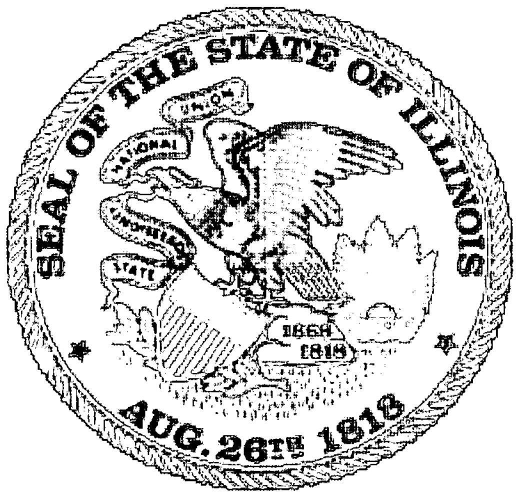
Illinois Finance Authority

Tuesday, June 14, 2005
11:30 AM
Board Meeting
Illinois State Library
Springfield, Illinois



Jose Garcia

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Steven B. Kite
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June 13, 2005

The Honorable David C. Gustman
Board Chairman
Illinois Finance Authority
2 Prudential Plaza
180 N. Stetson Avenue, Suite 2555
Chicago, IL 60606

Re: Illinois Finance Authority Revenue Refunding Bonds, Series 2005
(Advocate Health Care Network)

Dear Chairman Gustman:

We are serving as Underwriter's Counsel representing Citigroup Global Markets Inc. in connection with the proposed issuance of the above captioned Bonds. In such capacity we have participated in the preparation and/or review of the documentation submitted to the Illinois Finance Authority ("IFA") on June 8 in connection with the meeting of the IFA Board scheduled for June 14, including but not limited to the Preliminary Official Statement and Appendix A thereto. As you are aware, it is the current intention that these Bonds be insured by a "AAA" rated bond insurer, but that as of this date, the particular insurer has not yet been selected. Based on our involvement in this financing, including the due diligence work performed, and assuming the inclusion of standard disclosure information relating to the particular bond insurer selected and the remaining appendices to the Official Statement and the delivery of opinions from bond counsel and counsels to Advocate in the standard format, we would be in a position to deliver our standard underwriter's counsel disclosure opinion on this financing, if such opinion were required to be delivered on this date.

If you have any questions or need any further information. Please do not hesitate to contact me.

Sincerely,

Steven B. Kite

Steven B. Kite

SBK/mhc
cc: Jill Rendleman, Interim Executive Director
Kimberly M. Copp, Esq.
Eric Watson
Lawrence J. Majka
Gail Hasbrouck, Esq.

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CLIENT/MATTER NUMBER
073203-0145

June 13, 2005

The Honorable David C. Gustman
Chairman
Illinois Finance Authority
180 N. Stetson, #2555
Chicago, IL 60601

Re: Proposed Issuance of Series 2005 Bonds for the benefit of Advocate Health Care

Dear Chairman Gustman:

As you are aware, we are acting as special counsel to Advocate Health Care Network, Advocate Health and Hospitals Corporation and Advocate North Side Health Network, each Illinois not for profit corporations, in connection with the proposed refinancing of certain existing tax-exempt debt. Advocate is requesting the approval of the Illinois Finance Authority for the issuance of certain Series 2005 Bonds to provide for the refunding of that prior debt.

We are aware that the SEIU has written to you and cited its concerns regarding the Authority's approval of this matter, asserting that the Board of the Authority should determine the facts involved in the refinancing.

To assist the Board in this fact-gathering process, we are writing to advise you of certain opinions that we would be prepared to deliver assuming that the draft Preliminary Official Statement presented to the Board were finalized today, and the Series 2005 Bonds were to be issued today.

Based on the foregoing, if the Series 2005 Bonds were to be issued today, we would be prepared to opine that each of Advocate Health Care Network, Advocate Health and Hospitals Corporation and Advocate North Side Health Network is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), is exempt from federal income taxation under Section 501(a) of the Code, and is not a private foundation within the meaning of Section 509(a)(1) of the Code (each a "Tax Exempt Organization"), and we have no knowledge, after due inquiry, of any challenge to such status as Tax Exempt Organizations or any meritorious basis therefor. Each such entity is a not for profit corporation, and has the authority to own and operate the healthcare and other facilities owned and operated by it.

In our capacity as special counsel during the course of preparation of the Preliminary Official Statement, we met in conferences or had discussions with representatives of Citigroup Global Markets and its counsel, representatives of our clients and their general counsel's office, auditors for our client, bond counsel, the Master Trustee, the Bond Trustee and others, during which conferences the contents of the proposed Preliminary Official Statement and related matters were discussed.

Based on our participation in the above mentioned conferences and in reliance thereon and our review of various certificates, opinions and other documents, we would be prepared to opine that, to the best of our knowledge, after due inquiry, the statements and information contained in the Preliminary Official Statement (except for any financial or statistical data or forecasts included therein as to which we will not express any opinion or view), including Appendix A thereto, insofar as they relate to Advocate Health Care Network and its affiliates, their properties and affairs, the application of the proceeds of the Series 2005 Bonds and the security for the payment of the Series 2005 Bonds, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statement therein, in light of the circumstances under which they were made, not misleading.

Very truly yours,

Robert J. Zimmerman

cc: Jill Rendleman, Interim Director, Illinois Finance Authority
Lawrence J. Majka, Executive Vice President, Chief Financial Officer, Advocate Health Care Network
Gail D. Hasbrouck, Senior Vice President and General Counsel, Advocate Health Care Network

IFA
ILLINOIS FINANCE AUTHORITY

Illinois Finance Authority
Executive Session

Tuesday, June 14, 2005

8:30 am	Opening Remarks	Chairman Gustman
8:45 am	Director's Report	Jill Rendleman
9:00 am	Financial Performance	Jose Garcia
	Sales Activity	Michael Pisarcik
	Marketing/Public Relations	Diane Hamburger
	Legal and Legislative Issues	Anthony D'Amato
	Audit & Compliance	Jose Garcia
10:00 am	Funding Managers Presentations	
11:15 am	Break	
11:30 am	Board Meeting	

ILLINOIS FINANCE AUTHORITY
BOARD MEETING
June 14, 2005

Illinois State Library
300 S. Second St.
Rooms 403 & 404
Springfield, Illinois
11:30 a.m.

- Call to Order – Chairman Gustman
- Roll Call
- Chairman's Report
- Director's Report
- Other Business
  Resolution 2005-10 Appointing a Secretary and Assistant Secretary of the Authority

Projects

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Constr Jobs	FM
3	PRELIMINARY **Agriculture Guarantees** John C. and John H. Newcomer Livestock	Lanark	$950,000	n/a	n/a	ER
4	William Jaegel	Tonica	$450,000	n/a	n/a	BB
5	Perry and Pam Jungels	Hinckley	$400,000	n/a	n/a	BB
6	PRELIMINARY **Beginning Farmer Bonds** John and Shelly Hunter Brian Schwierjohn	 Burnside Pocahontas	 $147,000 $163,000	 n/a n/a	 n/a n/a	 BB ER
7	FINAL **Beginning Farmer Bonds** Robert and Brandi Peterson Kurt Uphoff Craig and Maura Miller Charlie Ford Cole Ervin	 Hudson Minonk Monmouth Lomax Toledo	 $45,000 $125,000 $175,000 $160,000 $90,000	 n/a	 n/a	 BB BB BB BB ER

COMMUNITIES AND CULTURE

Tab	Project	Location	Amount	New Jobs	Constr Jobs	FM
8	FINAL **501(c)(3) Bonds** Jewish Federation	Metropolitan Chicago	$35,000,000	n/a	n/a	TA
9	Lake Forest Country Day School	Lake Forest	$23,000,000	5	250	TA
10	PRELIMINARY **Local Government Bonds** Local Government Bonds—Refunding	Statewide	$22,000,000	n/a	n/a	EW

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Constr Jobs	FM
11	PRELIMINARY **Industrial Development Bonds** Regis Technologies and its Affiliates	Morton Grove	$3,500,000	10	5	ST, RF
12	FINAL **Industrial Development Bonds** Midwest Molding (Taxable IRB)	Bartlett	$6,000,000	61	30	ST

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Constr Jobs	FM
13	PRELIMINARY **501(c)(3) Bonds** OSF Healthcare System	Peoria	$110,000,000	n/a	n/a	PL, DS
14	Alexian Brothers Health System	Elk Grove Village, Hoffman Estates	$265,000,000	n/a	n/a	PL, DS
15	The Landing at Plymouth Place	LaGrange Park	$145,000,000	TBD	TBD	PL, DS
16	FINAL **501(c)(3) Bonds** Friendship Village of Schaumburg	Schaumburg	$130,000,000	50.6	300	PL, DS
17	Advocate Health Care Network	Multiple	$250,000,000	n/a	n/a	PL, DS
18	Aunt Martha's Youth Service Center	Multiple	$5,600,000	n/a	n/a	PL, DS

Project Revisions/Amendatory Resolutions

Tab	Project	Amendment
19	E. Kinast Distributors, Inc.	Seeks approval of an amendment to the Preliminary Bond Resolution, approved on September 14, 2004, to increase the bond issuance amount from $3.6 million to $4.2 million
20	P & P Press	Seeks a six month extension of the resolution initially approved on December 7, 2004 for a $650,000 participation loan
21	Cory Miller	Seeks an amendment to the Beginning Farmer Bond resolution approved on March 8, 2005 to increase the bond issuance amount from $27,000 to $98,010
22	Martin and Rebeca Koster	Seeks an amendment to the $200,000 Participation Loan approval, granted on April 12, 2005, to eliminate the requirement that the Borrowers assign $200,000 of life insurance as a condition to the making of said Loan

Other

Adjournment

IFA
ILLINOIS FINANCE AUTHORITY

Illinois Finance Authority – Director's Report
June 14, 2005

To: IFA Board of Directors and Governor's Office

From: Jill Rendleman

I. Financial

Performance: Total revenues for May 2005 ended at $1,017,695. Total revenues for FYTD 2005 are $7.2 million or 14.4% above the revenue plan. Net income for FY 2005 is $2.42 million for FYTD, or 38.4% above our FY 2005 income plan.

The income statement and balance sheet for May 2005 are attached.

II. Sales Activity – May, 2005

Agriculture: Seven (7) beginning farmer bond transactions and three (3) agricultural guarantee transactions are coming to the Board for approval in June.

IFA continues to promote services with agricultural and commercial lenders making presentations at 28 different banks; several of these presentations were made to multiple lenders in a single institution. B. Bittner met with the Executive Director of the Illinois Corn Growers Association (ICGA) to discuss IFA programs and explore the feasibility of new programs, including financing ethanol plants. We have already received applications for 2 agri debt guarantees for consideration at the July Board meeting.

Health Care: Six bond transactions are being presented to the Board this month: OSF Healthcare System for $110 million, Alexian Brothers Health System for $265 million, The Landing at Plymouth Place for $145 million; and finals for Friendship Village in Schaumburg for $130 million, Advocate Health Care Network for $250 million and Aunt Martha's Youth Service Center for $5.6 million, totaling $905.6 million. Approximately $582 million represent current and advance refundings.

Also this month, the IFA has been working with the National Council of Health Facilities Finance Authorities (NCHFFA) advocacy group, and Chris Conley of

Nonprofit Capital, LLC to develop comments opposing proposed changes in the federal requirements for capital financing at critical access hospitals (CAHs). As a practical matter, the proposal would mean that many rural health care facilities which are effectively land-locked, restricted by zoning changes or have the opportunity for a better and cheaper location for a new facility would not be eligible to retain the CAH designation unless they already have a new facility construction underway. The potential impact is restriction to growth.

In May P. Lenane and D. Sodikoff attended the Sixth Annual Non-Profit Health Care Investor Conference in New York, at the invitation of sponsor Citigroup. This conference was an excellent opportunity for the IFA to listen to financial presentations to the major investors, rating agencies, and insurers for the large health care systems in Illinois, including Provena, Advocate, Northwestern, SSM Healthcare (Missouri), Carle, and Rush Presbyterian. It was also an excellent opportunity to network with and show our support for the CEOs, CFOs, and Board Members of the health systems we have financed recently and will be financing in the near future.

IFA is planning for sponsorship at the Illinois Hospital Association Conference in Springfield on June 21-23, 2005. IFA plans to become an associate member.

Industry and Commerce: This month IFA is seeking final approval for two Participation Loans: (1) Associated Veterinary Clinic LLC Project (Jeffrey Gutzwiller) in Washington, IL and (2) RB Powder Coating, Inc. in Chicago.

Additionally, IFA will be seeking preliminary approval for three Industrial Development Bond projects, including (1) Regis Technologies, Inc. in Morton Grove, (2) Midwest Molding, Inc. in Bartlett and (3) will request an increase the not-to-exceed project amount for E. Kinast Distributors, Inc. in Hanover Park to accommodate additional capital expenditures.

Finally, the Board will consider a request for a six-month Participation Loan commitment extension for P&P Press, Inc. in Peoria.

On June 1st, IFA will close a $50 million Refunding for Peoples Gas in Chicago.

Community & Culture: IFA is developing an RFP for financing team members for local government and educational agency pooled bond issues. We plan to create a pooled financing schedule that is based on the demands in each of these two markets. IFA plans to use these pools to finance future needs in municipal infrastructure, school district operations and technology needs, student transportation, and health/life safety improvements. Calls to candidate school districts and small municipalities continue in our effort to discover and characterize the needs in the markets.

We've identified refunding opportunities across the predecessor IRBB pooled bond issues, dating back to 1992, that may yield savings to borrowers of over $1.5 million on with a new issue of $22 million. We bring this transaction to the Board for preliminary approval in June.

Business and Industry:

On May 4, Jill Rendleman, Rich Frampton, and Steve Trout met with representatives of LaFarge North America, Inc., in Chicago to discuss tax-exempt financing options relating to a proposed $250+ million renovation/expansion project for the Company's cement manufacturing facility in Joppa (Massac County), near Metropolis. LaFarge North America is the largest cement manufacturer in North America (and worldwide).

On May 13, Jill Rendleman, Rich Frampton, and Steve Trout met with representatives of Peabody Energy Corp. and other key representatives of the Prairie State Energy Campus' ownership group in Chicago to discuss financing options for the proposed $2 billion Prairie State Energy Campus in Lively Grove, Illinois.

Higher Education: The College Revenue Anticipation Note and Capital Note Programs are being reviewed on a month-by-month basis to assess demand. There are several independent Illinois colleges that have expressed interest in participating in the Program. T. Albright will be meeting with the President of the Federation of Independent Illinois Colleges and Universities, of which there are 54 independent college members, to discuss the possibility of combining individual calls with regional Federation meetings during the summer and fall to discuss IFA programs to finance expansions and renovations for Federation members.

We continue to follow-up with the predecessor IEFA borrowers to identify their ongoing needs and opportunities to provide IFA services.

Venture Capital: C. Vandenberg attended the Midwest Venture Summit and an open house for the Illinois Technology Development Association. On May 18, the IFA presented at the Manufacturing Technology Exposition and Conference in Rockford. Also, on May 26 IFA staff met with Martha Schlicher, Director of the National Corn to Ethanol Research Center located in Edwardsville.

In addition to continued market development, IFA staff continued to assist both existing portfolio companies and work to close the two investments, Clear Stack and Jaros, approved last month. Both of these transactions are expected to close prior to June 15. Other activities included hosting the board meeting at IFA for NephRx, attending the Riverglass board meeting in St.

Charles, hosting a board conference call for SmartSignal, and review of documents for the final sales of Assets of User Active.

IV. Marketing / Communications

Key Press Activities:

- Pere Marquette – May 12 press conference & open house
- Business press interview, Pekin Star Journal – May 16
- Jaros – May 19 press interview, Illinois Business Journal
- Community Action Partnership of Lake County – May 25 grand opening
- City of Metropolis – May 25 ground breaking & press conference
- Issue Management -- Resurrection / tax exempt challenge by

Marketing Communications:

- Healthcare
    - ABC Program brochure design
    - Healthcare exhibit design
    - IHA sponsorship for Rural Hospital Conference
- Rural Development Loan
    - Press Release announcing new terms
    - Mailing to municipalities

V. Legislative

Senate Bill 1625 which would increase IFA's bond authority to $29 billion passed the Senate. The Bill was amended in the House by the Speaker to sunset the moral obligation provisions of the various regional authorities, while increasing their bonding authorization. As amended, the Bill retained the $5 billion in added IFA bond authorization and the IFA's moral obligation provisions. Due to differences of opinion between the House and the Senate over the moral obligation issue, the Bill was held in the House. Senate and House leadership have indicated that they will work on the matter over the summer with the intent of passing the Bill during the veto session in November.

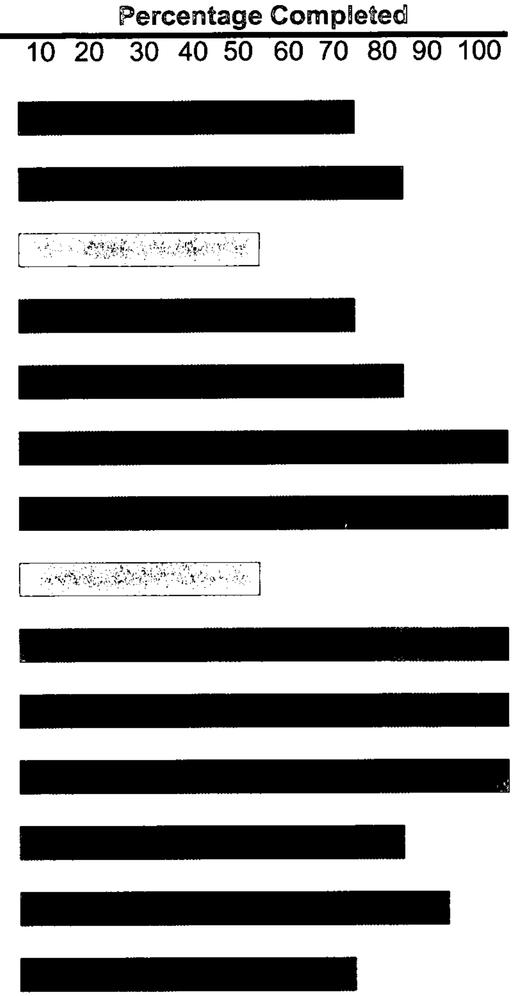
VI. Audit

The interim audit work began as schedule on May 16th. The McGladrey team is currently on site working on the FY05 audit. The majority of the audit thus far has been focused on internal controls, compliance and some accounting. The majority of the financial audit will take place later in the year. The audit has been running smoothly and on schedule with little interruption to the IFA operations.

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

Total Number of 14

Item Number	Description	Status Action Items/ Action Items Completed
04-01	Lack of Comprehensive Accounting System and Procedures	11/17
04-02	Inadequate Segregation of Duties	3/4
04-03	Failure to Monitor Bond Compliance	4/8
04-04	Inadequate Internal Control Review of Bond trustees	4/6
04-05	Non Compliance with Illinois Procurement Code and SAMS	2/3
04-06	Inadequate Invoice processing	**Complete**
04-07	Non-Submission of Credit Enhancement Development Report	**Complete**
04-08	Inadequate Maintenace of Personnel Files (We are anticipating that this finding will be substantially completed by 6/30/05)	**50% of files completed**
04-09	Inadequate Cash reciepts processing	**Complete**
04-10	InAccurate Completionof Agency Fee Imposition	**Complete**
04-11	Lack of Adequate Time reporting Documentation	**Complete**
04-12	Untimely Review of Monthly Reconciliations	**80% reviewed**
04-13	Unreported Assignments of State Vehicles	**Closing Entries**
04-14	Incomplete accounting for Capital Assets	**Year-end inventory**



Notes:

50% = Partially Completed	2
70% = Substantially Completed	7
100% = Completed	5

Detail Fee Income

Resurrection Health Care	241,000
Ockerlund Industries	27,720.–
Villa brook	92,400
Harris Theater for Music	70,000

– Bill Morris?
– Compliance officer?

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

	Actual May 2005	Budget May 2005	Current Month Variance Actual vs.Budget	Current % Variance	Actual YTD FY 2005	Budget YTD FY 2005	Year to Date Variance Actual vs. Budget	YTD % Variance	Explanations
REVENUE									
INTEREST ON LOANS	31,982	35,000	(3,018)	(8.6%)	313,878	373,000	(59,122)	(15.9%)	
INVESTMENT INTEREST & GAIN(LOSS)	74,925	70,000	4,925	7.0%	715,897	746,000	(30,103)	(4.0%)	
ADMINISTRATIONS & APPLICATION FEES	733,995	440,000	293,995	66.8%	4,650,798	3,660,000	990,798	27.1%	
ANNUAL ISSUANCE & LOAN FEES	176,793	140,000	36,793	26.3%	1,536,372	1,540,000	(3,628)	(0.2%)	
OTHER INCOME	0	0	0	0.0%	9,106	0	9,106	0.0%	
TOTAL REVENUE	1,017,695	685,000	332,695	48.6%	7,226,050	6,319,000	907,050	14.4%	
EXPENSES									
EMPLOYEE RELATED EXPENSES									
COMPENSATION & TAXES	265,678	274,222	(8,544)	(3.1%)	2,496,838	2,758,154	(261,316)	(9.5%)	Severance Pay ? Nick 22k
BENEFITS	19,951	17,000	2,951	17.4%	196,992	193,233	3,759	1.9%	
TEMPORARY HELP	6,190	7,000	(810)	(11.6%)	41,746	95,000	(53,254)	(56.1%)	
EDUCATION & DEVELOPMENT	137	0	137	0.0%	2,881	0	2,881	0.0%	
TRAVEL & AUTO	9,604	4,500	5,104	113.4%	107,455	49,500	57,955	117.1%	
TOTAL EMPLOYEE RELATED EXPENSES	301,560	302,722	(1,162)	(0.4%)	2,845,911	3,095,887	(249,976)	(8.1%)	
PROFESSIONAL SERVICES									
CONSULTING, LEGAL & ADMIN	5,858	38,000	(32,142)	(84.6%)	301,829	383,000	(81,171)	(21.2%)	
LOAN EXPENSE & BANK FEE	1,365	1,500	(135)	(9.0%)	27,638	16,500	11,138	67.5%	
ACCOUNTING & AUDITING	40,406	0	40,406	0.0%	304,320	190,000	114,320	60.2%	Audit Accrual
MARKETING GENERAL	7,283	10,000	(2,717)	(27.2%)	139,464	110,000	29,464	26.8%	
FINANCIAL ADVISORY	8,300	12,000	(3,700)	(30.8%)	88,525	132,000	(43,475)	(32.9%)	
VENTURE CAPITAL CONFERENCE/TRAINING	950	0	950	0.0%	6,312	0	6,312	0.0%	
MISCELLANEOUS PROFESSIONAL SERVICES	0	1,500	(1,500)	(100.0%)	80,988	16,500	64,488	390.8%	
DATA PROCESSING	7,282	400	6,882	1720.6%	41,237	4,400	36,837	837.2%	Network Consulting Fee
TOTAL PROFESSIONAL SERVICES	71,445	63,400	8,045	12.7%	990,313	852,400	137,913	16.2%	
OCCUPANCY COSTS									
OFFICE RENT	15,484	16,900	(1,416)	(8.4%)	225,119	270,200	(45,081)	(16.7%)	
EQUIPMENT RENTAL AND PURCHASES	1,909	3,000	(1,091)	(36.4%)	29,891	33,000	(3,109)	(9.4%)	
TELECOMMUNICATIONS	4,289	1,850	2,439	131.8%	44,077	20,350	23,727	116.6%	
UTILITIES	580	1,400	(820)	(58.6%)	9,821	15,400	(5,579)	(36.2%)	
DEPRECIATION	1,621	300	1,321	440.3%	16,628	3,300	13,328	403.9%	
INSURANCE	1,222	2,000	(778)	(38.9%)	12,482	22,000	(9,518)	(43.3%)	
TOTAL OCCUPANCY COSTS	25,105	25,450	(345)	(1.4%)	338,018	364,250	(26,232)	(7.2%)	
GENERAL & ADMINISTRATION									
OFFICE SUPPLIES	7,334	3,800	3,534	93.0%	93,399	41,800	51,599	123.4%	
BOARD MEETING - EXPENSES	1,563	0	1,563	0.0%	12,193	0	12,193	0.0%	
PRINTING	0	300	(300)	(100.0%)	6,663	3,300	3,363	101.9%	
POSTAGE & FREIGHT	2,593	3,000	(407)	(13.6%)	30,391	33,000	(2,609)	(7.9%)	
MEMBERSHIP, DUES & CONTRIBUTIONS	320	2,400	(2,080)	(86.7%)	17,592	26,400	(8,808)	(33.4%)	
PUBLICATIONS	417	300	117	38.9%	2,550	3,300	(750)	(22.7%)	
OFFICERS & DIRECTORS INSURANCE	12,675	14,000	(1,325)	(9.5%)	108,226	137,900	(29,674)	(21.5%)	
MISCELLANEOUS	0	500	(500)	(100.0%)	3,427	5,500	(2,073)	(37.7%)	IDFA
TOTAL GENERAL & ADMINISTRATION EXPENSES	24,902	24,300	602	2.5%	274,442	251,200	23,242	9.3%	
LOAN LOST PROVISION	0	0	0	0.0%	(117,274)	0	(117,274)	0.0%	NTJ Bond ISS
OTHER									
INTEREST EXPENSE	781	850	(69)	(8.1%)	8,323	9,350	(1,027)	(11.0%)	
TAX & PENALTIES	174,921	0	174,921	0.0%	174,921	0	174,921	0.0%	IRS Settlement tax and penalties
TOTAL OTHER	175,702	850	174,852	20570.8%	183,244	9,350	173,894	1859.8%	
TOTAL EXPENSES	598,713	416,722	181,991	43.7%	4,514,655	4,573,087	(58,432)	(1.3%)	
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	418,982	268,278	150,704	56.2%	2,711,396	1,745,913	965,483	55.3%	
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	14,903	0	14,903	0.0%	(295,641)	0	(295,641)	0.0%	Recovery of Cost
NET INCOME/(LOSS)	433,885	268,278	165,607	61.7%	2,415,755	1,745,913	669,842	38.4%	

Follow-up w/ Al's [illegible]
other firms involved.

Illinois Finance Authority
Balance Sheet
For the Eleven Months Ending May 31, 2005

	April 2005	May 2005
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 27,461,853	$ 26,825,709
RECEIVABLES, NET	12,232,300	13,263,638
OTHER RECEIVABLES	1,174,718	1,174,419
PREPAID EXPENSES	108,184	92,849
TOTAL CURRENT ASSETS	40,977,055	41,356,615
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	64,573	68,872
DEFERRED ISSUANCE COSTS	1,071,597	1,071,597
OTHER ASSETS - RESTRICTED		
CASH, INVESTMENTS & RESERVES	7,434,395	7,441,408
VENTURE CAPITAL INVESTMENTS	5,560,133	5,558,468
OTHER	4,000,000	4,000,000
TOTAL OTHER ASSETS	16,994,528	16,999,876
TOTAL ASSETS	$ 59,107,754	$ 59,496,961
LIABILITIES		
CURRENT LIABILITIES	$ 878,750	$ 834,072
LONG-TERM LIABILITIES	2,221,676	2,221,676
TOTAL LIABILITIES	3,100,426	3,055,748
EQUITY		
CONTRIBUTED CAPITAL	23,828,249	23,828,249
RETAINED EARNINGS	11,242,481	11,242,481
NET INCOME / (LOSS)	1,981,870	2,415,755
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,268,199
UNRESERVED FUND BALANCE	12,686,528	12,686,528
TOTAL EQUITY	56,007,328	56,441,213
TOTAL LIABILITIES & EQUITY	$ 59,107,754	$ 59,496,961

Illinois Finance Authority
Balance Sheet
for Eleven Months Ending May 31, 2005
ASSETS DETAIL

	April 2005	May 2005
CASH & INVESTMENTS, UNRESTRICTED:		
GENERAL OPERATING - IFA - CASH & INVESTMENTS, UNRESTRICTED	15,791,052	15,150,595
INDUSTRIAL REVENUE BOND INSURANCE FUND - CASH & INVESTMENTS, UNRESTRICTEI	11,252,371	11,255,798
IRBB SPECIAL RESERVE FUND - CASH & INVESTMENTS, UNRESTRICTED	5,669	5,669
IRBB TRUST FUND - CASH & INVESTMENTS, UNRESTRICTED	412,762	413,648
Total CASH & INVESTMENTS, UNRESTRICTED	27,461,853	26,825,709

	April 2005	May 2005
CASH & INVESTMENTS, UNRESTRICTED:		
LASALLE NATIONAL BANK - OPERATING	112,362	132,543
Illinois Funds - Chicago General Operating	9,024,856	8,302,675
Il. Funds - Springfield Operating	333,971	372,066
PETTY CASH -	100	100
PETTY CASH - CARBONDALE OFFICE	100	100
PETTY CASH - SPRINGFIELD OFFICE	200	200
MONEY MARKET ACCOUNT	(37)	(37)
MONEY MARKET- MS	64,618	64,751
BANTERRA BANK	208,967	215,661
BANTERRA BANK - CARBONDALE	43,135	43,135
IPTIP	1,146,138	1,146,138
IPTIP	1,593,359	1,593,359
IPTIP	823,794	823,794
INVESTMENT - FARM	2,398,149	2,398,149
CERTIFICATE OF DEPOSIT - LASALLE BANK	85,000	85,000
Unrealized Gain/Loss on Investment	(38,998)	(22,430)
Discount on FNA	(3,814)	(3,778)
Premium on FHLB	390	383
Discount on FNM	(1,239)	(1,215)
Total CASH & INVESTMENTS, UNRESTRICTED	15,791,052	15,150,595

	April 2005	May 2005
RECEIVABLES, NET		
GENERAL OPERATING - LOANS RECEIVABLE OUTSTANDING, NET	9,147,300	10,178,638
CREDIT ENCHANCEMENT DEVELOPMENT - RECEIVABLES	600,000	600,000
IRBB SPECIAL RESERVE FUND - RECEIVABLE, NET	2,485,000	2,485,000
TOTAL RECEIVABLES, NET	12,232,300	13,263,638

Illinois Finance Authority
Balance Sheet
for Eleven Months Ending May 31, 2005
ASSETS DETAIL

	April 2005	May 2005
OTHER RECEIVABLES		
GENERAL OPERATING - IFA - OTHER RECEIVABLES	1,170,420	1,170,850
INDUSTRIAL REVENUE BOND INSURANCE FUND - OTHER	3,427	3,569
IRBB SPECIAL RESERVE FUND - OTHER RECEIVABLES	21	-
IRBB TRUST FUND - OTHER RECEIVABLES	850	-
TOTAL OTHER RECEIVABLES	1,174,718	1,174,419

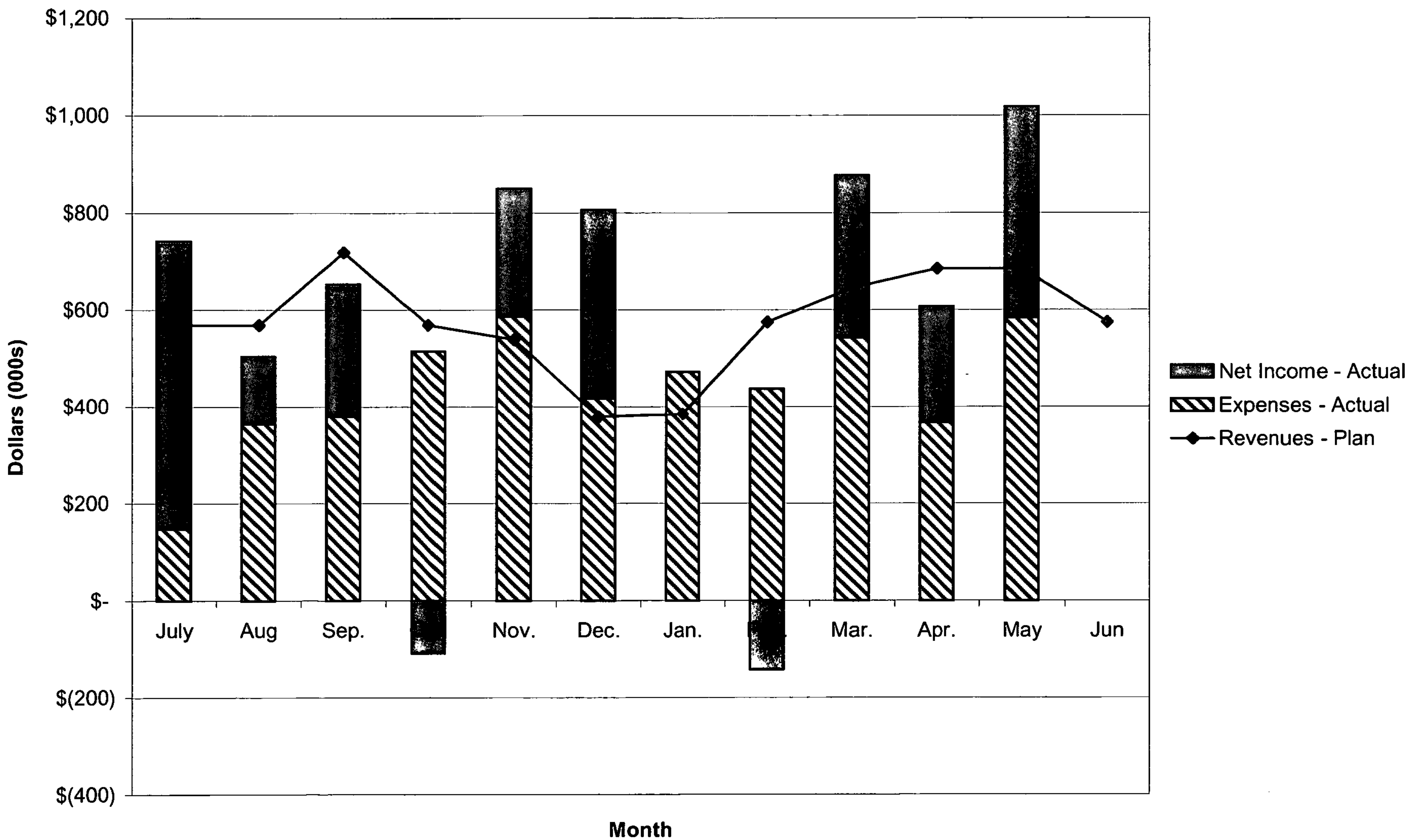
	April 2005	May 2005
PREPAID EXPENSES		
GENERAL OPERATING - IFA - PREPAID EXPENSES	108,184	92,849
TOTAL PREPAID EXPENSES	108,184	92,849

	April 2005	May 2005
OTHER ASSETS - RESTRICTED		
CASH, INVESTMENTS & RESERVES		
GENERAL OPERATING - IFA- CASH INVESTMENTS	6,023,089	6,035,552
CREDIT ENHANCEMENT DEVELOPMENT FUND - CASH, INVESTMENTS & RESERVES	1,406,769	1,401,319
IRBB SPECIAL RESERVE FUND - CASH, INVESTMENTS & RESERVES	4,538	4,538
	7,434,395	7,441,408

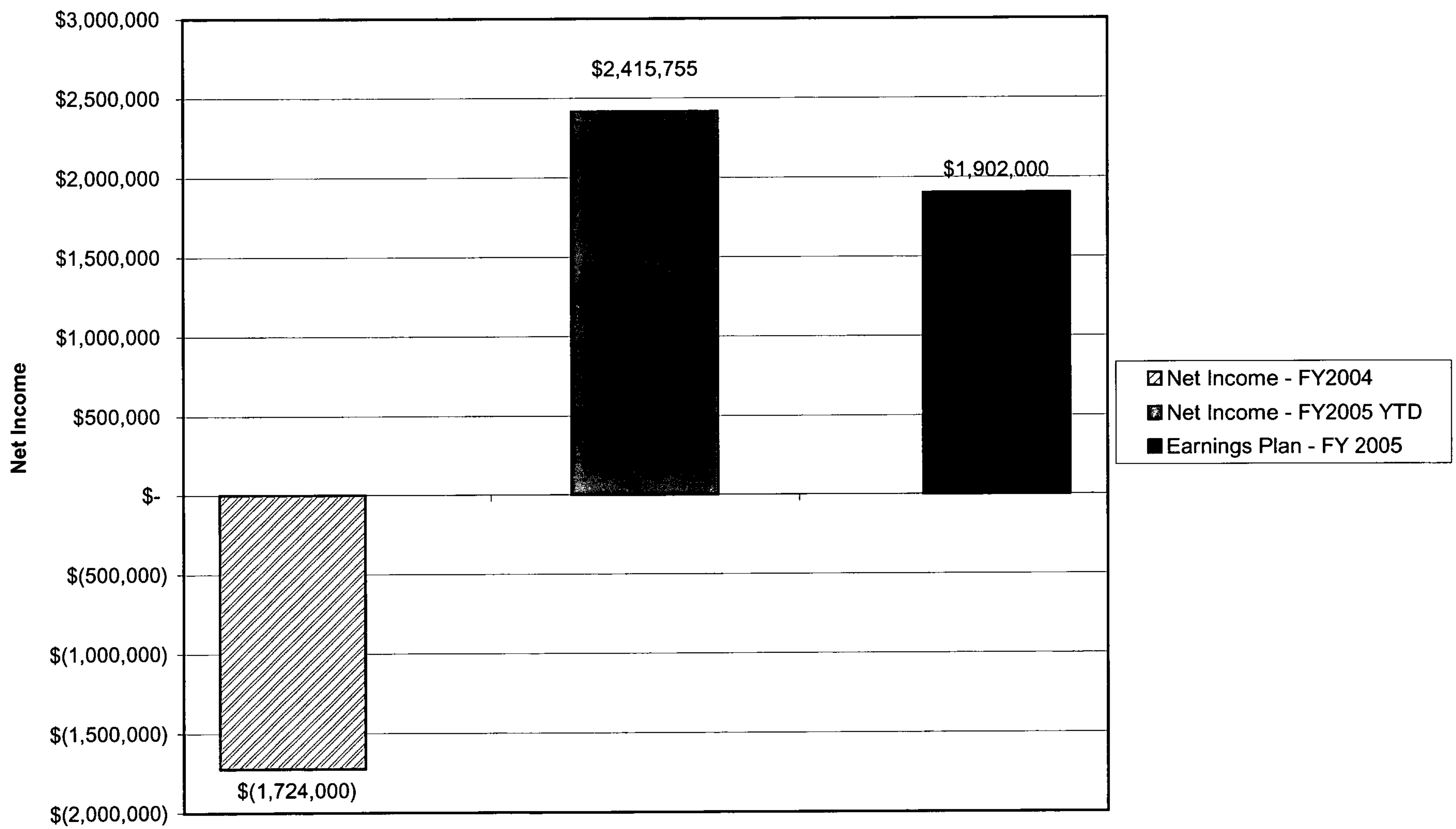
IFA Aging Report - DL-PL-PL/MPF - May 31, 2005

Client#	Client Name	Date of Closing	P.A	Payment 5/31/2005	Original Loan Amt	1-30 days	31-60 days	61-90 days	Past Due 91-180 days	181-days - 1 Year	over 1 year	Loan Balance 5/31/2005
PARTICIPATION LOANS												
9580-pl	Act Bending & Steel Company, Inc.	4/3/2001		Past Due	300,000.00						143,236	143,236
9879-pl	Alexis Fire Equipment	3/4/2004	Senica	Yes	247,610.78							181,165
	American Allied Freight Car Co. Inc.	3/23/2005	Senica	No	246,766.18	1,990						244,775
9830-PL	Arnold, Michael & Sandy	7/15/2003	Senica	Yes	147,406.77							137,821
9677-PL	Berry, Todd (Precision Laser)	11/5/2001	Senica	Yes	188,613.10							152,678
2110-PL	Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes	300,000.00							229,841
9757-PL	Brahler, Richard W.	4/30/2002	Senica	Yes	297,591.78							272,826
	Bramm, Karen	3/22/2005	Reed	Annual Pymnt	847,738.68							847,739
1943-PL	Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000.00							180,282
1881-PL	Caywood's Youth Center, Inc.	6/16/1998	Pigg	No	237,500.00	920						185,208
9792-PL	Chapman, Marc (Quality Water Services, I	10/25/2002	Senica	No	227,386.96	1,800						159,509
9817-PL	Centurion Investments	11/4/2003	Pigg	Yes	300,000.00							287,322
1940-PL	Commercial Transport	4/28/1998	Pigg	Yes	280,000.00	1,556						149,280
9588-PL	Cushing, Steve & Ed	5/21/2001	Pigg	Yes	149,237.50							97,981
	Deli Star Corporation	1/10/2005	Pigg	Yes	150,000.00							142,718
9835-PL	Eagle Theater Corporation	9/8/2003	Trout/Albright	Yes	295,070.51							272,554
	Excel Crusher Technologies	4/19/2005	Senica	New	1,000,000.00							986,592
9793-PL	Excel Foundry	3/27/2003	Senica	Yes	237,112.35							191,603
	Excel Foundry	5/24/2005	Senica	New Loan	762,561.63							762,562
1904-PL	Hagel & Leong (2nd loan)	2/8/2002	Senica	Yes	100,817.48							37,044
1844-PL	Hawkeye Food Machinery, Inc.	1/17/1997	Senica	Yes	250,000.00							186,273
9286-PL	Illinois Valley Plastics, Inc.	5/9/2001	Senica	Yes	216,928.69							30,446
9726-PL	Kevin Krosse	2/15/2002	Senica	No	114,084.45	990	990					95,320
9783-PL	Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000.00							73,165
1907-PL	Lincoln Tool Company	6/12/1997	Senica	Yes	150,000.00						107,518	107,518
1927-PL	Moerchen, William J.	6/12/1997	Pigg	Yes	300,000.00							89,150
	Newline Harwoods, Inc	11/4/2004	Senica	Yes	294,600.74							276,553
	Octochem	12/31/2003	Pigg	Yes	281,538.00							268,654
9781-PL	S & B Investments	2/18/2003	Pigg/Trout	Yes	197,889.23							176,471
9699-PL	Shults Machine	11/26/2002	Pigg	No	234,693.00	2,323						184,379
9579-PL	Siebenberger, Douglas & Robt. Ewen	5/17/2002	Pigg	Yes	235,698.79							210,181
9225-PL	Siracusa, Charles & Sharon	3/23/2000	Frampton	Yes	300,000.00							256,783
1869-PL	**Specialty Machine & Tool, Inc.**	**4/2/1997**	**Cochran**	**Past due**	**87,172.87**						71,943	71,943
	Spaulding Composites, Inc	3/23/2005	Curtis-Martin	Yes	622,508.14							618,582
	Roesch, Inc	9/23/2004	Pigg	Yes	294,368.11							279,450
9671-PL	Upchurch Oil & Ready Mix Concrete	5/4/2001	Pigg	Yes	300,000.00	2,700						203,055
	Uresil	12/1/2004	Curtis-Martin	Yes	300,000.00							286,619
9631-PL	The Weisiger Family Trust	4/6/2001	Senica	Yes	250,000.00							223,889
2164-PL	Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484.09							146,145
9782-PL	Wilson, Michael L. Sr.	12/6/2002	Senica	Past due	296,031.82					284,229		284,229
	WorkSaver Inc	12/31/2003	Pigg	Yes	112,500.00							83,800
9672-PL	Young, Clinton (Precision Pattern)	8/1/2001	Senica	Yes	149,600.71							139,760
PL-Motion Picture Financing												
9733-PL/MPF	**Big Picture Chicago,LLC**	2/20/2002			82,500.00						16,432	16,432
	TOTAL				$ 12,404,548.52	12,279	990	-	-	284,229	339,128	9,971,731
PL/MPF Late amounts are estimates.												
DL Loans												
98	Roe Machine Co.	12/31/1980	Cochran	Yes	45,000.00							4,940
1470	T.K.G. Inc.	8/26/1994	Cochran	Past due	179,000.00						107,808	107,808
	TOTAL				$ 224,000.00	-	-	-	-	-	107,808	112,747
FMHA Loans												
9627	Grayson Hill Energy, LLC	1/31/2001	Pigg	Yes	130,000.00							82,281
1952	Sublette Developers, Inc.	1/15/1998	Albright	Yes	150,000.00							110,873
9643	Ultra Play Systems, Inc.	5/3/2001	Pigg	Yes	90,000.00	1,314						45,415
1789	Walters Trucking	6/25/1996	Senica	No	100,000.00					21,209		21,209
	TOTAL				$570,000.00	1,314	-	-	-	21,209	-	259,778
	GRAND TOTAL					13,593	990	-	-	305,438	446,936	10,344,256

IFA Monthly Revenues vs. Plan, FY 2005



IFA Net Income



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

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held its regularly scheduled meeting at 11:30 a.m., on May 10, 2005 in the Plaza Club at 130 E. Randolph, 40th Floor, in Chicago, Illinois.

MEMBERS PRESENT:
Natalia Delgado (*arrived 11:40*)
James Fuentes
Demetris Giannoulias
Michael Goetz
David Gustman
Dr. Roger Herrin
Martin Nesbitt
Andrew Rice
Joseph Valenti
Bradley Zeller

MEMBERS ABSENT:
Edward Leonard
Terrence O'Brien
Timothy Ozark

GENERAL BUSINESS ITEMS

Call to Order

Chairman Gustman called the meeting to order at approximately 11:32, with the above members present.

Roll Call

Chairman Gustman asked Secretary Pisarcik to call the roll. There being nine Members present, a quorum was declared.

Chairman's Report

The Chairman welcomed the members of the public to the meeting and then gave an overview of the financial performance of the Authority thru April 30, 2005.

Natalia Delgado arrives and is added to the roll.

Director's Report

Director Rendleman gave an overview of the projects presented to the Members this month, noting there are $303M in requests.

Acceptance of March 2005 Financial Statements

Chairman Gustman asked the Members if there were any questions/comments regarding the financial statements. There being none, the Financials were accepted.

Acceptance of March 2005 Minutes

Upon a motion by Mr. Valenti and seconded by Mr. Rice, Chairman Gustman requested a roll call vote. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-02).

Resolution 2005-08 – Resolution Authorizing Certain Amendments to the Illinois Finance Authority's Farmers Home Administration – Rural Development Program

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-03).

Resolution 2005-09 – Resolution Appointing a Treasurer of the Illinois Finance Authority

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-03).

Agriculture
Preliminary Bonds

Item-03 ***A-FB-TE-CD-568: Robert & Brandi Peterson***
A-FB-TE-CD-569: Kurt Uphoff
A-FB-TE-CD-570: Craig & Maura Miller
A-FB-TE-CD-572: Charlie Ford
A-FB-TE-CD-585: Cole Ervin

Robert & Brandi Peterson of **Hudson** request initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$45,000**.

Kurt Uphoff of **Minonk** requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$125,000**.

Craig & Maura Miller of **Monmouth** request initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$175,000**.

Charlie Ford of **Lomax** requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$160,000**.

Cole Erwin of **Toledo** requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **$90,000**.

The Chairman requested leave to apply the last unanimous vote to each Beginning Farmer Bond request. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-03).

Final Bonds

Item-04 ***A-FB-TE-CD-544: Buddy Joe Honegger***
A-FB-TE-CD-545: Kyle J. Vitzthum
A-FB-TE-CD-548: Adam Curry & Teresa N. Curry
A-FB-TE-CD-553: Ronald B. & Christine L. Rooth

Buddy Joe Honegger of **Forrest** requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **$184,000**.

Kyle J. Vitzhum of **Pontiac** requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **$45,525**.

Adam & Teresa N. Curry of **Alpha** request final approval of a Beginning Farmer Bond in an amount not-to-exceed **$187,500**.

Ronald B. & Christine L. Rooth of **Joy** request final approval of a Beginning Farmer Bond in an amount not-to-exceed **$154,000**.

The Chairman requested leave to apply the last unanimous vote to each Beginning Farmer Bond request. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-04).

Item-05 ***A-FB-TE-CD-541: Stephen A. Niebrugge & Judy K. Niebrugge***
A-FB-TE-CD-542: David Carson
A-FB-TE-CD-543: Larry R. Markewitz
A-FB-TE-CD-564: Blake M. Furness

Stephen A. & Judy K. Niebrugge of **Altamont** request final approval of a Beginning Farmer Bond in an amount not-to-exceed **$100,000**.

David Carson of **Oakdale** requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **$100,000**.

Larry R. Markewitz of **Brocton** requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **$179,522**.

Blake Furness of **Witt** requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **$180,200**.

The Chairman requested leave to apply the last unanimous vote to each Beginning Farmer Bond request. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-05).

Loan Guarantees

Item-06 ***A-DR-TX-583: Albert & Karol Brown***

Albert and Karol Brown, of **Winchester**, seek final approval of a not-to-exceed **$235,505** Agri-Debt Guarantee, to restructure existing debt on 213 acres of farmland and certain rented acreage, subject to Borrower satisfying all conditions of the bank loan and securing a new appraisal demonstrating a satisfactory loan to fair market value ratio.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-06).

Item-07 ***A-SG-TX-584: Borgic Farms, Inc.***

Borgic Farms, Inc., of **Nokomis**, seek final approval of a Specialized Livestock Guarantee in an amount not-to-exceed **$1 million** to finance the construction of a new swine gestation barn and refinance an existing loan, subject to the Borrower satisfying all conditions of the bank loan and the assignment of $500,000 in life insurance.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-07).

Business & Industry
Participation Loans

Item-08 ***B-LL-TX-573: Custom Wood Products, Inc.***

Custom Wood Projects, Inc. of **Eureka** seeks final approval of an IFA Participation Loan in an amount not to exceed **$175,000** to provide financing to acquire land, an industrial building and equipment, subject to the Borrower satisfying all conditions of the bank loan. This project is expected to create **4 new jobs** and **5 construction jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-08).

Item-09 **<u>*B-LL-TX-570: LDJ Development, LLC*</u>**

LDJ Development, LLC, of **Carol Stream**, seeks final approval of an IFA Participation Loan in an amount not to exceed **$1 million** to fund the construction of a new industrial building, subject to the Borrower satisfying all conditions of the bank loan, delivering an "as complete appraisal" showing a loan to value ratio of no more than 80%, completing a Phase I environmental study and applying at least $1 million in proceeds from the sale of the Borrower's existing building as equity and pay down of the construction loan. This project is expected to create **7 new jobs** and **20 construction jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-09).

Initial Bonds

Item 10 **<u>*P-SW-TE-CD-580: Beecher Sexton Energy, LLC*</u>**

Beecher Sexton Energy, of **unincorporated Will County,** requests initial approval in an amount not-to-exceed **$3.5 million** in the form of conduit, tax-exempt Solid Waste Disposal Revenue Bonds to finance generation and transmission equipment at its Beecher Development Company Landfill. In connection with this issuance, the Borrower also requests not-to-exceed **$3.5 million** in available **IFA Carryforward Volume Cap**. This project is expected to create **4 new jobs** and **25 construction jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-10).

Final Bonds

Item-11 **<u>*I-ID-TE-CD-558: Ockerlund Industries, Inc. and Ocklerlund LLC*</u>**

Ockerlund Industries, of **Addison**, requests final bond approval in an amount not-to-exceed **$4 million** of conduit, tax-exempt Industrial Development Bonds. Proceeds will be used to acquire a new site and to acquire, renovate and equip an industrial building to manufacture corrugated and wood boxes. In connection with this issuance, the Borrower also requests not-to-exceed **$4 million** in available **2005 IFA Volume Cap**. This project is expected to create **10 new jobs** and **15 construction jobs.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-11).

Item-12 ***I-ID-TE-CD-581: Plano Molding Company***

Plano Molding Company, of Plano, is requesting final bond approval for an amount not to exceed **$10.5 million** of conduit, tax-exempt Industrial Development Bond. Proceeds will be used to refinance outstanding IDFA bonds, series 1990 and 1992.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-12).

Venture Capital

Item-13 ***V-TD-587: Clearstack Combustion Corporation***

Clearstack Combustion, located **Springfield**, is seeking a not-to-exceed amount of **$150,000** in second round venture capital financing from the Illinois Venture Investment Fund. This project is expected to create **8 new jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-13).

Item-14 ***V-TD-588: Jaros Technologies***

Jaros Technologies, located in **Granite City**, is seeking a not-to-exceed amount of **$250,000** in venture capital financing from the Illinois Venture Investment Fund. This would be the Authority's first investment in this company. This project is expected to create **7 new jobs.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-14).

Healthcare
Preliminary Bonds

Item-15 **CP-TE-CD-579: Aunt Martha's Youth Service Center**

Aunt Martha's Youth Service Center, with **locations throughout northern Illinois**, requests preliminary bond approval in an amount not-to-exceed **$5.6 million** of conduit, tax-exempt 501(c)(3) bonds. Proceeds will be used to refinance IHFA Series 1996 bonds and fund $2 million in new money projects.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-15).

Item-16 **H-HO-TE-CD-586: Advocate Health Care**

Advocate Health Care, with **multiple locations throughout Illinois**, requests preliminary bond approval in an amount not-to-exceed **$250 million** in conduit, tax-exempt 501(c)(3) bonds. Proceeds will be used to refinance IHFA Series 1997A and 2000 bonds and fund a debt service reserve fund.

Upon a motion by Mr. Rice and seconded by Mr. Goetz, Chairman Gustman requested a roll call vote. Prior to the vote, Mr. Fuentes informed the public that he would be abstaining from the vote because he has a family member that is on the Board of Lutheran General Hospital, one of the hospitals in the Health Care System. The projects were approved with 9 ayes, 0 nays, and 1 abstentions/present (05-05-16).

Item-17 ***Withdrawn***

Community & Culture
Preliminary Bonds

Item-18 **LG-GR-TE-CD-592: Illinois Medical District Commission (Chicago Technology Park Acquisition & Expansion Program)**

Illinois Medical District Commission, of Chicago, seeks preliminary bond approval in an amount not to exceed **$40 million** of conduit, tax-exempt Local Government Bonds. Bond proceeds will be used to purchase land, construct and renovate facilities and purchase equipment. This project is expected to create **575 new jobs** and **350 construction jobs**.

Upon a motion by Mr. Zeller and seconded by Mr. Rice, Chairman Gustman requested a roll call vote. The motion was approved with 10 ayes, 0 nays and 0 abstentions/present (05-05-18).

Participation Loans

Item-19 <u>***B-LL-TX-575: Community Memorial Hospital Association***</u>

Community Memorial Hospital Association, located in **Staunton,** seeks final approval of an IFA Participation Loan in an amount not to exceed **$450,000** to provide financing to construct a for profit medical office building, subject to the Borrower satisfying all conditions of the bank loan. This project is expected to create **3 new jobs** and **75 construction jobs**.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The project was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-19).

Final Bonds

Item-20 <u>***L-GP-TE-MO-578: Village of Warren***</u>

The Village of Warren requests final bond approval in an amount not-to-exceed **$1.62 million** of conduit, tax-exempt Local Government Bonds, subject to an intercept pledge and 1.25 debt service coverage. Proceeds will be used to upgrade the Village's existing wastewater treatment plan and processes.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The project was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-20).

Item-21 <u>***L-GO-TE-577: City of Metropolis***</u>

The City of Metropolis requests final bond approval in an amount not-to-exceed **$13 million** of conduit, tax-exempt Local Government Bonds, subject to an intercept pledge and 1.25 debt service coverage. Proceeds with be used to provide infrastructure improvements. This project is expected to create**130 new jobs** and **300 construction jobs**.

The Chairman requested leave of the Members to apply the last unanimous vote. Dr. Herrin indicated that a bank he owned had done business with the prior owners of the Harrah's Casino, but he wanted to state for the record that neither he nor any entity he currently owns does business with the Harrah's Casino. Leave was granted. The project was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-05-21).

Item-22 ***Withdrawn***

Resolutions

Item-23   *Withdrawn*

The Chairman asked if there was any other business to come before the Committee or if any member of the pubic wished to address the Committee. There being no further business, Chairman Gustman adjourned the meeting at approximately 12:12 P.M.

Respectfully Submitted,

Michael R. Pisarcik, Secretary

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **John C. Newcomer and John H. Newcomer**

STATISTICS

Project Number:	A-SG-TX-GT-572	Amount:	$950,000
Type:	Specialized Livestock Guarantee	IFA Staff:	Eric Reed
Location:	Lanark, IL	Tax ID:	337-68-6955
SIC Code:	0213-Swine Production	Est. fee:	$7,125

BOARD ACTION

Approval to initiate an 85% Loan Guarantee to Metro Bank in Mount Carroll, Illinois
$807,500 of State Treasurer's Agricultural Reserve funds at risk.
Staff recommends approval, subject to:

- Satisfying all conditions of the bank loan
- Assignment of $500,000 (minimum)in life insurance on John C. Newcomer

PURPOSE

Finance the construction of a two new 2,400 head wean to finish hog facilities. The addition of this facility will increase their total farm production, overall cash flow, and net income. With the approval of the guarantee provided by IFA, the borrowers will realize a .75% interest rate savings on the loan.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA-Guarantee	$ 807,500	Uses:	Construct Hog facility	$870,000
	Metro Bank	$142,500		Other Expenses	$65,000
				Permits/Misc.	$15,000
	Total	**$950,000**		Total	**$950,000**

JOBS

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

BUSINESS SUMMARY

Background: John C. and John H. Newcomer operate a 2,400 acre grain farming operation located in Carroll and Ogle County, IL. John C. Newcomer, the son of John H. Newcomer, is the primary operator of the farming operation. John C. Newcomer is age 26 and unmarried, while John H. Newcomer is 57 years old. John H. Newcomer is employed full time as a truck driver for Schneider Transport. He provides labor and guidance as needed for the farming operation.

Their family farming operation is a third generation grain farm, which has grown from 1,400 acres to 2,400 acres in the past five years through the addition of rented acres. The advantage the

Newcomer family has over other family farms their size, is their large land base, which they own. Of the 2,400 acres they farm, John H. Newcomer owns 256 acres, Margaret Newcomer, John's mother, owns 955 acres, and John C. Newcomer owns 20 acres. In addition to these tracts of land, Margaret, John H. and his sister Jean own 485 acres, which is titled under MJJ Newcomer Limited family partnership. All of this land is farmed by John C. Newcomer and located in the same area, which will provide ample area for manure disposal for the proposed expansion. All of the manure application will be performed by a custom applicator. The balance of the 2,400 acre operation is cash rented.

John C. Newcomer has previous experience in feeding pigs for sale as market hogs. He originally started feeding hogs when he was 15 years old on his grandfather's farm. Last year, he renovated 2 existing hog facilities located on his grandmother's farm and began feeding hogs on a contract basis for a local farmer. This enterprise has been successful and mutually beneficial for both parties. For John, it provides another income source for his operation in return for a manageable commitment of his labor.

After realizing success in his small hog operation, John C. Newcomer has researched the possibility of constructing two 2,400 head finishing buildings. The proposed construction will provided facilities for 15 day old pigs to be finished to 275 lbs market weight. The pigs will be owned by and contracted with Brian Duncan and Keith Poole from Polo, IL. Mr. Duncan and Mr. Poole have extensive experience in the hog business and currently contract four other farming operations in the area to feed hogs. Mr. Duncan will provide 15 day old pigs to John Newcomer in sufficient numbers to fill his facilities to capacity twice a year.

Project Rationale: John C. Newcomer has proposed expanding their current hog operation, by constructing two 2,400 head wean-to-finish hog confinement buildings. Due to current land prices and cash rents, John feels he will be unable to further expand the family's grain farming operation. By adding the hog
enterprise, John will be able utilize excess labor in their farming operation. The hogs produced from these facilities will be contracted with two local farmers from Polo, IL, who routinely contract with other farmers in the area. The borrower will receive $40.25 per pig space per year, totaling $193,200 in additional annual revenues.

Transaction Description: The borrowers have requested $950,000 in new financing to fund the proposed expansion. Of the requested amount, $870,000 will be used to construct the buildings to house the pigs. The remaining $80,000 will be used for other expenses related to approving the construction and site preparation. IFA will commit to the 85% Guarantee upon successful completion of the proposed construction with all requirements being met.

The Site: The proposed construction of two 2400 head finishing units will be built on 5 acres of land, which is being deeded from Margaret Newcomer, John C. Newcomer's grandmother, to John. The facilities will be constructed of primarily of concrete and steel. Each of the building will contain an eight foot deep pit underneath the structure, which will provide for manure storage up to 12 months. As part of the site preparation expenses, an access drive and water well will be constructed for the exclusive use for the hog facilities. IFA will also have a 1st mortgage on 72.56 acres of farmland and a 2nd mortgage on 20 acres of farmland with improvements.

FINANCIAL SUMMARY

Borrower's Finances:

Financial Statements and Projections for John C. and John H. Newcomer for 2002, 2003 and 2004, borrower prepared and submitted by Metro Bank.

	1/9/2003 Year	1/13/2004 Year	12/31/2004 Year	12/31/2004 Proforma
Cash	83,249	25,156	79,932	79932
Stored Crops	87,500	93,800	497,000	497000
Prepaid Expenses	81,000	111,891	51,500	51,500
Growing Crops	1,400	12,950	14,812	14,812
Accounts Receivable	8,000	61,648	54,500	96,600
Marketable Securities	0	43,130	53,294	53,294
Other Current Assets	0	15,000	15,000	15,000
Total Current Assets	**261,149**	**363,575**	**766,038**	**808,138**
Farm Machinery/Equipment	457,500	521,100	600,892	600,892
Breeding Stock	0	0	0	0
Real Estate/Improvements	0	920,000	920,000	1,870,000
Other Non Current Assets	18,000	47,500	121,500	121,500
Total Non-Current Assets	**475,500**	**1,488,600**	**1,642,392**	**2,592,392**
Total Assets	**736,649**	**1,852,175**	**2,408,430**	**3,400,530**
Notes Payable	190,840	283,000	293,604	293,604
Accounts Payable	0	0	219,275	219,275
Current Maturities LT debt	10,143	26,837	54,959	128,667
Accrued Interest	13,937	3,050	40,968	89,935
Other Current Liabilities	0	0	0	0
Total Current Liabilities	**214,920**	**312,887**	**608,806**	**731,481**
Equipment Debt	9,357	44,053	152,053	97,857
Real Estate Debt	0	660,089	646,081	1,658,995
Personal Liabilities	0	0	0	0
Total Non-Current Liabilities	**9,357**	**704,142**	**798,134**	**1,756,852**
Total Liabilities	**224,277**	**1,017,029**	**1,406,940**	**2,488,333**
Net Worth	**512,372**	**835,146**	**1,001,490**	**912,197**
Working Capital	**46,229**	**50,688**	**157,232**	**76,657**
Current Ratio	**1.22**	**1.16**	**1.26**	**1.10**
Debt-to-asset ratio	**0.30**	**0.55**	**0.58**	**0.73**
Debt-to-worth Ratio	**0.44**	1.22	**1.40**	**2.73**
Source	**BORRPP**	**BORRPP**	**BORRPP**	**BORRPP**

Cash Basis Accounting — **John C. and John H. Newcomer, dba Newcomer Farms**

	2002	2003	2004	3 year Average	2005 Projection
Crop Sales.................	530,278	908,126	777,180	738,528	853,030
Government pymts........	54,227	105,160	187,677	115,688	52,000
Other Farm Income........	5,217	5,366	8,372	6,318	193,200
Custom Hire Income......	4,680	934	10,316	5,310	5,000
Total Farm Income.........	**594,402**	**1,019,586**	**983,545**	**865,844**	**1,103,230**
Farm Expenses					
Custom Hire................	27,776	19,854	25,552	24,394	20,000
Depreciation................	59,194	130,456	121,754	103,801	172,000
Fertilizer/Chemicals.......	141,026	204,784	150,230	165,347	145,000
Freight/Trucking...........	0	0	0	0	0
Gas, Fuel, & Oil...........	17,547	20,304	24,948	20,933	30,000
Insurance....................	16,036	19,891	23,442	19,790	28,000
Interest......................	31,704	61,558	63,676	52,313	131,283
Labor.........................	25,159	24,038	9,740	19,646	15,000
Land Rent...................	148,198	344,630	346,960	279,929	334,501
Machinery Rent............	0	0	0	0	0
Repairs/Supplies...........	55,639	67,892	127,862	83,798	30,000
Seed Expenses..............	62,358	125,348	106,340	98,015	125,000
Feed......................	0	0	0	0	0
Taxes........................	4,756	5,090	4,782	4,876	14,000
Utilities......................	7,599	7,546	8,454	7,866	18,000
Other Expenses............	7,484	8,893	9,947	8,775	30,000
Veterinary..................	0	0	0	0	0
Salaries and Wages	0	0	0	0	0
Total Expenses	**604,476**	**1,040,284**	**1,023,687**	**889,482**	**1,092,784**
Net Farm Inc. (Sch F)	**-10,074**	**-20,698**	**-40,142**	**-23,638**	**10,446**
Oper Exp/Rev Ratio	**0.86**	**0.83**	**0.85**	**0.85**	**0.72**

Repayment Margin Analysis — (Accrual Adjusted)

	2002	2003	2004	3 year Average	2005 Projection
Net Farm Operating Income	(10,074)	50,800	138,497	59,741	10,446
Add: Non-farm Income	66,574	53659	55841	58,691	50,000
Add: Depreciation Expense	59,194	130,456	121,754	103,801	172,000
Add: Annual Term Debt Interest	6,522	28,851	37,107	24,160	105,373
Less: Income Taxes	2,006	2,150	1,195	1,784	(5,100)
Less: Family Living W/D	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Balance Available for Term Debt Rpymt	**104,222**	**245,916**	**334,394**	**228,177**	**312,719**
Principal on Term Debt	10,143	26,837	54,959	30,646	128,688
Interest on Term Debt	6,522	28,851	37,107	24,160	105,373
Total Principal and Interest Pymts	**16,665**	**55,688**	**92,066**	**54,806**	**234,061**
Equals Term Debt Coverage Ratio	**6.25**	**4.42**	**3.63**	**4.16**	**1.34**
Equals Term Debt Repayment Margin	**87,557**	**190,228**	**242,328**	**173,371**	**78,658**

COVENANT	REQUIRED	ACTUAL	MEASURED	COMPLIANT
Minimum Current Ratio	1.10	1.26	Annually	New
Minimum DSC Ratio	1.25	1.34	Annually	New

FINANCIAL REPORTING:

REPORT	REQUIRED	LAST RECEIVED	COMPLIANT
Balance Sheet on Farming Entity	annually	12/31/2004	Yes
Federal Tax Returns on Farming Entity, if Corporation			
PFS on Guarantors			
Federal Tax Returns on Guarantors, if separate from Farming entity	annually	12/31/2004	Yes

COLLATERAL ANALYSIS:

Collateral Description	Value	Advance	Adj. Value	
Stored Crops		0.85	$ -	
20 Acres+Improvements	$ 265,000	0.80	$ 212,000	
Less 1st REM	$ (86,026)	1.00	$ (86,026)	
Real estate-72.56ac	$ 324,500	0.80	$ 259,600	
New Facilities-cost	$ 870,000	0.80	$ 696,000	(Appraised 5/2/05@$950K)
Total Collateral	$1,373,474		$ 1,081,574	
Total Loans Outstanding:			$ 950,000	
Adjusted LTV:			88%	
Excess Collateral:			$ 131,574	

Annual Debt Service:	**Total Princ. Balance**	**Principal**	**Interest**	**Total Payment**
Metro Bank-proposed	950,000	67,713	61750	129,463
Metro Bank-John H.	553,198	8700	33192	41,892
Metro Bank-John C.	86,026	6842	2383	9,225
Metro Bank	35,245	7634	2366	10,000
Metro Bank	69,771	13838	4447	18,284
Metro Bank	12,000	7730	720	8,450
Case Credit	44,612	14293	402	14,695
Case Credit	6,000	1918	114	2,032
Total Term Debt Payments	1,756,852	128,668	105,373	234,041
			0	
Total Debt Service			105,373	105,373

Cash Income to Accrual Income:	2002	2003	2004	3 Year Average
Schedule F Net Farm Income	(10,074)	(20,698)	(40,142)	(23,638)
Stored Crop Inventory adj.	0	6,300	403,200	136,500
Growing Crop Inventory adj.	0	11,550	1,862	4,471
Accounts Receivable Adj.	0	53,648	(7,148)	15,500
Accounts Payable adj.	0	0	(219,275)	(73,092)
Net Accrual Income	**(10,074)**	**50,800**	**138,497**	**59,741**

- Cash basis income from tax returns was converted to accrual income for 2003 and 2004 in order to provide a more accurate reflection of profitability.
- In 2004 the borrowers changed the marketing plan by storing grain until the spring. As a result stored crops and accounts payable increased dramatically. These changes in the BS are reflected in the adjustments.

Financial Summary-Brian Duncan
Contract Supplier for Weaner Pigs

	12/31/2003	**12/31/2004**
Current Assets	$2,199,110	$2,698,500
Total Assets	$4,773,021	$5,330,362
Current Liabilities	$1,765,879	$1,696,971
Total Liabilities	$3,307,660	$3,230,906
Net Worth	$1,465,361	$2,099,456
Gross Income	$2,229,121	$2,974,098
Cash Expenses	$1,709,514	$2,240,328
Depreciation	$14,095	$143,416
Net Income/Loss	$505,512	$590,354
Current Ratio	1.25	1.59
Leverage	2.26	1.54

- Financial Data on Brian Duncan was provided to Metro Bank by Farm Business Farm Management.
- Financial statements indicated strong profitability for both years submitted.
- Brian Duncan's FYE balance sheet reflects sufficient liquidity with a current ratio of 1.25 and 1.59 for 2003 and 2004, respectively. Current assets for the 2004 BS are comprised of $374K in cash, $268K in securities, $1.1M in stored crops, and $750K in market hogs. Current liabilities are comprised primarily of $962K in operating loan balance, $266K in CCC loans, and $286K in CPLTD.
- Income statements for Mr. Duncan were also provided, which are accrual adjusted. Sales for 2004 increased $745K over 2003, which was primarily due to an increase in livestock sales.

Discussion:

Financial statements for John C. and John H. Newcomer have been combined and reported as Newcomer Farms to present the capacity of both individuals to service this debt. John C and John H. are each jointly and severally liable for this debt. The majority of the short term assets and equipment are owned by John C. Newcomer, while the majority of the current real estate holdings are owned by John H. Newcomer.

The most noticeable change in the borrower's financial position is the change in current assets from 2003 to 2004. The borrower's changed their marketing plan for 2004 by securing contracts to store and sell grain in late-spring and early-summer, rather than selling rat harvest. As a result, their balance reflects a large increase in stored crops, which is partially offset by the CCC loan against the grain and listed as an account payable.

With the change in marketing strategy, Metro Bank has provided an over line for the borrowers in order to provide cash flow prior to crop delivery. Currently the borrowers have a $535K operating line, which has been renewed through March 2006. They also have an over line for $150K, which is due July 2005.

The proforma balance sheet reflects the additional value of real estate improvements from the $950K investment in the proposed facilities. The BS also reflects the associated debt with this investment. Based on these assumptions, the borrower's liquidity will decline slightly, while their leverage will double.

The borrower's tax returns also report joint income and expense information. Sales and expenses in 2003 increased dramatically over 2002 due to the expansion of their grain operation through an increase in rented real estate.

Despite the large crop yield experienced in 2004, sales for the Newcomers were reported on a cash basis for tax purposes as declining with a net operating loss of $40K. This is a result of the borrowers storing grain as mentioned above. With accrual adjustments, the borrower's actual income for 2004 is $138K, as shown above in the "Repayment Margin Analysis" section.

Debt Service Coverage has historically been very strong. While the borrowers have previously prepaid expenses at year end in order to reduce taxable income, debt service has remained strong with the addition of off-farm income, depreciation, and the accrual adjustments. The Newcomer's 3 year average DSC ratio is 4.16:1 and remains satisfactory with the additional $129K in debt service at 1.34:1.

While profitability and debt service are acceptable, the borrower's leverage position will increase dramatically with the additional debt associated with the proposed expansion. As a result the bank and IFA will require that the borrower provide an assignment of life insurance.

The collateral position for this credit is acceptable. The lender has proposed a first mortgage on 5 acres with the hog facilities, 72.5 acres, and a 2nd REM on 20 acres, which include the borrowers shop and John C. Newcomer's house. All of the real estate was appraised 5/2/05. Based on these values, the LTV is 88% on a discounted value with a $131K collateral cushion.

PROJECT SUMMARY

Loan proceeds will provide permanent financing for the construction of two 2400 head wean to finish hog facilities. IFA will provide an 85% guarantee on the loan request for the Metro Bank.

FINANCING SUMMARY

Interest:	The Bank's interest rate will be 6.5%. After 5 years, the interest rate will adjust at WSJ prime + .75%.
Security:	IFA's guarantee is secured by a 1st mortgage and assignment of rents and leases on 5 acres and the proposed hog facilities. The borrowers will also pledge a 1st real estate mortgage 72.56 acres of farmland, as well as a 2nd REM on 20 acres of farmland with improvements. IFA will request that the borrower pledge an assignment of life insurance for at least $500K. Metro Bank is still negotiating the amount of insurance.
Sources of Repayment:	Primary: Operating cash flows generated from monthly contracted sale of pigs. Secondary: Liquidation of the collateral
Maturity:	Ten years with a 10-year amortization

COLLATERAL

The subject loan is secured by a 1st mortgage and assignment of rents and leases on acreage including 5 acres and the proposed hog facilities. The borrowers will also pledge a 1st real estate mortgage 72.56 acres of farmland, as well as a 2nd REM on 20 acres of farmland. IFA will request that the borrower pledge an assignment of life insurance for at least $500K. Metro Bank is still negotiating the amount of insurance.

An appraisal on the property was recently performed on 5/2/05, which estimated the project's fair market value at $950K upon completion. This valuation, together with the additional collateral, would generate an 83% loan to adjusted value ratio. . Under this program, however, collateral is valued at cost, which provides for an 88% loan to adjusted value ratio, as detailed in "Collateral Analysis" section on page 5.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	John C. Newcomer John H. Newcomer
Location:	26589 US Hwy 52 Lanark, IL 61046, Carroll County
Organization:	Sole-Proprietorship
State:	Illinois
Ownership:	John C. Newcomer John H. Newcomer

PROFESSIONAL & FINANCIAL

Bank:	Metro Bank	Mt. Carroll, IL	Branden Alexander

LEGISLATIVE DISTRICTS

Congressional:	16th	State Senate:	36th	State House	71th

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **William Jaegel**

STATISTICS

Project Number:	A-DR-TX-606	Amount:	$450,000.00
Type:	Agri-Debt Guarantee	IFA Staff:	Bart Bittner
Location:	Tonica	Tax ID:	349-52-7749
SIC Code:	0191-Grain Farming	Est. fee:	$3375

BOARD ACTION

Approval for an 85% Agri Debt Guarantee Loan to Flanagan State Bank, Benson, IL.
$382,500 of State Treasurer's Agricultural Reserve funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan, as summarized below:.

1. Two summer farm visits to monitor cash flow and changes in 2005.
2. Insurance requirements on crops, equipment, trucks and real estate.
3. All future capital purchases to be approved by the Bank.
4. Crop insurance to be increased for 2006.
5. Require improved farm record keeping and tax preparation for 2006 and beyond to facilitate timely and accurate business and lending decisions.
6. Bank monitoring of all operating loan advances and payments.

PURPOSE

Refinance existing debt of ($219,722) with Illini Bank, ($150,000) on a COD with Applegate and other miscellaneous debt ($61,025).

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA	$ 382,500	Uses:	Refinance Loans	$ 388,975
	Flanagan State Bank	$67,500		Miscellaneous	$61,025
	Total	**$450,000.00**		Total	**$450,000.00**

JOBS

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

BUSINESS SUMMARY

Background: William Jaegle is a 48 year old grain farmer located near Tonica, IL. William farms 918 acres of conventional corn and soybeans all located in LaSalle County. He grows many acres of non-Genetically Modified crops that yield approximately $12,000 per year in premium payments.

William also has a trucking business that is projected to earn a net income of $35,000 in 2005. He has a longstanding relationship with Illini Bank, a collateral based lender that has not required updated cash flows and financial information. One of the Bank's conditions for approving this loan was William's commitment to allow 2 farm visits per year to assist in creating new financial statements to generate accurate financial data to improve management decisions. Mr. Jaegel decided to move to Flanagan State Bank despite their conditions because of a neighbor's referral. William was free to continue banking with Illini Bank but decided to make to change to ehance his financial monirtoring to ensure the future of his operation.

Flanagan State Bank has approved this loan pending IFA approval of the 85% guarantee.. In addition to this loan, Flanagan State Bank will provide a machinery loan ($154,000) and an operating loan ($200,000).

Project Rationale: This guaranteed loan would allow William to consolidate his debt, create a positive cash flow and provide additional liquidity for his operation.

The Site: William Jaegel's farm is located 3 miles north of Lostant on U.S. Route 251 in LaSalle County. The property consists of 4. 27 acres with improvements valued at $119,980 as appraised on 8/1/2004, 81.27 acres of unimproved farmland valued at $253,208 as appraised on 8/1/2004 and 75 acres of unimproved farmland valued at $286,797 as appraised on 4/26/2005.

Borrower's Financials: Financial Statements for William Jaegle for 2002, 2003 and 2004 are provided by Illini Bank. Illini Bank did not require annually updated financials. As a result, financial data is very inconsistent. Flanagan State Bank will Mr. Jaegel to develop and maintain financial records and provide the Bank with timely and accurate statements.

Forecasts for 2005 were provided by Flanagan State Bank, Benson, IL based on 5 year averages of actual yields, FSA prices, FSA Direct Government Payments, past non-GMO premiums and a forecast of income from Mr. Jaegel's trucking business.. 2005 ex penses were estimated as well. William is awaiting word on the final amount owed on a divorce settlement. Current assets have been reported very conservatively to reflect the possibility that there may be additional divorce settlement costs beyond current estimates. Mr. Jaegel's income tax liability for 2004 is estimated as tax returns for the year have not been prepared. Collateral values are adequate and appear conservative, based on the land market and review of the appraisals. The appraisals were done for the divorce settlement, which may reflect its conservative approach.

FINANCIAL SUMMARY

Borrower's Finances:

FINANCIAL DATA FOR: William Jaegle

	2002 Year	2004 Year	Proforma
Cash	0	0	0
Stored Crops	0	0	35,000
Market Livestock	0	0	0
Prepaid Expenses	0	0	0
Growing Crops	0	0	0
Accounts Receivable	0	0	0
Marketable Securities	0	0	0
Other Current Assets	0	0	0
Total Current Assets	**117,741**	**246,855**	**35,000**
Farm Machinery/Equipment	0	140,885	140,885
Vehicles	0	78,470	78,470
Real Estate/Improvements	649,016	659,985	659,985
Other Non Current Assets	0	3,500	3,500
Total Non-Current Assets	**1,261,924**	**906,840**	**906,840**
Total Assets	**1,379,665**	**1,153,695**	**941,840**
Notes Payable	0	0	0
Accounts Payable	0	0	0
Current Maturities LT debt	0	0	58,750
Accrued Interest	0	0	0
Other Current Liabilities	0	0	0
Total Current Liabilities	**111,000**	**203,415**	**58,750**
Equipment Debt	0	0	0
Real Estate Debt	0	0	391,250
Personal Liabilities	0	0	0
Total Non-Current Liabilities	**447,321**	**388,957**	**391,250**
Total Liabilities	**558,321**	**592,372**	**450,000**
Net Worth	**821,344**	**561,323**	**491,840**
Working Capital	6,741	203,415	203,415
Current Ratio	**1.06**	**1.21**	**0.60**
Debt-to-asset ratio	**0.40**	**0.51**	**0.48**
Debt-to-worth Ratio	**0.68**	**1.06**	**0.91**
Source	FSB	FSB	FSB

Cash Basis Accounting — **William Jaegel**

	2001	2002	2003	2004	4 year Average
Crop/Livestock Sales....	179,265	238,325	187,352	286,626	**222,892**
Government pymts........	50,181	23,332	29,185	24,464	**31,791**
Non-Farm Income............	453,368	320,976	311,671	35,000	**280,254**
Total Farm Income...........	**682,814**	**582,633**	**528,208**	**346,090**	**534,936**
Farm Expenses					
Custom Hire...................	1,555	847	2,481	0	**1,221**
Depreciation.................	0	0	0	0	**0**
Fertilizer/Chemicals.......	60,209	71,012	82,550	58,000	**67,943**
Vet Meds/Livestock	0	0	0	0	**0**
Freight/Trucking...........	0	0	0	0	**0**
Gas, Fuel, & Oil............	2,891	8,808	7,139	12,000	**7,710**
Insurance.....................	3,698	4,813	6,937	6,000	**5,362**
Interest......................	14,394	15,979	51,267	0	**20,410**
Labor.........................	717	0	0	1,000	**429**
Land Rent.....................	37,646	47,861	40,547	108,885	**58,735**
Machinery Rent............	0	0	0	0	**0**
Repairs/Supplies...........	22,290	20,277	23,491	18,800	**21,215**
Seed Expenses..............	16,760	17,755	24,875	15,000	**18,598**
Drying	0	0	0	5,000	**1,250**
Storage......................	182	4,696	4,801	6,500	**4,045**
Taxes.........................	1,503	4,502	6,433	6,500	**4,735**
Utilities......................	4,358	3,753	2,091	1,200	**2,851**
Other Expenses............	4,511	5,618	1,015	41,300	**13,111**
Trucking Business Expenses			No Itemized Projection Provided		
Advertising	10,350	8,527	5,411		**6,072**
Fees	2,071	1,471	0		**886**
Employee	4,175	5,531	7,700		**4,352**
Insrance	10,521	19,789	14,081		**11,098**
Interest......................	15,397	0	0		**3,849**
Legal	5,673	4,859	5,817		**4,087**
Office	989	860	2,417		**1,067**
Rent	199,079	118,199	90,911		**102,047**
Repairs	29,397	17,843	17,697		**16,234**
Supplies	62,145	64,087	51,826		**44,515**
Lisc.	15,318	13,795	9,590		**9,676**
Travel	2,710	3,009	515		**1,559**
Utilities	5,027	5,093	6,003		**4,031**
Wages	31,822	30,783	31,706		**23,578**
Other	3,939	2,204	614		**1,689**
Living	40,000	40,000	40,000		**30,000**
Total Expenses	**609,327**	**541,971**	**537,915**	**280,185**	**563,071**
Net Inc.	**73,487**	**40,662**	**-9,707**	**65,905**	**-28,135**
Oper Exp/Rev Ratio	**0.87**	**0.90**	**0.92**	**0.81**	**1.01**

Repayment Margin Analysis

	2001	2002	2003	Projected 2005	3 year Average
Net Operating Income	73,487	40,662	(9,707)	65,905	34,814
Add: Depreciation Expense	0	0	0	0	0
Add: Annual Term Debt Interest	14,394	15,979	51,267	31,500	27,213
Less: Income Taxes	(1,503)	(4,502)	(6,433)	(9,500)	-4,146
Less: Family Living W/D	(20,000)	(20,000)	(20,000)	(20,000)	-20,000
Balance Available for Term Debt Rpym	66,378	32,139	(9,707)	67,905	37,881
Principal on Term Debt	0	0	0	4,571	1,524
Interest on Term Debt	14,394	15,979	51,267	31,500	37,713
Total Principal and Interest Pymts	14,394	15,979	51,267	36,071	39,237
Equals Term Debt Coverage Ratio	4.61	2.01	(0.19)	1.88	0.97
Equals Term Debt Repayment Margin	51,984	16,160	(9,707)	31,834	(1,356)

FINANCIAL REPORTING:

REPORT	REQUIRED	LAST RECEIVED	COMPLIANT
Balance Sheet on Farming Entity	annually	12/31/2004	Yes
Federal Tax Returns on Farming Entity, if Corporation			
PFS on Guarantors			
Federal Tax Returns on Guarantors, if separate from Farming entity	annually	12/31/2004	Yes

COLLATERAL ANALYSIS:

Collateral Description	Value	Advance	Adj. Value
Stored Crops		0.85	$ -
Growing Crops		0.65	$ -
Equipment	$ -	0.75	$ -
Farmland	$ 659,985	0.80	$ 527,988
Hog facilities(cost)	$ -	0.80	$ -
Total Collateral	$ 659,985		$ 527,988
Total Loans Outstanding:			$ 450,000
Adjusted LTV:			85%
Excess Collateral:			$ 77,988

Annual Debt Service:	Total Princ. Balance	Principal	Interest	Total Payment
Flanagan State Bank-Proposed	450,000	17,233	32,060	49,293
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Term Debt Payments	450,000	17,233	32,060	49,293
			0	
Total Debt Service			32,060	32,060

PROJECT SUMMARY

This guaranteed loan would allow William to consolidate his debt, create a positive cash flow and provide some financial cushion and flexibility for the future of his operation.

In addition, his decision to bring his business to Flanagan State Bank given the covenants they are requiring with his loans shows that he is interested in the future of his operation.

FINANCING SUMMARY

Interest:	5 year fixed rate of 7% to be adjusted every 5 years based on Flanagan State Bank Prime Lending Rate Index. The rate to be charged without the IFA Guarantee would be 8%
Security:	4. 27 acres with improvements valued at $119,980 as appraised on 8/1/2004, 81.27 acres of unimproved farmland valued at $253,208 as appraised on 8/1/2004 and 75 acres of unimproved farmland valued at $286,797 as appraised on 4/26/2005.
Sources of Repayment:	1. Revenue from the grain operation 2. Revenue from the borrower's trucking business
Maturity:	30 year term with 30 year amortization

COLLATERAL

The subject loan is secured by a first mortgage on 4.27 acres with improvements valued at $119,980, 81.27 acres of unimproved farmland valued at $253,208 and 75 acres of unimproved farmland valued at $286,797. Based on these collateral values, the **adjusted LTV is 85%.** See Collateral analysis on Pg 6 for details.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	William Jaegel
Location:	1791 U.S. Highway 251, Tonica, IL 61370
Organization:	Sole Proprietorship
State:	Illinois
Ownership:	William Jaegel

PROFESSIONAL & FINANCIAL

Accountant:	N/A		
Bank:	Flanagan State Bank	Benson, IL	Richard Ritter

LEGISLATIVE DISTRICTS

Congressional:	11th	State Senate:	38th	State House	76th

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Perry and Pam Jungels**

STATISTICS

Project Number:	A-DR-TX-596	Amount:	$400,000.00
Type:	Agri-Debt Guarantee	IFA Staff:	Bart Bittner
Location:	Hinckley	Tax ID:	354-46-6859
SIC Code:	0191-Grain Farming	Est. fee:	$3,000

BOARD ACTION

Approval for an 85% Agri Debt Guarantee Loan in favor of Castle Bank, Sandwich, IL.
$340,000 of State Treasurer's Agricultural Reserve funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

To restructure existing debt on a 2004 inventory note with First Midwest Bank ($200K), a machinery debt ($46,328) with First Midwest Bank, an accounts payable of ($144,000) owed to Hintzche and finally the remaining balance on a machinery loan at Case Credit ($19,757).

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA	$ 340,000.00	Uses:	Refinance Loans	$ 266,085
	Lender	$60,000		Accounts Payable	$144,000
	Borrower	$10,085.00			
	Total	**$410,085.00**		**Total**	**$410,085.00**

JOBS

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

BUSINESS SUMMARY

Background: Perry Jungels operates an 830 acre farming operation in the Hinckley area. Perry also recently became the local road commissioner, following the death of the elected road commissioner. Perry's wife, Pam, owns a Sole Proprietorship known as Tri-J Trucking, which she operates with her son, who drives the truck for the business.

Project Rationale: The Jungel's are restructuring all of their carryover and machinery debt in order to create a more positive cash flow position by spreading their debt load over 15 years.

Transaction Description: The Jungles recently established a relationship with First Midwest Bank. They are consolidating a carryover operating note from 2004 with First Midwest Bank with a current balance of $200,000, a machinery note with a balance of $46,328, an outstanding machinery loan with Case IH for a bean head that carries a balance of $19,757 and a accounts payable for fertilizer and chemical from 2004 that carries a balance of $144,000.

The Site: Perry and Pam Jungle's farm is located near Hinckley, IL which is in DeKalb County. The farm is located in Squaw Grove Township. The Jungels own 14 acres where there home and main farming operation is located. First Midwest Bank has a first mortgage on this parcel. They also own 2 acres and a tenant house and this property is unencumbered.

FINANCIAL SUMMARY

Borrower's Finances: Financial Statements for Perry and Pam Jungels for 2002, 2003 and 2004, are provided by Castle Bank, Sandwich, IL. Forecasts for 2005 were provided by Castle Bank, Sandwich, IL. Schedule F tax forms were utilized for 2002, 2003 and 2004.

Discussion: Income was adjusted for 2004 to reflect stored crops carried over to 2005 in order to more accurately portray the Jungels 2004 financial position. [How and by how much?] The number of acres owned has increased over time, generating increase farm income. Perry Jungels was recently named the Squaw Grove Township road commissioner and now makes an off farm income of $30,500 per year for carrying out these duties, which is reflecting in increased nonfarm income.

In addition, Perry's wife Pam earns $22,407 per year as sole proprietor of Triple-J Trucking and $12,000 per year as a Nurse's Aide at Dogwood Healthcare. The Jungels expect to generate $6,000 in annual income from rental property that Pam's mother recently vacated. Pam also has a possible opportunity for a better paying position at Ironwood Medical Center.

The Jungels have recently renegotiated several business relationships to improve their cashflow. They restructured Triple-J Trucking and will be paying less in wages to their son for driving a truck for them. The Jungels were paying their son $1000_/week to drive for the business and have now renegotiated this arrangement to pay him 33.3% of the gross sales generated by the business. In addition, they have scaled back the business by about 1/3 and renegotiated their contract with Hintzche Grain to increase payments should the truck have to sit more than 30 minutes waiting to unload in Joliet. These changes should all positively benefit the Jungels' overall cash flow.

The Jungels' farm income is generated by growing 830 acres of corn and soybeans. They cash rent nearly all of the acres at an average rent price of $122 per acre, which is very low by today's standards. They show very strong yields for 2003 and 2004. In addition, their costs per acre are reasonable and the income shown from grain sales is strong which shows good marketing strategy.

Improved cashflow has bolster debt service coverage ratios. The Jungles' major challenges have come from too much debt for equipment, which is largely attributable to the trucking business. They have sold one truck and a belt trailer and reduced credit card debt to reduce borrowing.

Castle Bank is servicing an operating note to fund the 2005 crop.

FINANCIAL DATA FOR: Perry and Pam Jungels

	12/31/2003 Year	12/31/2004 Year	12/31/2005 Proforma
Cash	24,800	12,800	22,500
Stored Crops	30,000	313,264	86,000
Market Livestock	0	0	0
Prepaid Expenses	0	0	21,800
Growing Crops	8,000	0	0
Accounts Receivable	25,000	0	0
Marketable Securities	0	0	0
Other Current Assets	0	0	0
Total Current Assets	**87,800**	**326,064**	**130,300**
Farm Machinery/Equipment	405,000	395,000	425,900
Vehicles	127,000	122,000	0
Real Estate/Improvements	475,000	505,000	526,000
Other Non Current Assets	0	1,700	131,000
Total Non-Current Assets	**1,007,000**	**1,023,700**	**1,082,900**
Total Assets	**1,094,800**	**1,349,764**	**1,213,200**
Notes Payable	35,000	120,000	0
Accounts Payable	0	144,000	0
Current Maturities LT debt	0	0	43,817
Accrued Interest	0	0	0
Other Current Liabilities	0	0	0
Total Current Liabilities	**35,000**	**264,000**	**43,817**
Equipment Debt	164,000	138,150	0
Real Estate Debt	250,000	250,000	400,000
Personal Liabilities	0	0	0
Total Non-Current Liabilities	**414,000**	**388,150**	**400,000**
Total Liabilities	**449,000**	**652,150**	**443,817**
Net Worth	**645,800**	**697,614**	**769,383**
Working Capital	**52,800**	**62,064**	**86,483**
Current Ratio	**2.51**	**1.24**	**2.97**
Debt-to-asset ratio	**0.41**	**0.48**	**0.37**
Debt-to-worth Ratio	**0.70**	**0.93**	**0.58**
Source	Lender	Lender	Lender

Cash Income to Accrual Income:

	2003	2004	2 Year Average
Schedule F Net Farm Income	(102,411)	(98,349)	(100,380)
Stored Crop Inventory adj.	30,000	283,264	104,421
Growing Crop Inventory adj.	8,000	(8,000)	0
Accounts Receivable Adj.	25,000	(25,000)	0
Accounts Payable adj.	0	(144,000)	(48,000)
Net Accrual Income	(39,411)	7,915	(43,959)

Cash Basis Accounting **Perry and Pam Jungel**

	2002	2003	2004	Projection	Average
Crop/Livestock Sales....	306943	278,094	267,634	292,408	**279,379**
Government pymts........	17472	30,296	39,786	25,000	**31,694**
Non-Farm Income.........	841	488	37	66,000	**22,175**
Purchases/Adj............		0	2,160	0	**720**
Total Farm Income.........	**325,256**	**308,878**	**309,617**	**383,408**	**333,968**
Farm Expenses					
Custom Hire................	2842	2,442	0	0	**814**
Depreciation................	34323	26,146	24,791	25,000	**25,312**
Fertilizer/Chemicals.......	46947	47,220	61,746	57,656	**55,541**
Vet Meds/Livestock	0	0	0	0	**0**
Freight/Trucking...........	8127	4,329	0	0	**1,443**
Gas, Fuel, & Oil...........	12824	14,311	17,102	12,150	**14,521**
Insurance....................	10897	11,557	7,679	7,800	**9,012**
Interest......................	18529	28,818	27,531	34,268	**30,206**
Labor........................	2800	0	0	0	**0**
Land Rent...................	71300	79,720	101,500	102,000	**94,407**
Machinery Rent............	0	0	0	0	**0**
Repairs/Supplies...........	21453	13,549	14,468	13,370	**13,796**
Seed Expenses..............	27870	24,989	26,149	36,876	**29,338**
Drying	5138	4,384	13,163	13,280	**10,276**
Storage......................	9600	7,227	0	0	**2,409**
Taxes........................	4336	4,465	4,685	4,850	**4,667**
Utilities......................	11650	10,378	6,668	15,200	**10,749**
Other Expenses............	21542	12,024	17,412	5,680	**11,705**
Prepaid Exp Adjustment..	0	0	0	0	**0**
Other adjustment..........	0	0	0	0	**0**
Total Expenses	**310,178**	**291,559**	**322,894**	**328,130**	**314,194**
Net Farm Inc. (Sch F)	**15,078**	**17,319**	**-13,277**	**55,278**	**19,773**
Oper Exp/Rev Ratio	**0.79**	**0.77**	**0.87**	**0.70**	**0.77**

Repayment Margin Analysis

	2002	2003	2004	Projected	3 Year Average
Net Farm Operating Income	15078	17,319	(13,277)	55,278	6,373
Add: Non-farm Income	34000	36,000	36,000	66,000	35,333
Add: Depreciation Expense	34323	26,146	24,791	25,000	28,420
Add: Annual Term Debt Interest	18529	24,100	27,275	34,268	23,301
Less: Income Taxes	(1,660)	(2,447)	(2,027)	(4,850)	(2,045)
Less: Family Living W/D	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Balance Available for Term Debt Rpymt	**76,270**	**77,118**	**48,762**	**151,696**	**67,383**
Principal on Term Debt	20479	26,636	30,145	37,900	25,753
Interest on Term Debt	18529	24,100	27,275	34,268	23,301
Total Principal and Interest Pymts	**39,008**	**50,736**	**57,420**	**72,168**	**49,055**
Equals Term Debt Coverage Ratio	**1.96**	**1.52**	**0.85**	**2.10**	**1.37**

COVENANT	REQUIRED	ACTUAL	MEASURED	COMPLIANT
Maximum D/W Ratio	0.75	0.58	annually	New
Minimum DSC Ratio	1.25	1.89	annually	New

FINANCIAL REPORTING:

REPORT	REQUIRED	LAST RECEIVED	COMPLIANT
Balance Sheet on Farming Entity	annually	12/31/2004	Yes
Federal Tax Returns on Farming Entity, if Corporation			
PFS on Guarantors			
Federal Tax Returns on Guarantors, if separate from Farming entity	annually	12/31/2004	Yes

COLLATERAL ANALYSIS:

Collateral Description	Value	Advance	Adj. Value
Stored Crops		0.85	$ -
Growing Crops		0.65	$ -
Equipment	$ 339,400	0.75	$ 254,550
Residence	$ 255,000	0.80	$ 204,000
Hog facilities(cost)	$ -	0.80	$ -
Total Collateral	$ 594,400		$ 458,550
Total Loans Outstanding:			$ 400,000
Adjusted LTV:			87%
Excess Collateral:			$ 58,550

Annual Debt Service:	Total Princ. Balance	Principal	Interest	Total Payment
Castle Bank-Proposed	400,000	15,319	28,498	43,817
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Term Debt Payments	400,000	15,319	28,498	43,817
			0	
Total Debt Service			28,498	28,498

PROJECT SUMMARY

The Jungels are restructuring their carryover and machinery debt to enhance their cash flow by spreading their debt over 15 years. They will realized these improvements by consolidating a carryover operating note from 2004 with First Midwest Bank with a current balance of $200,000, a machinery note with a balance of $46,328, an outstanding machinery loan with Case IH for a bean head that carries a balance of $19,757 and a accounts payable for fertilizer and chemical from 2004 that carries a balance of $144,000.

FINANCING SUMMARY

Interest: Prime plus 1.0% fixed for 2 years, then adjustable quarterly with annual payments.

Security: 1st Mortgage on a Residence and 3.99 acres valued at $255,000 as of April 28, 2005 appraisal
Farm equipment valued at $339,400 as of April 26, 2005 appraisal

Sources of Repayment:

1. Sale of harvested grain
2. Perry's off farm job as Squaw Grove Township Road Commissioner
3. Off Farm Income from their trucking business, Triple-J Trucking
4. Pam's off farm job as a Nurses Aide at Dogwood Healthcare.
5. Liquidation of collateral

Maturity: 15 year term with 15 year amortization

COLLATERAL

The subject loan is secured by a first mortgage on a Residence and 3.99 acres valued at $255,000 as of April 28, 2005 appraisal. Farm equipment valued at $339,400 as of April 26, 2005 appraisal. Based on the recent appraisal, the **discounted LTV** for this loan will be 87%. See collateral analysis on pg 5 for details.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Perry and Pam Jungels
Location: 14108 Bastian Road, Hinckley, IL 60520
Organization: Sole Proprietorship
State: Illinois
Ownership: Perry and Pam Jungels

PROFESSIONAL & FINANCIAL

Accountant: N/A

Bank: Castle Bank Sandwich, IL Gene Shumway

LEGISLATIVE DISTRICTS

Congressional: 14th State Senate: 35th State House 70th

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Bart Bittner/lk

Date: June 14, 2005

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Preliminary Bond Resolutions for each attached project
- **Amounts:** amounts up to $250,000 maximum of new money for each project
- **Project Type:** **Beginning Farmer Revenue Bonds**
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - New **Money Bonds:**
    - convey tax-exempt status
- IFA Fees:
  - One-time closing fee equal to 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

BEGINNING FARMER BOND LOANS
New Projects for Inducement Resolution
June 14, 2005

Project Number:	A-FB-TE-CD-603
Borrower(s):	John & Shelly Hunter
Town:	Burnside, IL
Amount:	$147,000
Fees:	$2205
Use of Funds:	Farmland – 158 acres grain farm
Purchase Price:	$294,000
%Borrower Equity	50%
%Other Agency	.0%
%IFA	50%
County:	Hancock
Lender/Bond Purchaser	First Community Bank, Hancock, IL

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 5.50% for the first ten years of the loan; thereafter, the rate shall be adjusted every five years to ½% below the Wall Street Prime.

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/bar

Date: June 14, 2005

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Preliminary Bond Resolutions for each attached project
- **Amounts:** amounts up to $250,000 maximum of new money for each project
- **Project Type:** **Beginning Farmer Revenue Bonds**
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
- **IFA Fees:**
  - One-time closing fee equal to 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

BEGINNING FARMER BOND LOANS
New Projects for Inducement Resolution
June 14, 2005

Project Number:	A-FB-TE-CD-609
Borrower(s):	Brian Schwierjohn
Town:	Pocahantas, IL
Amount:	$163,000
Fees:	$2445
Use of Funds:	Farmland – 40 acres grain farm
Purchase Price:	$163,000
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County:	Bond
Lender/Bond Purchaser	First Mid-Illinois Bank and Trust, Highland, IL

Principal shall be paid annually in installments determined pursuant to a twenty-five year amortization schedule, with the first principal payment date to be March 1, 2006. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be one year from the date of closing, with the twenty-fifth and final payment of all interest then outstanding due March 1, 2030.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be adjusted to a rate not to exceed .50% basis points over the 4.8% for the first year of the loan; thereafter, the rate shall be adjusted annually to 80% of the Wall Street Journal Prime. Each principal payment plus accrued interest shall be in the amount of $6,520.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Bart Bittner/bar

Date: June 14, 2005

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** amounts up to $250,000 maximum of new money for each project
- **Project Type:** **Beginning Farmer Revenue Bonds**
- **IFA Benefits:**
  – **Conduit Tax-Exempt Bonds:** - no direct IFA or State funds at risk
  – **New Money Bonds:** - convey tax-exempt status
- **IFA Fees:**
  - One-time closing fee equal to 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

BEGINNING FARMER BOND LOANS
Projects for Final Resolution
June 14, 2005

Project Number:	A-FB-TE-CD-568
Borrower(s):	Robert & Brandi Peterson
Town:	Hudson
Amount:	$45,000
Fees:	$675.00
Use of Funds:	Farmland – 18.69 acres grain farm
Purchase Price:	$45,000
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County:	Livingston
Lender/Bond Purchaser	Flanagan State Bank, El Paso, IL

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

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.00% per annum for the first year from the date hereof. On that date and annually thereafter on the anniversary payment date, the Expressed Rate shall be adjusted to a rate not to exceed 1.00% above the then Weekly Average Yield of U.S. Treasury Securities at a One Year Constant Maturity; provided, however, that the Expressed Rate shall never be lower than 4.00%.

Project Number:	A-FB-TE-CD-569
Borrower(s):	Kurt Uphoff
Town:	Minonk
Amount:	$125,000
Fees:	$1875
Use of Funds:	Farmland – 60 acres grain farm
Purchase Price:	$250,000
%Borrower Equity	50%
%Other Agency	0%
%IFA	50%
County:	Marshall
Lender/Bond Purchaser	Flanagan State Bank, Flanagan, IL

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date due 365 days following the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date due 365 days following the date of closing, with the thirtieth and final payment of all interest then outstanding due thirty years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.5000% for the first year of the loan; thereafter, the rate shall be adjusted annually to the Prime Rate minus one as quoted in the Wall Street Journal.

Project Number:	A-FB-TE-CD-570
Borrower(s):	Craig & Maura Miller
Town:	Monmouth
Amount:	$175,000
Fees:	$2625
Use of Funds:	Farmland – 150 acres grain farm
Purchase Price:	$405,000
%Borrower Equity	57%
%Other Agency	0%
%IFA	43%
County:	Warren
Lender/Bond Purchaser	Security Savings Bank, Monmouth, IL

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.7500% for the first five years of the loan; thereafter, the rate shall be adjusted every five years to the 5yr US Treasury Plus 1.0%.

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date due on 7/1/06. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date due on 7/1/06, with the thirtieth and final payment of all interest then outstanding due 7/1/36.

Project Number:	A-FB-TE-CD-582
Borrower(s):	Charlie Ford
Town:	Lomax
Amount:	$160,000
Fees:	$2,400
Use of Funds:	Farmland – 111.73 acres grain farm
Purchase Price:	$180,000
%Borrower Equity	11%
%Other Agency	0%
%IFA	89%
County:	Henderson
Lender/Bond Purchaser	Bank of Stronghurst, Stronghurst, IL

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date due on 4/1/06.

Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date due on 4/1/06, with the thirtieth and final payment of all interest then outstanding due 4/1/36.

The Note shall bear simple interest at the Variable Rate. The Variable Rate shall be 5.500% for the first ten years of the loan; thereafter, the rate shall be adjusted every five years to the National Prime Rate as quoted in the Wall Street Journal.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/bar

Date: June 14, 2005

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** amounts up to $250,000 maximum of new money for each project
- **Project Type:** **Beginning Farmer Revenue Bonds**
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
- **IFA Fees:**
  - One-time closing fee equal to 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

BEGINNING FARMER BOND LOANS
Projects for Final Resolution
June 14, 2005

Project Number:	A-FB-TE-CD-585
Borrower(s):	Cole Ervin
Town:	Toledo
Amount:	$90,000
Fees:	$1,350
Use of Funds:	Farmland – 40 acres grain farm
Purchase Price:	$120,000
%Borrower Equity	25%
%Other Agency	0%
%IFA	75%
County:	Cumberland
Lender/Bond Purchaser	First Neighbor Bank, N.A., Toledo

The Note shall bear simple interest at a Variable Rate. The Variable Rate shall be 5.2500% for the first five years of the loan; thereafter, the rate shall be adjusted every five years to .5% below prime per Wall Street Journal with a floor of 4.75%.

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date due on 3/31/06. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date due on 3/31/06, with the thirtieth and final payment of all interest then outstanding due 3/31/36.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
Jewish Federation of Metropolitan Chicago

Project: **Jewish Charities Revenue Anticipation Note Program, Series 2005-2006A, 2005-2006B**

STATISTICS

Project Number:	N-ND-TE-CD-593	Amount:	$35,000,000 (not-to-exceed amount)
Locations:	Multiple	PA:	Townsend Albright
Est. fee:	$25,000	Tax ID:	37-0988139
	(2005-2006A ($17,500,000) – 2005-2006B ($17,500,000)		
SIC:	8399		

BOARD ACTION

Final Bond Resolution
Not-For-Profit RANs
No IFA funds at risk

No extraordinary conditions
Staff recommends approval

PURPOSE

To provide cash management savings to the Federation to be used to expand services provided to its affiliated organizations.

VOLUME CAP

Volume Cap is not required for not-for-profit bonds or notes.

VOTING RECORD

Final IFA Bond Resolution
(FY 04-05A)
Voting Date: 6/22/04

Ayes:	10
Nays:	0
Absent:	2 (Nesbitt, O'Brien)
Abstentions:	3 Vacancy

Note: This is an ongoing program, which requires the Board's annual approval.

SOURCES AND USES OF FUNDS

Source:	IFA RANS	$35,000,000	Use:	Working Capital	$35,000,000
Total		$35,000,000	Total		$35,000,000

BUSINESS SUMMARY

Background: The Jewish Federation of Metropolitan Chicago is a 501(c)(3) Corporation.

Description: The Jewish Federation of Metropolitan Chicago serves as the fund raising entity for its affiliated organizations.

Remarks: The five borrowing organizations are all Illinois not-for-profit corporations that provide community services to the Chicago metropolitan area. The organizations are: (i) Jewish Family and Community Services, (ii) Jewish Vocational Service and Employment Center, (iii) Jewish Community Centers, (iv) Council for Jewish Elderly, and (v) Jewish Children's Bureau of Chicago

Financials: Estimated Borrower's Cash Flow for Fiscal Year July 1, 2005 to June 30, 2006

	JVS	JCC	JFCS	JCB	CJE	TOTAL
Expenses	$12,604,900	$31,485,500	$5,762,700	$11,506,500	$42,186,500	$103,546,100
Income	10,182,586	23,786,181	1,377,836	7,345,322	29,717,833	72,409,758
Deficit	$ 2,422,314	$ 7,699,319	$4,384,864	$ 4,161,178	$12,468,667	$ 31,136,342

Discussion: The Applicant provides working capital support for its affiliated organizations. The notes fund any deficits. The Borrower's audited financial statements for Fiscal year ending June 30, 2004 are available for Board review.

FINANCING SUMMARY

Security: Direct Pay Letter of Credit from Harris Bank and Trust Company, Chicago, Illinois.
Structure: 7-day Variable Rate Demand
Terms: Series 2005-2006A will be dated 7/01/05 and mature 7/01/06; Series 2005-2006B will be dated 1/01/06 and mature 7/01/06.
Type: 501(c)(3) Revenue Anticipation Notes

PROJECT SUMMARY

Proceeds will be used to fund a working capital loan. This is the eleventh annual request for Revenue Anticipation Note financing under the terms of an ongoing semi-annual loan program designed to produce cash management savings to the Federation. The savings, which are approximately $100,000, are used to expand the services provided by the Borrowers. Authorized borrowing amounts are:

Jewish Family and Community Services	$ 5,000,000
Jewish Vocational Services and Employment Center	3,500,000
Jewish Community Centers	9,000,000
Council for Jewish Elderly	13,000,000
Jewish Children's Bureau of Chicago	4,500,000
Total	$35,000,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: Jewish Federation of Metropolitan Chicago of behalf of (i) Jewish Family and Community Services, (ii) Jewish Vocational Service and Employment Center, (iii) Jewish Community Centers, (iv) Council for Jewish Elderly, and (v) Jewish Children's Bureau of Chicago
Project name: Jewish Charities Revenue Anticipation Note Program

Locations:	Buffalo Grove, Chicago, Skokie, Flossmoor, Highland Park, Northbrook, Evanston, Wilmette, Glenview, and Vernon Hills, Cook County, Illinois
Organization:	501(c)(3) Corporation
State:	Illinois
Board:	List of Applicant Board members attached

PROFESSIONAL & FINANCIAL

Counsel:	D'Ancona & Pflaum	Chicago, IL	Michael J. Calhoun
Accountant:	Altschuler, Melvoin & Glasser	Chicago, IL	Barry Rosenthal
Bond Counsel:	KMZ Rosenman	Chicago, IL	Mark E. Laughman
LOC Bank:	Harris Trust and Savings Bank	Chicago, IL	Gregory Bins
Placement Agent:	Harris Trust and Savings Bank	Chicago, IL	Nicholas Knorr
Placement Counsel:	Chapman and Cutler	Chicago, IL	R. William Hunter
Issuer's Counsel:	Pugh, Jones & Johnson	Chicago, IL	Scott Bremer
Trustee:	LaSalle Bank NA	Chicago, IL	Kristine Schossow

LEGISLATIVE DISTRICTS

Congressional:	2, Jesse L. Jackson; 7, Danny K. Davis, 9, Janice Schakowsky; 10, Mark S. Kirk;
State Senate:	6, John J. Cullerton; 7, Carol Ronen; 8, Ira R. Silverstein; 9, Jeffrey M. Schoenberg; 19, M. Maggie Crotty; 26, William E. Peterson; 28, Kathleen Wojcik; 29, Susan Garrett; 30, Terry Link; 31, Adeline J. Geo-Karis; 40, Debbie DeFrancesco Halvorson
State House:	11, John A. Fritchey; 13, Larry McKeon; 16, Louis I. Lang; 18, Julie Hamos; 37, Kevin McCarthy; 59, Kathleen A. Ryg; 60, Eddie Washington; 61, JoAnn Osmond; 80, George F. Scully Jr.

Jewish Federation of Metropolitan Chicago -- 2004-2005 Officers and Board of Directors

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Lake Forest Country Day School**

STATISTICS

Number:	E-PS-TE-CD-538	Amount:	$23,000,000
Type:	501(c)(3) bonds	IFA Staff:	Townsend S. Albright
Locations:	Lake Forest	Tax ID:	36-2415685
Est. fee:	$78,000	SIC Code:	8211

BOARD ACTION

Final Bond Resolution
Conduit
No IFA funds at risk

No Extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to (i) purchase land, (ii) construct two new student learning facilities, (iii) renovate existing facilities, (iv) purchase furniture, fixtures, and equipment, (v) capitalize interest, and (vi) fund bond issuance costs.

IFA CONTRIBUTION

No Volume Cap required for 501(c)(3)'s

VOTING RECORD

Voting record from Preliminary IFA Bond Resolution on April 12, 2005.

Ayes: 9 Nays: 0 Abstentions: 0 Absent: 3 (Goetz, Herrin, Leonard) Vacancies: 3

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$23,000,000	Uses:	Project cost	$21,368,750
				Capitalized interest	1,181,250
				Bond issuance costs	450,000
	Total	$23,000,000		Total	$23,000,000

JOBS

Current employment:	93	Projected new jobs:	5
Jobs retained:	N/A	Construction jobs:	250 (18 months)

BUSINESS SUMMARY

Background: Lake Forest Country Day School ("the Applicant", "Lake Forest", the "School") was incorporated in 1958 as a result of the combination of the Bell School (formerly known as the Alcott School) and Lake Forest Day School. The School's roots go back to 1888 with the founding of the Alcott School named after Louisa May Alcott and her father, Bronson Alcott, who founded the first private day school in America. Lake Forest is a family and community school, welcoming students of varying abilities and building up a tradition of parent participation which touches every aspect of the school. The School offers classes ranging from preschool through eighth grade. The majority of the School's 421 students come from Chicago's North Shore communities such as Lake Forest, Highland Park, and Wilmette. Others come from northwest Chicago suburban communities and from Chicago. The School offers scholarships for needy students. Approximately one-half of the School's students enter college preparatory and day schools while approximately one-half enter parochial and public high schools.

Three major giving campaigns have enhanced the Applicant's campus. The 1978 capital campaign raised money for a new gymnasium, a performing arts center, and a larger endowment. The 1988 campaign celebrated the School's (and its predecessors') centennial by raising endowment funds. The 1997 campaign raised funds for major renovations to existing facilities and the building of the James L. Marks III Early Childhood Center. Lake forest is an Illinois not-for-profit corporation within the meaning of 501(c)(3) of the Internal Revenue Code. Lake Forest is governed by a 21–member Board. A list of current members is attached for IFA Board review.

The Applicant has embarked in a major fundraising initiative of which one-half of the project financing amount has been raised to service the debt and/or pay off the bonds. The other one-half will be raised by December 31, 2005.

Description: The proposed project consists of (i) purchasing land to (ii) construct two new teaching facilities for students in both lower and upper grades. The buildings will have links to the School's library, performing arts center, cafeteria, and the early childhood center. He proposed financing will provide funds for renovation and asbestos removal in existing buildings, and restructuring of existing parking lots and drop-off lanes so to alleviate traffic jams on Green Bay Road at dismissal times. The proposed expansion will enable the School to increase enrollment by 50 students.

Remarks: The School's existing buildings are 50 to 70 years old and are outdated. The proposed project will provide "state-of-the-art" facilities so Lake Forest can continue to achieve it educational goals of (i) a quality education, and (ii) keep Lake Forest competitive with other private day schools. Additionally, tax-exempt financing will provide the lowest cost of capital.

Financials: Audited financial statements for fiscal years ending 6-30-2002– 2004.

	(Dollars in 000s)		
	2002	2003	2004
Income Statement			
Total Revenues	$6,029	$7,238	$9,205
Operating expenses	(7,681)	(7,962)	(8,345)
Change in Net Assets	(1,652)	(724)	860
EBIDA	(1,173)	(150)	1720
Balance Sheet			
Current Assets	14,089	13,424	14,510
PP&E	5,662	6,675	6,998
Other Assets	909	885	955
Total	20,660	20,984	22,463
Current Liabilities	867	955	1,554
Other LT Liabilities	511	444	463
Debt	2,000	3,027	3,027
Net Assets	17,282	16,558	17,419
Total	$20,660	$20,984	$22,463

Ratios:

Debt coverage	N/A	N/A	10.60
Current Ratio	16.25	14.06	4.50
Debt/Net Assets	0.12	0.18	0.17

Note: (i) The Applicant's financial condition is strong., (ii) The Applicant has a $1,200,000 line of credit with the Northern Trust Company, Chicago, Illinois, which bears an interest rate of 1.0% below the prime rate with interest payable monthly, and matures 7/15/05., (iii) At June 30, 2004, the balance outstanding was $465,000., (iv) At June 30, 2004 the Applicant's endowment was approximately $15.1million., (iv) The Applicant includes unrealized gains (losses) from marketable securities as revenue. The loss in fiscal 2002 was due, in part, to an unrealized decline in its portfolio of approximately $1,163,000. The substantial increase in revenue from fiscal year 2003 to 2004 was due, in part, to appreciation of marketable securities, from a loss of approximately $195,000 in fiscal 2003 to a gain of approximately $1,535,000 in fiscal 2004. Netting out Portfolio losses and gains in the School's fiscal years 2002, 2003, and 2004 would cause the School's Operating Income to be ($489,000), ($529,000), and ($675,000), respectively. The School recently adopted a new investment strategy for its endowment which includes a broader asset allocation strategy. The goal of the new plan is for the School's endowment to provide sufficient income to alleviate current and future deficits.

FINANCING SUMMARY

Security: Direct pay Letter of Credit from The Northern Trust Company, Chicago, Illinois.
Structure: Multi-mode Variable Rate Demand Bonds
Maturity: 40 years

PROJECT SUMMARY

Proceeds will be used to (i) purchase approximately 1.5 acres of land adjacent to the School, (ii) construct two new student learning facilities to be located at 145 South Green Bay Road, Lake Forest, Lake County, Illinois, (iii) renovate existing facilities including landscaping, (iv) purchase furniture, fixtures, and equipment, (v) capitalize interest, and (vi) fund bond issuance costs.

Project Costs:	Land	$ 1,080,000
	Construction/ Renovation	17,172,350
	Arch/Eng	1,816,400
	Machinery/Equipment	1,300,000
	Total	$21,368,750

ECONOMIC DISCLOSURE STATEMENT

Applicant: Lake Forest Country Day School
Project names: Campus Expansion and Enhancement Projects
Location: 148 South Green bay Road, Lake Forest, Lake County, Illinois 60045
Organization: 501(c)(3) Corporation
State: Illinois
Board of Directors: Attached for IFA Board review

PROFESSIONAL & FINANCIAL

Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Accountant:	Pasquesi Sheppard, LLC	Lake Forest, IL	Timothy Klein
Bond Counsel:	Perkins Coie LLP	Chicago, IL	William E. Corbin, Jr.
Issuer's Counsel	Dykema Gossett PLLC.	Chicago, IL	David T. Cellitti
Underwriter: Placement Agent	William Blair & Company, LLC.	Chicago, IL	Thomas E. Lanctot
Underwriter's Counsel:	Perkins Coie LLP	Chicago, IL	William E. Corbin, Jr.
LOC Bank Counsel:	Gardner Carton & Douglas	Chicago, IL	Mary G. Wilson
Financial Advisor:	M.C. Toomey Financial Consulting	Evanston, IL	Maureen Toomey
Development: Consultant	Perkins & Will	Chicago, IL	
Trustee:	Amalgamated bank of Chicago	Chicago, IL	Christine M. Linde
General Contractor:	Pepper Construction Company	Chicago, IL	
Architect:	Perkins & Will	Chicago, IL	

LEGISLATIVE DISTRICTS

Congressional:	10, Mark Steven Kirk
State Senate:	29, Susan Garrett
State House:	58, Karen May

ta/h/lakforestcountrydayschoolfinal

LFCDS Trustee Officers

President: Charles R. Lamphere
1st Vice President: David F. Gorter
2nd Vice President: Alexander D. Stuart
Secretary: Betsy B. Rosenfield
Treasurer: Edward K. Chandler
Ex Officio: Kristi A. Kerins

2004-2005 Board of Trustees

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ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Borrower: Pooled Local Government Refunding Program

STATISTICS

Project Number:	L-GP-TE-MO-608	Amount:	$22,000,000
Type:	Moral Obligation Bonds	IFA Staff:	Eric Watson
Location(s):	Statewide	Estimated Fee:	$200,000

BOARD ACTION

Preliminary
Local Government Bonds

Staff recommends approval
Conditions: Tax Intercept Pledge

PURPOSE

To advance refund outstanding bonds issued by the Illinois Rural Bond Bank on behalf of units of local government

---

VOTING RECORD

No previous IFA Board voting record. All prospective participants were previously approved by the Board of the Illinois Rural Bond Bank and currently have outstanding bonds..

SOURCES AND USES OF FUNDS

Sources:	IFA Refunding Bonds:	$22,000,000	Uses:	Refunding Escrow
				Costs of Issuance:
	Total	$22,000,000	Total	$22,000,000

JOBS

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

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

BUSINESS SUMMARY

Background: A.G. Edwards, the underwriter for the Illinois Rural Bond Bank, and IFA staff have recently completed an analysis of outstanding IRBB bonds to determine potential savings from advance refunding these bonds under current market conditions. The Bond Bank last conducted an advanced refunding in the fall of 2003.

Current Bond Bank participants with outstanding bonds were evaluated to determine whether a savings of greater than 2% could be achieved. AG Edwards determined that approximately $22 million in outstanding IRBB bonds issued between 1992 and 2000 could be refinanced for approximately $1.6 million in savings.. A list of refunding candidates is provided as Attachment 1.

Remarks: IFA staff will contact borrowers with bonds that could be refunded for savings to gauge interest in participating in a pooled refunding bond issue similar the one the IRBB completed in 2003. The actual dollar amount and number of local governments participating will not be known for at least several weeks.

A minimum savings threshold of 2% must be met to be recommended for participation in the refunding. In addition, each participant has a current outstanding moral obligation debt which will actually be reduced with this refunding. Therefore, it is in the best interest of the IFA and the State of Illinois to refund these bonds..

Financials: The Authority's financial advisor, RW Baird, will undertake a financial review of each borrower that applies to participate in the pooled refunding bond. RW Baird will summarize its findings for each applicant onto a form that will be similar to the form that IRBB and its advisor used to evaluate candidates for the 2003 pooled refunding bond issue. A copy of this form is provided as Attachment 2. Completed forms for each candidate will be forwarded to the Governor's Office of Management and Budget as part of their evaluation of the Authority's request to issue bonds secured by the State's Moral Obligation.

FINANCING SUMMARY

Bonds: Fixed rate bonds.

Underlying Bonds: The Authority will purchase bonds issued by participating units of local government. These bonds will be mix of general obligation, alternate revenue and revenue bonds.

Security: Bondholder's will be secured by: Borrower's pledge of: ad valorem taxes and/or revenues, an intercept of State payments and the State's moral obligation pledge

Maturity: Maturities will generally match those of the bonds to be refunded and extend to 2027.

ECONOMIC DISCLOSURE STATEMENT

Applicants: To be determined. See Attachment 1 for a list of refunding candidates..

Project name: Pooled Local Government Refunding Program

PROFESSIONAL & FINANCIAL

Bond Counsel:	Chapman & Cutler	Chicago, IL	Chuck Jarik
Underwriter:	A. G. Edwards	St. Louis, MO	Anne Noble
Trustee:	U. S. Bank	St. Louis, MO	Brian Kabbes
Financial Advisor:	R.W. Baird	Chicago, IL	Tom Gavin

:

Attachment 1.

Refunding Candidates for Illinois Finance Authority Local Government Bond Pool

Borrower	Bond Type	Refunding Amount	Maturity
Rochester School District #3A	General Obligation Bond	210,000	2005
City of Savanna	Alternate Bond	50,000	2005
Somonauk Fire Protection District	Promissory Note and Mortgage Agreement	80,000	2006
Village of Forreston	General Obligation Bond	75,000	2006
Momence Park District	General Obligation Bond	40,000	2007
Hill City Water District	Revenue Bond	40,000	2007
City of Warsaw	Revenue Bond	115,000	2012
Auburn, Divernon, Girard, Pawnee, Thayer and Virden Water Commission (now the Otter Lake Water Commission)	Revenue Bond	1,120,000	2009
Village of Blue Mound	Alternate Bond	150,000	2018
Village of Thomson	Alternate Bond	145,000	2015
Village of South Roxana	Alternate Bond	50,000	2008
Easton School District	General Obligation Bond	$90,000	2008
Ewing District No. 115	General Obligation Bond	105,000	2008
City of Girard	Revenue Bond	445,000	2018
Barclay Library District	General Obligation Bond	$100,000	2013
City of Coffeen	Alternate Bond	160,000	2016
Macomb Building Commission	Revenue Bond	1,110,000	2009
City of Monmouth	Alternate Bond	300,000	2012
Village of Warrensburg	Alternate Bond	265,000	2013

Attachment 1.

Refunding Candidates for Illinois Finance Authority Local Government Bond Pool

Borrower	**Bond Type**	**Refunding Amount**	**Maturity**
City of Belvidere	Revenue Bond	$1,775,000	2014
City of Carmi	Alternate Bond	495,000	2009
Village of Illiopolis	Alternate Bond	190,000	2014
City of New Boston	Alternate Bond	135,000	2014
Village of West Salem	Alternate Bond	95,000	2014
Village of Sherman	Tax Increment Revenue Bond	$220,000	2007
Village of Niantic	Alternate Bond	205,000	2015
City of Benld	Alternate Bond	$210,000	2016
Village of Coulterville	Alternate Bond	225,000	2010
Village of Valmeyer	General Obligation Bond	$425,000	2015
City of East Dubuque	General Obligation Bond	$220,000	2015
Village of Pecatonica	Alternate Bond	1,310,000	2025
Village of Elwood	General Obligation Bond	$370,000	2016
Village of Sheffield	General Obligation Bond	315,000	2021
Hamilton County Water District	Revenue Bond	$335,000	2022
Village of Shannon	Alternate Bond	380,000	2012
Village of Strasburg	Alternate Bond	270,000	2027
Village of Manteno	Alternate Bond	505,000	2007
Village of Niantic	Alternate Bond	215,000	2017
Saline Valley Conservancy Dist.	Revenue Bonds	615,000	2017
Village of Atkinson	Alternate Bonds	$535,000	2016
Village of Brownstown	Alternate Bonds	200,000	2023
City of Creal Springs	Alternate Bonds	230,000	2018

Attachment 1.

Refunding Candidates for Illinois Finance Authority Local Government Bond Pool

Borrower	Bond Type	Refunding Amount	Maturity
Village of Gardner	Alternate Bonds	180,000	2018
City of Geneva	Alternate Bonds	1,410,000	2013
City of Knoxville	Alternate Bonds	595,000	2013
Village of Malden	Alternate Bonds	200,000	2018
Village of Malta	Alternate Bonds	165,000	2017
Village of Palmyra	Revenue Bonds	235,000	2015
City of Shawneetown	Alternate Bonds	150,000	2023
Village of Steward	Alternate Bonds	160,000	2018
Village of Stockton	Alternate Bonds	340,000	2018
City of Sumner	Alternate Bonds	165,000	2018
New Milford Fire Prot. Dist.	General Obligation Bonds	$665,000	2013
City of Georgetown	Alternate Bonds	310,000	2018
Village of Kinderhook	Alternate Bonds	220,000	2023
Village of Chatham	Alternate Bonds	985,000	2015
City of Albion	Revenue Bonds	$585,000	2018
Village of Brownstown	Alternate Bonds	110,000	2023
Village of Diamond	Alternate Bonds	365,000	2012
City of Farmington	Revenue Bonds	180,000	2010
Groveland Township Water Dist.	Revenue Bonds	925,000	2012
City of Havana	Alternate Bonds	560,000	2008
Village of Ina	Alternate Bonds	360,000	2023
Village of Lindenhurst	Alternate Bonds	2,475,000	2018

Attachment 1.

Refunding Candidates for Illinois Finance Authority Local Government Bond Pool

Borrower	Bond Type	Refunding Amount	Maturity
Mill Creek Water District	Revenue Bonds	855,000	2018
City of Morrison	General Obligation Bonds	0	2001
Village of Nebo	Alternate Bonds	0	2018
Village of Nebo	Alternate Bonds	115,000	2018
Village of Pecatonica	Revenue Bonds	270,000	2010
Village of Roscoe	General Obligation Bonds	210,000	2018
Village of Rutland	Alternate Bonds	95,000	2018
Saline Valley Conservancy District	Revenue Bonds	325,000	2024
Village of Iuka	Revenue Bonds	$270,000	2024
Village of Mendon	Revenue Bonds	345,000	2019
Mill Creek Water District	Revenue Bonds	445,000	2019
Village of Montrose	Revenue Bonds	140,000	2017
Village of Moweaqua	Alternate Bonds	680,000	2010
Pike County Water District	Revenue Bonds	635,000	2019
City of St. Elmo	Alternate Bonds	130,000	2019
Village of Taylor Springs	Revenue Bonds	155,000	2022
City of Ashley	Revenue Bonds	$765,000	2026
Village of Campus	Alternate Bonds	110,000	2019
Village of Hopkins Park	General Obligation Bonds	160,000	2019
Montezuma Township	General Obligation Bonds	95,000	2009
Piasa Township Sewer District	Revenue Bonds	170,000	2018
Village of Pierron	Revenue Bonds	340,000	2029

Attachment 1.

Refunding Candidates for Illinois Finance Authority Local Government Bond Pool

Borrower	Bond Type	Refunding Amount	Maturity
Village of St. Anne	Alternate Bonds	435,000	2019
City of St. Elmo	Alternate Bonds	90,000	2019
City of Pontiac	Revenue Bonds	$2,485,000	2009
City of Pittsfield	Alternate Bonds	255,000	2019
Village of Blue Mound	Alternate Bonds	$125,000	2020
Village of Montrose	Alternate Bonds	125,000	2020
Village of Thomson	Alternate Bonds	3,965,000	2029
Monroe Township Fire and Ambulance Protection District	General Obligation Bonds	450,000	2015

Illinois Rural Bond Bank
Refinancing Application Sheet

Applicant	General Economic Status				Negative Occurrences	Recent Financial Performance	Made Coverage Annually (1)	Comments	Approximate Par Amount
	EAV Growth	Property Tax Collections	Concentration In Largest Employers	General Rating					
								[redacted]	
								[redacted]	
								[redacted]	
								[redacted]	

(1) Applicable to alternate revenue or revenue bonds only.
(2) Major Employer (85), but only 1% taxpayer.
(3) Approved as an alternate revenue bond subject to identification of general fund revenue source pledged as security.
(4) Rate covenant in revenue bond ordinance requires 1.25x.

As of 6/6/2005

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Regis Technologies, Inc. and its affiliates**

STATISTICS

Project Number:	I-ID-TE-CD-605	Amount:	$3,500,000 (not-to-exceed amount)
Type:	IRB and Refunding Bonds	FM's:	Steve Trout and Rich Frampton
Location:	Morton Grove	Tax ID:	36-11389305
SIC Code:	2869	Est. fee:	$18,240 (based on an anticipated bond amount of $2.73 million)

BOARD ACTION

Preliminary Bond Resolution — No IFA funds at risk.
Conduit Industrial Revenue Bonds and Industrial Revenue Refunding Bonds
Staff recommends approval. — No extraordinary conditions.

PURPOSE

Proceeds will be used to renovate and equip Regis Technologies' existing facilities in Morton Grove. Additionally, Bonds will current refund 100% of the outstanding balance on the Company's Series 1996 IFA (IDFA) Bonds.

IFA CONTRIBUTION

This financing will require approximately $1,700,000 of Volume Cap.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IRB – New Money	$1,700,000	Uses:	Project Costs	$2,130,000
	IFA Refunding Bonds	1,080,000		Refunding Escrow	1,080,000
	Equity	520,000		Costs of Issuance	90,000
	Total	$3,300,000		Total	$3,300,000

The principal shareholders of Regis Technologies will contribute $520,000 of cash equity from personal funds.

JOBS

Current employment:	65	Projected new jobs:	10
Jobs retained:	N/A	Construction jobs:	5 avg. (3 months)

BUSINESS SUMMARY

Background: Regis Technologies, Inc. ("Regis" or the "Company") is established under Illinois law and is an S Corporation. The Company's principal shareholders are Dr. Louis Glunz, III, Chairman and Mr. Louis Glunz, IV, President.

Ultimately, certain assets related to this financing may be purchased or conveyed to related special purpose entities created by Regis' shareholders.

Description: Dr. Louis Glunz, III, established Regis Chemical Co. in Chicago in 1956. Regis was originally a small chemical laboratory performing testing work for pharmaceutical companies, government research laboratories, and universities. The Company relocated from Chicago to its present Morton Grove facility in 1972.

In 1993, Regis Chemical Co. changed its name to Regis Technologies, Inc. and began to pursue the manufacture of pharmaceuticals. Regis has become a leader in the production of small batches of pharmaceuticals used in clinical trials. Additionally, the Company also produces commercial pharmaceuticals for small batch users (primarily anti-cancer drugs).

IFA (IDFA) previously issued $2,230,000 of Industrial Revenue Bonds for Regis Technologies in December 1996 that financed construction and equipping of a building addition to the Company's Morton Grove facility. As of 5/31/2005, Regis employs 65 people thereby exceeding its 1996 application projection of 54 (the Company's 1999 employment target). At the time of the Regis' 1996 application, the Company had 39 employees. All payments on the Company's 1996 IFA (IDFA) Bonds have been current and the outstanding balance was approximately $1,080,000 as of 4/30/2005.

In 2002, Regis purchased a vacant building located adjacent to its Morton Grove headquarters/manufacturing facility to accommodate future expansion. The proposed project will finance additional renovation and build-out of both its original facility and the facility acquired in 2002 (i.e., 6021 Monroe Court) to provide additional capacity to synthesize small quantity drugs and anti-cancer drugs.

Financials: Audited financial statements for fiscal years 2002-2004. Projections for fiscal years 2005-2007.

	Year Ended Dec. 31			Year Ended Dec. 31		
	2002	2003	2004	2005	2006	2007
	(Dollars in 000's)			(Dollars in 000's)		
Income statement:						
Sales	$11,180	$6,896	$9,663	$10,436	$11,480	$12,628
Net income	1,897	(548)	246	191	16	90
EBITDA	2,611	216	993	892	1,072	1,119
Balance sheet:						
Current Assets	2,613	2,787	3,419	3,440	3,783	4,174
Net PP&E	6,752	6,352	6,088	8,321	7,986	7,602
Other Assets	214	163	161	161	161	161
Total	9,579	9,302	9,668	11,922	11,930	11,937
Current Liabilities	2,795	1,984	2,497	2,339	2,735	3,071
Long Term Liab.	1,553	2,628	2,357	4,059	3,655	3,235
Stockholder's Equity	5,231	4,690	4,814	5,525	5,541	5,631
Total	9,579	9,302	9,668	11,923	11,930	11,937

Ratios:

Debt coverage	2.33x	0.17x	2.00x	1.05x	1.34x	1.47x
Current ratio	0.93	1.40	1.37	1.41	1.33	1.32
Debt/equity	0.51	0.62	0.61	0.82	0.74	0.66

Discussion: Regis reported strong historical net income, EBITDA, and debt service coverage in both 2002 and 2004. In 2003, Regis experienced a $4.3 million sales reduction reflecting a significant decrease in its biotech business. Although Regis recorded a $548,000 loss in 2003, Regis posted positive EBITDA (i.e., $248,000) and net cash provided from operations (i.e., $22,000). Regis' $1.0 million Line of Credit from Bank One provided sufficient liquidity to cover both the Company's 2003 operating expenses and debt service payments. (Regis' Line of Credit was subsequently increased to $1.5 million, as noted below.)

In 2004, Regis' sales rebounded from $6.9 million to $9.7 million, as biotech sales recovered significantly and the Company's efforts to expand its customer base and production capabilities generated new demand.

As a result of the proposed IFA bond issue, Regis' net long term bond debt will increase by $1.7 million, consistent with the New Money bond amount already approved by First American Bank as Lender/Bond Purchaser. Bond Counsel (Chapman and Cutler) will review the useful life of assets financed with IFA's 1996 Bonds to determine the new final maturity date for the Series 2005 B Refunding Bonds.

The accompanying forecasted results were prepared by IFA staff and project sales increases of 8% in 2005, and 10% in both 2006 and 2007. The forecast also assumes: (1) the proposed bond issue will close as of 12/31/2005; (2) the Bonds will bear a 5.25% fixed interest rate and amortize over 15-years; and (3) the Company's principal shareholders will make a $520,000 equity injection, as required by First American Bank. Based on these assumptions, Regis Technologies is projected to generate sufficient cash flow from operations to cover the proposed debt by multiples of 1.34 times or better in 2006, the first full year of operation in the expanded facility.

The Company currently has a $1.5 million Revolving Line of Credit from First American Bank against which there were outstanding draws totaling $100,000 as of 5/31/2005.

FINANCING SUMMARY

Security: First American Bank will purchase the Bonds to hold as a direct investment. First American Bank will be secured by a blanket first security interest in all of the Company's assets.

Structure: Bonds will be purchased directly by First American Bank and held until maturity.

Initial Term/ Maturity: Series 2005A Bonds (New Money): 5 year initial term (extendable to 15 years); 15 year amortization

Series 2005 B Refunding Bonds (Current Refunding): final maturity will be extended from 2011 to a future date, based on pending bond counsel tax review

Interest Rate: Initial bond rate will be set at 5.25% fixed for the initial 5-year period. Interest rate would be adjusted according to market conditions at each 5-year option period.

PROJECT SUMMARY

Bond proceeds will be used to finance the renovation and equipping of portions of Regis Technologies' manufacturing facilities located at 8210 Austin Ave. and 6021 Monroe Court in Morton Grove, (Cook County), Illinois 60053-3225. Additionally, bond proceeds may also be used to pay bond issuance costs.
Estimated project costs are as follows:

Building Renovations:	$1,470,000
Equipment:	660,000
Total:	$2,130,000

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Regis Technologies, Inc. and its affiliates (Contact: Mr. Louis Glunz, IV, President, Regis Technologies, Inc., 8210 Austin Ave., Morton Grove, IL 60053-3225; Ph.: 847/583-7640; Fax: 847/967-1214; e-mail: lglunziv@registech.com)
Project name:	Regis Technologies, Inc. Series 2005 A Industrial Revenue Bonds and Series 2005 B Refunding Bonds
Locations:	8210 Austin Ave. and 6021 Monroe Court, Morton Grove (Cook County), IL 60053
Organization:	S Corporation
State:	Illinois
Ownership:	All individuals with a 7.50% or greater ownership interest are listed below: Louis Glunz III Trust, c/o Louis Glunz III, 501 Forest Ave, Wilmette, IL 60091: 35.006% Louis Glunz, III, 501 Forest Ave., Wilmette, IL 60091: 25.627% Louis Glunz IV Trust, c/o Louis Glunz IV, 1129 W. Altgeld, Chicago, IL 60614: 10.65% Louis Glunz IV, 1129 W. Altgeld, Chicago, IL 60614: 8.462%

Seller Disclosure: The subject property is currently owned by the Applicant.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Holland & Knight	Chicago, IL	G. Gale Robertson
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Matt Lewin
Bond Purchaser	First American Bank	Elk Grove Village, IL	Steve Eikenberry
Bank Counsel:	First American Bank (in-house counsel)	Elk Grove Village, IL	Fred Snow
Accountant:	McGladrey & Pullen, LLP	Chicago, IL	Pete Mulvey
General Contractor:	To be determined		
Trustee:	Not applicable (Bonds will be purchased directly and held until maturity by First American Bank).		
Issuer's Counsel:	To be determined		

LEGISLATIVE DISTRICTS

Congressional:	9	Janice D. Schakowsky
State Senate:	8	Ira I. Silverstein
State House:	15	John D'Amico

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Midwest Molding, Inc., and Midwest Investments, LLC**

STATISTICS

Project Number:	I-ID-TX-CD-421	Amount:	$8,000,000 (not-to-exceed amount)
Type:	Tax Industrial Development Bond	IFA Staff:	Steven Trout
Location:	Bartlett	Tax ID:	36-4066978
SIC Code:	3089 Plastic Injection Molding	Est. fee:	$10,500

BOARD ACTION

Final Bond Resolution
Conduit Industrial Development Bonds
No extraordinary conditions

No IFA funds at risk.
Staff recommends approval.

PURPOSE

Proceeds will be used to acquire a 6-acre site in the Brewster Creek Business Park in Bartlett, construct and equip a 109,000 square-foot industrial building to manufacture plastic injection molding components for original automotive equipment manufacturers and to refinance the Company's existing facility in West Chicago and a portion of their existing equipment.

VOLUME CAP

No Volume Cap will be required as this is not a tax-exempt financing.

VOTING RECORD

Preliminary Resolution adopted February by the following vote:

Ayes: 8 Nays: 0 Absences: 3 (Delgado, Giannoulias and Nesbitt) Vacancies: 4

SOURCES AND USES OF FUNDS

Sources:	Taxable IFA Bonds	$7,000,000	Uses:	Project Costs	$5,250,000
				Refinance Bank Debt	1,600,000
				Costs of Issuance	150,000
	Total	**$7,000,000**		Total	**$7,000,000**

JOBS

Current employment:	89	Projected new jobs:	61
Jobs retained:	N/A	Construction jobs:	30 (over 6 months)

BUSINESS SUMMARY

Background: Midwest Molding, Inc., is an Illinois S-Corporation that was incorporated on March 14, 1996 to manufacture plastic molded components for original automotive equipment manufacturers. The company is a custom injection molder that specializes in straight molding, 2-shot molding, insert molding and assembly. Midwest Investments, LLC is an Illinois Limited Company established to own and lease real estate to Midwest Molding. Both entities will be co-obligors on the Bonds.

Description: Midwest Molding markets its capabilities through manufacturer's representatives and direct sales and has grown to $9 million in annual sales since its founding. Customers include Delphi Packard Electric Systems, Magna Donnelley Corporation, Robert Bosch Corporation, Mitsubishi Motor Manufacturing of America, Texas Instruments, Delphi Vandalia, Illinois Tool Works, Hella Electronics, Omron Automotive, Lear Corporation, Hi Stat Manufacturing, Donaldson Company and SPX Filtran. Midwest Molding is ISO-9001/QS-9000 3rd Edition, 1998 TS16949 Certified, and was the nation's first minority-owned injection molder with this quality control designation.

Project Background: Delphi Packard Electric Systems recently awarded Midwest Molding a 7-year contract worth $4,688,000 in annual sales to produce a component for General Motors. The company is planning to relocate from its current facility to a new 109,000 square-foot building to operate more efficiently and expand capacity to fulfill this and other new and existing contracts. Midwest Molding plans to begin construction during the summer of 2005 to begin complete operations from its new facility in early 2006.

Borrower Financials: Audited financial statements prepared for 2002 and 2003 by Sunny and Associates, CPA. Forecast for 2004 based on annualized results through October 31 (ten months). Forecast for 2005, 2006 and 2007 prepared by Sunny and Associates and Midwest Molding's President, Prabhudas Patel. (Dollars in 000s.)

	Year Ended December 31			Year Ending December 31		
	2002	2003	2004	2005	2006	2007
Income statement:						
Sales	7,866	7,910	9,830	11,000	13,000	16,000
Net income	253	235	553	592	474	702
Earnings Before Interest, Taxes & Depreciation	1,040	1,044	1,705	1,537	1,852	2,167
Balance sheet:						
Current Assets	2,285	2,069	2,869	2,600	3,145	4,155
PP&E-Net	2,196	2,426	2,524	9,970	9,420	8,746
Other Assets	2	10	10	45	50	60
Total	4,483	4,505	5,403	12,615	12,615	12,961
Current Liabilities	1,073	1,470	1,925	1,765	1,850	1,950
Long-Term Liabilities	1,531	1,089	1,094	8,235	7,685	7,310
Other Non-Cur. Liabilities	0	0	0	0	0	0
Equity	1,879	1,946	2,384	2,615	3,080	3,701
Total	4,483	4,505	5,403	12,615	12,615	12,961
Ratios:						
Fixed Charge Coverage	1.93x	2.08x	2.25x	1.45x	1.60x	1.71
Current ratio	2.13	1.41	1.49	1.47	1.70	2.13
Long-term Debt to Equity	0.96	0.89	0.77	3.39	2.67	2.08

Discussion: Midwest Molding generates sales from original equipment manufacturers pursuant to multiyear contracts in most cases. New contracts have generated increased sales and earnings during the first 10 months of 2004. Earnings presented above are understated because the company reports depreciation expenses using accelerated depreciation (which it uses for reporting taxable income) rather than straight-line (constant) depreciation. The balance sheet though 2004 includes machinery and equipment and related debt but does not include the land and building that Midwest Molding leases from Midwest Investments, LLC, a related entity. Coverage of debt service and rent expense has been very strong over the period reviewed.

The forecast has been prepared by Midwest Molding's public accountants with input from the Company. Sales projections are based on orders on hand. The forecast assumes that revenues from the new contract will begin accruing in 2006. The forecast assumes that 1) construction on the project begins in early 2005 and is completed by year-end, 2) early project expenses are financed though bank loans, and 3) Bonds are issued in June 2005 and are used to reimburse early project costs and pay remaining project expenses. The Bonds are expected to bear interest at an average rate of 6%.

The land and building will be owned by Midwest Investments, LLC and leased to Midwest Molding, consistent with current practice. The forecasted balance sheet includes both the financed assets (including land and building) and the Bonds to demonstrate Midwest Molding's capacity to service this debt over the life of the project. The owners plan to sell the company's existing land and building in 2006 after the new building is occupied. The owners have recently received inquiries to sell that building and the land for $1,800,000. That property is financed with a mortgage from Hoffman Estates Community Bank with an outstanding balance of $1,511,211. The forecast includes no income from the sale of that building after retiring the mortgage.

The Company has maintained a $3,000,000 current line of credit with Hoffman Estates Community Bank that is rarely drawn. That facility will be replaced with a $1,500,00 annually renewable line of credit from the letter of credit provider, Royal American Bank. The line will share in the collateral securing the letter of credit. We expect that Midwest Molding will continue generating sufficient cashflows to pay operating costs and make timely debt payments.

FINANCING SUMMARY

Co-Obligors:	Midwest Molding, Inc., and Midwest Investments, LLC
The Bonds:	7-day Variable Rate Demand Notes. Interest rates for similar notes averaged 3.10% for the period beginning May 25, 2005.
Security:	The Bonds will be secured with a 5-year direct-pay letter of credit from Royal American Bank and a confirming stand-by letter of credit from the Federal Home Loan Bank.
Bank Security:	Royal American's letter of credit will be secured by a first mortgage on the subject real estate, a first security interest on the financed equipment, an assignment of rents and leases and a personal guarantee from Pat Patel for $500,000.
Rating:	The Bonds will be rated "Aaa" based on the letter of credit from the Federal Home Loan Bank.
Amortization:	25 years, with a no principal payments due in year 1.

PROJECT SUMMARY

Bond proceeds will be used to: acquire a 6-acre site located in the Brewster Creek Business Park in Bartlett (Kane County), construct a 109,000 square-foot manufacturing plant to manufacture plastic injection molding components for automotive equipment manufacturers and to refinance the Company's existing facility in West Chicago and a portion or their existing equipment. The Company currently has its existing facility on the market for sale. Once the building is sold, the proceeds are expected to be used to redeem bonds.

Project costs are estimated below:

Land Acquisition:	$810,000
Construction:	3,542,500
Machinery and Equipment:	747,500
Contingency:	150,000
Total:	**$5,250,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Midwest Molding, Inc. (Contact: Mr. Prabhudas (Pat) Patel, President and CEO, 741 Winston Street, West Chicago, IL 60185; Phone: (630) 876-8811)
Project name:	Midwest Investment LLC (Midwest Molding, Inc.)
Location:	Lot Number 6, Brewster Creek Business Park, Barlett (DuPage), IL
Organization:	Illinois Limited Liability Corporation

Ownership: Ownership of both Midwest Investment, LLC and Midwest Molding, Inc., is detailed below:

Prabhudas (Pat) Patel	Barrington	50%
Mayur Patel	Elk Grove Village	9%
Suresh Patel	Schaumburg	9%
Hitesh Patel	Streamwood	9%
Shanker Patel	St. Charles	9%
Dipak Shah	Glendale Heights	9%
Rahni Patel	Carol Stream	5%

PROFESSIONAL & FINANCIAL

Corporate Counsel:	Sinar Keldermans Miller & Friedman LLC	West Chicago, IL	Peter Miller
Advisor:	Total Capital Solutions	Oak Park, IL	Tony Grant
Underwriter	NatCity Investments	Cleveland, OH	Mary Grace Petterson
Underwriter's Counsel:	Barnes & Thornburg	Chicago, IL	Darren Collier
Letter of Credit:	Royal American Bank	Bensenville, IL	Rob Romano
Bank Counsel:	Meltzer, Purtill & Stelle LLC	Schaumburg, IL	Mike Wolf
Standby LOC:	Federal Home Loan Bank	Chicago, IL	Mike Dattels
Trustee:	US Bank National Association	Indianapolis, IN	Scot Fessler
Accountant:	Sunny and Associates, Ltd.	Palatine, IL	Sunny Modi

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LEGISLATIVE DISTRICTS

Congress:	14th District	Dennis Hastert
Illinois Senate:	28th District	Bill Haine
Illinois House:	56th District	Robert Rita

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 14, 2005

Project: OSF Healthcare System

STATISTICS

Project Number: H-HO-TE-CD-594
Type: Not-for-Profit Bond
Location: Peoria, IL

Amount: $110,000,000 (Not to exceed amount)
IFA Staff: Pamela Lenane and Dana Sodikoff
Est fee: $138,000

BOARD ACTION

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

Staff recommends approval
No IFA funds at risk

PURPOSE

Proceeds will be used to: 1) advance refund $ 90,115,000 of existing IHFA Series 1999 bonds and (2) to pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$110,000,000	Uses:	Refunding Escrow	$100,000,000
				Cost of Issuance and Insurance and Debt Reserve Fund	10,000,000
	Total	$110,000,000		Total	$110,000,000

JOBS

Current employment: 8880 FTE's
Jobs retained: N/A

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

BUSINESS SUMMARY

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

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

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

Financials:

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

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

FINANCING SUMMARY

Security: OSF currently maintains ratings with all three rating agencies. Current ratings are as follows: A2/A/A (Moody's/Standard and Poor's/Fitch); certain bonds may also be rated based upon the use of credit enhancement and/or liquidity facilities (i.e., provided by an "AAA" or "AA"-rated municipal bond insurer).

Structure: The current plan of finance contemplates the issuance of 100% floating rate bonds a portion or all of which may be swapped to fix rate debt. Certain bonds may be insured by Aaa/AAA-rated municipal bond insurance. Significant interest rate savings are anticipated.

Maturity: Up to 30 years.

PROJECT SUMMARY

Bond proceeds will be used to (i) advance refund all of the outstanding principal amount of the Series 1999 Bonds and (ii) pay bond issuance costs.

ECONOMIC DISCLOSURE STATEMENT

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

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 14, 2005

Project: **Alexian Brothers Health System**

STATISTICS

Project Number:	H-HO-TE-CD-595	Amount:	$265,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Elk Grove Village, Hoffman Estates	Estimated fee:	$211,000

BOARD ACTION

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

Staff recommends approval
No extraordinary conditions

PURPOSE

Proceeds will be used to: 1) advance refund approximately $ 232,000,000 of existing IHFA Series 1999 bonds and (2) to pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$265,000,000	Uses:	Project costs	$254,700,000
				Issuance costs	2,600,000
				Bond Insurance	7,700,000
	Total	$265,000,000		Total	$265,000,000

JOBS

Current employment:	6571	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

The Alexian Brothers Health System is a diversified multi-corporate healthcare delivery system sponsored by the Congregation of Alexian Brothers, Immaculate Conception Province, a Roman Catholic religious institute.

The Alexian Brothers began their ministry in the United States in 1866 with the opening of an eight-bed hospital in Chicago. Two years later, a larger hospital was built but destroyed in the Chicago fire of 1871. Over the years, the Brothers twice rebuilt the facility. Today, the Alexian Brothers sponsor the following facilities:

- Three hospitals in the northwest suburbs of Chicago, including Alexian Brothers Medical Center in Elk Grove Village, St. Alexius Medical Center in Hoffman Estates, and Alexian Brothers Behavioral Health Hospital, also in Hoffman Estates
- Life care centers in Signal Mountain, Tennessee and Milwaukee, Wisconsin
- Two nursing homes in St. Louis, Missouri
- Programs for All Inclusive Care of the Elderly in St. Louis, Missouri and Chattanooga, Tennessee
- Free-standing assisted living facility serving persons affected by Alzheimer's or other dementia related disorders in Chattanooga, Tennessee
- Affordable housing primarily to serve seniors in St. Louis, Missouri, Elizabeth, New Jersey, and Chattanooga, Tennessee.

Financials:

	Fiscal Years Ended December 31,		
	2002	2003	2004
Income Statement:			
Support and revenues	$474,133	$537,988	$587,863
Revenue over expenses	9,607	25,992	25,982
Balance Sheet:			
Current assets	$115,276	$128,944	$135,085
Assets limited to use	231,666	260,100	327,582
Advances due	9,741	10,344	9.696
PP&E	280,601	297,771	347,929
Other assets	146,698	141,831	129,623
Total assets	783,982	824,561	935,418
Current liabilities	107,678	101,562	106,536
Deferred fees and revenues	28,131	30,032	31,946
Debt	341,297	333,615	405,632
Net assets	306,876	359,266	384,908
Total liabilities and assets	$783,982	$824,561	935,418
Ratios:			
Debt service coverage	2.6x	3.5x	3.6x
Days cash on hand	186	195	190

Discussion: The Hospital has experienced consistently strong operations over the last few years, with especially strong cash flow and profitability in FY 2003.

FINANCING SUMMARY

Security: Alexian currently maintains ratings with Moody's. Current rating is Baa1; certain bonds may also be rated based upon the use of credit enhancement and/or liquidity facilities (i.e., provided by an "AAA" or "AA"-rated municipal bond insurer).

Structure: The current plan of finance contemplates the issuance of 100% floating rate bonds a portion or all of which may be swapped to fixed rate debt. Certain bonds may be insured by Aaa/AAA-rated municipal bond insurance.

Maturity: Up to 30 years

Interest Savings: To be determined upon bond pricing. Present value savings estimated to be approximately $19,000,000.

PROJECT SUMMARY

Bond proceeds will be used to (i) advance refund all of the outstanding principal amount of the Series 1999 Bonds and (ii) pay bond issuance costs.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Alexian Brothers Health System Construction and Remodeling	
Locations:	Alexian Brothers Medical Center, 955 Beisner Road, Elk Grove Village (Cook County), IL 60007-3475 , St. Alexius Medical Center, 1555 Barrington Road, Hoffman Estates (Cook County), IL 60194-1018, and Alexian Brothers Behavioral Health Hospital, 1650 Moon Lake Boulevard, Hoffman Estates (Cook County), IL 60194-1010.	
Applicant:	Alexian Brothers Health System	
Organization:	501(c)(3) Not-for-profit Corporation	
State:	Illinois	
Board of Trustees:	Brother Lawrence Kreuger, C.F.A.	Jerry Capizzi
	Brother James Classon	Brother Richard Dube, C.F.A.
	Charles R. Goulet	Brother Thomas Keusenkothen, C.F.A
	Brother Theodore Loucks, C.F.A.	Kenneth McHugh
	Thomas Rand	Sister Renee Rose
	Brother Edward Walsh, C.F.A.	

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	Foley & Lardner	Chicago	Robert Zimmerman
Accountant:	KPMG	Chicago	
Bond Counsel:	Jones Day	Chicago	S. Louise Rankin
Underwriter:	Merrill Lynch	Chicago	Joe Hegner
Underwriter's Counsel:	Ungaretti & Harris	Chicago	Tom Fahey
Financial Advisor:	Kaufman Hall	Northfield	Ken Kaufman
Bond Trustee:	Wells Fargo Bank	Chicago	Patricia Martirano
Issuer's Counsel:	Gardner Carton & Douglas	Chicago	William Corbin

LEGISLATIVE DISTRICTS

Elk Grove Village

Congressional:	6 – Henry J. Hyde
State Senate:	33 – Dave Sullivan
State House:	66 – Carolyn H. Krause

Hoffman Estates

Congressional:	8 – Philip M. Crane
State Senate:	22 – Steven J. Rauschenberger
State House:	44 – Terry R. Parke

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 14, 2005

Project: The Landing at Plymouth Place

STATISTICS

Project Number:	H-SL-RE-TE-CD 599	Amount:	$160,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	LaGrange Park	Estimated fee:	$138,000

BOARD ACTION

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

Staff recommends approval, subject to compliance with IFA policy requirements for non-rated debt, including a financial feasibility study by BDO Siedman

PURPOSE

Proceeds will be used to: 1) pay for development, marketing, construction and other related costs associated with the redevelopment project, 2) repay seed capital plus a return to investors, 3) refund approximately $3,500,000 of outstanding debt related to the Corporation, 4) fund a portion of the interest payment, including letter of credit and remarketing fees, on the Series 2005 bonds for approximately 24 months, 5)capitalize Debt Service Reserve Funds for the Series 2005 bonds, and 6) pay costs of issuance of associated with the Series 2005 Bonds.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:			Uses:		
	IFA bonds	$138,225,000		Refunding	$ 3,500,000
	Equity	1,500,000		New Money	113,000,000
	Sub-Debt	800,000		Funded Interest	10,850,000
				Reserve Funds	8,925,000
				Issuance Costs	4,250,000
	Total	$140,525,000		Total	$140,525,000

JOBS

Current employment: TBD
Jobs retained: TBD

Projected new jobs: TBD
Construction jobs: TBD

BUSINESS SUMMARY

Plymouth Place (the "community") is a not-for-profit life care continuing care retirement community ("CCRC") located in LaGrange Park, Illinois. The community is located on an approximately 20 acre site and currently consists of 68 independent living cottages, 88 apartments offering independent and assisted living services and an 86 bed intermediate care nursing facility. Plymouth Place's 20-acre campus offers the beauty of private, tree-lined lanes, plus the convenience of being located blocks from downtown LaGrange and LaGrange Park. Within walking distance are pharmacies, physician offices, banks, restaurants, grocery stores, a movie theater, dry cleaners, the post office, the public library, the Metra train station, beautiful parks and much more. Members of the United Church of Christ founded Plymouth Place in 1944 as a boarding house for seniors. Plymouth Place has undergone multiple renovations and expansions through the 1940's and 1960's to arrive at the product offering today.

The mission statement of Plymouth Place is as follows:

Plymouth Place is a retirement community, based on Christian values, that honors the individual's right to experience life to the fullest.

Plymouth Place believes in the dignity and worth of each individual and the need to retain one's own personal identity and independence.

Plymouth Place is dedicated to providing a gracious environment on campus for individuals in their retirement years, as well as the needs of the aging in the community at large.

Plymouth Place is licensed by the Illinois Department of Health, accredited by the Joint Commission of Accreditation of Healthcare Organizations (JCAHO), and a member of the American Association of Homes and Services for the Aging, Association of Senior Service Providers, Council of Health and Human Services Ministries (United Church of Christ), Life Services Network of Illinois, and the West Suburban Chamber of Commerce.

Financials: **Plymouth Place, Inc.**
Audited Financial statements for 2001, 2002 & 2003*.

	Year Ended December 31,		
	2001	2002	2003
Statement of Revenue & Expenses:			
Revenues / Support (excl. int earnings)	8,363	8,482	8,054
Operating Income	(205)	(201)	(983)
Change in New Assets	(262)	(397)	(815)
Earnings Before Interest, Depreciation and Amortization	1,599	1,498	650
Balance Sheet:			
Current Assets	2,793	1,918	1,237
PP&E Net	17,726	16,956	15,776
Other Assets	2,532	2,877	3,282
Total Assets:	23,051	21,751	20,295
Current Liabilities	1,401	1,399	1,360
Long-term Debt	4,565	3,965	3,366
Other Long Term Liabilities	13,453	12,771	12,555
Net Assets	3,632	3,616	3,014
Total Liabilities & Net Assets	23,051	21,751	20,295
Ratios:			
Debt Service Coverage	3.46x	1.16x	0.36x
Days Cash on Hand**	179	141	103

* 2004 financials will be available prior to the final bond resolution.
** Declining debt service coverage and days cash on hand are attributable to fee structures and pricing that was not aligned with similar CCRC's in the marketplace. Management expects Plymouth Place's future cash position to improve with increased entrance fees and better occupancy rates due in part from the increase in independent living units and a decrease in assisted living units, which will better serve seniors in the community. A feasibility study to be published prior to issuance and available in draft form prior to requesting final approval from IFA will evaluate the market and Plymouth Place's ability to meet its operating expenses, working capital needs, and other financial requirements, including the annual debt service associated with the proposed Series 2005 bonds.

PROJECT SUMMARY

Members of the Plymouth Place Board of Directors, management team, and the developer came together to create a vision of a full continuum of care on Plymouth Place's campus. The redevelopment project for Plymouth Place will result in a campus that offers a broad continuum of care in distinct physical settings appropriate for each senior's needs, enabling the community to serve the most seniors' needs better and to compete more effectively with other CCRCs. The change in the scope of the services currently offered will move Plymouth Place to a broader range of the current continuum of care, focusing on the want driven side (Independent Living Units) as compared to the need driven side (Assisted Living and Nursing) of the current product offering.

The chart below shows the current and planned future unit mix:

	Approximate Current Operations	Difference	Approximate Proposed Project
Level of Care:			
Independent Living Cottages	68	-13	55
Independent Living Apartments	23	161	184
Catered / Assisted Living Apartments	70	-17	53
Dementia Assisted Living Apartments	0	26	26
Skilled Nursing Beds		0	
Private	15	19	34
Semi-Private	71	-19	52
Total Units:	247	157	404

The addition of the 176 units creates more revenue opportunity for Plymouth Place, all within reasonable market penetrations. The primary additions to the campus are market rate independent living units and dementia assisted living units that fill needs within the local senior population and create a more complete continuum of care.

A major aspect of the redevelopment will be providing all new commons areas that will make Plymouth Place a desirable product including a large meeting/activity room, multi purpose room, living room, dining room (3 meals daily), Café/Deli, private dining room for special occasions, library, beauty salon, creative arts center, wellness/fitness center and a card lounge/game room. In addition, assisted living, dementia assisted living and the health center will each have its own associated commons area and can use the main independent living commons areas as needed.

FINANCING SUMMARY

Structure: The Series 2005A bonds will be non-rated fixed rate serial and term bonds. The Series 2005B bonds will be adjustable rate securities, Ziegler EXTRAS^{SM}. The Series 2005C & 2005D bonds will be tax-exempt and taxable variable rate demand bonds that will be secured by a direct pay letter of credit from a to be determined letter of credit bank(s).

Bank and bond Security: Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings

Maturity: 32 years (Not to exceed 32 years)

Waiver: The bonds will be sold in denominations less than $100,000 (i.e. $1,000, $5,000). The Borrower has requested a waiver or our unrated and non-credit enhanced debt policy. They have met the conditions for a waiver, which they qualify for:

Conditions for Waiver:

- The Borrower has secured a published feasibility from an independent and qualified accounting or consulting firm acceptable to the Authority that supports the financial viability of the Project; or
- The bonds are being issued to refund bonds of the Authority, or a predecessor Authority, and will result in cost savings; and
- The Borrower is not currently in default on any bonds and has not missed a payment date relative to any such bonds in the immediately preceding three years.

ECONOMIC DISCLOSURE STATEMENT

Project name:	The Landing at Plymouth Place 315 North LaGrange Road LaGrange Park, IL 60526
Applicant:	The Landing at Plymouth Place
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Board of Directors:	Mrs. Wilma Beshoar Mrs. Cathleen Dalton Biga Mr. R. Dean Conlin Mr. Harvey Dunn Mr. Charles J. Grund Mr. Mark Harris Mr. Donald Hemmesch, Jr. Rev. Shawn Kafadar Mrs. Margie Kemper Mrs. Marcella Klestil Mrs. Darl Lewke Mrs. Jan McDermed Mr. Stephen Pleimling Mr. Robert Rowen Mr. Robert C. Stewart Mrs. Nancy Sutherland Mr. Tom Teegarden Mr. Dale Lilburn

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris	Chicago	Tom Fahey
Accountant:	TBD	Chicago	TBD
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	Ziegler Capital Markets Group	Chicago	Dan Hermann, Steve Johnson, William Claus
Developer	Greystone Communities	Dallas	Mike Gilliam Brad Straub
Underwriter's Counsel:	Katten Muchin Rosenman, LLP	Chicago	Janet Goelz Hoffman
Bond Trustee:	TBD	Chicago	TBD
Issuer's Counsel:	Schiff Hardin LLP	Chicago	Bruce Weisenthal

LEGISLATIVE DISTRICTS

Congressional: 3- Daniel William Lipinski
State Senate: 11- Louis S. Viverito
State House: 21- Robert S. Molaro

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 14, 2005

Project: Friendship Village of Schaumburg

STATISTICS

Project Number:	H-SL-RE-TE-CD-521	Amount:	$130,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Schaumburg	Estimated fee:	$138,000

BOARD ACTION

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

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

PURPOSE

Proceeds will be used to: 1) refinance existing IFA (IFHA) indebtedness, Series 1994, Series 1997A, and Series 1997B bonds; 2) enhance liquidity; 3) capitalize a debt service reserve fund,; 4.) construction of new residential independent living apartment units and Friendship Center, a multi-purpose community center; and 5) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA Board gave its approval for a Preliminary Bond Resolution on March 8, 2005 by the following vote:

Ayes – 8 Nayes – 0 Absent – 4 (Delgado, Herrin, O'Brien, Ozark) Vacancies – 3

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

Ayes – 10 Nayes – 0 Absent – 3 (Geotz, Herrin, Leonard) Vacancies – 2

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$130,000,000	Uses:	Refunding	$ 38,319,000
				New Money	$ 88,381,000
				Issuance Costs	$ 3,300,000
	Total	$130,000,000		Total	$130,000,000

JOBS

Current employment: 385
Jobs retained: 385

Projected new jobs: 50.6
Construction jobs: 300

BUSINESS SUMMARY

Overview of the Borrower:
Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village of Schaumburg ("FVS" or the "Borrower") was organized in 1974 by a group of Christian ministers and business people. FVS is a continuing care retirement community that first opened its doors to the elderly in 1977. In subsequent years the campus has undergone a variety of expansion and renovation projects. FVS is located on 55 wooded acres in Schaumburg, Illinois (approximately 30 miles northwest of Chicago). The campus backs up to suburban residential neighborhoods. Walking paths are available to the Schaumburg post office and library. The Woodfield shopping mall, doctors' offices, hospitals and cultural activities are all within a ten-minute drive from the campus. FVS buses and public transportation are available for residents to most destinations. The main building is a three story brick complex. FVS is in the process of expanding its senior living campus, as described herein.

The mission statement of FVS is as follows: *"Founded in the Christian Tradition, Friendship Village of Schaumburg serves older adults by nurturing its community of people through exemplary services and accommodations that enhance the wholeness of life."*

The chart below shows the current and planned future unit mix:

	ILU Garden Homes	*ILU Apartments*	*ALUs*	*Nursing Beds*	*TOTAL*
Bridgegate ILUs		467			467
The Willows Assisted Living			98		98
Briarwood Health Care Center				250	250
Crosswell Trace (began occupancy in January 2004)	28				28
Total – Before New Project	28	467	98	250	843
Bridgewater Place – 2005 project		170			170
Total – After New Project	28	637	98	250	1,013

In addition to these residential options, FVS offers adult day services and home health care. Common areas are abundant and include dining rooms, meeting rooms, an auditorium, a library, a bank, a hair salon, a health clinic, a gift shop, a convenience store and parking, among others.

FVS is governed by a Board of Directors composed of distinguished business, healthcare and other professionals from the community. The President/CEO has been in place at FVS since 1997. The CFO joined FVS in 2002 as Director of Finance until April 2005 when he was promoted to his current position.

FVS is the first CCRC in Illinois to be accredited by the Continuing Care Accreditation Commission ("CCAC"). In addition, FVS is a member of the American Association of Homes and Services for the Again, Life Services Network of Illinois, and the Northwest Suburban Association of Commerce and Industry.

Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village
Audited Financial Statements for 2003, 2004 & 2005

	Year Ended March 31		
	2003	2004	2005
Statement of Revenues and Expenses:			
Revenues/Support (excl. interest earnings)	$26,491	$29,687	$30,487
Operating Income	(1,947)	(794)	(1,198)
Change in Net Assets	(1,618)	520	(1,419)
Earnings before Interest, Depreciation & Amortization	2,037	4,548	4,761
Revenues Available for Debt Service (1)	3,352	8,371	4,563
Balance Sheet:			
Current Assets	10,861	12,038	11,659
PP&E - Net	46,719	51,797	53,087
Other Assets	14,892	13,135	16,284
Total Assets	72,472	76,970	81,030
Current Liabilities	5,483	6,799	8,636
Long-Term Debt	37,716	36,253	34,809
Other Non-Current Liabilities	39,282	43,904	48,984
Net Assets	(10,009)	(9,986)	(11,399)
Total Liabilities and Net Assets	72,472	76,970	81,030
Ratios:			
Debt Service Coverage Ratio	1.05x	2.61x	1.37x
Days Cash on Hand	199	173	198

(1) Revenues Available for Debt Service is used as the numerator in the Rate Covenant under the Master Indenture. This figure is the same as "Earnings before Interest, Depreciation & Amortization" except that it has been adjusted to add entrance fees received (net of refunds paid). In addition, unrealized gains/losses, amortization of entrance fees, and first-time entrance fees on newly constructed units have been excluded.

PROJECT SUMMARY

The Series 2005 Bonds will be used to finance development of Bridgewater Place, a 170-unit, six-story independent living building (the"Project"). The Project will consist of one-bedroom and two-bedroom apartments with balconies, and many common areas, including a fitness and aquatic center, gardens, meeting rooms, beauty salon, barber shop, gift shop, spas, a sports bar, a café, and a friendship center, a multi-purpose community center. The services provided to residents are typical of a modern CCRC and include all utilities, housekeeping, landscaping, valet parking, security, social programs, and many others.

FINANCING SUMMARY

Structure: The Series 2005A bonds will be non-rated fixed rate bonds. The Series 2005B bonds will be short-term non-rated EXTRAS. Series 2005C bonds will be variable rate demand bonds that be secured by a Direct pay letter of credit from LaSalle Bank. Friendship Village has been given a rating of BB+ from Fitch.

Bank Security: Gross revenue pledge, mortgage and master notes under a master indenture. Covenants and other legal provisions are expected to be consistent with those in use for similar financings

Maturity: 32 years

Refunding: The refinancing is being done to a) realize interest savings estimated at approximately $406,600 in year one based on a reduction in the average coupon on the existing bonds from 6.87% to an expected average rate of 5.8% on the new variable rate bonds, b.) adjust the borrower's mix of floating and fixed rate debt and c) simplify issuance and debt management by bringing the new money and refunding bonds under a single set of financing documents.

Waiver: The bonds will be sold in denominations less than $100,000 (i.e. $1,000, $5,000). The Borrower has requested a waiver or our unrated and non-credit enhanced debt policy. They have met the conditions for a waiver, which they qualify for:

Conditions for Waiver:

- The Borrower has secured a published feasibility from an independent and qualified accounting or consulting firm acceptable to the Authority that supports the financial viability of the Project; or
- The bonds are being issued to refund bonds of the Authority , or a Predecessor Authority, and will result in cost savings; and
- The Borrower is not currently in default on any bonds and has not missed a payment date relative to any such bonds in the immediately preceding three years.

Friendship Village of Schaumburg hired BDO Seidman, LLP to prepare a Financial Feasibility Study for the five years ending March 31, 2010 to evaluate the overall ability of Friendship Village to meet its operating expenses, working capital needs, and other financial requirements, including the annual debt service associated with the proposed Series 2005 bonds.

BDO Sideman is of the opinion that Management's underlying assumptions are reasonable for a Project of this type in this geographical area. The financial forecast indicates that sufficient funds could be generated to meet the Corporation's annual operating expenses, working capital needs, and other financial requirements, including the debt service requirements associated with the proposed Series 2005 Bonds during the forecast period. Stabilized occupancy is assumed to be 95% for the ILUs and 93% for the ALU's by 2008. At this level, the long-term debt service coverage ratio will be approximately 1.47x.

This study will be part of the Official Statement, and therefore, will be available to every bond purchaser.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Friendship Village of Schaumburg Home Office: 350 West Schaumburg Road, Schaumburg, Illinois	
Applicant:	Evangelical Retirement Homes of Greater Chicago	
Organization:	501(c)(3) Not-for-Profit Corporation	
State:	Illinois	
Board of Directors:	Gary C. Clark, Chair	Thomas A. Johnson
	Mershon Niesner, Vice Chair	Jack A. Kremers
	Gary Howard, Secretary	Kathy Rivera
	Donald Myron, Treasurer	Paul J. Schaffhausen
	John M. Brown	Jan L. Tucker
	Charles W. Cassell	Duane M. Tyler

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Smith, Hemmesch & Burke	Chicago	Don Hemmesch
Accountant:	KPMG	Chicago	Jim Stark
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	Ziegler Capital Markets Group	Chicago	Dan Hermann, Steve Johnson, Jennifer Lavelle
Underwriter's Counsel:	Katten Muchin Rosenman	Chicago	Janet Goelz Hoffman Aaron R. Clark
Bond Trustee:	Wells Fargo Bank	Chicago	Patricia Martirano
Issuer's Counsel:	Schiff Hardin LLP	Chicago	Bruce Weisenthal

LEGISLATIVE DISTRICTS

Congressional: 8- Melissa Bean
State Senate: 27- Wendell E. Jones
State House: 53- Sidney H. Mathias

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 14, 2005

Project: **Advocate Health Care Network**

STATISTICS

Project Number:	H-HO-TE-CD-586	Amount:	$250,000,000 (Not to exceed amount)
Type:	Not-for-profit Bond	PA:	Pam Lenane and Dana Sodikoff
Locations:	Multiple	Est. fee:	$211,000

BOARD ACTION

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

No extraordinary conditions
Staff recommends approval

PURPOSE

Proceeds will be used to: 1) refinance certain of existing IHFA Series 1997A, and 2000 bonds, and 2) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on May 10, 2005 by the following vote:

Ayes – 9 Nays – 0 Abstentions – 1 Absent – 3 Vacancies – 2

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$216,800,000	Uses:	Refunding escrow deposit	$220,700,000
	Trustee Held Funds	7,500,000		Bond insurance costs	2,000,000
				Issuance costs	1,600,000
	Total	$224,300,000		Total	$224,300,000

JOBS

Current employment: 24,600 (approximate)
Jobs retained: all of current employment

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

BUSINESS SUMMARY

Advocate Health Care Network, a not for profit corporation ("Advocate Network Corporation") is the sole member of the not for profit Advocate Health and Hospitals Corporation ("Hospitals Corporation"). Advocate Network Corporation and the Hospitals Corporation are, in turn, the sole members of various not-for-profit corporations or the shareholders of various business corporations, the primary activities of which are the delivery of health care services or the provision of goods and services ancillary thereto. Such controlled corporations along with Advocate Network Corporation and the Hospitals Corporation, constitute the Advocate Health Care System (the "System"). The System was created in January 1995 through the consolidation of two health systems, Evangelical Health

System (the "Evangelical System") and Lutheran General Health System (the "Lutheran System"). As the parent of the System, Advocate Network Corporation currently has no material operations or activities of its own, apart from its ability to control subsidiaries.

As a faith-based health care organization, sponsored by the United Church of Christ and Evangelical Lutheran Church of America, the mission, values and philosophy of the System form the foundation for its strategic priorities. The System's mission is to serve the health care needs of individuals, families and communities through a wholistic philosophy rooted in the fundamental understanding of human beings as created in the image of God. As such, the System provides a continuum of care through its eight acute care hospitals and two full-service children's hospitals, with approximately 3,100 licensed beds, primary and specialty physician services, outpatient centers, home health, and hospice care throughout the metropolitan Chicago area. Through a long-term academic and teaching affiliation with the University of Illinois at Chicago Health Sciences Center, the System trains more resident physicians than any non-university teaching hospital in Illinois.

In addition to owning and operating hospitals and other health care facilities, the System is affiliated with three large physician groups. The System has a management and professional services agreement with Dreyer Medical Group, Ltd., which employees approximately 115 full-time equivalent physicians. Advocate Medical Group is an unincorporated physician group that is a division of the Hospitals Corporation and employs approximately 163 full-time equivalent physicians. Lastly, Advocate Health Centers, is a for-profit subsidiary of Evangelical Services Corporation (which is wholly owned by the System) that employees approximately 154 full-time equivalent physicians.

The following table summarizes the audited financial performance of the Advocate Health Care Network and Subsidiaries for the fiscal years ended December 31, 2002, 2003 and 2004.

(Dollars in 000's)	Year ended December 31		
	2002	2003	2004
Statement of Revenues & Expenses:			
Total Revenue	$2,545,528	$2,669,871	$2,779,675
Operating Income	10,443	83,244	73,767
Change in Net Assets	(96,821)	317,751	229,175
Earnings Before Interest, Depreciation and Amortization	127,639	253,119	283,360
Balance Sheet			
Current Assets	$529,853	$508,432	$603,373
PP&E – Net	769,833	825,911	859,352
Other Assets	1,403,411	1,909,898	2,111,070
Assets from discontinued operations	8,949	0	0
Total Assets	$2,712,046	$3,244,241	$3,573,795
Current Liabilities	$480,714	$519,618	$695,981
Long-term Debt	523,145	590,430	496,918
Other Non-Current Liab.	406,890	521,837	540,872
Liabilities of discontinued ops.	8,199	1,507	0
Net Assets	$1,418,948	$1,633,392	$1,733,771
Total Liabilities & Net Assets	$1,293,098	$1,610,849	$1,840,024
Ratios			
Debt Service Coverage	3.4x	5.2x	6.1x
Days Cash	157.6	194.0	207.3

FINANCING SUMMARY

Security: Advocate Health Care currently maintains ratings with all three rating agencies. Current ratings are as follows: Aa3/AA/AA- (Moody's/Standard and Poor's/Fitch); certain bonds may also be rated based upon the use of credit enhancement and/or liquidity facilities (i.e., provided by an "AAA" or "AA"-rated municipal bond insurer).

Structure: 100% underlying variable rate bonds with a floating-to-fixed swap to achieve a "synthetic" fixed rate. Certain bonds may be insured by Aaa/AAA-rated municipal bond insurance.

Maturity: 17 years

Interest Savings: To be determined upon bond pricing. Present value savings estimated to be approximately $20,000,000.

PROJECT SUMMARY

Proceeds will be used to: 1) refinance certain of existing IHFA Series 1997A, and 2000 bonds, and 2) pay costs of issuance.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Advocate Health Care
Locations:	Eight acute care hospitals: 3 in Chicago, Oak Lawn, Downers Grove, Park Ridge, Barrington and Hazel Crest
Applicant:	Advocate Health Care 2025 Windsor Drive Oak Brook, IL 60521
Organization:	501(c)(3) Not-for-profit corporation
State:	Illinois
Board of Directors:	Rev. Dr. Donald M. Hallberg, Chairperson Jameson A. Baxter, Vice Chairperson Alejandro Aparicio, M.D. Jon E. Christofersen, M.D. Bruce E. Creger Lynn Crump-Caine Richard Anthony Egwele, M.D. William C. Graft Rev. Dr. Jane Fisler Hoffman Abe Tomas Hughes II Bishop Paul R. Landahl John Lassiter, CLU, ChFC Richard McAuliffe Robert G. McLennan Frank H. Mynard Michele Baker Richardson Rudolf G. Schade, Jr. Joan Fowler Shaver, Ph.D, R.N., F.A.A.N. James Skogsbergh, President and C.E.O., Advocate Health Care Carolyn Hope Smeltzer Rev. Ozzie Smith, Jr. John F. Timmer

PROFESSIONAL AND FINANCIAL

Borrower's Counsel: Foley & Lardner LLP	Chicago	Robert Zimmerman
Accountant: Ernst & Young	Chicago	JoEllen Helmer
Bond Counsel: Katten Muchin Rosenman LLP	Chicago	Elizabeth Weber
Underwriter: Citigroup	Chicago	James Blake
Underwriter's Counsel: Sonnenschein Nath & Rosenthal LLP	Chicago	Steven Kite
Bond Trustee: JP Morgan Trust Company	Chicago	Joseph Morand
Issuer's Counsel: Shefsky and Froelich Ltd.	Chicago	Kimberly Copp

LEGISLATIVE DISTRICTS

Congressional: 7- Danny Davis, 3- Dan Lipinski, 6- Henry J. Hyde, 8- Melissa Bean, 5-Rahm Emmanuel, 9- Jan Schakowsky, 2- Jesse L. Jackson, Jr.
State Senate: 5-Rickey Hendon, 18-Edward D. Maloney, 21- Dan Cronin, 26- William (Bill) E. Peterson, 6- John J. Cullerton, 33-Dave Sullivan, 29-Susan Garrett, 19- M. Maggie Crotty, 17- Donne E. Trotter
State House: 10- Annazette Collins, 36- James D. Brosnahan, 42- Sandra M. Pihos, 52- Mark H. Beaubien, Jr., 12- Sara Feigenholtz, 65- Rosemary Mulligan, 57- Elaine Nekritz, 38- Robin Kelly, 33- Marlow H. Colvin

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 14, 2005

Project: Aunt Martha's Youth Service Center

STATISTICS

Project Number:	CP-TE-CD-579	Amount:	$5,600,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pam Lenane and Dana Sodikoff
Locations:	Multiple	Estimated fee:	$27,300

BOARD ACTION

Final Resolution
Conduit 501(c)(3) Bonds

Staff recommends approval
No IFA funds at risk

PURPOSE

Proceeds will be used to: 1) refinance $3.8 million of outstanding IHFA Series 1996 bonds, 2) refinance $2.2 million of outstanding commercial mortgages and Illinois Facilities Fund Loans, and 3) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

The IFA gave its approval for a Preliminary Bond Resolution on May 10, 2005 by the following vote:

Ayes – 10 Nayes – 0 Absent – 3 (Leonard, O'Brien, Ozark) Vacancies – 2

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$5,260,000	Uses:	Refunding of 1996 Bonds	$ 3,838,450
	Debt Reserve Transfer	375,000		Refinance Mortgage	386,250
	1996 Bond Transfer	190,000		Refinance IFF Loans	1,770,000
	Sale of Property	395,000		Costs of Issuance	225,300
	Total	$6,220,000		Total	$6,220,000

JOBS

Current employment: 469
Jobs retained: 0

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

BUSINESS SUMMARY

Background: Aunt Martha's Youth Service Center (the "Center" or "Aunt Martha's") was founded in 1972 as not-for-profit Corporation with a mission to provide comprehensive child welfare, health, education, counseling and youth development and prevention services in seven northeastern Illinois Counties: Cook, Grundy, Iroquois, Kane, Kankakee, Kendall and Will. The Center operates 13 group homes, serves approximately 350 children through their foster care program, and operates 9 health service centers that provide a wide variety of health services to over 17,000 people annually.

Financials: **Aunt Martha's Youth Service Center**
Audited Financial Statements for 2002, 2003 & 2004

	Year Ended June 30 2002	2003	2004	Proforma 2005
	(Dollars in 000s)			
Statement of Revenues & Expenses:				
Revenue/Support (excl. int earns)	$26,035	$28,535	$31,096	$36,723
Change in Net Assets	129	455	(153)	430
Earnings Before Interest, Depreciation and Amortization	812	1,102	453	1,147
Balance sheet:				
Current Assets	$5,068	$5,127	$6,279	$5,089
PP&E – Net	3,026	3,471	3,648	4,354
Other Assets	148	140	132	1,187
Total Assets	8,242	8,738	10,059	10,631
Current Liabilities	3,608	3,746	4,942	3,425
Long-term Debt	3,178	3,081	3,359	5,372
Other Non-Current Liab.				
Net Assets	1,456	1,911	1,758	1,834
Total Liabilities & Net Assets	8,242	8,738	10,059	10,631
Ratios				
Debt Service Coverage	2.07x	2.80x	1.15x	2.92x
Days Cash			13.47	4.41
Current ratio	1.40	1.37	1.27	1.49
Debt to Net Assets	4.66	3.57	4.72	3.48

Discussion: Aunt Martha's revenues have grown steadily over the period reviewed. In fiscal year 2004, the Agency experienced a small loss due to over $200,000 of unexpected expenses to renovate a donated facility that developed a serious mold problem after a rainstorm. The Borrower has generated sufficient operating cashflow to maintain healthy debt service coverage levels in recent years. Aunt Martha's has historically relied on a line of credit from Cole Taylor for its liquidity.

The "Proforma 2005" income statement presented above summarizes management's expectation for the fiscal year, based on the budget and actual performance through 7 months (January 31, 2005). Management is projecting a $430,000 surplus for fiscal year 2005. The Agency will realize approximately $55,000 in annual interest savings as a result of the refunding. This saving is not included in the Changes in Net Assets reported above but is incorporated in the Debt Service Coverage ratio estimated above.

The Balance Sheet presented for FY 2005 is based on Aunt Martha's balance sheet as of January 31, 2005 plus $1.77 million in new buildings and a new loan from IFF that will be refinanced with Bond proceeds. As of January 31, the Agency had drawn $1,025,000 on its line of credit with Cole Taylor. First American has committed to extend a $4 million annually renewable line of credit to replace Cole Taylor's credit facility.

FINANCING SUMMARY

Security: Illinois Department of Children and Family Services Debt Service Deduction Contract and mortgages on ten properties owned by Aunt Martha's Youth Service Center, Inc.

Structure: Private Placement with First American Bank.

Maturity: 25 years

Interest Savings: To be determined upon bond pricing but currently estimated to be approximately $55,300 per year.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Aunt Martha's Youth Service Center 233 West Joe Orr Road, Chicago Heights, IL 60411
Applicant:	Child Welfare and Health Services Agency
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Aunt Martha's Youth Service Center is located in Illinois.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Tucker & Associates	Oak Lawn	Berry Tucker
Accountant:	Wolf & Company LLP	Oak Brook	Dave Seihoff
Bond Counsel:	Chapman & Cutler	Chicago	Matthew Lewin
Financial Advisor:	Griffin, Kubik, Stephens & Thompson, Inc.	Chicago	Helena Burke-Bevan
Bond Trustee:	First American Bank	Elk Grove	James Burton
Issuer's Counsel:	Kevin Cahill	Chicago	Kevin Cahill

LEGISLATIVE DISTRICTS

Congressional: 2- Jesse L. Jackson Jr.
State Senate: 40- Debbie DeFrancesco Halvorson
State House: 80- George Scully Jr.

AMENDATORY RESOLUTION AMENDING A PRELIMINARY BOND RESOLUTION APPROVING THE ISSUANCE OF THE ILLINOIS FINANCE AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 2004 TO E. KINAST DISTRIBUTORS, INC. FOR THE PURPOSES SET FORTH HEREIN IN AN AGGREGATE PRINCIPAL AMOUNT NOW ESTIMATED NOT-TO-EXCEED $3,600,000 IFA NO. I-ID-TE-CD-413, WHICH WAS APPROVED BY THE MEMBERS OF THE ILLINOIS FINANCE AUTHORITY ON SEPTEMBER 14, 2004

WHEREAS, there has been presented to the Illinois Finance Authority, a body politic and corporate of the State of Illinois (the "Authority"), E. Kinast Distributors, Inc., an Illinois corporation (the "Borrower"), an application for the issuance of Industrial Development Revenue Bonds by the Authority for the benefit of the Borrower in an amount now estimated not-to-exceed Four ~~Three~~ Million Two ~~Six~~ Hundred Thousand and No/100 Dollars ($4,200,000 ~~3,600,000~~) (the "Bonds"); and

WHEREAS, the Borrower's application has been made with respect to a "project" within the meaning of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the "Act"), for the purpose of providing the Borrower with all or a portion of the funds necessary to finance the costs of the acquisition of land and the construction and equipping of a new building products facility, all located at 7N 650 / 7N 728 Church Road in Hanover Park, Illinois (collectively, the "Project"); and

WHEREAS, it is anticipated that all of the projects will be owned, operated or managed by the Borrower; and

WHEREAS, as part of the issuance of the Bonds, the Borrower is seeking now estimated not to exceed Four ~~Three~~ Million Two ~~Six~~ Hundred Thousand and No/100 Dollars ($4,200,000 ~~3,600,000~~) in Authority 2005 ~~2004~~ Volume Cap; and

WHEREAS, no expenditures relating to the Project for which the Borrower may seek reimbursement from the proceeds of the Bonds (the "Expenditures") have been made more than sixty (60) days prior to the adoption of this amendatory Preliminary Bond Resolution or the original Preliminary Bond Resolution of September 14, 2004, as the case may be, and any further Expenditures will be made on or after the date that this Preliminary Bond Resolution is adopted; and

WHEREAS, a determination has been made by the Authority that its issuance of the Bonds for the Project will be consistent and in accord with the provisions and purposes of the Act; and

WHEREAS, each of the Members of the Authority present is familiar with the form of this Preliminary Bond Resolution; and

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

Section 1. **Approval.** The application of the Borrower is approved.

Section 2. **Adoption of Preliminary Bond Resolution.** The Chairman or (Interim) Executive Director of the Authority is authorized and directed to execute, and the Secretary or Assistant Secretary of the Authority is authorized to seal and attest to the adoption of this Preliminary

Bond Resolution and to do any and all things necessary or desirable in order to carry out the intention of the parties expressed herein.

Section 3. Issuance of Bonds. Upon final determination of the details of the financing and provided that, on or before <u>June</u> ~~September~~ 14, <u>2007</u> ~~2006~~, the Authority and the Borrower shall have agreed to mutually acceptable terms for the Bonds and the contracts, agreements and proceedings related thereto, including, but not limited to a bond purchase agreement for the sale of the Bonds, the Authority will use all reasonable efforts to take the further steps necessary, including, but not limited to, execution of said bond purchase agreement, to issue its Bonds on behalf of the Borrower to finance all or a portion of the Project in an amount now estimated not-to-exceed <u>Four</u> ~~Three~~ Million <u>Two</u> ~~Six~~ Hundred Thousand and No/100 Dollars ($<u>4,200,000</u> ~~3,600,000~~), which issuance is contemplated to and may include as part thereof not to exceed <u>Four</u> ~~Three~~ Million <u>Two</u> ~~Six~~ Hundred Thousand and No/100 Dollars ($<u>4,200,000</u> ~~3,600,000~~) in Authority <u>2005</u> ~~2004~~ Volume Cap.

Section 4. Expenditure Reimbursement. The Authority, on behalf of the Borrowers, reasonably expects to reimburse all or a portion of any Expenditures that may have been incurred with the proceeds of the Bonds.

Section 5. Notice and Hearing. The Chairman or <u>(Interim)</u> Executive Director of the Authority, or his designee, is hereby authorized, empowered and directed to cause notice to the public of a public hearing on the plan of financing for the Project to be published, such notice to be published at a time and in a manner determined by him to be appropriate and at least fourteen (14) days prior to the date on which such public hearing is to be held, and the Chairman or <u>(Interim)</u> Executive Director of the Authority (or any officer, employee or agent of the Authority designated by the Director) is further authorized, empowered ban directed to hold the public hearing referred to in said notice.

Section 6. Official Intent. <u>To the full extent allowed by law, the</u> ~~The~~ Authority intends this <u>amendatory</u> Preliminary Bond Resolution<u>, which supplements and amends the original Preliminary Bond Resolution of September 14, 2004,</u> to satisfy the requirements of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code"), and specifically Treasury Reg. § 1.150-2(d), regarding the declaration by the Authority of its official intent to issue its revenue bonds for the purpose of reimbursing original expenditures (as that term is defined in Treasury Reg. §1.150-2(c)) incurred with respect to the Project within 60 days preceding the adoption of this <u>amendatory</u> Preliminary Bond Resolution.

Approved and effective this 14th day of <u>June 2005</u> ~~September, 2004~~.

To: Members of the Illinois Finance Authority Board of Directors

From: Sharnell Curtis-Martin, Funding Manager

Date: June 7, 2005

Re: **Request to Amend a Preliminary Resolution for E. Kinast Distributors**

The Illinois Finance Authority Board approved on September 14, 2004 a Preliminary Bond Resolution to issue up to $3,600,000 in Industrial Development Bonds for E. Kinast Distributors. The financing team has asked the Authority to pass an Amendatory Resolution increasing the amount to $4,200,000 to accommodate an increase in expected project costs.

Attached is a revised Board Summary for the project, which includes reviewed annual financial statements for the fiscal year ended October 31, 2004. The financing team remains intact for this project. Bank One has approved an increase in a direct-pay letter of credit to enhance this bond issue. Closing is expected by October 2005.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **E. Kinast Distributors, Inc.**

STATISTICS

Deal Number:	I-ID-TE-CD-413	Amount:	$4,200,000
Type:	Industrial Revenue Bonds	Funding Manager:	Sharnell Curtis-Martin
Location:	Hanover Park	Tax ID:	36-2854554
SIC Code:	2590	Estimated Fee:	$32,300

BOARD ACTION

Amendatory Bond Resolution
Conduit Industrial Revenue Bonds
No IFA funds at risk

Staff recommends approval
No extraordinary conditions

PURPOSE

To finance acquisition of land, construction, machinery and equipment.

VOLUME CAP

The Applicant is seeking approximately $4,200,000 in IFA Volume Cap

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VOTING RECORD

Preliminary Bond Resolution: September 14, 2004

Ayes: 9 Nays: 0 Absent: 3 (Delgado, Leonard, O'Brien) Vacancies: 3

SOURCES AND USES OF FUNDS

Sources:	IFA Bond	$4,200,000	Uses:	Project Costs	$5,000,000
	Equity	950,000		Bond Issuance Costs	150,000
	Total Sources:	$5,150,000		Total Uses	$5,150,000

JOBS

Current employment:	43	Projected new jobs:	13
Jobs retained:	N/A	Construction jobs:	87 (6 months)

BUSINESS SUMMARY

Background: E. Kinast Distributors, Inc. ("E. Kinast" or the "Company") began as a sole proprietorship owned by Mr. Edward Kinast in 1970. The Company began as a wholesale distributor of interior building products for woodworkers, lumber yards and kitchen remodelers. The Company incorporated as E. Kinast Distributors in December 1975.

When Mr. Kinast passed away, his business was taken over by his three daughters: Dianne Kinast, Barbara Kinast and Nancy (Kinast) Schierer and son-in-law, William Schierer. Mr. Schierer serves as the Company's President, while his wife and sister in laws also serve in management positions in the Company.

In 1997, E. Kinast began a manufacturing division to produce counter tops for the Chicago area Home Depot Stores. This new area has allowed the Company to diversify and become a value added manufacturer and distributor of countertops, wood components, laminated panels and other products used by the woodworking industry. E. Kinast also assembles and packages hardware for the McMaster-Carr Corporation.

Description: The new facility in located in Hanover Park will allow E. Kinast to expand from 49,000 square feet to over 83,000 square feet. Also located in TIF District #3, this project is expected to create 13 new jobs.

Financials: Reviewed Financial Statements 10/31/02 - 10/31/04
Internally prepared financial projections 10/31/05 - 10/31/07

	Year Ended Oct 31			Year Ending Oct 31		
	2002	2003	2004	2005	2006	2007
	(Dollars in 000's)					
Income statement:						
Sales	$10,318	$10,492	$11,319	$12,247	$13,390	$14,719
Net income	(99)	123	328	67	391	523
EBITDA*	149	330	540	245	532	732
Balance sheet:						
Current assets	$3,045	$2,646	$3,226	$2,956	$3,167	$3,410
PP&E	365	317	409	3,601	3,451	3,330
Total assets	3,410	2,963	3,635	6,557	6,618	6,740
Current liabilities	2,311	1,781	2,071	1,940	2,051	2,336
Non Current liabilities	1,035	995	1,049	4,363	3,922	3,236
Equity	65	187	515	254	645	1,168
Total liabilities/equity	$3,410	$2,963	$3,635	$6,557	$6,618	$6,740
Ratios:						
Debt coverage	0.80x	1.98x	3.16x	1.99x	2.66x	3.48x
Current ratio	1.32	1.49	1.56	1.52	1.54	1.46
Debt/equity	16.49	5.53	2.14	17.36	6.39	2.94

EBITDA* Earnings before Interest Taxes Depreciation and Amortization

Discussion:	In 2002, the Company experienced a net loss of $99,000. If non-cash expenses (i.e. amortization and depreciation) are added back in, the Company would have adjusted net income of $12,300. The Company has a $1.1 million operating line of credit through Bank One N.A. with approximately $700,000 available.

FINANCING SUMMARY

Security:	Direct Pay Letter of Credit to be provided by Bank One, N.A.
Structure:	Variable Rate Demand Bonds
Maturity:	To Be Determined

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition of an approximately five acre parcel of land located at 7N 650/7N 728 Church Road, Hanover Park, IL 60133 (DuPage County) , construction of a 83,625 square foot manufacturing facility and the acquisition of equipment and machinery for use therein. Project costs are estimated as follows:

Construction	$3,930,000
Land	650,000
Machinery and Equipment	320,000
Architectural/Engineering	100,000
Total Project Costs	**$5,000,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	E. Kinast Distributors, Inc. 9362 W. Grand Avenue, Franklin Park, IL 60131 (Cook County)	
Project name:	E. Kinast New Facility	
Location:	7N 650/7N 728 Church Road, Hanover Park, IL 60133 (DuPage County)	
Organization:	Corporation	
State:	Illinois	
Ownership:	William and Nancy Schierer	48.4%
	Dianne Kinast	28.3%
	Barbara Kinast	23.3%
Land Sellers:	KND Group Ken Nyenhuis 51% Lynn Nyenhuis 49%	

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Tews, Theisen & Lawler	Chicago	Herbert Theisen
Accountant:	Ostrow, Resien, Birk and Abrams	Chicago	Paul McEntree
Bond Counsel:	Wildman, Harrold, Allan & Dixon	Chicago	James Snyder
LOC Bank:	Bank One, N.A.	Melrose Park	Lenny Bell
Underwriter:	J. P. Morgan Securities, Inc.	Chicago	Shelley Phillips

Underwriter's Counsel:	To Be Determined
Issuer's Counsel:	To Be Determined
Trustee:	To Be Determined

LEGISLATIVE DISTRICTS

Congressional:	6 – Henry Hyde
State Senate:	28 – David Sullivan
State House:	55 -- Rosemary Mulligan

AMENDATORY RESOLUTION AMENDING A RESOLUTION APPROVING A PARTICIPATION LOAN FROM THE ILLINOIS FINANCE AUTHORITY TO THE P & P PRESS, INC., WHICH WAS APPROVED BY THE MEMBERS OF THE AUTHOIRY ON DECEMBER 7, 2004
(IFA NO. B-LL-TX-421)

WHEREAS, there has been presented to the Illinois Finance Authority, a body politic and corporate of the State of Illinois (the "Authority"), an application for a loan participation with Heartland Bank & Trust Company, Peoria, Illinois (the "Lender") in an amount not-to-exceed $650,000.00 (the "Loan"), to P & P Press, Inc., an Illinois corporation (the "Borrower"); and

WHEREAS, the Loan is to be made for a project within the meaning of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq*, which project is to be located at 6513 Galena Road, Peoria, Illinois (the "Project"); and

WHEREAS, a determination has been made by the Authority that its participation in the Loan related to the Project will be consistent and in accord with the provisions and purposes of the Act; and

WHEREAS, there has been presented to the Members of the Authority a write-up (description) of the Borrower, the Lender, the Project, the terms of the underlying loan from the Lender to the Borrower in which the Authority will participate, an application by the Borrower seeking the Authority's participation in the Loan relative to the Project and a term sheet setting forth the conditions under which the Authority would participate in the Loan (collectively, the "Project Description"); and

WHEREAS, there has been presented to the Authority a proposed form of a Participation Agreement (the "Agreement") to be entered into by and between the Authority, as participant, and the Lender with respect to the Loan; and

WHEREAS, the Lender and the Borrower have indicated to the Authority that the Loan will not be closed prior to June 7, 2005, and both have requested that the Authority extend this Resolution for an additional six-months; and

WHEREAS, the Members find the request for the extension to be reasonable; and

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

Section 1. Approval. The Authority approves participating in the Loan in an amount not to exceed Six Hundred Fifty Thousand and 00/100 Dollars ($650,000) on terms substantially similar to those detailed in the Agreement and the Project Description.

Section 2. Interest Rate Terms. The Lender shall pay to the Authority, as participant, interest on its Participation at the Participation Interest Rate, substantially as defined and determined in the Agreements, with such modifications as may be agreed to by the Chairman or Executive Director that are consistent with the Act and this Resolution.

Section 3. Authorization. The Chairman, Executive Director or Treasurer of the Authority is authorized and directed to execute, and the Secretary or Assistant Secretary of the Authority is authorized to seal and attest to the adoption of this Resolution and to do any and all things necessary or desirable in order to carry out the intention of the parties expressed herein, including, but not limited to, executing the Agreement and other documents necessary to effectuate the participation authorized herein, with such modifications as may be agreed to by the Chairman Executive Director, or Treasurer that are consistent with the Act and this Resolution.

Section 4. Effective Date. The approvals and authorizations granted herein shall become effective immediately upon the adoption of this resolution, but said approvals and authorizations shall become null and void should the documents necessary to carry out the intent of this resolution not be executed on or before ~~June 7~~ December 7, 2005.

Approved and effective this ~~7~~ 14th day of ~~December~~ June 2005 ~~2004~~.

____
Chairman

Attest:

____
Assistant Secretary

MEMORANDUM

TO: IFA Board of Directors

FROM: Jim Senica

DATE: June 14, 2005

RE: P & P Press, Inc.
Project No. B-LL-TX-421

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

Heartland Bank and Trust Company and P & P Press, Inc. have requested that IFA approve a 6-month extension to December 7, 2005, on IFA's commitment to its Participation Loan. IFA is committed to the financing after the acquisition of new machinery and equipment is complete and the long-term financing is established. The Board originally approved this project on December 7, 2004, with the usual six-month commitment, expiring on June 7, 2004. The manufacturer of the new printing machinery and equipment is in the process of incorporating a major technology upgrade to the equipment that P & P Press, Inc. had purchased. P & P Press' owner chose to delay the acquisition to obtain the latest technology available. She expects that the equipment will be delivered by late summer/early fall.

Staff has re-reviewed the financial condition of the applicant with the lender and concluded that the financial condition of the operating company has not materially adversely changed since December, 2004, when the loan was originally presented to the IFA Board. At that time, 2004 sales were projected to be $4.98 million – actual sales for the year ended December 31, 2004, were very close at $4.94 million. Net income for the period was projected to be $164,000 – actual net income from operations for the period was $116,000, with the difference being attributed to additional one-time setup costs associated with a project. The variance between the projected and actual income will have minimal impact on actual debt service coverage from the level originally projected (2.14 times) reducing it to 1.95 times, still a very health level.

A copy of the original project summary presented for Board approval is included with this memorandum for your review.

Staff recommends approval of the request.

The Boad approved this Participation Loan on December 7, 2004, by the following vote:

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 7, 2004

Deal: **P & P Press, Inc.**

STATISTICS

Deal Number:	B-LL-TX-421	Amount	$650,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Peoria	Est fee:	$16,250

BOARD ACTION

Purchase of Participation Loan from Heartland Bank and Trust Company
$650,000 IFATreasury funds at risk
Collateral is ***pari passu*** first position with the bank
Staff recommends approval of a resolution subject to the Bank covenants noted on page 3 of this report.

PURPOSE

Acquisition of new machinery and equipment.

VOTING RECORD

Initial board consideration, no voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA	$650,000	Uses: Project Costs	$1,430,000
	Heartland Bank	650,000	Total	$1,430,000
	Equity*	130,000		
	Total	$1,430,000		

*Equity contributed through cash reserves of the Company.

JOBS

Current employment:	60	Projected new jobs:	4
Jobs retained:	60	Construction jobs:	N/A

BUSINESS SUMMARY

Background: P & P Press, Inc., an Illinois S corporation, was established by Larry and Sheila Perkins in 1970. Since Larry's death of a heart attack in 2002, the Company has been managed by Bill Starks who has been with the Company for 20 years.

Description: P & P Press, Inc. is a multi-faceted printing company providing high-speed, professional printing services to primarily commercial customers. Company services include color offset printing, graphic design and layout, custom binding and finishing, digital printing, electronic files and digital output and large format color prints. The Company publishes several periodicals such as FarmWeek and the national publication Farm Bureau News (whose offices are located in Washington, DC).

Remarks: P & P Press, Inc. had been able to provide its customers with state-of-the-art electronics and software for the past decade and was well ahead of its local competition in that area. P & P Press, Inc. has a reputation for assisting its customers in adapting to this technology. Most smaller customers would be unable to utilize this capability without P & P's assistance due to staff technical limitations inherent in the smaller operations.

Financials: Financial statements prepared by P & P Press, Inc. for years 2002 and 2003
Interim financial statements prepared by P & P Press, Inc. for the 8 months ending 8/31/04
Projected financial information for years 2004 through 2006

	Year Ended December 31				
	2002	2003	2004	2005	2006
	(Dollars in 000's)				
Income Statement					
Sales	5,345	4,904	4,975	5,224	5,485
Net income	448	87	164	172	181
Earnings before Interest, Taxes & Depreciation	951	504	564	643	667
Balance sheet					
Current assets	752	700	804	902	1149
PP&E	1,195	1,040	873	1,969	1,604
Other assets	150	160	160	162	165
Total assets	2,097	1,900	1,837	3,033	2,918
Current Liabilities	344	265	275	285	295
Debt	1,735	1,530	1,293	2,307	2,001
Equity	18	105	269	441	622
Total liab. & equity	2,097	1,900	1,837	3,033	2,918
Ratios					
Debt service coverage	3.60	1.90	2.14	1.55	1.56
Current ratio	2.19	2.64	2.92	3.16	3.89
Debt/equity	101.94	16.04	5.43	5.85	3.71

Discussion: Over the past three years, P & P Press, Inc. has experienced the loss of two accounts due to limitations of its equipment combined with aggressive pricing in the marketplace. P & P's equipment/process limitations resulted in higher operating costs, capacity constraints and ultimately higher prices than the customers were willing to pay. These factors are reflected in the decline in revenue from $5.34 million in 2002 to $4.90 million in 2003; the higher operating costs significantly impacted the bottom line as illustrated by a decrease from 2002's net income of $448,000 to 2003's $87,000.

In 2004, P & P's largest account, FarmWeek, faced the decision of selecting their printer for their next customary three-year contract period. In order to retain this account, P & P committed to upgrading its printing capability, technology, and capacity as well as being more aggressive in its pricing. Not only did this strategy result in the retention of this account, but P & P's proposal resulted in an unprecedented 5-year contract being signed by FarmWeek.

In consideration of potential business being anticipated as a result of the new equipment being acquired, the projected financial information assumes 5% growth in sales and bottom line income. The new equipment will result in significantly lower operating costs, allowing the Company to be much more aggressive in its pricing.

FINANCING SUMMARY

Borrower: P & P Press, Inc.

Security: Pro-rata first position ***"pari passu"*** with Heartland Bank & Trust Company on the project machinery and equipment with collateral based on the Bank's discounted (75%) cost basis of $1,0725000 and in a first mortgage on Wyoming property with an appraised value of $236,000. Additionally, IFA will share in the Bank's blanket lien on all of the Company's inventory, existing equipment and accounts receivable valued at approximately $1.5 million as of August 31, 2004 and in the personal guaranty of Sheila Perkins with a net worth excluding her interest in P & P Press, Inc. of approximately $1,000,000. IFA and the Bank will also share in the assignment of life insurance policies amounting to $1,000,000 on Sheila Perkins and $650,000 on Bill Starks. Staff recognizes that in the event of default with respect to this loan, standard wording in IFA's participation agreement states that the IFA/Bank loan will be paid prior to any other loan including but not limited to any line-of-credit that the borrower has established with the Bank.

Structure: Based on the guidelines of the Participation Lending Program, IDFA's interest rate will be 200 basis points below what the Bank is charging the customer. The Bank's interest rate will be a combination fixed/floating rate with 50% of the rate being fixed at 6.25% and 50% of the rate floating at prime plus 50 basis points over the term of the loan..

Maturity:	The loan will be set on a 10-year amortization with 120 payments of principal and interest over the 10-year maturity of the loan.
Covenants:	Annual financial statements of P & P Press, Inc. Annual income tax returns of P & P Press, Inc. Annual personal financial statement of guarantor Evidence of insurance on the collateral Assignment of life insurance policies

PROJECT SUMMARY

The proposed project involves the acquisition of machinery and equipment for use in the applicants commercial printing operation.
Project costs are as follows:

Acquisition of Machinery & Equipment	$1,430,000
Total	$1,430,000

The project will enable the applicant to lower its operating costs, generate higher quality products, increase capacity and become much more aggressive in its pricing strategy.

ECONOMIC DISCLOSURE STATEMENT

Project name:	P & P Press, Inc.
Location:	6513 N Galena Road Peoria, IL 61615 (Peoria County)
Applicant:	P & P Press, Inc.
Organization:	S Corporation 100% owned by Sheila Perkins
State:	Illinois

PROFESSIONAL & FINANCIAL

Bank:	Heartland Bank & Trust company	Peoria, IL	Don Shafer
Accountant:	McGladrey & Pullen, LLP	Peoria, IL	
IFA Counsel:	Dykema Gossett PLLC	Chicago, IL	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional:	18 – Ray LaHood
State Senate:	46 – George Shadid
State House:	93 – David R. Leitch

To: Members of the IFA Board of Directors

From: Bart Bittner, Funding Manager

Date: June 15, 2005

Re: **Request to Amend Previously Approved Beginning Farmer Bond Loan Applications for Cory Miller**

Flanagan State Bank has submitted a Beginning Farmer Bond Loan application on behalf of Cory Miller for $71,010. In March of 2005 the IFA Board approved an initial request for a Beginning Farmer Bond in the amount of $27,000 for Cory Miller. That bond has yet to close and as a result this recommendation of addendum is being forwarded by staff.

IFA staff recommends that the original bond denoted as project number A-FB-TE-CD-527 be amended to add the additional request for $71,010 making the total bond $98,010 after the addendum. The total fee to IFA with the addendum will be $1470.15.

The following is the summary of the amended bond that includes both the initial and most recent request. The summaries of each of the individual requests follow the amended request.

Project Number:	Amended project A-FB-TE-CD-527
Borrower(s):	Cory Miller
Town:	Danvers
Amount:	$98,010
Fees:	$1470.15
Use of Funds:	30 Acres of farmland; one 10 acre parcel and one 20 acre parcel
Purchase Price:	$108,900
% Borrower Equity	10%
% Other Agency	0%
% Lender	90%
County:	McLean
Lender/Bond Purchaser:	Flanagan State Bank

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date to be one year from the date of closing. Accrued interest shall be paid annually.

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

Application information received in May for June Board consideration.

Project Number:	Addendum to A-FB-TE-CD-527
Borrower(s):	Cory Miller
Town:	Danvers
Amount:	$71,010
Fees:	$1065.15
Use of Funds:	20 Acres of Farmland
Purchase Price:	$78,900
% Borrower Equity	10%
% Other Agency	0%
% Lender	90%
County:	McLean
Lender/Bond Purchaser:	Flanagan State Bank

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date to be one year from the date of closing. Accrued interest shall be paid annually.

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

Beginning Farmer Bond Loan approved by Board in March 2005.

Project Number:	A-FB-TE-CD-527
Borrower(s):	Cory Miller
Town:	Danvers
Amount:	$27,000
Fees:	$405
Use of Funds:	10 acres farmland
Purchase Price:	$30,000
% Borrower Equity	10%
% Other Agency	0%
% Lender	90%
County:	McLean
Lender/Bond Purchaser:	Flanagan State Bank

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date to be one year from the date of closing. Accrued interest shall be paid annually.

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

To: IFA Board of Directors

From: Eric Reed, Funding Manager

Date: June 14, 2005

Re: **Amendment to Participation Loan Resolution for Martin & Rebecca Koster Project # B-LL-TX-549**

A participation loan in the amount of $200,000 was approved at the IFA Board meeting on April 12, 2005. As a condition of the loan, IFA requested an assignment of the borrower's life insurance in the amount of $200,000.

Upon receipt of the approval letter with the conditions for approval, the loan officer at Metro Bank in Morrison, IL contacted me concerning the requirement for life insurance. Due to time constraints with respect to the required closing date, the loan officer closed the loan prior to receiving IFA's approval. Metro Bank has objected to this requirement due to their relationship with the borrower.

The bank's rationale for not requiring an assignment of life insurance is that they believe that Rebecca could lease the property for sufficient funds to service the debt requirements if required. I agree with the bank's opinion and recommend that the IFA amend the approval to remove the requirement for assignment of life insurance. The Agriculture Committee reviewed this request on May 31 and has concurred with this recommendation.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Martin G. and Rebecca Koster**

STATISTICS

Project Number:	B-LL-TX-549	Amount:	$200,000
Type:	Participation Loan	IFA Staff:	Eric Reed
Location:	Morrison, IL	Tax ID:	358-64-8630
SIC Code:	5159 Farm Product-Raw Materials	Est. fee:	$6,500(1st year's int.)

BOARD ACTION

Purchase of Participation Loan from Metro Bank, Morrison, Illinois
$200,000 of IFA funds at risk
Staff recommends approval, subject to:

- Satisfying all conditions of the bank loan
- Assignment of $200,000 in life insurance on the Borrowers

PURPOSE

To provide permanent financing for the purchase of 194 acres of farm land.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA	$200,000	Uses:	Purchase 194 acres	$566,480
	Metro Bank	$200,000			
	Borrower Equity	$94,000			
	Borrower's Cash	$72,480			
	Total	**$566,480**			**$566,480**

JOBS

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

BUSINESS SUMMARY

Background: Martin and Rebecca Koster own and operate a small grain farming operation near Morrison, IL. They have been farming for approximately 10 years. The Koster's also have off-farm income from Rebecca's employment as a teacher. Prior to this loan request, the Koster's have not carried any debt. As a result, a current financial statement and pro forma statement are the only financial statements provided.

Prior to the death of Mr. Koster's mother, he and Rebecca rented the farm on a crop share basis from his mother. Upon her death, her will provided that Martin was allowed to purchase the farm at 80% of the appraised value. The land appraisal was performed in 11/04 with a value of $708,100, which equals $3,650 per acre. At 80% of the appraised value ($566,480), Martin Koster will inherit 1/6 of the farm, which equals $94,000 in equity. The borrowers will also liquidate $72,480 in marketable securities in order to further reduce the loan amount.

Project Rationale: Martin and Rebecca Koster have an excellent opportunity purchase a farm, which has been in their family and that they have rented for a number of years. With the purchase of the 194 acres of farm land, they will be able to solidify the future of their farming operation.

Transaction Description: Martin and Rebecca Koster are purchasing 194 acres of farm land. Based on an appraisal of $708,100 x 80%, the purchase price is $566,480. After $94,000 of borrower equity and $72,480 of cash down payment, the borrowers are requesting $400,000 in permanent financing. Metro Bank has asked IFA to participate in a 50% participation loan with the loan request.

The Site: The subject property is located at 18876 Mellotts Rd, Lyndon, Illinois. The property consists of 194 acres of farm land with a farm house, 1 steel machine shed, 17,000 bushels of grain storage, and two wooden barns.

FINANCIAL SUMMARY

Borrower's Finances: Financial Statements and Projections for Martin and Rebecca Koster for 2004 projected 2005, are borrower prepared with Metro Bank.

FINANCIAL DATA FOR: Martin and Rebecca Koster

	12/31/2004 Year	Proforma Year
Cash	69,158	8,645
Stored Crops	25,250	25,250
Prepaid Expenses	4,444	4,444
Growing Crops	0	0
Mutual Funds	97,555	85,556
CVLI	11,200	11,232
Total Current Assets	**207,607**	**135,127**
Farm Machinery/Equipment	70,000	61,800
Vehicles	15,645	15,645
Real Estate/Improvements	75,000	783,100
Other Non Current Assets	15,000	15,000
Total Non-Current Assets	**175,645**	**875,545**
Total Assets	**383,252**	**1,010,672**
Notes Payable	0	8,096
Accounts Payable	1,000	1,000
Current Maturities LT debt	0	0
Accrued Interest	0	0
Other Current Liabilities	0	0
Total Current Liabilities	**1,000**	**9,096**
Equipment Debt	0	0
Real Estate Debt	0	391,904
Total Non-Current Liabilities	**0**	**391,904**
Total Liabilities	**1,000**	**401,000**
Net Worth	**382,252**	**609,672**
Working Capital	**206,607**	**126,031**
Current Ratio	**207.61**	**14.86**
Debt-to-asset ratio	**0.00**	**0.40**
Debt-to-worth Ratio	**0.00**	**0.66**
Source	**BORRPP**	**BORRPP**

Accrual Basis Accounting — **Martin and Rebecca Koster**

	2002	2003	2004	3 year Average	2005 Projection
Crop/Livestock Sales....	31,496	28,704	36,197	32,132	57,200
Government pymts........	2,700	2,658	12,489	5,949	4,150
Other Farm Income............	0	0	0	0	0
Less Purchases............	0	0	0	0	0
Total Farm Income..........	**34,196**	**31,362**	**48,686**	38,081	**61,350**
Farm Expenses					
Custom Hire..................	2,846	1,679	1,573	2,033	1,575
Depreciation................	7,180	7,273	7,274	7,242	8,000
Fertilizer/Chemicals.......	6,449	3,478	3,875	4,601	10,600
Freight/Trucking..........	0	297	18	105	200
Gas, Fuel, & Oil............	771	1,357	813	980	1,000
Insurance....................	539	676	1,347	854	1,350
Interest.....................	0	0	0	0	21,000
Labor........................	0	0	0	0	0
Land Rent....................	0	0	0	0	0
Machinery Rent............	0	0	105	35	0
Repairs/Supplies...........	726	2,192	4,465	2,461	3,300
Seed Expenses.............	3,786	2,604	2,796	3,062	5,600
Storage.....................	0	0	0	0	0
Taxes........................	0	0	0	0	5,441
Utilities.....................	274	748	371	464	375
Other Expenses............	1,839	75	14,025	5,313	875
Prepaid Exp Adjustment..	0	0	0	0	0
Accounts payable adj....	0	0	0	0	0
Total Expenses	**24,410**	**20,379**	**36,662**	**27,150**	**59,316**
Net Farm Inc. (Sch F)	**9,786**	**10,983**	**12,024**	**10,931**	**2,034**
Oper Exp/Rev Ratio	**0.50**	**0.42**	**0.60**	**0.52**	**0.49**

Repayment Margin Analysis

	2002	2003	2004	3 year Average	2005 Projection
Net Farm Operating Income	9,786	10,983	12,024	27,150	2,034
Add: Non-farm Income	70,180	65177	46679	60,679	66,000
Add: Depreciation Expense	7,180	7,273	7,274	7,242	8,000
Add: Annual Term Debt Interest	0	0	0	0	21,000
Less: Income Taxes	(10,589)	(8,843)	(7,000)	(8,811)	(9,700)
Less: Family Living W/D	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)
Balance Available for Term Debt Rpymt	**40,557**	**38,590**	**22,977**	**50,260**	**51,334**
Principal on Term Debt	0	0	0	0	8,096
Interest on Term Debt	0	0	0	0	21,000
Total Principal and Interest Pymts	**0**	**0**	**0**	**0**	**29,096**
Equals Term Debt Coverage Ratio	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**1.76**
Equals Term Debt Repayment Margin	**40,557**	**38,590**	**22,977**	**50,260**	**22,238**

COVENANT	REQUIREI	ACTUAL	MEASURED	COMPLIANT
None				

FINANCIAL REPORTING:

REPORT	REQUIRED	LAST RECEIVED	COMPLIANT
Balance Sheet on Farming Entity	annually	12/31/2004	Yes
Federal Tax Returns on Farming Entity, if Corporation			
PFS on Guarantors			
Federal Tax Returns on Guarantors, if separate from Farming entity	annually	12/31/2004	Yes

COLLATERAL ANALYSIS:

Collateral Description	Value	Advance	Adj. Value
Stored Crops		0.85	$ -
Growing Crops		0.65	$ -
Equipment		0.75	$ -
Livestock		0.75	$ -
Real Estate-App-11/04	$ 708,100	0.80	$ 566,480
Total Collateral	$ 708,100		$ 566,480
Total Loans Outstanding:			$ 400,000
Adjusted LTV:			71%
Excess Collateral:			$ 166,480

Annual Debt Service:	Total Princ. Balance	Principal	Interest	Total Payment
Metro Bank	400,000	8,096	21000	29,096
Total Term Debt Payments	400,000	8,096	21,000	29,096
			0	
Total Debt Service			21,000	21,000

Financial Summary:

A FYE balance for 2004 is the only statement provided because prior to this purchase, the borrowers have not carried any debt. At a result, they have not had to submit financial statements to lenders in the past.

Profitability has been consistent for the past 3 years. Gross farm revenue had increased over the past four years. Gross farm revenue for 2004, was the highest of the year's analyzed. This is due to the exceptional crop yields experienced in 2004.

Current assets as of 12/31/04 for the Kosters consist primarily of $69K in cash, $97K in mutual funds, and $25K in stored crops. Based on the current assets on hand, the borrower has an excellent current ratio of 14.8:1, which demonstrates exceptional liquidity. The borrowers list current liabilities of $1,000 at year end.

Long term assets listed on the 2004 balance sheet for Koster include their home at $75K. The Koster's also list a $15K investment in other real estate.

Income estimates are based on income and expense data provided by the borrower to Metro Bank. Income projections, include receipt of 100% of the crop income on 194 acres as well as the required debt service for the proposed loan facility. Projected crop yields are based on reasonable estimates of 162 bushels of corn per acre and 40 bushels of soybeans per acre.

Projected debt service coverage for 2005 is more than acceptable with a DSC ratio of 1.76 times. Off-farm income is sufficient to service family living requirements.

According to the bank's loan officer, each of the Koster's has a $50,000 life insurance policy with each other listed as the beneficiary. Due to the dependence on off-farm income to service the additional debt service, IFA request that the bank take an assignment of the borrower's life insurance policies.

PROJECT SUMMARY

Loan proceeds will provide permanent financing for the purchase of 194 acres of farm land and improvements.

FINANCING SUMMARY

Interest:	Based on the guidelines of the Participation Lending Program, IFA's interest rate will be 100 basis points below what the Bank is charging the customer. The Bank's interest rate will be fixed for 5 years at 5.25% with a 2% cap adjusted to WSJ Prime +.25% after the 5 year period. Based on the bank's proposal, the bank will retain 100 basis points of the interest buy down in exchange for a below market initial interest rate.
Security:	IFA's participation is secured by a pro-rata share of a first mortgage on subject property and assignment of rents and leases on 194 acres of farm land.
Sources of Repayment:	Primary: Operating cash flows generated from the sale of harvested grain Secondary: Liquidation of the collateral
Maturity:	Ten years with a 25 year amortization

COLLATERAL

The subject loan is secured by a 1st mortgage and assignment of rents and leases on 194 acres of farm land and Improvements.
The appraisal on the property was performed 11/04, which indicated a value of $708,100. The overall discounted LTV based on 80% advance rate for this facility is 71%. See "Collateral Analysis" on page 5 for more details.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Martin G. Koster Rebecca Koster
Location:	207 Prospect, Morrison, IL 61270, Whiteside County
Organization:	Sole Proprietorship
State:	Illinois
Ownership:	Martin and Rebecca Koster

PROFESSIONAL & FINANCIAL

Accountant:	N/A		
Bank:	Metro Bank	Morrison, IL	Robert Smith

LEGISLATIVE DISTRICTS

Congressional:	17th	State Senate:	45th	State House	90th

Resolution Number 2005-10

Resolution Appointing a Secretary and Assistant Secretary of the Illinois Finance Authority

WHEREAS, Section 845-40 of the Illinois Finance Authority Act, 20 Illinois Compiled Statues 3501/801-1 et seq. (the "Act"), requires the Members of the Illinois Finance Authority (the "Authority") to appoint a Secretary; and

WHEREAS, pursuant to Resolution 2004-6, dated January 5, 2004, duly adopted by the Members of the Authority, the Members appointed Michael R. Pisarcik to serve as Secretary; and

WHEREAS, Michael R. Pisarcik has indicated his desire to resign from the position as Treasurer, effective June 30, 2005; and

WHEREAS, the Members now find it to be in the best interests of the Authority to appoint Carla Burgess Jones, to serve as its Secretary; and

WHEREAS, Article III, Section 4 of the By-Laws states that the Authority may "appoint from time to time, one or more Assistant Secretaries who may, but need not be, a member or members of the Authority, to perform any of the duties imposed upon the Secretary" except as otherwise directed by the Authority or the Secretary shall; and

WHEREAS, Section 801-30 of the Act grants generally the Authority all the "powers as a body corporate necessary and convenient to accomplish the purposes of" the Act, and subsection (e) thereof specifically authorizes the Authority to "adopt all needful ordinances, resolutions, by-laws, rules and regulations for the conduct of its business and affairs and for the management and use of the projects developed, constructed, acquired and improved in furtherance of its purposes"; and

WHEREAS, pursuant to Resolution 2004-16, dated August 10, 2004, duly adopted by the Members of the Authority, the Members appointed Anthony D. D'Amato to serve as Assistant Secretary; and

WHEREAS, Anthony D. D'Amato has indicated his desire to resign from the position as Assistant Secretary, effective June 30, 2005; and

WHEREAS, the Members of the Authority find that the appointment of a new Assistant Secretary will facilitate the effective and efficient operations of the Authority, and the Members now find it to be in the best interests of the Authority to appoint J. Stuart Boldry; and

WHEREAS, the Members have the power to adopt this Resolution pursuant to Sections 801-15, 801-25, 801-30and 845-40 of the Act; and

NOW, THEREFORE, BE IT RESOLVED BY THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. Appointment of Secretary. Effective July 1, 2005, Carla Burgess Jones is hereby appointed to the office of Secretary of the Illinois Finance Authority and shall hold office during the pleasure of the Authority. Before entering upon the duties of Secretary of the Authority, Carla Burgess Jones shall take and subscribe to the constitutional oath of office. Michael R. Pisarcik shall remain in and have the powers of the office of Secretary until June 30, 2005.

Section 3. Appointment of Assistant Secretary. Effective July 1, 2005, J. Stuart Boldry is hereby appointed to the office of Assistant Secretary of the Authority and shall hold office during the pleasure of the Authority. The Assistant Secretary shall have the same powers prescribed for the Secretary in the By-Laws and shall exercise those powers as directed by the Authority, the Executive Director or the Secretary. Anthony D. D'Amato shall remain in and have the powers of the office of Secretary until June 30, 2005.

Section 4. Enactment. This resolution shall take effect immediately. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

This Resolution 2005-10 is adopted this 14th day of June, 2005, by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

____
Chairman

Attest to:

____
Secretary