the following vote:

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

PURPOSE

Proceeds will be used by Central DuPage Health, an Illinois not for profit corporation (the "Borrower") to (i) fund capital expenditures for the health care facilities of the Borrower or its affiliates, including but not limited to a portion of the Project (defined under PROJECT SUMMARY), (ii) pay a portion of the interest on the Series 2009 Bonds, if deemed necessary or advisable, (iii) provide working capital, if deemed necessary or advisable, (iv) fund a debt service reserve fund, if deemed necessary or advisable, and (v) pay the cost of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

501(c)(3) bond issues do not require Volume Cap.

JOBS

Current employment (Obl. Group):	2,428 FTE's	Projected new jobs:	33
Jobs retained:	2,428 FTE's	Construction jobs:	400

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA bond proceeds	$100,000,000	Uses:		
				Project Costs	$ 87,000,000
				Funded Interest	11,500,000
				Costs of Issuance	700,000
				Underwriter's Discount	800,000
	Total	$100,000,000		Total	$100,000,000

FINANCING SUMMARY/STRUCTURE

Security: The Bonds are expected to be secured by an Obligation of Central DuPage Health under a Master Trust Indenture. The Obligation is a general unsecured obligation of the Borrower and its affiliate Central DuPage Hospital Association (collectively, the "Obligated Group").

Structure:	The plan of finance contemplates the issuance of fixed rate debt. The fixed rate bonds will carry the rating of Central DuPage Health which is AA/AA (Fitch/S&P).
Interest Rate:	To be determined the day of pricing.
Interest Mode:	The plan of finance contemplates the issuance of Fixed Rate Bonds.
Credit Enhancement:	None. (The bonds will carry the credit rating of Central DuPage Health.)
Maturity:	Not later than 2049
Rating:	AA/AA (Fitch/S&P)
Est. Closing Date:	April 2009

PROJECT SUMMARY

The bond financing will be used toward capital expenditures for the health care facilities of the Borrower or its affiliates, including but not limited to the bed pavilion, diagnostic imaging facility, cancer center, and parking garage (collectively, the "Project") being constructed for Central DuPage Hospital Association (the "Hospital"). On October 23, 2007 the Hospital received a Certificate of Need permit (the "Permit") from the Illinois Health Facilities Planning Board to build a five story, approximately 280,000 square foot bed pavilion to be occupied by, among other things, 202 private medical surgical rooms, a diagnostic imaging center at the hospital and to construct an approximately 400 space parking garage. On January 27, 2009 the Hospital received a Certificate of Need permit to build a two story, approximately 48,000 square foot cancer center to be constructed in Warrenville, Illinois. The financing will be used to finance a portion of the construction of the Project and other capital expenditures of the Obligated Group. The total budget for the Project is $292,141,202. The Project will be financed with a combination of bond proceeds and the Borrower's cash on hand. Construction has already commenced on the Project and is anticipated to conclude on or around January 2011 for the Cancer Center and October 2012 for the Bed Pavilion.

In order to continue to function as a top medical institution, it is necessary to provide a more modern, efficient bed complement. The Project will enable improvement both in the delivery of care and in patient, family, physician and staff satisfaction. The Cancer Center will be an outpatient facility offering a broad range of diagnostic imaging and oncology-related services.

BUSINESS SUMMARY

Description of Business: Central DuPage Health (the "Borrower") was incorporated in 1980 as an Illinois not for profit corporation and is the parent corporation of an integrated network of healthcare organizations which primarily serves western DuPage and Kane Counties, Illinois. The Borrower's primary affiliate is Central DuPage Hospital Association (the "Hospital"). The Borrower and the Hospital together comprise the "Obligated Group" under the Master Trust Indenture.

The Hospital owns and operates a general acute care hospital on a 44-acre site in Winfield, Illinois, located in the central portion of DuPage County, approximately 30 miles west of Chicago. Beginning in 1958, a group of concerned community citizens formed the Hospital and in 1963 purchased the then-existing Winfield Tuberculosis Sanitarium and surrounding acreage from the Jewish Federation of Metropolitan Chicago. The facility was renovated and converted into a 113-bed acute care hospital which opened on September 16, 1964. Since then, successive building additions were constructed to expand the services of the facilities of the Hospital to accommodate the growing needs of the surrounding service area. Today, the Hospital facilities comprise 1.2 million square feet with 2,376 parking spaces.

The Hospital has received numerous awards for its delivery of care some of which include:

- America's Best Hospitals by *US News and World Report* in 2007 and 2008, orthopedics category

- Thomson Reuters 100 Top Hospitals in 2006 and 2007
- Thomson Reuters 100 Top Hospitals for Cardiovascular Services in 2005
- Recognition by HealthGrades for Clinical Excellence in 2007, 2008 and 2009 and for Patient Safety in 2006, 2007, and 2008
- *Hospitals & Health Networks* Top 100 Most Wired Award in 2004, 2006, 2007 and 2008.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Central DuPage Health
Project Location:	25 North Winfield Road Winfield, IL 60190
Borrower:	Central DuPage Health

Board Members (501c3):

C. William Pollard (CHAIR)	Richard A. Mark (VICE CHAIR)
James E. Comerford (SECRETARY)	Gregory W. Osko (TREASURER)
Walter W. Filkin	Kathleen L. Halloran
Sharon Hillman	Bradley J. Kinsey
Catherine E. Kozik	Angelo Miele, M.D.
Christine M. Roche	Matthew Ross, M.D.
Judith A. Whinfrey	Roger L. Benson
John R. Born, D.O.	Luke McGuinness

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris LLP	Chicago, IL	James Broeking
Accountant:	KPMG LLP	Chicago, IL	Jim Stark
Bond Counsel:	Jones Day	Chicago, IL	David Kates
Bond Underwriter:	Morgan Stanley	New York, NY	Brett Tande
Underwriter's Counsel:	Foley & Lardner LLP	Chicago, IL	Janet Zeigler
Issuer's (IFA) Counsel:	Barnes and Thornberg, LLP	Chicago, IL	Larry Blust
Issuer's (IFA) Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

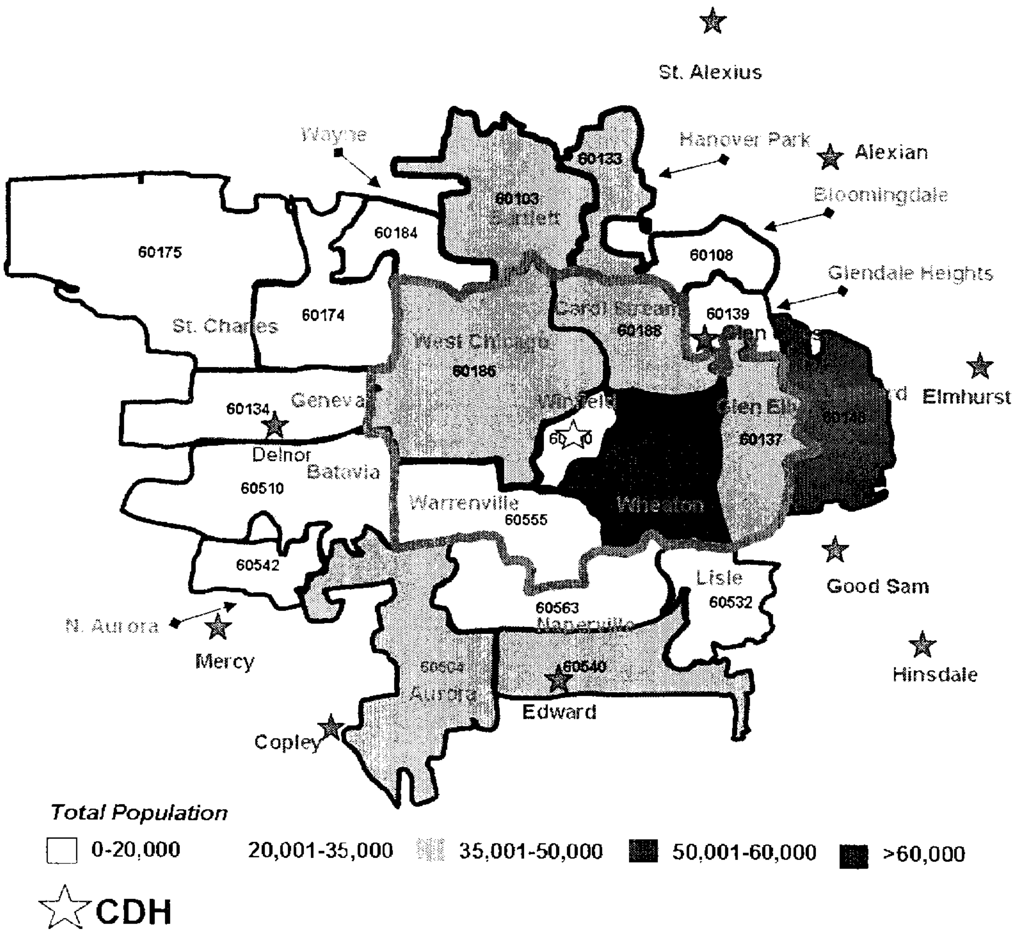
LEGISLATIVE DISTRICTS

Congressional: 6- Peter J. Roskam
State Senate: 48- Randall M. "Randy" Hultgren
State House: 95- Mike Fortner

SERVICE AREA

Central DuPage Hospital (CDH), located in Winfield, provides care to patients from towns in DuPage County and surrounding areas. Bordering towns are Carol Stream, Glen Ellyn, Warrenville, West Chicago, and Wheaton; 51 percent of inpatients originated from Winfield and these towns in Fiscal Year (FY) 2008. Many patients travel to CDH to receive care from other cities, spanning a radius of approximately 50 miles from Winfield. The majority of patients come from the home county; in FY 2008, 71 percent originated in DuPage County. Towns to the west, northwest and southwest of CDH are expected to grow substantially. The 65 and older population in DuPage County is expected to grow by over 19% over the next five years.

CDH Primary and Secondary Markets (Map)



CDH Patient Origin as a Percent of Total Inpatient Volume, by County

	CDH Patient Origin by County
DUPAGE	71.10%
KANE	10.06 %
COOK	9.54%
WILL	2.76%
ALL OTHER COUNTIES	6.54%

Illinois Finance Authority

Memorandum

To: IFA Board of Directors

From: Jim Senica

Date: March 10, 2009

Re: Change in Financing Team for Fitzpatrick Brothers, Inc. Industrial Revenue Bond project # I-ID-TE-CD-8130

The IFA Board of Directors approved a final bond resolution for Industrial Revenue Bond project # I-ID-TE-CD-8130 at the November 12, 2008 Board meeting.

Proceeds of the bond issue will be used to finance the (i) acquisition of 8 acres of land located at 309 Radio Road in Quincy, Illinois, (ii) construction of a 65,000 square foot manufacturing facility (iii) acquisition of new manufacturing machinery and equipment and (iv) payment of legal and professional issuance costs associated with the bond issuance.

The project completion will bring manufacturing to Quincy, Illinois that is currently being performed by the Spic and Span Company in a very old manufacturing facility in St Louis, Missouri. The move to Quincy near the calcium carbonate mine will provide significant volume increases to Fitzpatrick's private label operation, markedly decreased shipping costs related to raw material acquisition, and 65 new manufacturing jobs for the state of Illinois

This project was in preparation for closing in late November when the borrower, letter of credit provider, Harris Bank, N.A., and underwriter, BMO Capital Markets GKST, Inc., reached discord, and the closing procedures were immediately stopped. The borrower has now replaced both the underwriter and letter of credit provider, with bond closing now proposed for March 26, 2009. The new underwriter for the transaction is The Northern Trust Company, with new letter of credit provider being Northern Trust Bank. All other parties on the financing team remain intact and all elements of the financing remain completely unchanged.

Counsel is engaged in the process of revising documents to reflect these changes.

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Nona Myers

Date: March 3, 2009

Subject: Request to approve new funding criteria for the Ambulance Revolving Loan Fund Program and to give the Executive Director and/or his designee authority to approve individual loan applications for the program.

This is a final resolution to approve the new IFA funding criteria for individual applicants seeking loans for the Ambulance Revolving Loan Program and to provide the Executive Director and/or his designee with authority to approve the individual loans, based on the approved criteria. Authorization allowing the Executive Director and/or designee to approve individual loans would enable the IFA to meet the program's funding timeframe.

There are no IFA funds at risk. There is approximately $4 million in state appropriated funds at risk. There are no extraordinary conditions. There has been no prior Board action on this program. The Credit Committee recommends approval. Board approval is subject to all local approvals including resolutions, backdoor referendum, debt service levies, escrow agreements, intercept agreements, vehicle liens and any other local approvals required.

The specific funding criteria are outlined on the attached summary, which includes a history of the program, current funding requests and listing of applicants.

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Nona Myers

Date: March 3, 2009

Subject: Request to approve new funding criteria for the Ambulance Revolving Loan Fund Program and to give the Executive Director and/or his designee authority to approve individual loan applications for the program.

Program Overview

The Ambulance Revolving Loan Program was legislated in June, 2006 and initially funded in FY 2008. The Program provides zero-percent interest loans for the purchase of ambulances by a fire protection district or a township/village fire department. Individual loans may not exceed $100,000 to any approved entity and the loan term may not exceed 10 years. The Program is jointly administered by the Office of the State Fire Marshal (OSFM) and the Illinois Finance Authority (IFA).

Subject to funding availability, the OSFM annually issues application forms for the program. Applications are typically received in November/December of each year. The OSFM appoints a committee that recommends prospective applicants to the IFA. The OSFM criteria are based on the department/district's need for the ambulance. The program is designed to assist entities with limited resources. The IFA administers and monitors the program, which includes seeking annual state appropriations; verifying the applicant's ability to repay the loan; verifying supporting documents for approved loans; directing the Comptroller to fund approved loans; and ensuring timely loan payments. The loans are secured by the borrower's general funds, a default intercept of state revenues and a lien on the ambulance. In some cases, the borrower may levy a direct property tax for repayment of the loan.

This year, both programs (Ambulance and Fire Truck Revolving Loan Program) were reviewed by the IFA Credit Committee for the first time. The Director of Financial Services with input from the Credit Committee developed new and expanded credit review procedures and funding criteria. The purpose of the revised criteria is to ensure accurate and sufficient information is available to verify the applicant's ability to repay the loan. The Funding Manager and Credit Committee noted application information was incomplete, outdated and/or inconsistent for a number of applicants. Applicants have been asked to provide (by March 4) additional information needed to complete the review process. As a result and due to the large number of applications received (12 for ambulances and 61 for fire trucks), the timing for the financial review and evaluation has been delayed. We expect to complete the review and provide approvals to OSFM by mid-March.

Board Action

This is a final resolution to approve the new IFA funding criteria for individual applicants seeking loans for the Ambulance Revolving Loan Program and to provide the Executive Director and/or his designee with authority to approve the individual loans, based on the approved criteria. The criteria will provide a consistent means of evaluating loans and facilitate management approval of individual loans on an ongoing basis for FY09 and future program funding. Authorization allowing the Executive Director and/or designee to approve individual loans would enable the IFA to meet the program's funding timeframe.

There are no IFA funds at risk. There is approximately $4 million in state appropriated funds at risk. There are no extraordinary conditions. There has been no prior Board action on this program. The Credit Committee recommends approval. Board approval is subject to all local approvals including resolutions, backdoor referendum, debt service levies, escrow agreements, intercept agreements, vehicle liens and any other local approvals required.

Funding History and FY09 Funding Request

FY09 is the first year for the Ambulance Loan Program.

- The Ambulance Revolving Loan Fund received a total of $4 million in funding for FY 2008.
- No loans have been made to date for this program.
- Approximately $1.25 million in loans will be made during FY 2009, upon the approval of the IFA and OSFM.
- To date, there are no defaults for this program.

For fiscal year 2009, $4 million is available to fund loans. OSFM submitted 12 applications to IFA totaling $1.25 million in funding requests. Once IFA notifies OSFM of approval status on the loans, OSFM will notify applicants of their funding status. Table 2 summarizes each applicant's request.

Applicable Legislation and Administrative Code:

- 20 ILCS 3501/825-85
- Administrative Code: Title 41, Chapter I, Part 292

TABLE 1
Ambulance Revolving Loan Fund (334) Summary

	FY 08	FY 09 EST
Beginning Balance	$ -	$ 4,002,925
Receipts:		
Build Illinois Bonds / SFO Transfer	$ 4,000,000	
Loan Repayments from Participants	$ -	$ -
Fund Interest	$ 2,925	$ 110,378
Total Revenues	$ 4,002,925	$ 110,378
Disbursements:		
Loans to Participants	$ -	$ 1,200,000
End Balance	$ 4,002,925	$ 2,913,303
# of Loans	-	12
# of Entities	-	12
Average Loan $ Amount per Entity		$ 100,000

The End Balance for FY09 will carryover to the next fiscal year if loans are not made.

Applicable Legislation and Administrative Code

- 20 ILCS 3501/825-80
- Administrative Code: Title 41, Chapter I, Part 290

IFA Fee

Ambulance Application Fee: $100. The IFA has reviewed the costs of administering the program and is requesting additional fees to cover origination of the loans and annual administration of the program.

Funding Criteria and Credit Review Process

In addition to the OSFM criteria, the credit review process and funding criteria recommended for this program is summarized below:

1. If an Applicant is delinquent on a previous Fire Truck or Ambulance loan, they are automatically disqualified from either program (Ambulance or Fire Truck) until they are current on their loan.
2. Applicants may by eligible for only one program loan (Ambulance or Fire Truck) within a given Fiscal Year.
3. The applicant must demonstrate its ability to meet <u>at least one</u> of the following minimum debt service coverage requirement:
    a. General fund revenues or specified revenue stream: 1.25x
    b. State intercept revenues: 1.25 times
    c. Direct property levy for the loan: 1.0x
4. The applicant must submit supporting documentation for the source of repayment as follows:
    1. For general fund or specified revenues, submit a current board approved budget that reflects the identified revenue source and amount
    2. For direct property tax levy, submit a copy of the levy, prior to funding
5. If the applicant's repayment source is property tax receipts, the applicant's actual property tax collections over the past three fiscal years must exceed 95%.
6. The applicant must provide a resolution or ordinance approved by the Fire Department/District's Board that includes the following approvals:
    a. Loan Application (effective FY10)
    b. Loan Agreement
    c. Source and amount of repayment
    d. State intercept agreement
    e. Lien on the fire truck purchased

Each loan will be secured by the borrower's (1) general funds or if available a direct property tax levy; (2) state revenue intercept and (3) a lien on the equipment purchased.

The credit review process is as follows. The OSFM application will include a revised financial information form which will be expanded to include the additional information and supporting documents required from the applicants. OSFM ranks each of the applicants based on its criteria. OSFM will forward the completed application information (including its ranking) to IFA for review along with the applicant's independent audits and/or Annual Financial Reports. IFA also has access to borrower information from the Illinois State Comptroller's web site.

The Funding Manager will verify the information submitted. The Funding Manager will then summarize the data in a spreadsheet including the borrower's location; prior program funding and payment history; repayment source; state intercept revenues; property tax collections; any direct levy; debt service coverage and any other relevant factors. The summary information will be presented to the Executive Director/designee for approval, based on the approved criteria.

Once the loans are approved by IFA, the OSFM will be notified. The applicants then seek local approval through ordinance or resolution. The borrowers must then submit to the IFA a copy of the ordinance/resolution and an invoice for the ambulance including the VIN. IFA then directs funds to be issued through the Comptroller's office using State Appropriated Funds (IFA funds are not at risk). The principal payments are due on November 1 of each year. There is no interest due on the loans. Loans may be repaid at any time without penalty. IFA monitors the loan payments and follows up on late payments/delinquencies. Any loans more than 90 days past due are referred to the Comptroller's office. If payment is not received, the state revenue intercept mechanism takes effect and the Comptroller re-directs the District/Department's state revenues to the IFA for payment of the debt service.

CONFIDENTIAL INFORMATION

FY09 Loan Applicants

TABLE 2 - Ambulance Revolving Loan Fund Program (total of 12 Applicants)

Borrower	County	Region	Amount (Not to exceed $100,000)	Term (10 Years Maximum)	Equipment
Chatham FPD	Sangamon	Central	100,000	3	New/Replace - 2009 Sterling, International Freightliner Horton
DeKalb FD	DeKalb	Northeast	100,000	10	New/Replace - 2009 Ford Medtech
East Moline FD	Rock Island	Northwest	100,000	6	New/Addition - 2010 Ambulance Type II
Fulton FPD	Whiteside	Northwest	100,000	10	New/Replace - No information of vehicle
Gardner Volunteer FD	Grundy	Northeast	100,000	10	New/Replace - No information on vehicle
Kewanee FD/Ambulance Ser	Henry	Northwest	100,000	10	New/Replace - No information on vehicle
Menard County Emer Med Ser	Menard	Central	100,000	10	New/Replace - 2009 General Motors G4500
North Chicago FD	Cook	Northeast	100,000	5	New/Replace - No information on vehicle
Prospect Heights FPD	Cook	Northeast	100,000	3	New/Replace - 2009 Ford Med Tec
Village of La Grante Park FD	Cook	Northeast	100,000	8	New/Replace - 2008/2009 Type 1 Medium Duty Advanced Life Support
Village of North Riverside	Cook	Northeast	100,000	8	New/Replace - 2009 Ford Type 3
Win-Bur-Saw FPD	Kendall	Northeast	100,000	10	Used/Replace - 1995 Ford E350/Medtec
	TOTAL REQUEST		$1,200,000		

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Nona Myers

Date: March 3, 2009

Subject: Request to approve new funding criteria for the Fire Truck Revolving Loan Fund Program and to give the Executive Director and/or his designee authority to approve individual loan applications for the programs.

This is a final resolution to approve the new IFA funding criteria for individual applicants seeking loans for the Fire Truck Revolving Loan Program and to provide the Executive Director and/or his designee with authority to approve the individual loans, based on the approved criteria. Authorization allowing the Executive Director and/or designee to approve individual loans would enable the IFA to meet the program's funding timeframe.

There are no IFA funds at risk. There is approximately $10.8 million in state appropriated funds at risk. There are no extraordinary conditions. There has been no prior Board action on this program. The Credit Committee recommends approval. Board approval is subject to all local approvals including resolutions, backdoor referendum, debt service levies, escrow agreements, intercept agreements, vehicle liens and any other local approvals required.

The specific funding criteria are outlined on the attached summary, which includes a history of the program, current funding requests and listing of applicants.

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Nona Myers

Date: March 3, 2009

Subject: Request to approve new funding criteria for the Fire Truck Revolving Loan Fund Program and to give the Executive Director and/or his designee authority to approve individual loan applications for the programs.

Program Overview

The Fire Truck Revolving Loan Program was legislated in June, 2003 and initially funded in FY 2005. The Program provides zero-percent interest loans for the purchase of fire trucks by a fire protection district or a township/village fire department. Individual loans may not exceed $250,000 to any approved entity and the loan term may not exceed 20 years. The Program is jointly administered by the Office of the State Fire Marshal (OSFM) and the Illinois Finance Authority (IFA).

Subject to funding availability, the OSFM annually issues application forms for the program. Applications are typically received in November/December of each year. The OSFM appoints committee that recommends prospective applicants to the IFA. The OSFM criteria are based on the department/district's need for the fire truck. The program is designed to assist entities with limited resources. The IFA administers and monitors the program, which includes seeking annual state appropriations; verifying the applicant's ability to repay the loan; verifying supporting documents for approved loans; directing the Comptroller to fund approved loans; and ensuring timely loan payments. The loans are secured by the borrower's general funds, a default intercept of state revenues and a lien on the fire truck. In some cases, the borrower may levy a direct property tax for repayment of the loan.

From FY2005 through FY2008, loans were approved internally by the IFA Funding Manager based on criteria established by the former Chief Financial Officer. Loans were reviewed and approved within a short time frame based on limited criteria., IFA approvals were sent to OSFM by early to mid-February each year. This year, both programs were reviewed by the IFA Credit Committee for the first time. The Director of Financial Services with input from the Credit Committee developed new and expanded credit review procedures and funding criteria. The purpose of the revised criteria is to ensure accurate and sufficient information is available to verify the applicant's ability to repay the loan. The Funding Manager and Credit Committee noted application information was incomplete, outdated and/or inconsistent for a number of applicants. Applicants have been asked to provide (by March 4) additional information needed to complete the review process. As a result and due to the large number of applications received (61), the timing for the financial review and evaluation has been delayed. We expect to complete the review and provide approvals to OSFM by mid-March.

Board Action

This is a final resolution to approve the new IFA funding criteria for individual applicants seeking loans for the Fire Truck Revolving Loan Program and to provide the Executive Director and/or his designee with authority to approve the individual loans, based on the approved criteria. The criteria will provide a consistent means of evaluating loans and facilitating management approval of individual loans on an ongoing basis for FY09 and future program funding. Authorization allowing the Executive Director and/or designee to approve individual loans would enable the IFA to meet the program's funding timeframe.

There are no IFA funds at risk. There is approximately $10.8 million in state appropriated funds at risk. There are no extraordinary conditions. There has been no prior Board action on this program. The Credit Committee recommends approval. Board approval is subject to all local approvals including resolutions, backdoor referendum, debt service levies, escrow agreements, intercept agreements, vehicle liens and any other local approvals required.

Funding History and FY09 Funding Request

As reflected in Table 1, there have been three rounds of applications since fiscal year 2005. The program funded loans in FY05, FY06 and FY08 – no loans were funded in FY07.

- The Fire Truck Revolving Loan Fund received a total of $19 million in funding between FY 2005 and FY 2008.
- From FY 2005 through FY 2008, $11.1 million in fire truck loans were made to 83 entities.
- Approximately $9.5 million in loans are currently outstanding.
- Approximately $10.8 million in loans will be made during FY 2009, upon the approval of the IFA and OSFM.
- To date, there has been one entity that has defaulted on a loan: The Village of Robbins Fire Department. The Robbins loan was funded in the amount of $250,000 in January 2005. The loan has a history of late payment and is currently more than 90 days past due. The current balance of the loan is $191,250. The Comptroller's office has been notified and an extension has been granted through March 15, 2009. If payment is not received on or before March 15, the IFA will initiate the intercept mechanism, and Robbins' state revenues will be re-directed to the IFA for payment of the loan. Robbins applied for a FY09 loan but will not be considered due to its default status.

For fiscal year 2009, $10.8 million is available to fund loans. OSFM received sixty-one applications (including Robbins) totaling $12.88 million in funding requests. Once IFA notifies OSFM of approval status on the loans, OSFM determines which loans will be funded based on its criteria/ranking. Table 2 summarizes each applicant's request (excluding Robbins) and its OSFM ranking.

TABLE 1 – Fund Receipts and Disbursements.

Fire Truck Revolving Loan Fund (572) Summary
As of March 4, 2009

	FY 05	FY 06	FY 07	FY 08	Program Total	FY 09 YTD
Beginning Balance	$ -	$ 1,164,032	$ 1,338,493	$ 1,941,117	$ -	$ 9,847,569
Receipts						
Build Illinois Bonds / SFO Transfer	$ 6,200,000	$ 3,800,000	$ -	$ 9,000,000	$ 19,000,000	$ -
Loan Repayments from Fire Dpt	$ -	$ 589,333	$ 518,722	$ 493,750	$ 1,601,805	$ 597,902
Fund Interest	$ 31,975	$ 72,815	$ 83,902	$ 101,284	$ 289,976	$ 274,973
Dedicated Rev Source (Circuit Clerk)				$ 24,982	$ 24,982	$ 96,973
Statutory Transfers	$ -	$ -	$ 119,754		$ 119,754	$ -
Total Revenues	$ 6,231,975	$ 4,462,148	$ 722,378	$ 9,620,016	$ 21,036,517	$ 969,848
Disbursements						
Loans to Fire Departments	$ 5,067,943	$ 4,287,686	$ -	$ 1,713,564	$ 11,069,194	$ 10,817,417
Statutory Transfers			$ 119,754	$ -	$ 119,754	$ -
Total Expenses	$ 5,067,943	$ 4,287,686	$ 119,754	$ 1,713,564	$ 11,188,948	$ 10,817,417
End Balance	$ 1,164,032	$ 1,338,493	$ 1,941,117	$ 9,847,569	$ 9,847,569	$ -
# of Loans	47	35	-	9	91	60
# of Entities	44	30	-	9	83	60
Average Loan $ Amount per Entity	$ 115,181	$ 142,923	$ -	$ 190,396		$ 180,290
Dollar Amount of Outstanding Loans	$ 5,067,943	$ 8,766,297	$ 8,247,575	$ 9,467,389		

Note: In fiscal year, 2009, the state appropriated funds for an Ambulance Revolving Loan program which has the same parameters as the Fire Truck Revolving Loan program (see separate Resolution). Twelve applications were received for the Ambulance program.

Applicable Legislation and Administrative Code

- 20 ILCS 3501/825-80
- Administrative Code: Title 41, Chapter I, Part 290

IFA Fee

Fire Truck Application Fee: $250. The IFA has reviewed the costs of administering the program and is requesting additional fees to cover origination of the loans and annual administration of the program.

Funding Criteria and Credit Review Process

In addition to the OSFM criteria, the credit review process and funding criteria recommended for this program is summarized below:

1. If an Applicant is delinquent on a previous Fire Truck or Ambulance loan, they are automatically disqualified from either program (Ambulance or Fire Truck) until they are current on their loan.
2. Applicants may by eligible for only one program loan (Ambulance or Fire Truck) within a given Fiscal Year.
3. The applicant must demonstrate its ability to meet <u>at least one</u> of the following minimum debt service coverage requirement:
   a. General fund revenues or specified revenue stream: 1.25x
   b. State intercept revenues: 1.25 times
   c. Direct property levy for the loan: 1.0x
4. The applicant must submit supporting documentation for the source of repayment as follows:
   1. For general fund or specified revenues, submit a current board approved budget that reflects the identified revenue source and amount
   2. For direct property tax levy, submit a copy of the levy, prior to funding
5. If the applicant's repayment source is property tax receipts, the applicant's actual property tax collections over the past three fiscal years must exceed 95%.
6. The applicant must provide a resolution or ordinance approved by the Fire Department/District's Board that includes the following approvals:
   a. Loan Application (effective FY10)
   b. Loan Agreement
   c. Source and amount of repayment
   d. State intercept agreement
   e. Lien on the fire truck purchased

Each loan will be secured by the borrower's (1) general funds or if available a direct property tax levy; (2) state revenue intercept and (3) a lien on the equipment purchased.

The credit review process is as follows. The OSFM application will include a revised financial information form which will be expanded to include the additional information and supporting documents required from the borrowers. OSFM ranks each of the applicants based on its criteria. OSFM will forward the completed application information (including its ranking) to IFA for review along with the borrower's independent audits and/or Annual Financial Reports. IFA also has access to borrower information from the Illinois State Comptroller's web site.

The Funding Manager will verify the information submitted. The Funding Manager will then summarize the data in a spreadsheet including the borrower's location; prior program funding and payment history; repayment source; state intercept revenues; property tax collections; any direct levy; debt service coverage and any other relevant factors. The summary information will be presented to the Executive Director/designee for approval, based on the approved criteria.

Once the loans are approved by IFA, the OSFM will be notified. The applicants then seek local approval through ordinance or resolution. The borrowers must then submit to the IFA a copy of the ordinance/resolution and an invoice for the truck including the VIN. IFA then directs funds to be issued through the Comptroller's office using State Appropriated Funds (IFA funds are not at risk). The principal payments are due on November 1 of each year. There is no interest due on the loans. Loans may be repaid at any time without penalty. IFA monitors the loan payments and follows up on late payments/delinquencies. Any loans more than 90 days past due are referred to the Comptroller's office. If payment is not received, the state revenue intercept mechanism takes effect and the Comptroller re-directs the District/Department's state revenues to the IFA for payment of the debt service.

CONFIDENTIAL INFORMATION

FY09 Loan Applicants

TABLE 2 - Fire Truck Revolving Loan Fund Program (total of 60 excluding Robbins)

OSFM Rank	Borrower	County	Region	Loan Amount	Term	Equipment
1	Tri-County FPD	Hancock	West Central	25,000	10	Rehab/Replace - 2009 Ford F350/Tk Cap 300 (Current)/Pump Cap 300 (Current)
2	Chillicothe FD	Peoria	North Central	250,000	20	New/Replace - 2009 Pierce/Alexis/Ferrara/Tk Cap 400/Pump Cap 1,500/Ladder 75'
3	Sullivan FPD	Moultrie	Southeast	250,000	10	New/Replace - No information on vehicle
4	Fairfield Rural FPD	Wayne	Southeast	175,000	20	New/Replace - 2009 Make and Model Unknown/Tk Cap 1,000/Pump Cap 1,250
5	Mendota-Troy Grove FP	LaSalle	Northwest	250,000	20	New/Replace - No information on vehicle
6	Tonica Volunteer FD	LaSalle	Northwest	250,000	20	New/Replace - 2009 Pierce Contender/Tk Cap 1,000/Pump Cap 1,250/Odom 0
6	Nokomis Area FPD	Montgomery	Central	250,000	20	New/Replace - 2009 Pierce or E-One Pumper Tender/ Tk Cap 2,000/Pump Cap 1,250
8	Lemard Twp FPD	Wayne	Southeast	140,000	10	New/Replace - 2008 Peterbilt 340/Tk Cap 2,000/Pump Cap 500
9	Millstadt FPD	St. Clair	Southwest	250,000	20	New/Replace - 2008 Alexis Rescue/Pumper/Tk Cap 750/Pump Cap 1,250/Ladder 24'
10	Cuba Fire District	Lake	Northeast	225,000	20	New/Replace - 2009 International 7400/Tk Cap 2,000/Pump Cap 500
11	Virginia Volunteer FD	Cass	Central	220,000	10	New/Add – 2008 Peterbuilt/Alexis/TK Cap 1,000/Pump Cap/1,250
12	Johnston City FD	Williamson	Southeast	250,000	20	New/Replace - 2008 Crimson Pumper/Tank Cap 750/Pump Cap 1,500/Ladder 24'
12	Thomasboro FPD	Champaign	East Central	250,000	13	New/Replace - 2009 Make and Model Unknown/Tk Cap 1,000/Pump Cap 1,250
12	Crescent-Iroquois FPD	Tazewell	North Central	75,000	20	Used/Replace - No information on vehicle
15	Rankin FPD	Vermillion	East Central	125,000	20	New/Replace - 2009 Chevrolet 5500 Alexis
16	Chrisman FPD	Edgar	Southeast	250,000	10	New/Replace - 2009 No make or model/Tk Cap 1,500/Pump Cap 1,000/Ladder 24'
17	Stockton Fire & Ambulance	JoDaviess	Northwest	200,000	10	New/Replace - 2008 Sparta Metro Star/Tk Cap 1,000/Pump Cap 1,250/Ladder 32'
18	Middletown FPD	Logan	Central	170,000	10	New/Replace - New Make Unknown/Model Unknown/ Tk Cap 3,000/Pump Cap 1,250
19	Hecker FPD	Monroe	Southwest	250,000	10	New/Replace - 2009 Crimson Spartan Metrostar/Tk Cap 1,750/Pump Cap 1,250
20	Pochontas-Old Ripley FPD	Bond	Southwest	222,465	20	New/Replace - 2008 Crimson Elite Top Panel/Tk Cap.1000 Bal/Pump Cap 1500/Odom <3,000 mi
20	LeRoy Community FPD	McLean	North Central	150,000	10	New/Replace - 2008 Sparton Alexis Pumper/Tk Cap 750/Pump Cap 1000/Odom 0
20	Niantic FPD	Macon	Central	250,000	20	New/Replace - 2009 Alexis International/Tk Cap 1,250/Pump Cap 1,250
23	Hutton FPD	Coles	Southeast	100,000	20	New/Replace – Pumper
24	Bunker Hill FPD	Macoupin	Central	250,000	20	New/Replace - 2009Rosenbauer Spartan/Tk Cap 750/Pump Cap 1,500/Laddeer 24/14/10
24	North Pike FPD	Pike	West Central	105,000	15	New/Replace - 2009 Ford 550/Tk Cap 350/Pump Cap 350
26	Octavia FPD	Champaign	East Central	200,000	15	New/Replace – No information on vehicle
26	Des Plaines FD	Cook	Northeast	250,000	20	New/Replace – 2009 Pierce Arrpm XT/TK Cap 750/Pump Cap 1500
28	Canton FD	Fulton	North Central	100,000	10	New/Replace - 2009 Pierce Heavy Duty Rescue
28	Valmeyer FPD	Monroe	Southwest	190,000	20	New/Replace - No information on vehicle

OSFM Rank	Borrower	County	Region	Loan Amount	Term	Equipment
28	Buckley FPD	Iroquois	East Central	152,500	20	New/Replace - 2009 Ford F550/Tk Cap 300/Pump Cap 150
31	Lexington Community FPD	McLean	North Central	220,000	10	New/Add - 2009 Peterbilt PB340/Tk Cap 3,000/Pump Cap 500
32	Broadlands-Longview FPD	Champaign	East Central	100,000	10	Replace - No information on vehicle
32	Woodstock Fire/Rescue Dist.	McHenry	Northeast	250,000	20	New/Addition - 2009 Pierce Arrow/Tk Cap 750/Pump Cap 1,500
34	Lovington FPD	Moultrie	Southeast	24,000	20	New/Replace - No information on vehicle
34	Ursa FPD	Adams	West Central	175,000	20	Used/Replace - 2000 Make Unknown /Pumper/Tk Cap 1,000/Pump Cap 1,000
36	Quincy FD	Adams	West Central	250,000	15	New/Replace - No information on vehicle
36	Milledgeville FPD	Carroll	Northwest	175,000	20	New/Replace - 2009 Make and Model Unknown/Tk Cap 3,000/Pump Cap 500
38	Lemont FPD	Cook	Northeast	250,000	5	New/Replace - 2009 Crimson No Model/Tk Cap 700/Pump Cap 1,500
39	Wauconda FPD	Lake	Northeast	250,000	5	New/Replace - 2009 Ferrara Igniter/Tk Cap 750/Pump Cap 1,500
39	Sandwich Community FPD	DeKalb	Northeast	250,000	10	New/Replace - 2008 HME Quint Platform/Tk Cap 300/Pump Cap 2,000/Ladder 104' Platform
41	Deer Creek FPD	Tazewell	North Central	90,000	20	Used/Replace - No information on vehicle
41	Chadwick FPD	Carroll	Northwest	250,000	20	New/Replace - 2009 Spartan Engine/Rescue/Tk Cap 1,000/Pump Cap 1,500/Ladder 24' Ext
44	Dawson FPD	Sangamon	Central	200,000	20	New/Replace - 2008 Make Unknown/Model Unknown/Tk Cap 2,000/Pump Cap 750
45	Lisle-Woodridge FD	DuPage	Northeast	250,000	10	New/Replace - 2008 Pierce No Model/Tk Cap 750/Pump Cap 1,500
46	Meadowbrook FPD	Madison	Southwest	175,000	17.5	New/Replace - 2008 Peterbilt Tender Danko/Tk Cap 2,000/Pump Cap 500
46	Sadorus FPD	Clay	Southeast	150,000	20	Used/Replace - Year, Make and Model Unknown/Tk Cap 2,500/Pump Cap 1,000+
48	Clover Township FPD	Henry	Northwest	250,000	10	New/Replace - 2009 IH 7400 Series/Tk Cap 650/Pump Cap 1,000
49	Williamsville FPD	Sangamon	Central	250,000	20	New/Replace - 2009 E-One Engine/Tk Cap 1,000/Pump Cap 1,250
50	Manteno Community FPD	Kankakee	Northeast	250,000	5	New/Replace - 2009 E-One Typhoon/Tk Cap 1000/Pump Cap 1,500/Ladder 12'/24'
51	New Lenox FPD	Will	Northeast	250,000	20	New/Replace - 2008 Pierce PUC/Tk Cap 1,000/Pump Cap 1,500
51	South Roxana FPD	Madison	Southwest	250,000	20	New/Replace - 2009 Crimson Pumper/Tk Cap 1,000/Pump Cap 1,500
53	Apple River FD	JoDaviess	Northwest	250,000	20	New/Replace - 2009 Freightliner or International/Darley-Commercial or Pierce-Responder/Tk Cap 1,000/Pump 1,000
53	Godfrey FPD	Madison	Southwest	250,000	20	New/Replace - 2009 Make Unknown/Pumper Rescue/Tk Cap 1,000/Pump Cap 1,500
53	Countryside FPD	Cook	Northeast	250,000	10	New/Replace - 2009 Lowest bidder/Tk Cap 2,500/Pump Cap 1,500
56	Rochester FPD	Sangamon	Central	250,000	20	New/Replace - No information on vehicle
57	Palatine Rural FPD	Crawford	Southeast	250,000	20	New/Addition - 2008 KME Predator XL/Tk Cap 750/Pump Cap 1,500
57	Manhattan FPD	Will	Northeast	250,000	10	New/Replace - 2008 SVI Heavy Rescue
59	Spring Grove FPD	McHenry	Northeast	250,000	20	New/Replace - No information on vehicle
61	Village of Lincolnwood	Cook	Northeast	250,000	20	New/Replace- 2009 USA Mfg 100' Aerial/Tk Cap 500/Pump Cap 2000/Ladder +100'
Total Requested for FY2009				$12,633,965		

Illinois Finance Authority
Memorandum

To: IFA Board of Directors

From: Pam Lenane

Date: March 3, 2009

Re: Request to add additional underwriters, request to add additional re-marketing agents and request to add additional letter of credit providers as agreed to by the Borrower and the Illinois Finance Authority, (OSF Healthcare System: H-HO-TE-CD-8202)

The IFA Board approved a $650 million 501(c)(3) Final Bond Resolution for OSF Healthcare System at the January 13, 2009 Board Meeting. At the time the project was initially considered, Merrill Lynch was serving as lead underwriter.

Since January, 2009, OSF Healthcare System has decided to add additional members to the financing team and requests the Illinois Finance Authority's approval of the following additions:

<u>Additional Underwriters:</u>
-Cabrera Capital Markets, LLC
-Wells Fargo Brokerage Services, LLC
-NatCity Investments, Inc.

<u>Additional Re-Marketing Agents:</u>
-PNC Capital Markets.
-Wells Fargo Brokerage Services, LLC

<u>Additional Letter of Credit Providers:</u>
- JPMorgan Chase & Co.
-Wells Fargo Bank, National Association
-National City

The transaction is presently scheduled to close the week of March 30, 2009.

Staff recommends approval of the request.

The voting record of this Final Bond Resolution for OSF Healthcare System was approved at the January 13, 2009 Board meeting as follows:

Ayes:	8
Nays:	0
Abstentions:	0
Absent:	3
Vacancy:	4

DRAFT

AMENDMENT 2009-03-11 TO AMEND RESOLUTION NUMBER 2009-01-06 FOR THE BENEFIT OF OSF

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by, and exists under, the Illinois Finance Authority Act, as amended (the "Act"); and

WHEREAS, on January 13, 2009, the Authority passed Resolution Number 2009-01-06 (the "Original Resolution") for the benefit of OSF Healthcare System, an Illinois not for profit corporation (the "Corporation"), authorizing and approving the issuance of one or more series of bonds hereinafter referred to as the "Series 2009 Bonds"; and

WHEREAS, the Corporation has requested that the Authority amend the provisions of the Original Resolution in order to allow for the addition of Cabrera Capital Markets, LLC, NatCity Investments, Inc., Wells Fargo Brokerage Services, LLC, and/or such other purchasers as may be approved by the Authority and the Corporation to be included as parties to the Purchase Contracts as described in the Original Resolution; and

WHEREAS, the Corporation has requested that the Authority amend the provisions of the Original Resolution in order to allow for the addition of PNC Capital Markets, Wells Fargo Brokerage Services, LLC, or such other remarketing agents as may be approved by the Authority and the Corporation to be included as parties to the Remarketing Agreements as described in the Original Resolution; and

WHEREAS, the Corporation has requested that the Authority amend the provisions of the Original Resolution in order to allow for the addition of JPMorgan Chase Bank, N.A., National City Bank, Wells Fargo Bank, National Association, or such other bank or banks as may be approved by the Authority and the Corporation to be included as the Initial Credit Facility Issuer and as a party to the Reimbursement Agreements described in the Original Resolution;

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

Section 1. For purposes of the Original Resolution, all references to the Purchaser and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as purchaser of the Series 2009 Bonds are hereby amended to refer to Merrill Lynch, Pierce, Fenner & Smith Incorporated, Cabrera Capital Markets, LLC, NatCity Investments, Inc., Wells Fargo Brokerage Services, LLC and/or such other firm or firms of municipal bond underwriters as may be approved by the Authority (with execution of the Purchase Contracts constituting approval by the Authority) and the Corporation.

Section 2. For purposes of the Original Resolution, all references to Merrill Lynch, Pierce, Fenner & Smith Incorporated as the Remarketing Agent for the Series 2009 Bonds are hereby amended to refer to Merrill Lynch, Pierce, Fenner & Smith Incorporated, PNC Capital Markets, Wells Fargo Brokerage Services, LLC and/or such other firm or firms of remarketing agents as may be approved by the Authority (with execution of the Loan Agreements referred to in the Original Resolution constituting approval by the Authority) and the Corporation.

Section 3. For purposes of the Original Resolution, all references to Initial Credit Facility Issuer, are hereby amended to refer to JPMorgan Chase Bank, N.A., National City Bank, Wells Fargo Bank, National Association and/or such other bank or banks as may be approved by the Authority (with execution of the Loan Agreements referred to in the Original Resolution constituting approval by the Authority) and the Corporation.

Section 4. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of this Resolution, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

Section 5. This Resolution is intended to confer additional authority to act under the Original Resolution and the Original Resolution shall remain in full force and is hereby ratified, provided, that the Original Resolution is hereby amended to the extent that it is not consistent with this Resolution.

ADOPTED this 10th day of March, 2009 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____

Secretary

To: Members of the IFA Board of Directors

From: Steven Trout, Vice President

Date: March 3, 2009

Re: Resolution to authorize the Executive Director to offer assistance in connection with a State of Illinois bid to compete for a U.S. Department of Energy ("USDOE") Project to finance a Lithium Ion Battery Production Facility, subject to further Board consideration and approval by the Governor's Office

Executive Summary

The American Recovery and Reinvestment Plant of 2009 ("the Stimulus Bill") that President Obama recently signed into law contains $2 billion in funding through US Department of Energy ("DOE") to develop and produce lithium ion batteries for use in electric vehicles and wind power storage. Many analysts believe that advances in battery technology are crucial to increasing the nation's use of electric cars, solar and wind power, and could also have broad military applications.

NAATBat, a consortium of US battery manufacturers, technology developers and specialized materials manufacturers is preparing to submit a grant application for 80% of the cost of developing a an advanced lithium battery manufacturing facility. That facility is expected to cost approximately $1 billion. NAATBat has asked the State of Illinois (IFA, DCEO, IDOT and IEPA) for assistance in meeting the US Department of Energy's requirement for a 20% local match to qualify for the grant. The consortium is also asking officials from approximately four other states to submit incentive offers to attract the project to their state.

NAATBat asserts that IFA's issuance of State Moral Obligation Bonds is needed because most of its members now lack ready access to capital. A number of its members are reportedly early stage technology developers with limited liquidity or are established companies under strain because of their exposure to the automotive industry

Key guidelines for DOE's grant program, including the application deadline are still evolving, but the consortium's application may be due as soon as early April, before the Board's next meeting. The consortium has offered to provide IFA with a first lien pledge on the project's machinery and equipment. DOE has assured NAATBat that it will permit the consortium to pledge the project assets to a creditor, such as IFA. The adequacy of the collateral to repay the bonds in a liquidation scenario will be confirmed by an independent appraisal.

Staff is asking the Board to delegate authority to the Executive Director to issue a financing proposal, subject to Board and Governor's Office approval, if the application deadline would not permit a Board review at the April 14 IFA Board meeting.

NATTBat currently anticipates that the Bonds will be taxable debt obligations. The consortium is considering establishing a 501(c) (3) entity to serve as the borrower, to facilitate IFA's issuance of tax-exempt 501(c) (3) bonds but this option appears unlikely. The IFA has sought specific moral obligation authority in support of this project in SB 1912 (Jacobs-Koehler).

Background

The National Alliance for Advanced Transportation Batteries ("NAATBatt") is a non-profit consortium of US companies that plans to apply to USDOE for funding to build a prototype lithium battery manufacturing facility based on lithium ion research underway at the Argonne National Laboratory. The consortium expects to locate the facility near Argonne, in or near communities such as Plainfield, Romeoville, Bolingbrook or Joliet.

NAATBat now has 25 company members, with 50,000 employees in 37 states and 200 patents related to lithium ion cell technology held or pending. The consortium includes:

- Large and established battery manufacturers two of whom are over 100 year s old
- Venture capital backed developers with cutting edge lithium ion technology
- Renowned materials manufacturers in lithium salts, separators and electrolytes

While the US is a world center for lithium ion battery research and development, huge government subsidies have brought nearly all production to China, Japan and Korea. NAATBat seeks to return lithium battery manufacturing to the US to ensure that new US technologies are produced here rather abroad, to return the supply chain, and make battery advances available to US car makers and other users to support their success.

The Production Facilities

NAAT Bat proposes to build as Phase I, a $350 million pilot production facility to be shared by its members to reduce development costs and encourage collaboration to accelerate development. The consortium is seeking to build the pilot facility with state-of-the-art equipment and design to offer flexibility to pursue multiple concepts (varying sizes, cell chemistries, liquid and polymer electrolytes and stack formats) at one time to quickly test the viability of multiple approaches. Members will be able to run trials to demonstrate, verify and validate their unique technology for their own use on a shared cost basis. The Phase I facility will be designed to permit up to four separate trials to be run at any one time to achieve the world's fastest reduction of concepts to practice.

NAATBat will also propose to build as Phase II a $650 million highly automated, commercial-scale production facility.

NAATBat plans to develop centers of excellence around universities and national laboratories, such as Argonne, to pursue continuous improvement in lithium ion cell and technology development to ensure its members' ongoing competitive advantage. This work would include the development of new battery prototypes and manufacturing processes to be demonstrated at a pilot scale in the Phase I facility and at a commercial scale in the Phase II production facility.

The consortium plans to invite state bids for Phase I or Phase II or both facilities, which may be located near one another or in different states. NAATBat's Illinois members have advised IFA staff that locating the facilities near Argonne National Labs, a world leader in lithium battery research, provides Illinois with an important advantage over competing states

Jobs

The pilot facility is expected to be managed by full-time staff under member oversight and to create 350 new jobs. If successful, the production plant is expected to create 5,000 new permanent job and many more indirect jobs to be created by service companies that are likely to locate near the plant

The Financing Request
NAATBat is currently working with its members to develop a framework for allocating project costs and access to the facility. NAATBat expects that the pilot facility will be primarily supported by leases signed by the members to use the facility. The production facility may also realize income from the sale of batteries produced there. Design of the operating framework is complicated by the varying development needs, business objectives and financial capacity of the members. NAATBat has warned IFA staff that the consortium lacks members with sufficient financial capacity and interest in the prototype facility to offer corporate guarantees for all or a substantial portion of the financing sought from IFA.

Consortium official anticipate that the primary security offered to IFA will be a first lien pledge of machinery and equipment, which is expected to account for about 70% or approximately $700 million of total development costs. According to NAATBat officials, DOE officials have offered early indications that DOE will not object if the consortium offers creditors, such as IFA, a pledge of project assets as collateral for loans made to support the project. These officials have stated that much of the equipment has broad application so could be readily sold in the event of liquidation.

The Stimulus Bill permits developers of renewable energy facilities to take large depreciation allowances and various tax credits. The consortium is evaluating financing options, such as the use of sale and leaseback options, to generate equity to reduce the contribution requirements of its members to fulfill DOE's 20% local match requirement. Use of these financing options, might require the sale or pledging of some machinery and equipment to other parties that could reduce the amount of collateral available to IFA.

Additional details pertaining to DOE's grant award process, application requirements and NAATBat's plans for operating and funding operations and repaying the Bonds are expected to emerge very soon.

NATTBat currently anticipates that the Bonds will be taxable debt obligations. The consortium is evaluating the feasibility of establishing a 501(c) (3) entity to serve as the borrower, to facility the Authority's issuance of tax-exempt 501(c) (3) bonds. If SB 1912 is enacted in its current form, moral obligation could be another avenue of IFA assistance to the project. Without that approval, IFA's capacity to issue moral obligation bonds for this request would be limited to $54,755,000 in general authority, which is primarily used now to enhance pooled small local government bonds.

Illinois Finance Authority

Memorandum

To: IFA Board of Directors
From: Sharnell Curtis-Martin
Date: March 10, 2009
Re: Resolution to authorize Executive Director to submit application to the US Small Business Administration to become an Intermediary Lender of the Micro Loan program

The U.S. Small Business Administration ("USSBA") administers a Microloan Program. The primary objective of the Program is to provide access to credit and training to very small businesses not adequately served through the traditional financing system. The IFA will serve as an Intermediary Lender and evaluate applications in a competitive process. The program will use the same application and guidelines of the predecessor, IDFA Microloan program as outlined below. This memo allows the Executive Director to make a formal application to the USSBA to establish the IFA as an Intermediary Lender of the Micro Loan Program.

<u>SBA Loan to IFA as Intermediary Lender</u>

The Program is designed to assist entrepreneurs who need small amounts of financial assistance integrated with technical assistance. The maximum loan is $35,000. The SBA uses intermediary lenders to administer the Program. In order to become an intermediary lender, we must complete an application that demonstrates our knowledge and experience in micro enterprise development for the purpose of providing small loans and technical assistance on start-up, for newly established or growing small business concerns. Each intermediary lender is required to close and fund a minimum of four loans per year.

The SBA provides an initial loan of up to $750,000; over time an intermediary may borrow up to $3.5 million in the aggregate. The first loan is automatically accompanied by a technical assistance grant of up to 25% of the loan amount. Grant funds are to be used to help defray the costs of providing technical assistance to micro borrowers and potential micro borrowers.

Lenders are required to provide matching funds against the loan and grant monies received from the SBA. A 15% cash match is required for all loan funds received and a 25% match of cash or in-kind contribution is required for grant funding received under the program.

After selection by the SBA to become an intermediary lender, loan funding is facilitated through the loan authorization, closing and disbursement process. The maximum term will be ten years. The base interest rate (will appear on the note and in the loan authorization agreement) will be the 5-year Treasury Bill rate at the time of loan approval, rounded to the nearest one-eight percent.

Proceeds of the SBA's loan must be used to make loans to micro borrowers or repay the SBA. Proceeds must be deposited and managed in the Microloan Revolving Fund. The Loan Loss Reserve Fund is established as a reserve and will hold at least 15% of outstanding loans as originated. The SBA will hold a security interest in the Microloan Revolving Fund, the Loan Loss Reserve Fund and any microloan notes receivables. The IFA's Microloan Program will use the same guidelines and application process as the IDFA's program outlined below.

When the IDFA was a lender, there were a total of four Microloan lenders serving Illinois. All of these lenders have since exited the program. Presently, Accion Chicago currently services the greater Chicago land area and the Justine Petersen Housing and Reinvestment Corporation in St. Louis services the greater St. Louis area which includes Madison and St. Clair Counties in Illinois.

Previous IDFA Microloan Program

The IDFA's Microloan Program incorporated all the SBA's requirements into its program design. From 1993 through 1998, 24 loans were made to various borrowers.

The program allowed individuals and small business to borrow up to $25,000 ($25,000 was the maximum loan amount in 2001) for start-ups and young businesses that have limited access to working capital. Loans of more than $15,000 required a bank letter of rejection.

The Applicant was required to have at least a 10% equity contribution in the business enterprise. The IDFA also required the Applicant to have at least one year experience in managing a similar business or producing a similar product. Loans were made to individuals with responsible personal credit histories and a minimum of one year's clean credit from a credit reporting bureau. Personal guaranties are required from all business owners.

In addition to a completed application, economic disclosure statement, historical financial statements and projections a comprehensive and thorough business plan was also required.

Loan proceeds could be used to purchase fixed assets, inventory and working capital needs. Loan proceeds could not be used to finance real estate, restaurants or bars per IDFA Board policy.

The interest rate on all loans was a fixed 10.75% for a maximum term of four years. A $100 technical assistance fee was due at closing and the anniversary date of the loan thereafter until the loan was repaid.

DRAFT

AMENDMENT 2009-03-13
AUTHORIZING THE ILLINOIS FINANCE AUTHORITY'S EXECUTIVE DIRECTOR TO EXECUTE ALL NECESSARY AND REQUIRED DOCUMENTS TO APPLY FOR PARTICIPATION IN THE SMALL BUSINESS ADMINISTRATION'S MICRO LOAN PROGRAM

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by, and exists under, the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 et seq. (the "Act"); and

WHEREAS, the Illinois Finance Authority has a statutory mission of creating and retaining jobs in Illinois, including jobs in small business; and

WHEREAS, the Small Business Administration's Micro Loan Program's purpose is to loan $35,000 or less to businesses to help their growth, and this program is operated through relending agencies such as the Illinois Finance Authority; and

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

Section 1. that the Members of the Illinois Finance Authority directs the staff to apply to the Small Business Administration for participation in the Micro Loan Program for an amount not to exceed $750,000.00; and

Section 2. that the Executive Director of the Illinois Finance Authority is directed and authorized to execute the application form and all other documents and send the completed application to the Small Business Administration for its review.

ADOPTED this 10th day of March, 2009 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____
Secretary