Illinois Finance Authority

Tuesday, April 12, 2005
1:30 PM
Board Meeting
The Plaza Club
One Prudential Plaza
130 E. Randolph, 40th Floor
Chicago, Illinois

IFA FILE COPY

TABLE OF CONTENTS

ILLINOIS FINANCE AUTHORITY
BOARD MEETING
April 12, 2005
Chicago, Illinois

Executive Committee
Two Prudential Plaza
180 N. Stetson, Suite 2555
Chicago, IL
8:30 a.m.

- Opening Remarks – Chairman Gustman

- Director's Report – Jill Rendleman
  1. Revenue Generation
  2. Focus/Strategic Direction
  3. Consolidation

- Chief Financial Officer's Report – Jose García
  1. Financial Performance
  2. Audit

- Legal Report and Legislative Update – Anthony D'Amato

- Sales and Marketing Reports
  - Mike Pisarcik
  - Diane Hamburger

- Project Presentations:
  -Funding Managers

Board Meeting
Plaza Club
130 E. Randolph, 40th Floor
Chicago, IL
1:30 p.m.

- Call to Order – Chairman Gustman
- Roll Call
- Chairman's Report
- Director's Report
- Other Business
  - March 2005 Preliminary Financial Statements
  - Acceptance of March 2005 Minutes

Preliminary Project Considerations

Tab	Project	Location	Amount	Jobs	FM
3	**Norwegian American Hospital** Project #: H-HO-TE-CD-555 Project type: 501(c)(3) Bonds	Chicago	$8,000,000	N/A	PL & DS
4	**Lake Forest Country Day School** Project #: E-PS-TE-CD-538 Project type: 501(c)(3) Bonds	Lake Forest, Lake County	$23,000,000	New: 5 Construction: 250	TA
5	**Waste Management of Illinois** Project #: P-SW-PO-TE-CD-547 Project type: Solid Waste Disposal Bonds	Multiple	$100,000,000	New: 20 Construction: 30-40	RKF
6	**Ockerlund Industries and a LLC to be formed** Project #: I-ID-TE-CD-558 Project Type: Industrial Development Bond	Addison	$4,000,000	New: 10 Construction: 15	ST
7	**M. Marilyn Kuntz (dba J Mar Farm)** Project #: A-DR-TX-GT-551 Project type: Agri-Debt Guarantee	Princeville	$500,000	N/A	BB
8	**Beginning Farmer Bonds:** ▪ Buddy Joe Honegger Project #: A-FB-TE-CD-544 ▪ Kyle J. Vitzhum Project #: A-FB-TE-CD-545 ▪ Adam & Teresa Curry Project #: A-FB-TE-DC-548 Ronald & Chrstine Rooth Project #: A-FB-TE-CD-553	 Forrest Pontiac Alpha Joy	 $184,000 $45,525 $187,500 $154,000	 N/A	 BB
9	**Beginning Farmer Bonds:** ▪ Stephen & Judy Niebrugge Project #: A-FB-TE-DC-541 ▪ David Carson Project #: A-FB-TE-CD-542 ▪ Larry Markewitz Project #: A-FB-TE-CD-543 ▪ Blake Furness Project #: A-FB-TE-CD-566	 Altamont Oakdale Witt	 $100,000 $100,000 $180,200	 N/A	 ER

Final Project Considerations

Tab	Project	Location	Amount	Jobs	FM
10	**Martin & Rebecca Koster** Project #: B-LL-TX-549 Project type: Participation Loan	Morrison	$200,000	N/A	ER
11	**Jeffrey and Trisha Hank** Project #: A-SG-TX-GT-546 Project type: Specialized Livestock Guarantee	Aledo	$479,800	N/A	ER
12	**Kenneth and Virginia Lasater** Project #: B-LL-TX-554 Project type: Participation Loan	McLeansboro	$450,000	N/A	ER
13	**Kenneth Barker** Project #: A-SG-TX-GT-530 Project type: Specialized Livestock Guarantee	Lewistown	$88,000	N/A	ER

Tab	Project	Location	Amount	Jobs	FM
14	**Beginning Farmer Bonds:** ▪ Weston Wilhour Project #: A-FB-TE-CD-530 ▪ Chad Wilhour Project #: A-FB-TE-CD-531	 Beecher City Altamont	 $48,750 $48,750	N/A	ER
15	**Beginning Farmer Bonds:** ▪ Joseph & Lisa Kapraun Project #: A-FB-TE-CD-528 ▪ C. Todd Urish Project #: A-FB-TE-CD-529 ▪ Jeffrey Delheimer Project #: A-FB-TE-CD-540	 El Paso Green Valley Blackstone	 $62,500 $250,000 $178,012	N/A	BB
16	**Villagebrook Apartments Limited Partnership** Project #: M-MH-TE-CD-408 Project type: Multi-family Housing Bonds	Carol Stream	$12,500,000	New: 1 Construction: 10	RKF
17	**Freeport Economic Development Foundation** Project #: B-LL-NP-TX-412 Project type: Participation Loan	Freeport	$250,000	New: 1.5 Construction: 15	RKF
18	**Michael Colando** Project #: B-LL-TX-557 Project type: Participation Loan		$525,000	New: 7 Construction: 20	JM
19	**County of Kankakee** Project #: L-GO-TE-CD-524 Project type: Local Government Bonds	Kankakee County	$29,000,000	N/A	ST
20	**County of Jefferson** Project #: L-GO-TE-CD-559 Project type: Local Government Bonds	Jefferson County	$16,000,000	N/A	ST & RP
21	**Resurrection Healthcare** Project #: H-HO-TE-CD-534 Project type: 501(c)(3) Bonds	Multiple	$350,000,000	New: 0 Construction: 848	PL & DS
22	**Life Care Retirement Communities, Inc. (Beacon Hill)** Project #: H-SL-RE-TE-CD-520 Project type: 501(c)(3) Bonds	Lombard	$15,000,000	N/A	PL & DS
23	**Friendship Village of Schaumburg** Project #: H-SL-RE-TE-CD-521 Project type: 501(c)(3) Bonds	Schaumburg	$130,000,000	TBD	PL & DS
24	**Pere Marquette Hotel Associates, L.P.** Project #: B-LL-TX-582 Project type: Participation Loan	Peoria	$1,000,000	New: 5 Construction: 50	JS
25	**Village of South Roxana** Project #: L-GO-TE-CD-562 Project type: Local Government Bonds	South Roxana	$200,000	New: Construction:	EW

Project Revisions/Amendatory Resolutions

Other

26. Resolution Number 2005-06 Appointing an Interim Executive Director of the Illinois Finance Authority
Resolution Number 2005-07 Authorizing the Establishment of Certain Banking Relationships and Delegating Authority for the Management and Maintenance of Said Relationships

Adjournment

IFA
ILLINOIS FINANCE AUTHORITY

Governor / Rod R. Blagojevich
Executive Director / Ali D. Ata

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Illinois Finance Authority – Director's Report
April 12, 2005

To: IFA Board of Directors and Governor's Office

From: Jill Rendleman

I. Financial

Performance: Total revenues for March 2005 are $876,584 or 35.9% above the revenue plan. Total revenues for FYTD 2005 are $5.6 million or 13.2% above the revenue plan. Net income for FY 2005 is $1.74 million for FYTD, or 44.2% above our FY 2005 income plan.

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

Staff: Jose Garcia joined IFA as Chief Financial Officer on March 28, 2005.

Audits: The exit conference with Jon Fox, Office of the Auditor General and auditors from McGladrey & Pullen was held at IFA on Tuesday, March 1, 2005. The meeting was very positive and productive. IFA was able to further clarify auditor uncertainties and the language of the draft findings which resulted in the elimination of one major finding and reduction of another to minor status. The final report will contain fourteen (14) major findings and six (6) minor findings. The Authority delivered an on-time response to the Auditor General on March 15, 2005. Several findings are completely resolved; all remaining findings will be reviewed and assessed by our new CFO, Jose Garcia.

We have received one copy of the final report and we anticipate receiving additional copies prior to the April board meeting.

II. Sales Activity - March, 2005

Agriculture: Bart Bittner and Eric Reed have made personal visits to over 250 IFA client agricultural lenders since December 1, 2004. Eric, whose area is Springfield south, has completed visits to client lenders and is now focusing calling efforts on new prospects. In addition to lenders, Eric will focus on attorneys, accountants, and other trusted advisors in the agricultural community. Bart Bittner and Jill Rendleman met with an agricultural advisory service, Agri-Solutions, to discuss partnership potential with IFA program promotion. The entire agricultural team including Bart, Eric, Lorrie Karcher, and Jill Rendleman participated in the annual Illinois Department of Agriculture's Legislative Day. Members of the team along with other key members of the agricultural community across the state, spent the day visiting with legislators to promote ten top agricultural issues.

Education: The financial team for the first Tax Anticipation Warrant (TAWs) program met in Chicago to discuss strategic direction of the program's future and to administrative issues which would make the program more efficient and client focused. The next TAWs disbursement is scheduled for April-June if program surveys indicate a demand. The calling program for Nona Myers has focused on large unit districts and education association members.

Townsend Albright is working with Piper Jaffray & Co. on contacting the Federation of Independent Illinois Colleges and Universities 50-plus members to broadcast and get them to participate in the RAN and Capital Note programs. These programs are extremely cost effective for every institution of higher education needing working capital or planning capital projects. We hope to bring this Program to the Board for approval at the May meeting.

On March 15th, IFA closed a $104 million Advance Refunding for DePaul University, the third and final of a series of Refundings for DePaul University since May 2004. These refundings enabled DePaul to restructure its debt service payments by eliminating (1) restrictive financial covenants and, (2) leveling debt service payments (by eliminating balloon payments). Over these three transactions, IFA issued $206 million of Refunding Bonds for DePaul, all of which refinanced existing IFA debt. Rich Frampton manages this project.

Community and Culture: Eric Watson issued a mailing to 1,000 township supervisors in order to survey both the interim financing and long-term financing needs of communities. A long-term strategy is to include the TAW's program public bodies other than schools, resulting in larger and more cost-effective issues. The Special Reserve Account was accessed this month to provide interim financing by the city of Metropolis as it awaits approval by the gaming board for new developments on the river front that includes a convention center, hotel, marina, and park. Jim Senica represented IFA by speaking and hosting a booth at the annual Rural Development Conference held in Peoria this month.

Jim will present a participation loan for the Perre Marquette Hotel Convention Center in Peoria at the April 12 meeting.

Industry and Commerce: IFA hosted a luncheon in Marion, IL with over 50 area legislators, businesses, and bankers to present our role in the financing marketplace. Jim Senica is focusing calling efforts on the manufacturing and industrial sectors in the Decatur, Champaign, Kankakee, and Galesburg areas and will be presenting several industrial revenue bonds for approval at the May/June board meetings.

Former Director Ata hosted a meeting in Chicago with Prairie State Energy Campus and several IFA staff in attendance. IFA will develop a proposal for the project for review in April/May.

Rick Pigg continues to focus calling efforts on industrial and manufacturing and, is working closely with other members of the economic development community to bring several projects to the approval stage.

IFA closed its first manufacturing IRB on March 15th for MNM Realty/Excel Container, Inc. in Aurora. IFA's $6.86 million IRB issue will finance construction of a new manufacturing facility for Excel Container that will enable the Company to relocate to a larger facility, while staying in Aurora, where it has been located since established in 1989. The Company will host a Grand Opening reception (expected in December or January) after the new facility is in operation.

Industrial Revenue Bond application volume to date in calendar 2005 has exceeded volume from most recent years. Results over the next few months will suggest whether this reflects a structural change in the economic environment for small manufacturers or reflective of a seasonal increase in activity.

Health Care: Four bond transactions are being presented to the Board this month: Norwegian American Hospital in Chicago, a COB participant, for $8 million; Friendship Village in Schaumburg for $110 million; and finals for Life Care Retirement Communities, Inc (Beacon Hill) in Lombard for $15 million and Resurrection Health System in Chicago for $350 million.

Chris Conley, of Nonprofit Capital LLC, has developed a Program with Merrill Lynch for non-rated acute care, long-term care and behavioral care facilities, which he presented to the IFA. We are working with Chris on the structure and pricing of this Program. This new initiative will be called the IFA Merrill Lynch Nonprofit Capital LLC Program. The bonds will be privately placed with Merrill Lynch. We have several interested borrowers and expect to close two transactions by late summer or early fall.

The Authority has finalized a program with Fifth Third Bank that was presented last week to the six hospitals who participated in the 1999 AMR Bond Pooled Program (issued by IDFA). The bonds, $49 million of which are currently outstanding, will be refunded so that they will trade at tax-exempt interest rates (bonds are currently trading at taxable rates because of an IRS investigation into this transaction). We have negotiated low fixed costs with all of the participants in the program: bond counsel, IFA, underwriter, underwriter's counsel, letter of credit provider, etc. We anticipate a positive response to this program, and are now meeting individually with each of the hospitals to discuss their credit, costs, and interest in borrowing new money at this time.

Further cost restructuring efforts have been made for the 1985 Revolving Fund Pooled Financing Program, which will reduce the cost of borrowing for hospitals (currently BMA + 130), and at the same time adjust IFA's annual compensation for management of the Pool. Details of the new cost structure are continuing to be worked out and, will be presented at the May meeting. We expect to reduce the cost of borrowing by 30 basis points to the borrowers, while securing an annual administration fee of 10 basis points ($150,000) on the outstanding Pool amount ($150 million).

IV. Marketing / Communications

Activities focus: Press release and media relations support, plus a wide range of marketing materials, stationery and web revisions to reflect newly appointed Executive Director.

Employee communications: Evaluating approaches such as web conferencing to better support statewide staff communications.

Press coverage: Key topics this month include Agriculture, particularly livestock, and the appointment of an Interim Executive. Director, TAWs, Prairie State Energy Campus, and some project stories.

Important mentions: Townsend Albright, will be on the panel to discuss "Federal Facilities and Other Taxable Financings" at the CDFA's Annual Meeting in Phoenix, AZ, April 20-22, 2005.

Christopher Vandenberg will be on a panel at the Entrepreneurs for Energy Efficiency's Annual Meeting in Arlington, VA, April 27, 2005. IFA will represent Illinois in a panel discussion about state initiatives in early stage venture capital.

V. Legislative Issues

Governor Blagojevich signed the IFA Bill that passed last session. It is P.A. 93-1101, effective March 31, 2005. The Act does three things:

1. Increases the IFA's Bond authorization to $24 billion.
2. Eliminates the religious prohibition language.
3. Allows for members to participate by telephone, provided a quorum is otherwise present.

Illinois Finance Authority
Statement of Activities
For Period Ending March 31, 2005

	Actual March 2005	Budget March 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	39,475	35,000	4,475	12.8%	255,256	303,000	(47,744)	(15.8%)	
INVESTMENT INTEREST & GAIN(LOSS)	74,403	70,000	4,403	6.3%	567,512	606,000	(38,488)	(6.4%)	
ADMINISTRATIONS & APPLICATION FEES	628,764	400,000	228,764	57.2%	3,776,737	2,780,000	996,737	35.9%	
ANNUAL ISSUANCE & LOAN FEES	133,943	140,000	(6,057)	(4.3%)	995,554	1,260,000	(264,446)	(21.0%)	
OTHER INCOME	-	-	-	0.0%	6,955	-	6,955	0.0%	
TOTAL REVENUE	876,584	645,000	231,584	35.9%	5,602,014	4,949,000	653,014	13.2%	
EXPENSES									
EMPLOYEE RELATED EXPENSES									
COMPENSATION & TAXES	313,081	273,222	39,859	14.6%	1,985,480	2,210,710	(225,230)	(10.2%)	Severance Pay
BENEFITS	20,605	17,000	3,605	21.2%	155,708	159,233	(3,525)	(2.2%)	
TEMPORARY HELP	4,323	7,000	(2,677)	(38.2%)	31,724	81,000	(49,276)	(60.8%)	
EDUCATION & DEVELOPMENT	410	-	410	0.0%	2,744	-	2,744	0.0%	
TRAVEL & AUTO	10,409	4,500	5,909	131.3%	88,757	40,500	48,257	119.2%	
TOTAL EMPLOYEE RELATED EXPENSES	348,828	301,722	47,106	15.6%	2,264,413	2,491,443	(227,030)	(9.1%)	
PROFESSIONAL SERVICES									
CONSULTING, LEGAL & ADMIN	19,420	38,000	(18,580)	(48.9%)	260,368	307,000	(46,632)	(15.2%)	
LOAN EXPENSE & BANK FEE	1,402	1,500	(98)	(6.6%)	25,111	13,500	11,611	86.0%	
ACCOUNTING & AUDITING	58,245	20,000	38,245	191.2%	221,695	190,000	31,695	16.7%	Audit Accrual
MARKETING GENERAL	8,237	10,000	(1,763)	(17.6%)	105,313	90,000	15,313	17.0%	
FINANCIAL ADVISORY	8,000	12,000	(4,000)	(33.3%)	72,225	108,000	(35,775)	(33.1%)	
VENTURE CAPITAL CONFERENCE/TRAINING	-	-	-	0.0%	4,312	-	4,312	0.0%	
MISCELLANEOUS PROFESSIONAL SERVICES	6,158	1,500	4,658	310.5%	40,988	13,500	27,488	203.6%	
DATA PROCESSING	1,979	400	1,579	394.8%	31,462	3,600	27,862	774.0%	
TOTAL PROFESSIONAL SERVICES	103,442	83,400	20,042	24.0%	761,475	725,600	35,875	4.9%	
OCCUPANCY COSTS									
OFFICE RENT	15,383	16,900	(1,518)	(9.0%)	194,252	236,400	(42,148)	(17.8%)	
EQUIPMENT RENTAL AND PURCHASES	2,418	3,000	(582)	(19.4%)	26,309	27,000	(691)	(2.6%)	
TELECOMMUNICATIONS	4,499	1,850	2,649	143.2%	34,799	16,650	18,149	109.0%	
UTILITIES	649	1,400	(751)	(53.6%)	8,587	12,600	(4,013)	(31.9%)	
DEPRECIATION	1,695	300	1,395	464.9%	12,947	2,700	10,247	379.5%	
INSURANCE	779	2,000	(1,221)	(61.0%)	10,038	18,000	(7,962)	(44.2%)	
TOTAL OCCUPANCY COSTS	25,422	25,450	(28)	(0.1%)	286,931	313,350	(26,419)	(8.4%)	
GENERAL & ADMINISTRATION									
OFFICE SUPPLIES	6,436	3,800	2,636	69.4%	76,145	34,200	41,945	122.6%	
BOARD MEETING - EXPENSES	2,792	-	2,792	0.0%	10,225	-	10,225	0.0%	
PRINTING	443	300	143	47.7%	4,790	2,700	2,090	77.4%	
POSTAGE & FREIGHT	2,018	3,000	(982)	(32.7%)	25,611	27,000	(1,389)	(5.1%)	
MEMBERSHIP, DUES & CONTRIBUTIONS	42,772	2,400	40,372	1682.2%	56,020	21,600	34,420	159.4%	TAW's Fund
PUBLICATIONS	310	300	10	3.3%	1,876	2,700	(824)	(30.5%)	
OFFICERS & DIRECTORS INSURANCE	8,699	14,000	(5,301)	(37.9%)	86,802	109,900	(23,098)	(21.0%)	
BAD DEBT EXPENSE	-	-	-	0.0%	(20,562)	-	(20,562)	0.0%	
TRANSFERS	-	-	-	0.0%	(0)	-	-	0.0%	
MISCELLANEOUS	-	500	(500)	(100.0%)	3,427	4,500	(1,073)	(23.8%)	
TOTAL GENERAL & ADMINISTRATION EXPENSES	63,469	24,300	39,169	161.2%	244,335	202,600	41,735	20.6%	
OTHER									
INTEREST EXPENSE	781	850	(69)	(8.1%)	6,761	7,650	(889)	(11.6%)	
TOTAL OTHER	781	850	(69)	(8.1%)	6,761	7,650	(889)	(11.6%)	
TOTAL EXPENSES	541,943	435,722	106,221	24.4%	3,563,915	3,740,643	(176,728)	(4.7%)	
NET INCOME (LOSS) BEFORE UNREALIZED GAIN	334,642	209,278	125,364	59.9%	2,038,098	1,208,357	829,741	68.7%	
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.0%	(295,836)	-	(295,836)	0.0%	
NET INCOME/(LOSS)	334,642	209,278	125,364	59.9%	1,742,262	1,208,357	533,905	44.2%	

Illinois Finance Authority
Balance Sheet
For the Nine Months Ending March 31, 2005

	February 2005	March 2005	
ASSETS			
CASH & INVESTMENTS, UNRESTRICTED	$ 25,195,177	$ 28,343,192	
RECEIVABLES, NET	14,243,166	11,293,071	(1)
OTHER RECEIVABLES	1,180,351	1,177,732	
PREPAID EXPENSES	125,735	117,374	
TOTAL CURRENT ASSETS	40,744,429	40,931,368	
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	54,170	61,541	
DEFERRED ISSUANCE COSTS	1,071,597	1,071,597	
OTHER ASSETS - RESTRICTED			
CASH, INVESTMENTS & RESERVES	7,413,046	7,423,916	
VENTURE CAPITAL INVESTMENTS	5,393,436	5,435,133	
OTHER	4,000,000	4,000,000	
TOTAL OTHER ASSETS	16,806,482	16,859,049	
TOTAL ASSETS	$ 58,676,679	$ 58,923,555	
LIABILITIES			
CURRENT LIABILITIES	$ 1,017,426	$ 929,660	
LONG-TERM LIABILITIES	2,221,676	2,221,676	
TOTAL LIABILITIES	3,239,101	3,151,336	
EQUITY			
CONTRIBUTED CAPITAL	23,828,249	23,828,249	
RETAINED EARNINGS	11,246,980	11,246,980	
NET INCOME / (LOSS)	1,407,621	1,742,262	
RESERVED/RESTRICTED FUND BALANCE	6,268,199	6,268,199	
UNRESERVED FUND BALANCE	12,686,528	12,686,528	
TOTAL EQUITY	55,437,578	55,772,220	
TOTAL LIABILITIES & EQUITY	$ 58,676,679	$ 58,923,555	

(1) Decrease in Receivables is due to TAW's Program short-term Loan of $4MM to Batavia School District was paid.

Illinois Finance Authority
Balance Sheet
for Nine Months Ending March 31, 2005
ASSETS DETAIL

	February 2005	March 2005
CASH & INVESTMENTS, UNRESTRICTED:		
GENERAL OPERATING - IFA - CASH & INVESTMENTS, UNRESTRICTED	13,525,986	16,674,001
INDUSTRIAL REVENUE BOND INSURANCE FUND - CASH & INVESTMENTS, UNREST	11,251,626	11,251,626
IRBB SPECIAL RESERVE FUND - CASH & INVESTMENTS, UNRESTRICTED	5,657	5,657
IRBB TRUST FUND - CASH & INVESTMENTS, UNRESTRICTED	411,908	411,908
Total CASH & INVESTMENTS, UNRESTRICTED	25,195,177	28,343,192

	February 2005	March 2005
CASH & INVESTMENTS, UNRESTRICTED:		
LASALLE NATIONAL BANK - OPERATING	204,658	173,239
Illinois Funds - Chicago General Operating	6,744,228	9,877,195
Il. Funds - Springfield Operating	266,281	306,241
PETTY CASH -	100	100
PETTY CASH - CARBONDALE OFFICE	100	100
PETTY CASH - SPRINGFIELD OFFICE	150	200
MONEY MARKET ACCOUNT	-37	-37
MONEY MARKET- MS	53,480	53,480
BANTERRA BANK	196,456	202,913
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	-24,290	-24,290
Discount on FNA	-3,850	-3,850
Premium on FHLB	397	397
Discount on FNM	-1,263	-1,263
Total CASH & INVESTMENTS, UNRESTRICTED	13,525,986	16,674,001

	February 2005	March 2005	
RECEIVABLES, NET			
GENERAL OPERATING - IFA - RECEIVABLES, NET	11,243,166	8,208,071	(1)
CREDIT ENCHANCEMENT DEVELOPMENT - RECEIVABLES	600,000	600,000	
IRBB SPECIAL RESERVE FUND - RECEIVABLE, NET	2,400,000	2,485,000	
TOTAL RECEIVABLES, NET	14,243,166	11,293,071	

Illinois Finance Authority
Balance Sheet
for Nine Months Ending March 31, 2005
ASSETS DETAIL

	February 2005	March 2005
OTHER RECEIVABLES		
GENERAL OPERATING - IFA - OTHER RECEIVABLES	1,177,596	1,174,977
INDUSTRIAL REVENUE BOND INSURANCE FUND - OTHER	2,755	2,755
TOTAL OTHER RECEIVABLES	1,180,351	1,177,732

	February 2005	March 2005
PREPAID EXPENSES		
GENERAL OPERATING - IFA - PREPAID EXPENSES	125,735	117,374
TOTAL PREPAID EXPENSES	125,735	117,374

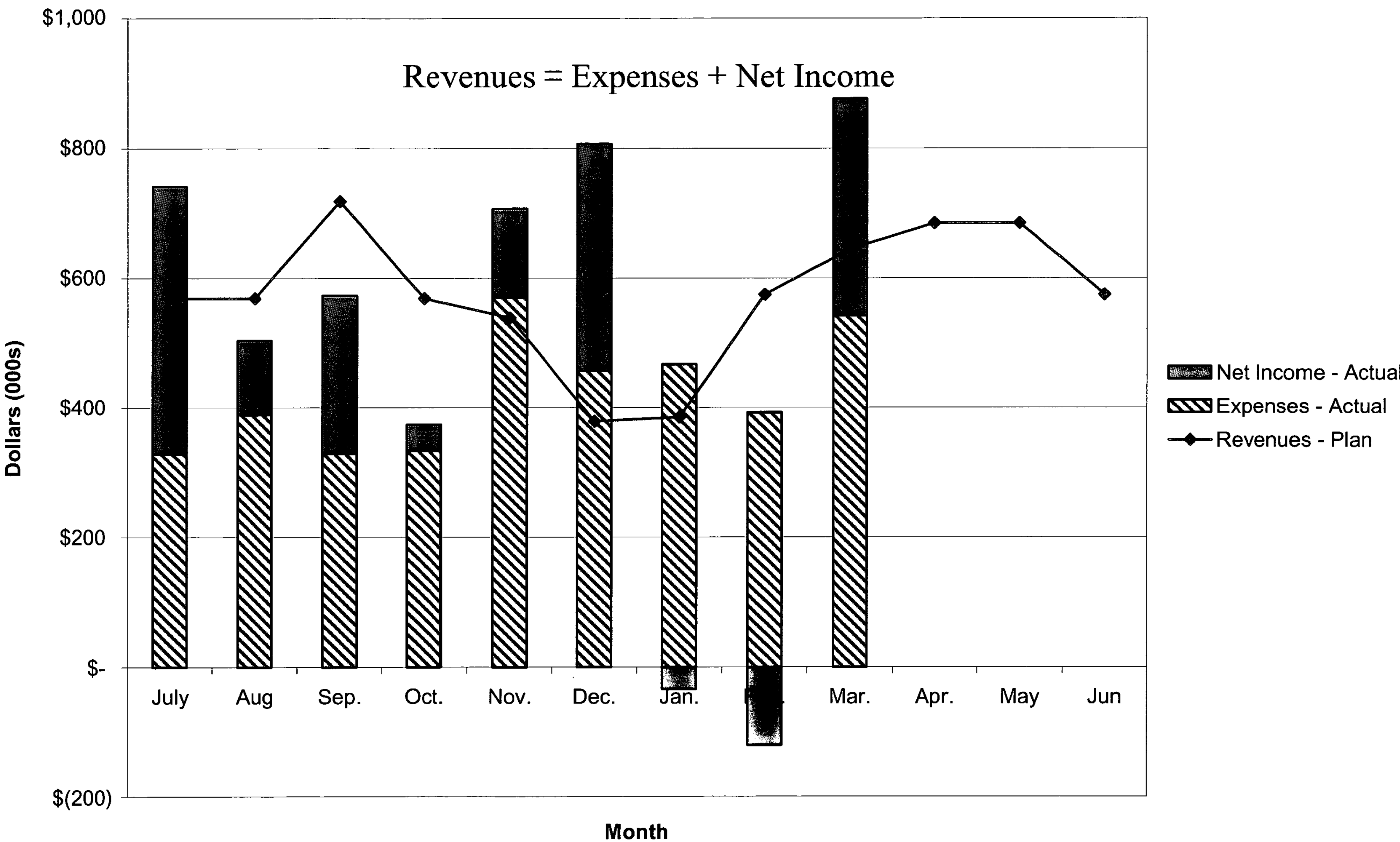
	February 2005	March 2005
OTHER ASSETS - RESTRICTED		
CASH, INVESTMENTS & RESERVES		
GENERAL OPERATING - IFA- CASH INVESTMENTS	5,999,024	6,012,619
CREDIT ENHANCEMENT DEVELOPMENT FUND - CASH, INVESTMENTS & RESERVES	1,409,494	1,406,769
IRBB SPECIAL RESERVE FUND - CASH, INVESTMENTS & RESERVES	4,528	4,528
	7,413,046	7,423,916

(1) Decrease in Receivables is due to TAW's Program short-term Loan of $4MM to Batavia School District was paid.

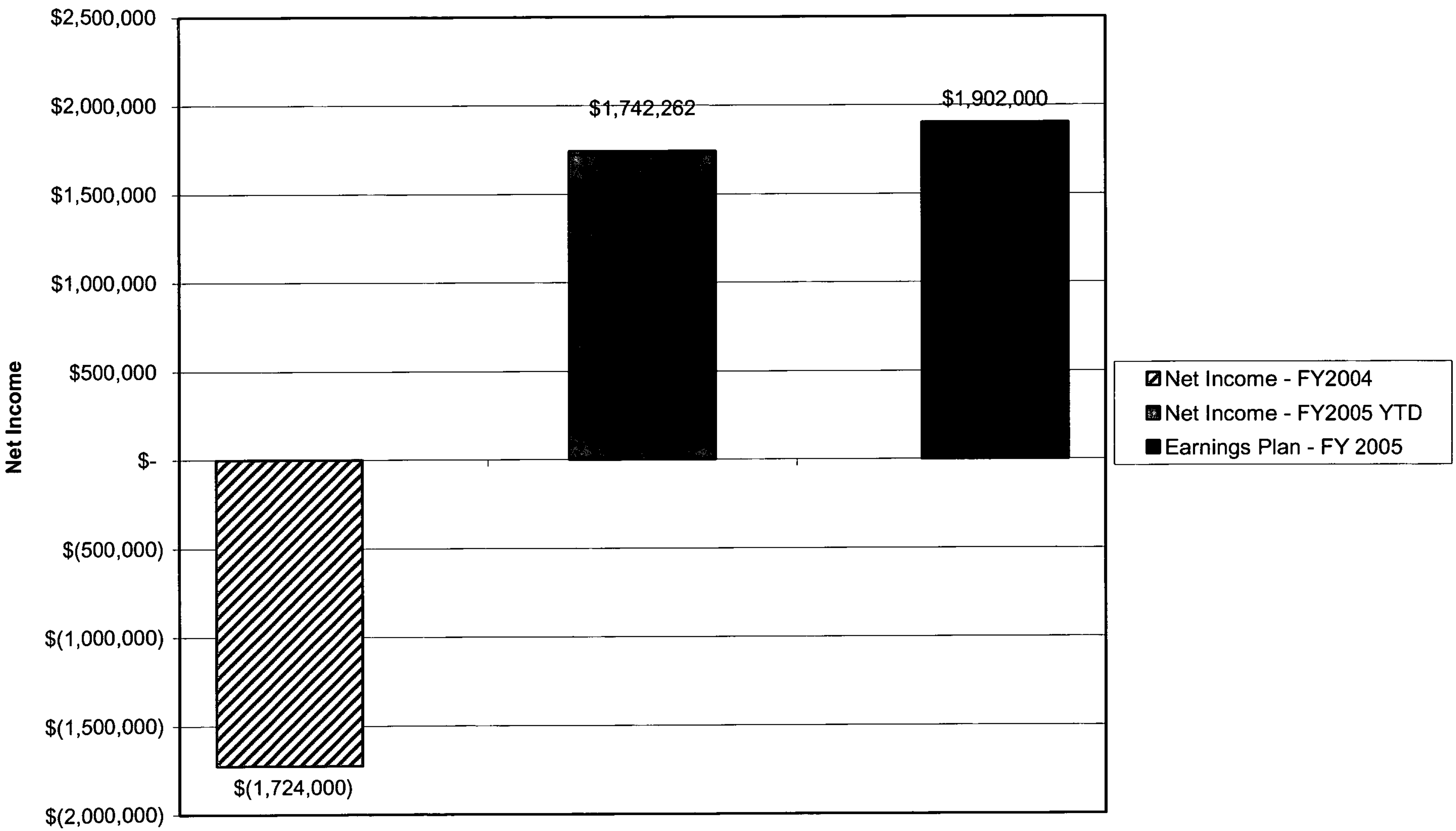
IFA Aging Report - DL-PL-PL/MPF - March 31, 2005

Client#	Client Name	Date of Closing	P.A	Payment 3/31/2005	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 3/31/2005
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							189,965
	American Allied Freight Car Co. Inc.	3/23/2005	Senica	New	246,766.18							246,766
9830-PL	Arnold, Michael & Sandy	7/15/2003	Senica	Yes	147,406.77							138,687
9677-PL	Berry, Todd (Precision Laser)	11/5/2001	Senica	Yes	188,613.10							154,132
2110-PL	Bob Brady Dodge, Inc. (J & C Investment)	1/4/2000	Senica	Yes	300,000.00							232,418
9757-PL	Brahler, Richard W.	4/30/2002	Senica	Yes	297,591.78							274,297
	Bramm, Karen	3/22/2005	Reed	New	847,738.68							847,739
1943-PL	Bushert, Forrest D.	8/10/1998	Senica	Yes	240,000.00							182,443
1881-PL	Caywood's Youth Center, Inc.	6/16/1998	Pigg	Yes	237,500.00							186,108
9792-PL	Chapman, Marc (Quality Water Services, Ir	10/25/2002	Senica	Yes	227,386.96							160,647
9817-PL	Centurion Investments	11/4/2003	Pigg	Yes	300,000.00							288,672
1940-PL	Commercial Transport	4/28/1998	Pigg	Yes	280,000.00	1,556						152,391
9588-PL	Cushing, Steve & Ed	5/21/2001	Pigg	Yes	149,237.50							100,506
	Deli Star Corporation	1/10/2005	Pigg	No	150,000.00	1,970						147,147
9835-PL	Eagle Theater Corporation	9/8/2003	Trout/Albright	Yes	295,070.51							275,326
9793-PL	Excel Foundry	3/27/2003	Senica	No	237,112.35	1,900						197,625
1904-PL	Hagel & Leong (2nd loan)	2/8/2002	Senica	Yes	100,817.48							40,431
1844-PL	Hawkeye Food Machinery, Inc.	1/17/1997	Senica	Yes	250,000.00							188,081
9738-PL	Illinois Forest (equip. portion)	5/14/2002	Senica	Yes	98,450.00						76,566	
9738-PL	Illinois Forest (real estate portion)	5/14/2002	Senica	Yes	150,000.00						136,479	
9286-PL	Illinois Valley Plastics, Inc.	5/9/2001	Senica	Yes	216,928.69							38,058
9726-PL	Kevin Krosse	2/15/2002	Senica	Yes	114,084.45	990						95,845
9783-PL	Keyser, David (Klean Wash, Inc.)	8/13/2002	Senica	Yes	100,000.00							74,773
1907-PL	Lincoln Tool Company	6/12/1997	Senica	Yes	150,000.00						108,253	108,253
1927-PL	Moerchen, William J.	6/12/1997	Cochran	Yes	300,000.00							102,350
	Newline Harwoods, Inc	11/4/2004	Senica	Yes	294,600.74							282,598
	Octochem	12/31/2003	Cochran	Yes	281,538.00							269,561
9781-PL	S & B Investments	2/18/2003	Cochran/Trout	Yes	197,889.23							178,133
9699-PL	Shults Machine	11/26/2002	Cochran	Yes	234,693.00							186,208
9579-PL	Siebenberger, Douglas & Robt. Ewen	5/17/2002	Cochran	Yes	235,698.79							211,594
9225-PL	Siracusa, Charles & Sharon	3/23/2000	Frampton	Yes	300,000.00							258,516
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	New	622,508.14							622,508
	Roesch, Inc	9/23/2004	Cochran	Yes	294,368.11							283,215
9671-PL	Upchurch Oil & Ready Mix Concrete	5/4/2001	Cochran	Yes	300,000.00	2,700						208,182
	Uresil	12/1/2004	Curtis-Martin	Yes	300,000.00							294,416
9631-PL	The Weisiger Family Trust	4/6/2001	Senica	Yes	250,000.00							225,076
2164-PL	Wiegand, Beth A.	6/10/1999	Senica	Yes	183,484.09							147,349
9782-PL	Wilson, Michael L. Sr.	12/6/2002	Senica	Past due	296,031.82				284,229			284,229
	WorkSaver Inc	12/31/2003	Cochran	Yes	112,500.00							87,302
9672-PL	Young, Clinton (Precision Pattern)	8/1/2001	Senica	No	149,600.71	550						141,917
PL-Motion Picture Financing												
9733-PL/MPF	**Big Picture Chicago,LLC**	**2/20/2002**			**82,500.00**						16,432	16,432
9739-PL/MPF	SMS Productions	7/29/2002	Trout		49,269.97							-
	TOTAL				**$ 10,641,886.89**	**9,666**	**-**	**-**	**284,229**	**-**	**552,908**	**8,335,074**
PL/MPF Late amounts are estimates.												
DL Loans												
98	Roe Machine Co.	12/31/1980	Cochran	Yes	45,000.00							5,870
1470	T.K.G. Inc.	8/26/1994	Cochran	Past due	179,000.00						107,808	107,808
	TOTAL				**$ 224,000.00**	**-**	**-**	**-**	**-**	**-**	**107,808**	**113,677**
FMHA Loans												
9627	Grayson Hill Energy, LLC	1/31/2001	Cochran	Yes	130,000.00							84,312
1589	Ray's Body, Inc.	1/17/1995	Cochran	Yes	100,000.00							-
1952	Sublette Developers, Inc.	1/15/1998	Albright	Yes	150,000.00							111,976
9643	Ultra Play Systems, Inc.	5/3/2001	Cochran	Yes	90,000.00	1,314						47,563
1789	Walters Trucking	6/25/1996	Senica	Yes	100,000.00	1,110	1,110	1,110				20,099
	TOTAL				**$570,000.00**	**2,424**	**1,110**	**1,110**	**-**	**-**	**-**	**263,951**
	GRAND TOTAL					**12,090**	**1,110**	**1,110**	**284,229**	**-**	**660,716**	**8,712,702**

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 1:30 p.m., on March 8, 2005 in the Plaza Club at 130 E. Randolph, 40th Floor, in Chicago, Illinois.

MEMBERS PRESENT:
Demetris Giannoulias
Michael Goetz
David Gustman
Edward Leonard
Martin Nesbitt
Andrew Rice
Joseph Valenti
Bradley Zeller

MEMBERS ABSENT:
Natalia Delgado
Dr. Roger Herrin
Terrence O'Brien
Timothy Ozark

GENERAL BUSINESS ITEMS

Call to Order

Chairman Gustman called the meeting to order at 1:35, with the above members present.

Roll Call

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

Chairman's Report

On behalf of the Members, Chairman Gustman welcomed Mr. Bradley Zeller to the Board.

Director's Report

Director Ata informed the public that he would be stepping down as the Executive Director effective immediately after the meeting. Chairman Gustman thanked Director Ata for his service during the start-up phase of the Authority.

Acceptance of February 2005 Financial Statements

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

Acceptance of February 2005 Minutes

Upon a motion by Mr. Nesbitt and seconded by Mr. Giannoulias, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-02).

Executive Directorship Announcement

Chairman Gustman asked for a motion to appoint Jill Rendleman to the position of Interim Executive Director. Upon a motion by Mr. Nesbitt and seconded by Mr. Rice, the Chairman requested leave to apply the last unanimous vote. Leave was granted.

Chairman Gustman also announced that the Authority would seek to retain the services of Mr. Ata to assist in the transition and assist in the Prairie State Energy Campus Project.

Initial Project Considerations

Item-03 ***H-SL-RE-TE-CD-520: Life Care Retirement Communities, Inc. (Beacon Hill)***

Life Care Retirement Communities, Inc. (doing business as Beacon Hill), located in **Lombard**, requests initial approval of not to exceed **$15 million** in conduit 501(c)(3) bonds to refinance existing debt, fund approximately $300,000 of new money projects at the Beacon Hill facility and capitalize a debt service reserve. The project is subject to compliance with the IFA's policy for non-rated debt.

Upon a motion by Mr. Valenti and seconded by Mr. Zeller, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-03).

Item-04 ***H-SL-RE-TE-CD-521: Friendship Village of Schaumburg***

Evangelical Retirement Homes of Greater Chicago, Inc. (doing business as Friendship Village of Schaumburg), located in **Schaumburg**, is seeking a preliminary bond resolution in an amount not to exceed **$130 million** in conduit 501(C)(3) tax-exempt bonds to refinance existing debt, finance the construction of a new residential independent living apartment units. The project is subject to compliance with the IFA's policy for non-rated debt.

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-04).

Item-05 ***H-HO-TE-CD-534: Resurrection Health Care***

Resurrection Health Care, with **multiple locations in Chicago**, is seeking a preliminary bond resolution in the not-to-exceed amount of **$425 million** in not-for-profit tax-exempt conduit bonds. Bond proceeds will be used to construct, renovate and remodel current structures, as well as refund or refinance a portion of outstanding bond issues.

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-05).

Item-06 ***N-NP-TE-CD-519: Thresholds***

The Thresholds of **Chicago** requests a preliminary bond resolution in the not-to-exceed amount of **$6 million** in not-for-profit conduit tax-exempt bonds for the acquisition and renovation of land and facilities and the purchase of equipment and fixtures as well as to fund bond issuance costs. This project is expected to create **36 new jobs** and **100 construction jobs**.

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-06).

Item-07 ***E-PC-TE-CD-525: North Park University***

North Park University, located in **Chicago**, requests a preliminary bond resolution in an amount not-to-exceed **$33 million** in the form of 501(c)(3) conduit tax-exempt bonds. Proceeds with be used to purchase land, renovate structures, and fund campus projects, including the construction and equipping of a new recreation center and renovation of the Holmgren Athletic Complex. This project is expected to create **9 new jobs** and **300 construction jobs**.

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-07).

Item-08 ***I-ID-TE-CD-522: Barton Manufacturing***

Barton Manufacturing, located in **Decatur,** requests a preliminary bond resolution in an amount not-to-exceed **$6.5 million** in the form of conduit tax-exempt Industrial Revenue Bonds. Proceeds with be used to construct and equip a 40,000 square foot addition to its current 37,500 square foot manufacturing facility. The Borrower is also requesting a **$6.5 million** allocation from the Authority's **2005 Volume Cap**. This project is expected to create **25 new jobs** and **15 construction jobs.**

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-08).

Item-09 ***L-GO-LG-TE-524: Kankakee County***

The **County of Kankakee** requests a preliminary bond resolution in an amount not-to-exceed **$29 million** in the form of a conduit local government bond, said bond to be secured by the County's debt certificates. Proceeds of the bond will be used to construct and equip a 384-bed jail facility.

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-09).

Item-10 ***A-DR-TX-GT-537: Robb D. Klinger and Benjamin T. Dolan (d/b/a DAK Farms)***

Robb Klinger and Benjamin Dolan, d/b/a DAK Farms, located in **Durand**, requests board approval of an **85% loan guarantee** in an amount not-to-exceed **$485,000** to the State Bank of Davis. Proceeds of the bank loan will be used to refinance an existing loan as well as to fund upgrades and purchase equipment for the farm. The existing loan was originated in March 2001, and it currently carries an IFA guarantee.

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-10).

Item-11 ***A-FB-TE-CD-540: Jeff Delheimer***
A-FB-TE-CD-530: Weston Wilhour
A-FB-TE-CD-531: Chad Wilhour

These applicants request preliminary approval for Beginning Farmer Bonds for the amounts and locations listed below:

Jeff Delheimer	**$178,012**	**Elgin**
Weston Wilhour	**$ 48,750**	**Beecher City**
Chad Wilhour	**$ 48,750**	**Altamont**

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-11).

Item 12 ***A-FB-TE-CD-528: Joseph & Lisa Kapraun***
A-FB-TE-CD-529: C. Todd Urish

These applicants request preliminary approval for Beginning Farmer Bonds for the amounts and locations listed below:

Joseph & Lisa Kapraum	**$ 62,500**	**El Paso**
C. Todd Urish	**$250,000**	**Green Valley**

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-12).

Final Project Considerations

Item-13 ***H-HO-TE-CD-501: Mercy Alliance, Inc. Obligated Group***

Mercy Alliance, Inc. Obligated Group, with facilities **throughout Northern Illinois**, seeks a final bond resolution for **$35 million** in conduit tax-exempt 501(c)(3) bonds to reimburse and advance fund Illinois capital projects of Mercy Alliance, including Phase I of the Mercy Crystal Lake Hospital and Medical Center, as well as upgrades to clinic facilities. This project is expected to create **200 new jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-13).

Item-14 ***L-GO-TE-RE-CD-523: City of Kewaunee***

The **City of Kewaunee** requests final approval in an amount not-to-exceed **$2.5 million** in conduit tax-exempt local government bonds to refund the outstanding balance of its Series 1998 bonds.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-14).

Item-15 ***N-NP-TE-CD-502: YMCA of Southwest, IL***
N-NP-TX-LL-539: YMCA of Southwest, IL

YMCA of Southwest Illinois, located in **Belleville, Monroe** and **O'Fallon**, requests final approval of not-to-exceed **$11 million** in conduit tax-exempt 501(c)(3) bonds and **$330,000** in Credit Enhancement Funds to fund a portion of a Debt Service Reserve Fund. Proceeds will finance two new facilities and refinance two existing facilities. This project is expected to create **158 new jobs** and **110 construction jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-15).

Item-16 ***I-ID-TE-CD-419: MNM Real Estate Ventures, LLC (Excel Container, Inc.)***

MNM Real Estate Ventures, LLC, located in **Aurora**, requests final approval of not-to-exceed **$7.1 million** in tax-exempt conduit bonds to finance the Excel Container Project for the manufacture of paperboard products, which will require up to **$7.1 million** of the Authority's **2005 Volume Cap**. The bonds will be purchased directly by a bank. This project is expected to create **188 new jobs** and **45 construction jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-16).

Item-17 ***Withdrawn***

Item-18 ***V-TD-532: SmartSignal Corporation***

SmartSignal Corporation, located in **Lisle** and a current investment holding of the Authority, requests final approval of additional venture capital funds in an amount not-to-exceed **$50,000** subject to satisfying all conditions of the investment documents. This project is expected to create **13 new jobs**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-18).

Item-19 ***Withdrawn***

Item-20 ***A-FB-TE-CD-526: Matthew David Sandidge***
A-FB-TE-CD-527: Cory Miller

These applicants request final approval for Beginning Farmer Bonds for the amounts and locations listed below:

Matthew David Sandidge	**$194,000**	**Chandlerville**
Cory Miller	**$ 27,000**	**Danvers**

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-20).

Item-21 ***A-FB-TE-CD-504: Michael Neff***
A-FB-TE-CD-505: Jared Van Blaricum
A-FB-TE-CD-506: Kenneth Tate
A-FB-TE-CD-507: Jason Pitcher

These applicants request final approval for Beginning Farmer Bonds for the amounts and locations listed below:

Michael Neff	**$147,000**	**Virden**
Jared Van Blaricum	**$ 37,000**	**Noble**
Kenneth Tate	**$162,000**	**Waverly**
Jason Pitcher	**$ 64,000**	**Montrose**

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-21).

Item-22 ***Pooled Tax Anticipation Warrant Program for Illinois School Districts***
LG-LG-TE-CD-536: Beach Park Community

Beach Park Community Consolidated School District 3, located in **Lake County**, requests final approval to purchase Tax Anticipation Warrants in an amount not-to-exceed **$500,000** to cover operational costs in advance of their scheduled local property tax reimbursements.

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-22).

Project Revisions/Amendatory Resolutions

Item-23 ***YMCA of Metropolitan Chicago***

YMCA of Metropolitan Chicago seeks approval of certain amendments to the Loan Agreement between the IDFA and YMCA in connection with the Adjustable Rate Demand Revenue Bonds, Series 2001 issued in an aggregate principal amount of $54,000,000 and authorization for the execution of documents related to the same.

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-23).

Item-24 ***DePaul University***

DePaul University seeks approval of an amendatory final bond resolution in connection with the pending IFA issuance of not to exceed $110,000,000 aggregate principal amount of Revenue Refunding Bonds, Series 2005A, 2005B and 2005C.

The Chairman requested leave to apply the last unanimous vote to each item. Leave was granted. The motion was approved with 8 ayes, 0 nays, and 0 abstentions/present (05-03-24).

There being no further business, Chairman Gustman adjourned the meeting at approximately 2:15 P.M.

Respectfully Submitted,

Michael R. Pisarcik, Secretary

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 12, 2004

Project: **Norwegian American Hospital**

STATISTICS

Deal Number:	H-HO-TE-CD-555	Amount:	$8,000,000 (not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	Pamela Lenane and Dana Sodikoff
Location:	Chicago, IL	Est fee:	$9,000

BOARD ACTION

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

Staff recommends approval
No extraordinary conditions

PURPOSE

Bond proceeds will be used to (i) pay, or reimburse the Borrower for the payment of, the cost of acquiring certain capital equipment including without limitation the acquisition of a cardiac catheterization lab and other routine capital expenditures, (ii) pay, or reimburse the Borrower for the payment of, the cost of various construction and renovation projects including without limitation the renovation and expansion of the psychiatric and detoxification units, an elevator renovation project, the purchase of a new generator, and other projects, (iii) to refinance the Borrower's Illinois Health Facilities Authority Series 1985D Bonds in the approximate amount of $1,800,000, and (iv) pay certain related expenses.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$8,000,000	Uses:	Capital Equipment	$3,732,000
				Refinancing Existing Debt	$1,800,000
				Routine Capital Expenditures	$2,468,000
	Total	$8,000,000		Total	$8,000,000

JOBS

Current employment:	775	Projected new jobs:	N/A
Jobs retained:	775	Construction jobs:	N/A

BUSINESS SUMMARY

Background: Norwegian American Hospital ("Norwegian") 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. It was incorporated in 1894 under the laws of Illinois. Norwegian is the parent company of three subsidiaries, Norwegian American Hospital Foundation (the "Foundation"), Norwegian American Hospital Community Trust Fund (the "Community Trust"), and Centennial Medical management Corporation, Inc. ("Centennial").

Description: Norwegian operates a 200-bed acute care facility that serves the residents of the Northwest Chicago area. Norwegian's medical staff is comprised of 300 physicians that provide care in obstetrics, gynecology, pediatrics, internal medicine, surgery and outpatient services.

Adjacent to the main hospital building is a professional office building that includes The Physician Specialty Center. This center offers the community a wide variety of medical specialists: Pediatric Cardiology, Podiatry, Endocrinology, Skin and Hair care, Otolaryngology, Neurology, Gastroenterology, Oculoplastic/ Reconstructive Surgery, Hematology, Oncology, Pulmonolgy, Orthopedics, Rheumatology, Audiology, Asthma and Allergy care.

Norwegian's Community Health Center is a primary care clinic staffed by Family Practice Physicians. Patients of all ages are treated for acute care, wellness, and chronic illnesses such as asthma, diabetes, and hypertension.

The Foundation solicits contributions to support healthcare and other related activities of Norwegian. The Community Trust provides scholarships and other assistance to the indigent, homeless and underprivileged in the community by soliciting and maintaining grants and contributions. Centennial operates the outpatient pharmacy located in the hospital.

Norwegian is also a 50% owner of Century PHO, Inc., whose primary purpose is to obtain and manage contracts with health maintenance organizations, preferred provider organizations, and other health care payors, and is a 20% owner of Family Health Network, Inc., which was established to be a provider of health cares services for the indigent under contract with the Illinois Department of Public Aid.

Service Area: Norwegian serves the residents of the Northwest Chicago area. The hospital serves many diverse and gentrified communities including Bucktown, Humboldt Park, West Town, Wicker Park, Logan Square and Austin.

Financials:

($ in thousands)	Fiscal Years Ended September 30, 2002	2003	2004
Income Statement			
Support and Revenues	$80,702	$80,613	$78,717
Revenue Over Expenses – Operating Income	$1,145	$-1,138	-3,975
EBIDA	5,024	2,497	-496
Balance Sheet			
Current Assets	16,835	20,248	18,552
PP&E	33,858	31,319	29,500
Other Assets	12,988	13,290	13,729
Total Assets	**63,681**	**64,857**	**61,781**
Current Liabilities	7,655	8,942	11,045
Debt	3,466	5,195	3,262
Other Liabilities	6,583	6,086	5,733
Total Net Assets	45,977	44,634	41,741
Total Liabilities and Net Assets	**63,681**	**64,857**	**61,781**
Ratios			
Debt Service Coverage (x)	3.53	1.15	N/A
ent Ratio	2.2	2.3	1.7
Debt / Total Net Assets	7.5%	11.60%	7.80%
Days cash on hand	46	56	45

Discussion: Operating income and EBIDA declined in fiscal 2004 due to higher malpractice insurance costs (which have increased by more than $3 million since fiscal 2002), and average length of stay issues. However, interim results through the first 5 months of fiscal 2005 are strong with net income of $1.7 million, a $2.6 million improvement over the comparable prior period.

The balance sheet is satisfactory. Norwegian is reporting 36 days cash on hand as of February 28, 2005. The proposed financing will allow it to complete necessary projects without having to deplete cash further. Upon closing, the COB loan would be the only debt on the balance sheet except for miscellaneous capital leases totaling approximately $500,000.

Net accounts receivable as of 2-28-2005 were $12.7 million. Norwegian will pledge net receivables as security for the portion of the projects consisting of hospital renovations. The total cost of renovations to be financed is $5,200,000 as detailed in the Project Summary below. GE will conduct audit of accounts receivable to determine the eligible borrowing base.

FINANCING SUMMARY

Security: Norwegian will grant a security interest in the capital equipment to be financed and a lien on its accounts receivable as security for the renovation projects.

Structure: The current plan of finance contemplates a private placement with GE Healthcare Financial Services.

Maturity: 2015 (maximum)

PROJECT SUMMARY

Bond proceeds will be used to (i) pay, or reimburse the Borrower for the payment of, the cost of acquiring certain capital equipment including without limitation the acquisition of a cardiac catheterization lab and other routine capital expenditures, (ii) pay, or reimburse the Borrower for the payment of, the cost of various construction and renovation projects including without limitation the renovation and expansion of the psychiatric and detoxification units, an elevator renovation project, the purchase of a new generator, and other projects, (iii) to refinance the Borrower's Illinois Health Facilities Authority Series 1985D Bonds (in the approximate amount of $1,800,000) and (iv) pay certain related expenses.

Project costs are estimated as follows:

Tranch One:		
Capital Equipment		$3,732,000
Refinancing IFA 1985 Pool Loan:		$1,800,000
Tranch Two:		
Renovations		$2,200,000
Routine Capital Expenditures:		$ 268,000
	Total:	**$8,000,000**

Norwegian requests that the bond proceeds be split into two tranches. The first, in the amount of $5,532,000, would be funded in June 2005 to finance capital equipment, including the cardiac catheterization lab and elevator and generator projects, and to refinance the IFA 1985 Pool Loan in the amount of $1,800,000. The second funding of $2,468,000 would occur approximately November 1, 2005, to finance the renovations of the psychiatric and detoxification units and routine capital expenditures.

ECONOMIC DISCLOSURE STATEMENT

Project name:	Norwegian American Hospital
Location:	Chicago, Illinois
Applicant:	Norwegian American Hospital
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois

Board of Directors:

CHAIRMAN
Judge Perry Gulbrandsen

VICE-CHAIRMAN
Patrick T. Driscoll

SECRETARY
Henry Munez, M.D.

MEMBERS
Marta Cerda, J.D.
Eduardo J. Ladlad, M.D.
Jack C. Leong, M.D.
Enrique Lipezker, M.D.
Ezequiel Montes

John P. Monteverde, M.D.
Myrna E. Pedersen
Marco A. Reategui
Judge Jesse G. Reyes
Raul Saavedra, M.D.
Ex-Officio, Jang Soo Kim, President of the Medical Staff
Ex-Officio, Michael J. O'Grady, Jr., President and CEO

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hinshaw & Culbertson, LLP	Chicago	
Accountant:	McGladrey & Pullen	Chicago	
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Underwriter:	GE Healthcare Financial Services	Chicago	Bill Reveille
Underwriter's Counsel	Kutak Rock	Omaha, NE	Andrew Romshek
Issuer's Counsel	Jones Day	Chicago	Mike Mitchell
Escrow Agent:	Wells Fargo Bank	Chicago	Patricia Martirano

LEGISLATIVE DISTRICTS

Congressional:	4 – Luis V. Gutierrez
State Senate:	2 – Miguel del Valle
State House:	4 – Cynthia Soto

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

Preliminary 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, (iii) purchase furniture, fixtures, and equipment, (iv) capitalize interest, and (v) fund bond issuance costs.

IFA CONTRIBUTION

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

VOTING RECORD

Preliminary Bond Resolution, no prior Board vote

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 $644,000. The substantial increase in revenue from fiscal year 2003 to 2004 was due, in part, to appreciation of marketable securities, approximately $216,000 and approximately $1,871,000, respectively.

FINANCING SUMMARY

Security: Direct pay Letter of Credit from a bank to be determined.
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, (iii) purchase furniture, fixtures, and equipment, (iv) capitalize interest, and (v) 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:	TBD		
LOC Bank Counsel:	TBD		
Financial Advisor:	M.C. Toomey Financial Consulting	Evanston, IL	Maureen Toomey
Development: Consultant	Perkins & Will	Chicago, IL	
Trustee:	TBD		
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/lakforestcountrydayschoolprelim

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 12, 2005

Project: **Waste Management of Illinois, Inc. and its affiliates**

STATISTICS

IFA Project #:	**P-SW-PO-TE-CD-547**	**Amount:**	**$100,000,000 (not-to-exceed amount)**
Type:	**Solid Waste Disposal Bonds**	**IFA Contact:**	**Rich Frampton**
Locations:	**Multiple**	Tax ID:	36-2660859
SIC Code:	4953	**Est. fee:**	**$231,000 (assumes initial 2005 tranche in the amount of $30 million)**

BOARD ACTION

Preliminary Bond Resolution
Conduit Solid Waste Disposal Revenue Bonds — **No IFA funds at risk**
Staff recommends approval — **No extraordinary conditions**

PURPOSE

Bond proceeds will be used to finance landfill and transfer station improvements and to purchase containers, transportation equipment, and equipment for use at WM's solid waste disposal facilities statewide.

IFA CONTRIBUTION

This project will use unallocated IFA Carryforward Volume Cap designated for Solid Waste Disposal Revenue Bond projects. ***No current year IFA Volume Cap will be used for this project when issued.*** **The Borrower anticipates issuing these bonds in two series in late calendar 2005 ($30 million) and the remainder during calendar 2006.** ***These Bonds will be issued under the Illinois Environmental Facilities Financing Act and will not use any of IFA's recently increased $24 billion debt authorization for general purposes that are used to finance Industrial Revenue Bond and 501(c)(3)Revenue Bond projects.***

VOTING RECORD

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

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	Series 2005 & 2006 Bonds	$99,145,000	Uses:	New Project Cost	$97,667,634
	Cash Equity	22,634		Costs of Issuance	2,000,000
	Total	**$99,667,634**		**Total**	**$99,667,634**

JOBS

Current employment: 1,900	Projected new jobs: 20
Jobs retained: Not applicable	Construction jobs: 30-40 for cell construction; construction periods will vary by project

BUSINESS SUMMARY

Background: **Waste Management of Illinois, Inc. ("WM-Illinois" or the "Borrower"), a Delaware corporation, will be the obligor on the proposed bonds.** WM-Illinois is the holding company for certain Waste Management's operating subsidiaries that are qualified to do business in Illinois. WM-Illinois was incorporated under Delaware law in 1968.

Waste Management, Inc. ("WM" or the "**Corporate Guarantor**") was formed in 1998 through the merger of USA Waste Services, Inc. of Houston, Texas and Waste Management, Inc. of Oak Brook, Illinois. The surviving entity in the merger was USA Waste Services, Inc., which was reincorporated under Delaware law in 1995. Simultaneous with the merger, USA Waste changed its name to Waste Management, Inc.

WM-Illinois is an indirect, wholly-owned subsidiary of WM. WM will be the corporate guarantor on the Bonds, on behalf of WM-Illinois and its affiliates.

WM's stock is publicly traded on the NYSE (ticker symbol "**WMI**").

Waste Management Facts: WM provides comprehensive waste management services worldwide and is the largest company in the industry. WM owns and operates 429 collection operations, 286 active landfill facilities, 17 waste-to-energy plants, 381 regional waste transfer stations, 85 landfill gas projects, and 17 waste-to-energy facilities. WM operates in 48 states, Washington, D.C., Puerto Rico, and Canada. Additionally, the Company is the largest collector of recyclable materials from businesses and households in the world and its 106 materials recovery facilities ("MRF") process recyclable commodities (e.g., glass, plastics, electronics, composting, data destruction, construction and demolition processing).

The Company's service facilities serve more than 21 million residential, industrial, municipal, and commercial customers in 48 states, Puerto Rico, and Canada. WM had approximately 51,700 employees as of 12/31/2004.

WM-Illinois Facts: WM-Illinois currently employs 1,900 in Illinois, with an annual payroll of over $111 million. The subject facilities currently employ approximately 1,466. WM-Illinois currently provides collection, recycling, and disposal to municipal, commercial, industrial, and residential customers throughout 37 counties within the State of Illinois. WM-Illinois's landfill gas-to-energy plants generate 35 MW of electricity daily.

WM-Illinois services approximately 725,000 residential, commercial, and industrial customers, and 60,000 recycling customers. Am-Illinois' municipal customers include Berwyn, Chicago, Elgin, Galesburg, Joliet, Macomb, Peoria, and member cities of the West Cook Municipal Conference (transfer/disposal).

IFA and its predecessors have closed on six prior bond issues totaling over $267 million with WM and its affiliates/predecessors since 1978. IFA currently has four WM bond issues outstanding representing a total amount of $136 million outstanding as of 12/31/04. WM's payments on all prior IFA (IDFA) bonds, including the WM's most recent IFA (IDFA) bond issues in October 2002 and September 2003, are current.

Required Permits: All project facilities referenced in Appendix A are existing operating facilities with all necessary Illinois EPA operating permits

Financials: Audited Financial Statements for Fiscal Years 2002-2004
No projections were prepared since WM is a public company, pursuant to SEC regulations.

Year Ended December 31 *(Dollars in Millions)*

	2002	2003	2004
		Historical	
Income statement:			
Sales	$11,211	$11,648	$12,516
Net income	822	630	939
EBITDA	2,933	2,738	2,977
Balance sheet:			
Current Assets	2,700	2,360	2,819
PP&E	10,612	11,411	11,476
Other Assets	6,319	6,611	6,610
Total	**19,631**	**20,382**	**20,905**
Current Liabilities	3,173	3,375	3,205
Long Term Liabilities	8,062	7,997	8,182
Other Non-Cur. Liab.	3,088	3,408	3,547
Equity	5,308	5,602	5,971
Total	**19,631**	**20,382**	**20,905**
Ratios:			
Debt/Fixed Oblig Cov.	2.99x	4.09x	3.06x
**Recast Debt/Fixed Oblig. Cov.*	*2.97x*	*4.04x*	*3.04x*
Current Ratio	0.85	0.70	0.88
Debt/Equity	1.56	1.52	1.43

***Note:** Recast coverage adds the proposed debt service payments attributable to the proposed IFA Series 2006 Bonds (i.e., $7.2 million) to the Company's existing debt service payments to determine adequacy of historical cash flows to service the proposed debt.

Discussion: WM's sales growth in 2004 reflected significant volume increases compared to recent prior years. Additional volume growth resulted from one-time volume increases attributable to the Florida hurricanes. WM had less success expanding sale through pricing increases, due to increased competition in landfill operations for special wastes.

WM's 2004 net income reflected the successful management of both operating and overhead expenses (SG&A), which remained relatively flat as a percentage of sales, reflecting the success of the Company's overall cost reduction program. As a result, 2004 net income increased substantially over 2003.

As evidenced by WM's historical EBITDA, WM's net income reflects significant Depreciation and Amortization Expenses, as typical in the capital-intensive, solid waste disposal industry. WM recorded Depreciation/Amortization of approximately $1.2 billion in 2002, and $1.3 billion in 2002 and 2003. Accordingly, WM generates strong internal cash flows that should enable the

Company to continue to (1) service its debt obligations, (2) pursue potential acquisitions, and (3) continue the Company's stock repurchase initiative.

In 2003, Moody's Investors Service upgraded WM's long term unsecured debt rating from Ba1 to Baa3. Both S&P and Fitch currently rate WM's long term unsecured debt at BBB (stable).

WM's revolving credit lines and Bank Letters of Credit that secure its Tax-Exempt Bond Issues with its banking syndicate are secured by blanket liens on the Company's assets.

On a pro forma basis, WM should easily be able to generate sufficient operating cash flow to cover the proposed annual debt service payments associated with an initial $50 million tranche of IFA Tax-Exempt Solid Waste Disposal Revenue Bonds. After adding the proposed annual debt service payments of $3.597 million to the Company's existing 2004 debt service payments, WM's 2004 EBITDA would have been sufficient to cover its debt obligations by a multiple of 3.06 times. (Assumes: $50 million of Tax-Exempt Bonds; an interest rate of 6.0%, and a 30-year amortization as conservative, simplifying assumptions.)

FINANCING SUMMARY

Bondholder Security:	**Bonds will be sold based on the underlying ratings of Waste Management, Inc., the corporate guarantor, on behalf of Waste Management, Inc.**
Structure:	**Fixed Rate Bonds. Current estimated rate of 5.40% based on WM's underlying ratings. Final interest rate mode(s) will be determined at the time of issue in 2006.**
Maturity:	**Not to exceed 40 years**
WM's Ratings:	**WM's underlying long-term senior unsecured debt is currently rated Baa3/Stable as of 11-15-2003 (Moody's), BBB/Stable affirmed 5-20-2002 (S&P), and BBB/Stable affirmed 3-17-2005 (Fitch).**

These Bonds will be issued under the Illinois Environmental Facilities Financing Act and will not use any of the Illinois Finance Authority's recently approved $1 Billion debt limit for Industrial Development and 501(c)(3) financings.

PROJECT DESCRIPTION FOR IFA BOND RESOLUTION

Bond proceeds will be used to finance IEPA permitted improvements to:

(a) Existing landfill facilities, including

(i) construction of new disposal cells and liners within currently permitted acreage, (ii) additions and improvements to the leachate collection and treatment system, including leachate trenching, (iii) additions and improvements to the methane gas system, (iv) installation of new liners for intermittent and final closure of completed sections of the landfill facilities, (v) purchase of land located near existing facilities at 7N904 Illinois Route 25, Elgin (Kane County), IL 60120, (vi) site improvements, (vii) acquisition of equipment to be used at the landfill facilities, and (viii) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them in service, and

(b) Existing Collection (Hauling) and Transfer Station Facilities, including

(i) acquisitions of solid waste disposal trucks and support vehicles, (ii) acquisition of solid waste disposal containers and related equipment, (iii) acquisition of solid waste disposal sorting and processing equipment, (iv) construction of a new building (maintenance facility) located at 3800 Laramie Avenue South, Cicero (Cook County), IL 60804, (v) site improvements, and (vii) acquisition of other equipment and assets necessary to support the foregoing improvements and to place them in service.

The location of each component of the project will include the following specific addresses and the general service territories of Waste Management of Illinois, Inc., as noted in the attached project listing (see Appendix A on Page 7).

Project costs are estimated as follows:

Land Acquisition	$3,200,000
Building Construction	4,055,000
New Landfill Cell Constr. and Liners	36,144,938
Landfill Capping	22,645,983
Leachate & Methane Gas Systems	5,378,455
Equipment (Vehicles)	13,083,158
Equipment (Primary)	4,230,000
Equipment (Containers)	4,515,000
Site Improvements	4,415,100
Total:	**$97,667,634**

ECONOMIC DISCLOSURE STATEMENT

Applicant/Contacts:	**Waste Management of Illinois, Inc. (*Signatory Contact:* Ms. Cherie C. Rice, VP and Treasurer – Waste Management of Illinois, VP, Finance and Treasurer – Waste Management, Inc. 1001 Fannin, Suite 4000, Houston, Texas 77002; General Ph.: 713/512-6200; Direct Ph.: 713/512-6548; Fax: 713/942-1580; E-mail: crice@wm.com; *Primary Company Contact:* Ms. Jean M. Gard, Treasury Analyst, Waste Management, Inc., 1001 Fannin, Suite 4000, Houston, TX 77002, Direct Ph.: 713-394-2161; Fax: 713/549-4415; E-mail: jgard@wm.com**	
Project Name:	**Waste Management, Inc. (Waste Management of Illinois, Inc. Series 2006 Bonds)**	
Project Locations:	**Multiple (see attached listing)**	
Land Owner:	The subject properties are all owned by Waste Management of Illinois, Inc. or its subsidiaries.	
	Borrower: *Waste Management of Illinois, Inc.*	**Corporate Guarantor:** *Waste Management, Inc.*
Organization:	Corporation	Corporation
State:	Delaware	Delaware

5.0% or Greater Ownership (SEC threshold for public co's.):	**Waste Management, Inc. (all shareholders noted below are institutional investors)**

- **Legg Mason, Inc.: 6.09%**
  100 Light Street, Baltimore, MD 21202-1099: 6.09%
  Manages and advises Legg Mason mutual funds.
- **Southeastern Asset Management, Inc.: 5.69%**
  6410 Poplar Avenue, Suite 900, Memphis, TN 38119-4839, Ph.: 901/791-2474.
  Manages four Longleaf Mutual Funds and sub-advises a portion of two Masters' Select mutual funds.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hunton & Williams LLP	Richmond, VA	Doug Lamb
Bond Counsel:	To be determined		
Senior Manager:	Banc of America Securities, Inc.	San Francisco, CA	Lawrence Tonumura
Co-Manager(s):	To be determined		
Placement Counsel:	Fulbright & Jaworski L.L.P.	New York, NY	James Marlin
Accountant:	Ernst & Young, LLP	Miami, FL	Dennis Pastrana
Credit Enhancement:	N/A		
LOC Bank Counsel:	N/A		
General Contractor:	Waste Management, Inc.	Houston, TX	
Trustee:	Deutsche Bank Trust Company Americas	New York, NY	Christina Van Ryzin
Trustee's Counsel:	LeBoeuf, Lam, Green & MacRae, L.L.P.	New York, NY	Peter Baumgaertner
Rating Agency:	Standard & Poor's Ratings Group	New York, NY	Roman Szuper
Issuer's Counsel:	To be determined		

LEGISLATIVE DISTRICTS

(The Legislative Districts that correspond to each prospective project site are noted in Exhibit A.)

Congressional:	3, 5, 6, 7, 8, 10, 11, 12, 13, 14, 16, 17, 18, 19
State Senate:	17, 21, 24, 25, 26, 29, 31, 35, 36, 38, 39, 43, 45, 46, 47, 48, 49, 55, 56, 57, 58
State House:	33, 42, 47, 50, 52, 57, 62, 70, 71, 75, 76, 77, 79, 85, 86, 89, 91, 94, 95, 98, 109, 111, 113, 116

Appendix A: List of Prospective Project Sites

Borrowing Entity/ Operating Entity/ Location	US Congress/ State Senate/ State House Districts	Anticipated Bond-Financed Capital Expenditure Allocations – for IFA Bond Resolution
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Countryside Landfill, Inc. Countryside Landfill (BU District #00006), 31725 Route 83 North, Grayslake, IL 60030-9546 (Lake County)	8/26/52	$7,492,407 (New Cell Construction and Liners, Landfill Capping, Leachate & Methane Gas Systems, Primary Equipment, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Envirofil of IL Hauling – Galesburg (BU #00052-01), 1360 Henderson Street South, Galesburg, IL 61401-5704 (Knox County)	17/47/94	$612,245 (Equipment (Collection Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Envirofil of IL -- Macomb Landfill (BU #00053), 13998 1400th Street East, Macomb, IL 61455-9412 (McDonough County)	17/48/95	$2,897,959 (New Cell Construction and Liners, Landfill Capping, Leachate & Methane Gas Systems, Site Improvements, Primary Equipment, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Prairie View Landfill (BU #00313), 29755 Prarieview South (near Route 53 & Arsenal Road), Wilmington, IL (Will County) 60481-2919	11/38/75	$8,445,883 (New Cell Construction and Liners, Landfill Capping, Leachate & Methane Gas Systems, Site Improvements, Primary Equipment, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Sumner Illinois Hauling (BU #00819), Sumner Illinois Hauling, Route 3, Box 891, Sumner, IL 62466-9379 (Lawrence County)	19/55/109	$204,482 (Equipment (Containers), Site Improvements, costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. S&S Grading of IL (BU #00838), Sumner Illinois Landfill (S&S Grading of Illinois), Rural Route 3, Box 892, Sumner, IL 62466-9379 (Lawrence County)	19/55/109	$2,334,694 (New Cell Construction and Liners, Landfill Capping, Leachate & Methane Gas Systems, Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of St. Louis – East (BU #01841), 5920 Gateway Industrial Drive, Belleville, IL 62223-3478 (St. Clair County)	12/57/113	$1,632,653 (Equipment (Vehicles and Containers), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Cottonwood Hills Landfill (BU #01052), Cottonwood Hills Landfill, 10400 Hillstown Road, Marissa, IL 62257-1034 (St. Clair County)	12/58/116	$9,031,934 (New Cell Construction and Liners, landfill Capping, Leachate & Methane Gas Systems, Site Improvements, Primary Equipment, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Peoria City/County Landfill (BU #02002), 11501 Cottonwood Road West, Brimfield, IL 61517-9541 (Peoria County)	18/46/91	$4,564,959 (New Cell Construction and Liners, landfill Capping, Leachate & Methane Gas Systems, Site Improvements, Primary Equipment, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL -- Southwest – Romeoville (BU #02007), 643 Parkwood Avenue, Romeoville, IL 60446-1348 (Will County)	13/43/85	$2.908,163 ((Equipment (Vehicles, Site Improvements, costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL -- Southwest – Rockdale Transfer Station (BU #02007-01), WM of IL SW (Rockdale Satellite), 2100 Moen Avenue, Rockdale, IL 60436-9057 (Will County)	11/43/86	$144,468 (Equipment (Vehicles), Site Improvements, Costs of Issuance)

Borrowing Entity/ Operating Entity/ Location	US Congress/ State Senate/ State House Districts	Anticipated Bond-Financed Capital Expenditure Allocations – for IFA Bond Resolution
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL -- Southwest – Morris (Satellite) (BU #02007-02), 1805 Ashley Road, Morris, IL 60450-8982 (Grundy County)	11/38/75	$144,468 (Equipment (Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL -- Southwest – Ottawa (Southwest) (BU #02007-03), 3066 Illinois Route 71 North, Ottawa, IL 61350-9707 (LaSalle County)	11/38/75	$612,245 (Equipment (Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL – North – Franklin Park (BU #02008), 1021 Green Street East, Franklin Park, IL 60131-1018 (Cook County)	5/39/77	$1,479,592 (Equipment (Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL – North – Wheeling (BU #02008-01), 350 Sumac Road, Wheeling, IL 60090-6339 (Cook County)	10/27/53	$877,551 (Equipment (Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL – Metro – Laramie (BU #02009), 3800 South Laramie Avenue, Cicero, IL 60804-4514 (Cook County)	3/24/47	$5,566,327 (Equipment (Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL – Metro – Hooker (BU #020090-01), 1500 Hooker Street North, Chicago, IL 60622-2444 (Cook County)	7/5/10	$612,245 (Equipment (Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL – West – Batavia (BU #02011-01), 780 Kirk Road North, Batavia, IL 60510-1478 (Kane County)	14/48/95	$1,343,500 (Equipment (Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Settler's Hill RDF (BU #02041), 1031 Fabyan Parkway East, Batavia, IL 60510-1409 (Kane County)	14/21/42	$1,479,592 (Equipment (Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL – West – Elgin (BU #02011-02), 7N904 Route 25, Elgin, IL 60120-8807 (Kane County)	14/25/50	$5,270,408 (Acquisition of approximately 15 acres of land to serve as site for Elgin Transfer Station; Equipment (Vehicles), Primary Equipment, Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL – West – DeKalb (BU #2011-03), 115 Simonds Avenue, DeKalb, IL 60115-3968 (DeKalb County)	14/35/70	$612,245 (Equipment (Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL – North – Antioch (BU #02013), 22333 Illinois Route 173, Antioch, IL 60002-9434 (Lake County)	8/31/62	$1,122,449 (Equipment (Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL – North – McHenry (BU #02013-01), 1713 Illinois Route 31 South, McHenry, IL 60050-8292 (McHenry County)	8/26/52	$612,245 (Equipment (Vehicles), Site Improvements, Costs of Issuance)

Borrowing Entity/ Operating Entity/ Location	US Congress/ State Senate/ State House Districts	Anticipated Bond-Financed Capital Expenditure Allocations – for IFA Bond Resolution
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Laraway RDF (BU #02033), 21101 W. Laraway Road, Elwood, IL 60421-9687 (Will County)	11/43/86	$1.930,232 (New Cell Construction and Liners, Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Settler's Hill RDF (BU #02041), 1031 E. Fabyan Parkway, Batavia, IL 60510-1409 (Kane County)	14/48/95	$2,979,270 (New Cell Construction and Liners, Landfill Capping, Leachate & Methane Gas Systems, Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Milam RDF (BU #02056), 602 Madison Road, Fairmont City, IL 62201-1642 (St. Clair County)	12/57/113	$13,159,670 (New Cell Construction and Liners, Landfill Capping, Leachate & Methane Gas Systems, Site Improvements, Primary Equipment, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. WM of IL – Peoria (BU #02070), 3552 E. Washington Street, East Peoria, IL 61611-1922 (Tazewell County)	18/45/89	$102,041 (Site Improvements; Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Prairie Hill RDF (BU #02173), 18762 Lincoln Road, Morrison, IL 61270-9587 (Whiteside County)	16/36/71	8,304,979 (New Cell Construction and Liners, Landfill Capping, Leachate & Methane Gas Systems, Site Improvements, Primary Equipment, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. DeKalb County RDF (BU #02269), 18370 Somonauk Road, DeKalb, IL 60115-8738 (DeKalb County)	14/35/70	$780,927 (New Cell Construction and Liners, Leachate & Methane Gas Systems, Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Five Oaks RDF (BU #02271), 890 E 1500 N Rd., Taylorville, IL 62568-7803 (Christian County)	19/49/98	$5,178,349 (New Cell Construction and Liners, Landfill Capping, Leachate & Methane Gas Systems, Site Improvements, Primary Equipment, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Christian County Hauling (BU #02477-01), 890 E 1500 N Rd., Taylorville, IL 62568-7803 (Christian County)	19/49/98	$612,245 (Equipment (Vehicles), Site Improvements, Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Chain of Rocks (BU #02450), 3399 Chain of Rocks Road West, Granite City, IL 62040-7001 (Madison County)	12/56/111	$102,041 (Site Improvements; Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Stickney Container Repair Facility (BU #02496), 5050 W. Pershing Road, Cicero, IL 60804-4543 (Cook County)	3/12/23	$3,163,265 (Equipment (Containers); Site Improvements; Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Bensenville Compactor-Rolloff Repair Facility (BU #02496-01), 1140 Ellis Street North, Bensenville, IL 60106-1117 (DuPage County)	6/39/77	$780,612 (Equipment (Containers); Site Improvements; Costs of Issuance)
Borrowing Entity: Waste Management of Illinois, Inc. Operating Entity: Waste Management of Illinois, Inc. Tazewell RDF (BU #02899), 3550 Washington Street East, East Peoria, IL 61611-1912 (Tazewell County)	18/45/89	$1,647,031 (New Cell Construction and Liners, Landfill Capping, Leachate & Methane Gas Systems, Site Improvements, Primary Equipment, Costs of Issuance)

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Ockerlund Industries, Inc., and a Limited Liability Company to be Formed

STATISTICS

Project Number:	I-ID-TE-CD-558	Amount:	$4,000,000 (not-to-exceed amount)
Type:	Industrial Development Bond	IFA Staff:	Steven Trout
Location:	Addison	Tax ID:	TBD
SIC Code:	2653: Corrugated Boxes 2442: Wood Boxes	Est. fee:	$26,950

BOARD ACTION

Preliminary Bond Resolution
Conduit Industrial Development Bonds
No extraordinary conditions

No IFA funds at risk.
Staff recommends approval.

PURPOSE

Proceeds will acquire a 140,000 square-foot site, acquire, renovate and equip a 77,930 square foot industrial building at 1555 Wrightwood Court in Addison to manufacture corrugated and wood boxes for manufacturers and transportation companies.

VOLUME CAP

This financing will require up to $4 million of Volume Cap.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$4,000,000	Uses:	Project Costs	$4,710,000
	Equity	$885,000		Legal and Professional	175,000
	Total	**$4,885,000**		**Total**	**$4,885,000**

JOBS

Current employment:	35	Projected new jobs:	10
Jobs retained:	N/A	Construction jobs:	15 (over 6 months)

BUSINESS SUMMARY

Background: Ockerlund Industries ("Ockerlund" or "the Company") is a job contractor that manufactures custom wood and corrugated shipping and storage containers for manufacturers, distributors and shippers. Ockerlund was established in 1944 and was reorganized as an Illinois corporation in 1983. The Company is 100% owned by Guy Ockerlund, grandson of the founder. Mr. Ockerlund plans to establish a limited liability company ("the Borrower") to own and lease the subject real estate to Ockerlund.

Project Background: The owner currently operates in three 60-year old buildings located at 7725 West Van Buren Road in Forest Park that lack sufficient space to optimize production and accommodate increased demand. He is embarking on this project to obtain additional space and capacity to expand in the future and acquire modern equipment to improve efficiency.

Financials: Compiled financial statements for Ockerlund Industries for fiscal years 2002, 2003 and 2004. Forecast for fiscal years 2005 through 2008 prepared by staff. (Dollars in 000s.)

	Actual			Forecast			
	Fiscal Year Ended September 30			Fiscal Year Ending September 30			
	2002	2003	2004	2005	2006	2007	2008
Income statement:							
Sales	5,430	4,974	6,595	6,250	6,925	7,325	7,545
Net income	(122)	(301)	(120)	10	(52)	(37)	(26)
Balance sheet:							
Current Assets	1,194	1,001	1,266	1,328	1,357	1,384	1,406
PP&E-Net	519	396	304	4,105	3,988	3,885	3,796
Other Assets	1	67	21	20	22	23	24
Total	1,714	1,464	1,591	5,453	5,367	5,292	5,226
Current Liabilities	798	865	852	809	890	977	1,077
Long-Term Liabilities	21	14	25	3,920	3,805	3,680	3,540
Other Non-Cur. Liabilities	24	0	0	0	0	0	0
Equity	871	585	714	724	672	635	609
Total	1,714	1,464	1591	5,453	5,367	5,292	5,226
Ratios:							
Debt coverage	0.43	(2.01)	4.05	1.63	1.37	1.41	1.44
Current ratio	1.50	1.16	1.49	1.64	1.53	1.42	1.31
Debt/equity	0.02	0.02	0.04	5.41	5.66	5.79	5.81

Discussion: Ockerlund incurred losses in 2002 and 2003, which was common in this industry as shipments declined with the economic slowdown. The owner cut staffing by nearly 50% in 2003, positioning the company for dramatic improvement in profitability when volume improved in 2004.

The forecast is based on management's sales estimates for the period reviewed. Operating expenses are projected based on recent margins, with a minor improvement anticipated as a result of an enhanced plant layout and use of new equipment. The forecast for 2005 assumes that the debt is incurred on June 1, that the existing building is sold for $885,000 (the amount of a recent offer) and that the project is completed by the end of the year. Interest is estimated assuming an average interest rate of 6.5% over the forecast period.

FINANCING SUMMARY

Obligor: Ockerlund Industries and/or a related Limited Liability to be formed

The Bonds: Management has not determined whether the Bonds will be placed directly with a bank or offered to institutional investors with a direct-pay letter of credit.

Security: The Bonds will be secured by a first mortgage in the subject real estate, a first security interest in the financed equipment, an assignment in rents and leases a corporate guarantee from Ockerlund Industries and a personal guarantee from Ockerlund's owner.

Amortization: Approximately 25 years

PROJECT SUMMARY

The Project will consist of: 1) the acquisition of a 77,930 square-foot building located on a 140,000 square-foot site located at 1555 Wrightwood Court in Forest Park, 2) construction of office space and additional loading docks and a concrete pad to accommodate future expansion, 3) repair the roof, upgrade electricity and install a crane system, 4) acquire and install a stitcher gluer, conveyer, and computer system. Approximately 18,000 square-feet will be leased to an existing tenant for the next 2 ½ years. Costs attributed to this portion of the building will not be financed with tax-exempt bond proceeds.

Project costs are estimated below:

Land Acquisition:	$891,250
Construction:	2,608,750
New Machinery and Equipment:	750,000
Rehabilitation	460,000
Total:	**$4,710,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Ockerlund Industries, Inc. (Contact: Mr. Guy Ockerlund, President and CEO, 7725 West VanBuren Road, Forest Park, IL 60130; Phone: (708) 771-7707 extension 19)
Project name:	Ockerlund Industries and a Limited Liability Company to be Formed
Location:	1555 West Wrightwood Court, Addison (DuPage), IL
Organization:	Ockerlund: Illinois Corporation Borrower: Illinois Limited Liability Corporation
Ownership:	Ockerlund Industries is 100% owned by Guy Ockerlund. The LLC is expected to be 100% owned by Mr. Ockerlund.

PROFESSIONAL & FINANCIAL

Accountant:	Ronald A. Weiss, CPA Chartered	Morton Grove	Ronald Weiss
Corporate Counsel:	Metfalk, Pufill and Stelle, LLC	Schaumburg	Michael Wolfe
Financial Advisor	Total Capital Solutions	Oak Park, IL	Tony Grant
Bond Counsel:	Chapman and Cutler	Chicago	Matthew Lewin
Bank Purchaser:	American Chartered	Naperville	Michael Martino
Issuer's Counsel:	To be determined		

LEGISLATIVE DISTRICTS

State House:	46	Lee Daniels
State Senate:	23	Carole Pankau
Congress:	6	Henry Hyde

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **M. Marilyn Kuntz**

STATISTICS

Project Number:	A-DR-TX-GT-551	Amount:	$500,000
Type:	Agri-Debt Guarantee	IFA Staff:	Bart Bittner
Location:	Princeville, IL	Tax ID:	352-34-9478
SIC Code:	0191-Grain Farming	Est. fee:	$5,000

BOARD ACTION

Approval for an 85% Agri Debt Guarantee Loan to Princeville State Bank.
$425,000 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 158 acres of farm land, 11 acres with improvements that include hog buildings, sheds and a residence in addition to existing operating notes with Princeville State Bank.

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	$ 500,000.00	Uses:	Refinance Loans	$ 516,000.00
	Borrower	$16,000.00			
	Total	**$516,000.00**		**Total**	**$516,000.00**

JOBS

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

BUSINESS SUMMARY

Background: Marilyn Kuntz is the donor and trustee of the grain and livestock operation that sits in the M. Marilyn Kuntz Declaration of Trust. Mrs. Kuntz is approximately 65 years of age. All of the acreage in her operation is operated by her son Eric, who runs the grain and livestock operations at the farm. A copy of the trust documents is included in the loan file.

The farm consists of approximately 600 acres of corn and soybean production and a wean to finish hog operation that marketed 3600 hogs in 2004. Eric markets the hogs and delivers them to Farmland Industries in Monmouth, IL. The feeder livestock analysis report as presented by FBFM shows that price per head exceeds the average market price received by other producers and death loss is well below that of the average. These trends are good measures of an operations efficiency and have been positive sine 2001 which is the first year of data received.

Mrs. Kuntz's husband Jack was the primary operator up until he was diagnosed with a neurological disorder that has since confined him to a nursing home. The annual cost of family living expenses shows the extra financial burden that paying for Jack's care has had on the family. Jack has two livestock guarantees outstanding with IFA now and they will be refinanced into this agri-debt guarantee with the additional note from Princeville State Bank. Jack also had one guarantee prior to that of which he paid off successfully in 1993.

Eric, Jack and Marilyn's son also has a beginning farmer bond with IFA. In each of the cases, payment has been on schedule with no signs of problems meeting the debt obligations.

Marilyn is employed off the farm by Methodist Medical Center as a Child Care Specialist. She earned an annual income of $41K in 2004 and also receives full benefits through her off-farm job.

Project Rationale:

Mrs. Kuntz is consolidating her debt from the purchase of a residence, 158 acres of farm land, 11 acres with improvements that include hog buildings and sheds and an outstanding operating note. Eric, who is in his 30's, is the operator and future of the operation. The Kuntz's have banked with Princeville State Bank for several years and have a positive relationship with the bank. The loan officer, Patrick Sutter, is confident that the farm operations under the management of Eric Kuntz have a bright future.

Mrs. Kuntz is consolidating this debt to limit the interest paid out for the operation. The future plans of the operation did not include the illness suffered by Jack and as a result have caused the operation of the farm to change hands to Eric and Marilyn.

The farm economy in Northwest Illinois is similar to many other areas in the Midwest. Excellent crop yields in recent years have generated strong farm incomes, which has increased the demand and prices for comparable land to $3,500 to $4,500 per acre. Cash rents in the area range from $160 to $190 per acre, which are very typical in today's environment. The area's proximity to barge traffic at the Peoria river terminals, has attracted major grain buyers to the area, and maintains a close basis for grain prices in relation to futures prices.

Transaction Description:

Mrs. Kuntz is consolidating a mortgage for the purchase of 158 acres of farm land with an outstanding balance of $192K, a mortgage for the purchase of her residence that includes 11 acres and improvements with an outstanding balance of $106K and an outstanding operating note with Princeville State Bank $217,885. All three of the notes are serviced by Princeville State Bank. The loan for the construction of the livestock buildings is currently guaranteed by IFA.

The consolidation of debt will total $516,283. Mrs. Kuntz will reduce the balance by $16,283 to bring the debt within the program guidelines.

The Site:

The subject agricultural/residential property including 11.464 acres, 1 home, 1 barn, 4 confinement hog buildings, 1 nursery building, 1 farrowing building, 2 machine sheds, a crib and a feed mill is located at 9904 W. Lakeshore Drive, Princeville, IL. An appraisal was completed for this property in summer of 2001.

The 158 acres of farmland is located in 2 tracts. A 78 acre tract located in Akron Township and an 80 acre tract located in Princeville Township. Appraisals were completed for both of these tracts in the summer of 2001.

FINANCIAL SUMMARY

Borrower's Finances: Financial Statements for Marilyn Kuntz for 2002, 2003 and 2004, are FBFM prepared and provided by Princeville State Bank in Princeville, IL. Forecasts for 2005 are based on FBFM data from previous years.

FINANCIAL DATA FOR: Marilyn Kuntz

	12/31/2002 Year	12/31/2003 Year	12/31/2004 Year	Proforma Year
Cash	(4,542)	(24,291)	2,354	2354
Stored Crops	182,436	168,707	208,198	208198
Market Livestock	127,492	108,962	112,838	112838
Prepaid Expenses	21,926	23,503	12,246	12,246
Growing Crops	0	0	0	0
Accounts Receivable	6,000	0	0	0
Marketable Securities	0	5,399	6,000	6,000
Other Current Assets		500	2,000	2,000
Total Current Assets	**333,312**	**282,780**	**343,636**	**343,636**
Farm Machinery/Equipment	175,000	175,000	180,000	180,000
Vehicles	0	0	0	0
Real Estate/Improvements	1,110,000	1,150,000	1,130,000	1,130,000
Other Non Current Assets	11,000	56,608	57,035	57,035
Total Non-Current Assets	**1,296,000**	**1,381,608**	**1,367,035**	**1,367,035**
Total Assets	**1,629,312**	**1,664,388**	**1,710,671**	**1,710,671**
Notes Payable	71,981	3,800	40,055	0
Accounts Payable	0	0	0	0
Current Maturities LT debt	86,740	90,055	51,941	62,871
Accrued Interest	22,758	66,085	4,321	0
Other Current Liabilities	12,374	12,061	19,395	19,395
Total Current Liabilities	**193,853**	**172,001**	**115,712**	**82,266**
Equipment Debt	0	0	0	0
Real Estate Debt	700,312	646,386	718,258	758,313
Personal Liabilities	0	0	0	0
Total Non-Current Liabilities	**700,312**	**646,386**	**718,258**	**758,313**
Total Liabilities	**894,165**	**818,387**	**833,970**	**840,579**
Net Worth	**735,147**	**846,001**	**876,701**	**870,092**
Working Capital	**139,459**	**110,779**	**227,924**	**261,370**
Current Ratio	**1.72**	**1.64**	**2.97**	**4.18**
Debt-to-asset ratio	**0.55**	**0.49**	**0.49**	**0.49**
Debt-to-worth Ratio	**1.22**	**0.97**	**0.95**	**0.97**
Source	**FBFM**	**FBFM**	**FBFM**	

Accrual Basis Accounting **Marilyn Kuntz**

	2002	2003	2004	3 year Average	2005 Projection
Crop/Livestock Sales....	474,172	526,290	609,039	536,500	550,000
Government pymts........	36,448	21,551	21,361	26,453	20,000
Other Farm Income........	8,192	6,670	1,582	5,481	1,000
Purchases/Adj.............	(214,218)	(232.698)	(217,005)	-221,307	(220,000)
Total Farm Income.........	**304,594**	**321,813**	**414,977**	**347,128**	**351,000**
Farm Expenses					
Custom Hire................	0	0	0	0	0
Depreciation................	25,367	29,985	30,300	28,551	28,000
Fertilizer/Chemicals.......	34,578	42,288	60,126	45,664	66,000
Vet Meds/Livestock	14,673	7,291	7,548	9,837	8,500
Freight/Trucking...........	0	0	0	0	0
Gas, Fuel, & Oil...........	17,372	11,961	14,496	14,610	16,000
Insurance...................	7,555	8,081	9,519	8,385	10,500
Interest......................	56,235	71,040	57,197	61,491	55,000
Labor........................	11,419	12,359	13,411	12,396	14,500
Land Rent...................	56,145	47,352	47,548	50,348	48,000
Machinery Rent............	5,144	6,028	4,398	5,190	4,500
Repairs/Supplies...........	15,685	17,958	16,916	16,853	18,000
Seed Expenses..............	46,872	19,268	4,124	23,421	25,000
Drying	287	3,545	5,228	3,020	5,000
Storage......................	0	0	0	0	0
Taxes........................	7,924	7,561	7,515	7,667	8,000
Utilities......................	7,176	8,613	6,842	7,544	7,500
Other Expenses............	4,199	3,117	2,761	3,359	3,500
Prepaid Exp Adjustment..	(21,408)	(1,940)	11,211	-4,046	0
Other adjustment..........	(9,707)	43,472	7	11,257	7,000
Total Expenses	**279,516**	**337,979**	**299,147**	**305,547**	**325,000**
Net Farm Inc. (Sch F)	**25,078**	**-16,166**	**115,830**	**41,581**	**26,000**
Oper Exp/Rev Ratio	**0.65**	**0.74**	**0.51**	**0.62**	**0.69**

Repayment Margin Analysis

	2002	2003	2004	3 year Average	2005 Projection
Net Farm Operating Income	25,078	-16,166	115,830	41,581	26,000
Add: Non-farm Income	47,893	33051	41228	40,724	42,000
Add: Depreciation Expense	25,367	29,985	30,300	28,551	28,000
Add: Annual Term Debt Interest	56,235	71,041	57,197	61,491	65,582
Less: Income Taxes	(4,274)	(3,789)	(4,264)	(4,109)	(5,000)
Less: Family Living W/D	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Balance Available for Term Debt Rpymt	**100,299**	**64,122**	**190,291**	**118,237**	**106,582**
Principal on Term Debt	86,740	40,000	51,941	59,560	37,442
Interest on Term Debt	56,235	71,041	57,197	61,491	65,582
Total Principal and Interest Pymts	**142,975**	**111,041**	**109,138**	**121,051**	**103,024**
Equals Term Debt Coverage Ratio	**0.70**	**0.58**	**1.74**	**0.98**	**1.03**

COVENANT	REQUIRED	ACTUAL	MEASURED	COMPLIANT
Minimum Current Ratio	1.25	2.97	annually	yes
Maximum D/W Ratio	1.00	0.95	annually	yes
Minimum DSC Ratio	1.10	1.7	annually	yes

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	$ -
Residence	$ 310,000	0.80	$ 248,000
158 acres	$ 600,000	0.80	$ 480,000
Hog facilities(cost)	$ -	0.80	$ -
Total Collateral	$ 910,000		$ 728,000
Total Loans Outstanding:			$ 500,000
Adjusted LTV:			69%
Excess Collateral:			$ 228,000

Annual Debt Service:	Total Princ. Balance	Principal	Interest	Total Payment
Princeville State	758,313	11,685	51186	62,871
Princeville State	83,813	11,953	4190	16,143
Princeville State-IFA	170,103	13,804	10206	24,010
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Term Debt Payments	1,012,229	37,442	65,582	103,024
			0	
Total Debt Service			65,582	65,582

Financial Summary:

The borrower's financial statement dated 12/31/04 reports total assets of $1.7M and total liabilities of $840K. The majority of their asset value is derived from their real estate holdings, which total $1.3M in value and the primary collateral for this loan request. Based on their assets values, the borrowers have a debt to asset ratio of 49%, which is reasonable for an operation like this.

While the borrowers have maintained a historically high leverage ratio, their liquidity has historically been very favorable. The borrowers leverage has declined slightly over the three years analyzed, mainly due to reduction in debt through regular debt service. Their D/W however, remains high at 95% for FYE 2004, and is actually projected to increase slightly in 2005 due to the refinancing of the real estate.

The borrowers liquidity position remains very strong. For the three years of financial statements submitted, stored crop value has fluctuated, although it increased dramatically in 2004 due to the exception yields experienced by farmers. Current assets for 2004, which total $383K, are comprised primarily of $208K in stored crops and $112K in market livestock. Current liabilities of $115K are primarily due to an operating loan balance and CMLTD.

A proforma balance sheet was included in the analysis, which shows the slight changes in debt structure from the refinancing of their debts. While liquidity is improved, total debt and leverage increased slightly.

Prior to the exceptional yields of 2004, the operation has been marginally profitable. Based on the 3 years of historical income information, the borrowers have an average profit of $41K. Based on their average debts service requirements, they fall just short of meeting their payment obligations.

While the operation does generate some profitability, the challenge of high medical and living costs and medical expenses due to Mr. Kuntz's illness are burden on the operation. As a result of these expenses and the insufficient repayment ability in the past, their borrowers are refinancing what is carryover operating debt from prior years. Jack has a $1M plus life insurance policy and Marilyn also carries extensive coverage that is partially provided by her off-farm job.

The exceptional yields of 2004 and excellent profit generated from the operation have enabled the Kuntz family to recover the loss from the prior year. As a result, DSC for 2004 is reported to be very good at 1.70x debts. Based on the projection for 2005, DSC is very thin at just 1.03x debts.

Forecasts for 2005 are based on reasonable yields of 170 bushels of corn per acre and 50 bushels of beans per acre. Crop prices for 2005 are based on current fall delivery prices of $2.25 for corn and $6.50 for soybeans.

2005 forecasts for the hog operation are based on a 3 year average of production numbers and a market price of $75/CWT which is taken from the current market price for hogs on the futures market. Hogs are purchased at 11 pounds and finished to an average of 240 lbs. Hogs sold are delivered to Farmland Industries in Monmouth, IL.

In addition to the large profit generated in 2004, which has improved their repayment ability, the strength of this credit is the LTV. Based on the current land values and the demand for farm land in the Midwest, the collateral for this loan is very solid. Based on a discounted value of 80%, the LTV for this loan only 69%.

In addition to the strong LTV, an assignment of $425,000 on the life insurance policy has been requested of the banker. To date, a response has not been received from Princeville State Bank. An answer should be provided prior to the Agriculture Committee Meeting on April 7.

PROJECT SUMMARY

Mrs. Kuntz is consolidating a mortgage for the purchase of 158 acres of farm land with an outstanding balance of $192K, a mortgage for the purchase of her residence and farm site that includes 11acres, livestock buildings, sheds and a feed mill with an outstanding balance of $106K and an outstanding operating note with Princeville State Bank that has a balance of $217,885.

FINANCING SUMMARY

Interest:	Prime plus 1.0% fixed for 2 years, then adjustable quarterly with annual payments.
Security:	11.464 acres with a residence, 4 hog buildings, a barn, 2 sheds, a nursery building a farrowing house and a feed mill valued at $310K. 158 acres of unimproved farmland valued at $600,000
Sources of Repayment:	1. Revenue from the grain and livestock operation 2. Off farm job of Marilyn Kuntz at Methodist Medical Center, $42,000 annual salary
Maturity:	25 year term with 25 year amortization

COLLATERAL

The subject loan is secured by a first mortgage on 158 acres of farm land, first mortgage on a residence, and 11 acres with livestock buildings and equipment. Appraisals were performed in 2001, which indicated a value of $310,000 for the residence and improvements, and a value of $610,000 for the 158 acres of farm land. Based on these appraisals, the overall LTV for this facility would be 55%, while the **discounted** LTV based on an 80% advance rate is 69%.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	M. Marilyn Kuntz
Location:	9904 W. Lakeshore Drive, Princeville, IL 61559, Peoria County
Organization:	Trust
State:	Illinois
Ownership:	M. Marilyn Kuntz Declaration of Trust, J Mar Farm

PROFESSIONAL & FINANCIAL

Accountant:	Western FBFM		
Bank:	Princeville State Bank	Princeville, IL	Patrick Sutter

LEGISLATIVE DISTRICTS

Congressional:	18th	State Senate:	37th	State House	73rd

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Bart Bittner/lk

Date: April 12, 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
April 12, 2005

Project Number:	A-FB-TE-CD-544
Borrower(s):	Buddy Joe Honegger
Town:	Forrest
Amount:	$184,000
Fees:	$2,760
Use of Funds:	Farmland – 48 acres grain farm
Purchase Price:	$206,400
%Borrower Equity	10%
%Other Agency	.0%
%IFA	90%
County:	Livingston
Lender/Bond Purchaser	Heartland Bank, Gibson City

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

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.55% for the first three years of the loan; thereafter, the rate shall be adjusted annually to 70% of the sum of the Prime Rate as quoted in the Wall Street Journal and 1.5%.

Project Number:	A-FB-TE-CD-545
Borrower(s):	Kyle J. Vitzthum
Town:	Pontiac
Amount:	$45,525
Fees:	$683
Use of Funds:	Farmland – 20 acres grain farm
Purchase Price:	$60,700
%Borrower Equity	25%
%Other Agency	0.0%
%IFA	75%
County:	Livingston
Lender/Bond Purchaser	Heartland Bank, Gibson City

Principal shall be paid annually in installments determined pursuant to a twenty year amortization schedule, with the first equal principal plus accrued interest payment of $2,276.25 to be on April 1, 2006 and final payment of all interest then outstanding due twenty years from the first payment date.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.55% for the first three years of the loan; thereafter, the rate shall be adjusted annually to 70% of the sum of the Prime Rate as quoted in The Wall Street Journal and 1.5%.

Project Number:	A-FB-TE-CD-548
Borrower(s):	Adam Curry & Teresa N. Curry
Town:	Alpha
Amount:	$187,500
Fees:	$2,813
Use of Funds:	Farmland – 150 acres grain farm
Purchase Price:	$405,000
%Borrower Equity	54%
%Other Agency	.0%
%IFA	46%
County:	Mercer
Lender/Bond Purchaser	Bank Orion, Orion

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment to be on January 1, 2006. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to on January 1, 2006. A balloon payment will be made at the end of 4+ years on January 1, 2010, 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 4.7500% from inception until January 1, 2010; thereafter, the rate shall be adjusted every five years to 1.00% above the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year as published in The Wall Street Journal immediately prior to the adjustment date.

Project Number:	A-FB-TE-CD-553
Borrower(s):	Ronald B. & Christine L. Rooth
Town:	Joy
Amount:	$230,000
Fees:	$3,450
Use of Funds:	Farmland – 158.5 acres grain farm $154,000/New buildings. Construction $76,000
Purchase Price:	$154,000
%Borrower Equity	0%
%Other Agency	.0%
%IFA	100%
County:	Mercer
Lender/Bond Purchaser	Joy State Bank, Joy

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment date to be December 1, 2005. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be December 1, 2005, 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 5.5% until December 1, 2010 and adjusted each 3rd year thereafter for the life of the loan. The index will be equal to the highest New York Prime Rate as quoted in the Midwest Edition of the Wall Street Journal or similar publications with a minimum of 5.0% plus .50% basis points. This loan will contain a call feature at the Bank's option on December 1, 2010 and December 1st every 3 years thereafter

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/lk

Date: April 12, 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
April 12, 2005

Project Number:	A-FB-TE-CD-541
Borrower(s):	Stephen A. Niebrugge & Judy K. Niebrugge
Town:	Altamont
Amount:	$100,000
Fees:	$1,500
Use of Funds:	Farmland – 66 acres grain farm
Purchase Price:	$168,630
%Borrower Equity	10%
%Other Agency	.0%
%IFA	90%
County:	Effingham
Lender/Bond Purchaser	Effingham State Bank, Effingham

Principal shall be paid monthly in installments determined pursuant to a twenty five year amortization schedule, with the first principal payment date to be one month from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to be one month from the date of closing, with the 300th and final payment of all interest then outstanding due twenty five years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 5.8% for the first 5 years and adjusted each 5th year thereafter for the life of the loan. The index will be prime per the Wall Street Journal and the rate shall be equal to prime plus .35% basis points. This loan will contain a call feature at the Bank's option at any time after five years and each 5 years thereafter.

Project Number:	A-FB-TE-CD-542
Borrower(s):	David Carson
Town:	Oakdale
Amount:	$100,000
Fees:	$1,500
Use of Funds:	Farmland – 59.5 acres grain farm/2 30' grain bins
Purchase Price:	$100,000
%Borrower Equity	10%
%Other Agency	.0%
%IFA	90%
County:	Washington
Lender/Bond Purchaser	Oakdale State Bank, Oakdale

Principal shall be paid annually in installments determined pursuant to a thirty year amortization schedule, with the first principal payment of $3,334.00 to be on February 20, 2006. Accrued interest on the unpaid balance hereof shall be paid semi annually, with the first interest payment date to be six months from the date of closing, with the thirtieth and final payment of all interest then outstanding due on February 20, 2035.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.2500% for the first year of the loan; thereafter, the rate shall be adjusted annually to 1.25% below prime as quoted in The Wall Street Journal.

Project Number:	A-FB-TE-CD-543
Borrower(s):	Larry R. Markewitz
Town:	Brocton
Amount:	$179,522
Fees:	$2,693
Use of Funds:	Farmland – 53.3 acres grain farm
Purchase Price:	$181,322
%Borrower Equity	10%
%Other Agency	.0%
%IFA	90%
County:	Edgar
Lender/Bond Purchaser	Citizens National of Paris/ Paris

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 on the unpaid balance hereof shall be paid annually, with the first interest payment date to be one year from the date of closing, with the thirtieth and final payment of all interest then outstanding due thirty years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.15% for the first five years of the loan; thereafter, the rate shall be adjusted every five years to the 5 year US Treasury constant maturity 5 years plus .50 basis points.

Project Number:	A-FB-TE-CD-566
Borrower(s):	Blake Furness
Town:	Witt
Amount:	$180,200.00
Fees:	$450.50
Use of Funds:	Farmland – 68 acres
Purchase Price:	$180,200.00
%Borrower Equity	0%
%Other Agency	0%
%IFA	100%
County:	Montgomery
Lender/Bond Purchaser	Security National Bank, Witt

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 on the unpaid balance hereof shall be paid annually, with the first interest payment date to be one year from the date of closing, with the thirtieth and final payment of all interest then outstanding due thirty years from the date of closing.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.60% for the first five years of the loan; thereafter, the rate shall be adjusted every five years to the 5 year to 80% of the Prime Rate of United Missouri Bank in St. Louis, MO.

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: R. Jeffrey and Trisha T. Hank

STATISTICS

Project Number:	A-SA-TX-AT-546	Amount:	$479,800
Type:	Specialized Livestock Guarantee	IFA Staff:	Eric Reed
Location:	Aledo, IL	Tax ID:	347-54-9716
SIC Code:	0213-Swine Production	Est. fee:	$4,798

BOARD ACTION

Approval to initiate an 85% Loan Guarantee to Country Bank in Aledo, Illinois
$407,830 of State Treasurer's Agricultural Reserve funds at risk.
Staff recommends approval, subject to:

- Satisfying all conditions of the bank loan
- Assignment of $400,000 in life insurance on the Borrowers

PURPOSE

The Borrowers wish to borrow $479,800 to finance the construction of a 2400 head wean to finish hog facility. The addition of this facility will increase their overall cash flow and diversify their farming operation. With the approval of the guarantee provided by IFA, the borrowers will realize a 2.25% interest rate savings on the loan request.

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	$ 479,800	Uses:	Construct Hog facility	$479,800
	Total	**$479,800**		**Total**	**$479,800**

JOBS

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

BUSINESS SUMMARY

Background: Jeff and Trisha Hank own and operate a cash grain farming operation in Mercer County, near Aledo, IL. Jeff and Trisha consists of 1350 acres, on which they raise corn and soybeans. Of their 1350 acres, 426 acres is cash rented, with the balance leased on a 50/50 crop share basis.

Jeff previously ran a small hog operation together with this grain farming operation. However, he discontinued operations in 1998 after hog prices fell to $8.00/cwt. Jeff's previous experience with raising hogs is key strength to this request. The loan officer at Country Bank has stated that he is a good production manager. The Hank's had previously rented their current homestead and hog facilities, however they purchased this property in 2003. The borrowers will pledge their personal residence and existing buildings as collateral instead of paying 20% down for the expansion.

Project Rationale: Due to the recent improvement in the hog industry over the past two years, Jeff and Trisha Hank have decided to re-enter the hog market. In addition to utilizing their existing buildings, they have requested $479,800 to construct a 2400 head wean to finish operation. Country Bank in Aledo, IL has agreed to finance the construction of these facilities based on the fact that the operation will be a contract feeding. Their approval is also contingent upon the 85% guarantee provided by IFA.

Because hog prices have rebounded from the lows in 1998 and sustained profitable levels since then, many farmers have decided to re-enter this market in order to utilized farm labor. In addition to reasonable price levels, another factor in most farmer's decisions in entering the hog market is the fact that producer contracts are readily available. These contracts usually provide a base level of income for the producer, which insures a steady cash flow in order for the producer to meet debt service requirements and obtain a small amount of profit. Typically, these operations retire debt service in 10 years, which leaves the producer with a substantial cash flow after the payoff of the facility. Based on the contract negotiated by the borrowers, their cash flow will improve by approximately $20,000 annually with the addition of the additional enterprise.

Transaction Description: Jeff and Trisha Hank will finance $479,800 based on a 15-year amortization with monthly payments. The $479,800 will fund the construction of a 2400 head wean to finish hog facility. The new facility will have manure storage sufficient for 14 months storage. The manure will be injected by a custom applicator service.

The borrower has negotiated a producer contract with Biddle Farms in Joy, IL. The contract is a 10-year contract, which provides for a payment of $34 per pig space paid monthly to the borrower. The length of this contract is significant because it provides long term cash flow guarantee for the borrower, as well as a guaranteed revenue stream during the term of the IFA guarantee. The loan officer, Rex Johnson at Country Bank in Aledo, has assured me that Biddle Farms has an excellent reputation in the area for providing quality pigs and reasonable contracts to producers. Country Bank also finances Biddle Farms. A brief summary of their financial statement is listed below. He has offered references on the Biddle Farms if we chose to request them.

The Site: The facility will be constructed on approximately 8 acres of land currently owned by Jeff and Trisha Hank. The new facility will be located adjacent to their current hog buildings. As stated above, the new facility will have 14 months of manure storage capacity. The waste management permits have been applied for by the borrower. Receipt of the necessary permits for the new construction and operation of the hog facilities are conditions of the Bank's loan, as well as the guarantee from IFA.

FINANCIAL SUMMARY

Borrower's Finances: Financial Statements and Projections for Jeff and Trisha Hank for 2002, 2003 and 2004, are borrower prepared and provided by Country Bank of Aledo, IL.

FINANCIAL DATA FOR: Jeff Hank

	12/31/2002 Year	12/31/2003 Year	12/31/2004 Year	12/31/2005 Proforma
Cash	7,873	10,391	6,067	4946
Stored Crops	114,960	190,682	220,618	0
Prepaid Expenses	9,860	8,450	14,600	0
Growing Crops	4,380	6,160	3,070	0
Accounts Receivable	0	0	24,000	0
Marketable Securities	39,792	46,172	46,172	50,672
Other Current Assets	11,169	28,408	23,500	10,000
Total Current Assets	**188,034**	**290,263**	**338,027**	**65,618**
Farm Machinery/Equipment	214,200	214,200	197,750	232,750
Vehicles	0	0	0	0
Real Estate/Improvements	30,000	30,000	69,000	542,800
Other Non Current Assets	113,282	120,299	121,494	121,494
Total Non-Current Assets	**357,482**	**364,499**	**388,244**	**897,044**
Total Assets	**545,516**	**654,762**	**726,271**	**962,662**
Notes Payable	164,875	314,839	314,917	22,595
Accounts Payable	0	0	0	0
Current Maturities LT debt	30,393	40,725	34,259	30,000
Accrued Interest	0	5,535	5,609	827
Other Current Liabilities	0	0	0	0
Total Current Liabilities	**195,268**	**361,099**	**354,785**	**53,422**
Equipment Debt	112,509	69,926	91,923	61,923
Real Estate Debt	0	0	0	456,876
Personal Liabilities	62,723	54,461	49,929	49,929
Total Non-Current Liabilities	**175,232**	**124,387**	**141,852**	**568,728**
Total Liabilities	**370,500**	**485,486**	**496,637**	**622,150**
Net Worth	**175,016**	**169,276**	**229,634**	**340,512**
Working Capital	(7,234)	(70,836)	(16,758)	**12,196**
Current Ratio	**0.96**	**0.80**	**0.95**	**1.23**
Debt-to-asset ratio	**0.68**	**0.74**	**0.68**	**0.65**
Debt-to-worth Ratio	**2.12**	**2.87**	**2.16**	**1.83**
Source	**BORRPP**	**BORRPP**	**BORRPP**	**Lender**

Accrual Basis Accounting **Jeff Hank**

	2002	2003	2004	3 year Average	2005 Projection
Crop/Livestock Sales....	344,095	279,950	386,612	336,886	593,538
Government pymts........	33,399	35,215	55,754	41,456	33,242
Other Farm Income........	36,464	35,438	28,436	33,446	25,900
Purchases/Adj.............	19,246	101,698	17,120	46,021	(193,118)
Total Farm Income.........	**433,204**	**452,301**	**487,922**	**457,809**	**459,562**
Farm Expenses					
Custom Hire................	0	0	0	0	0
Depreciation................	24,237	18,571	20,160	20,989	21,000
Fertilizer/Chemicals.......	68,090	105,034	102,440	91,855	51,538
Freight/Trucking...........	0	477	300	259	0
Gas, Fuel, & Oil...........	11,222	19,015	21,019	17,085	21,425
Insurance....................	19,177	16,093	19,051	18,107	21,551
Interest......................	24,589	21,753	35,592	27,311	57,850
Labor.........................	15,486	12,002	17,535	15,008	20,400
Land Rent....................	100,969	94,089	95,474	96,844	107,493
Machinery Rent............	3,499	2,657	20,653	8,936	18,000
Repairs/Supplies...........	43,741	39,347	37,032	40,040	16,994
Seed Expenses..............	29,718	28,627	26,727	28,357	36,033
Storage......................	3,517	0	534	1,350	0
Taxes.........................	0	0	2,339	780	2,500
Utilities......................	5,167	5,903	5,708	5,593	12,412
Other Expenses............	26,170	18,627	15,359	20,052	4,800
Prepaid Exp Adjustment..	(5,884)	526	(3,060)	-2,806	26,708
Other adjustment.........	(9,808)	5,535	(599)	-1,624	(13,820)
Total Expenses	**359,890**	**388,256**	**416,264**	**388,137**	**404,884**
Net Farm Inc. (Sch F)	**73,314**	**64,045**	**71,658**	**69,672**	**54,678**
Oper Exp/Rev Ratio	**0.72**	**0.77**	**0.74**	**0.74**	**0.71**

Repayment Margin Analysis

	2002	2003	2004	3 year Average	2005 Projection
Net Farm Operating Income	73,314	64,045	71,658	69,672	54,678
Add: Non-farm Income	18,278	18941	21600	19,606	21,000
Add: Depreciation Expense	24,273	18,571	20,160	21,001	31,986
Add: Annual Term Debt Interest	15,418	10,364	11,744	12,509	49,906
Less: Income Taxes	(3,286)	(4,176)	(5,064)	(4,175)	(6,500)
Less: Family Living W/D	(37,397)	(43,471)	(66,184)	(49,017)	(42,000)
Balance Available for Term Debt Rpymt	**90,600**	**64,274**	**53,914**	**69,596**	**109,070**
Principal on Term Debt	18,463	28,176	24,441	23,693	34,259
Interest on Term Debt	15,418	10,364	11,744	12,509	49,906
Total Principal and Interest Pymts	**33,881**	**38,540**	**36,185**	**36,202**	**84,165**
Equals Term Debt Coverage Ratio	**2.67**	**1.67**	**1.49**	**1.92**	**1.30**
Equals Term Debt Repayment Margin	**56,719**	**25,734**	**17,729**	**33,394**	**24,905**

COVENANT	REQUIREI	ACTUAL	MEASURED	COMPLIANT
Minimum Current Ratio	1.0:1	1.23:1	Annually	New
Maximum Debt/Worth Ratio	.70:1	.63:1	Annually	New
Minimum DSC Ratio	1.25:1	1.49:1	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	$ -
Residence/other buildings	$ 125,000	0.80	$ 100,000
8 acres	$ 24,000	0.80	$ 19,200
Hog facilities(cost)	$ 479,800	0.80	$ 383,840
Total Collateral	$ 628,800		$ 503,040
Total Loans Outstanding:			$ 479,800
Adjusted LTV:			95%
Excess Collateral:			$ 23,240

Annual Debt Service:	Total Princ. Balance	Principal	Interest	Total Payment
		0	0	0
		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	0	0	0	0
			0	
Total Debt Service			0	0

Financial Summary:

Borrower's financial statement for FYE 2004 indicates insufficient liquidity with negative working capital of ($16,578). This has historically been a problem for these borrowers. For each of the 3 years analyzed and 5 years submitted, the borrower has had a current ratio less than 1:1. This appears to be due to capital purchases being made from the L/C either for equipment or renovation of their personal residence.

Stored crops have continued to increase each year, however the borrower's operating loan balance and short term notes have increased a substantially higher rate each year.

The Hank's 12/31/04 BS indicates total assets of $726K, with $338K being current assets. Current assets are comprised primarily of $10K in cash, $220K in stored crops, $46K in marketable securities, and $14K in prepaid expenses. LT assets are comprised of farm machinery and their personal residence.

Liabilities are primarily comprised of the balance on the borrower's operating loan balance current maturities of LTD.

The borrower's have historically maintained a high leverage position. For each of the three years analyzed, the borrower's debt to worth ratio was in excess of 2:1. This position has been mitigated by their consistent profitability.

The primary strength of this credit is the historically strong profitability. Income and expense data submitted by the lender have been converted to accrual basis accounting. Based on the 3 year's analyzed, the borrower has a 3 year average Net farm income of $82K. Based on the projections for the operation with the addition of the new hog enterprise, the borrowers will earn a profit of $54K in 2005.

Due to the strong profitability, the borrower's have maintained a consistent ability to service debt. For FYE ending 2004, the borrower's DSC ratio is 1.49x. With the additional income, they will be able to maintain that DSC ratio, with a projected coverage of 1.30x debts.

Jeff and Trisha Hank borrow their operating funds from Country Bank in Aledo. Currently, the bank utilizes the State Treasurer's Ag operating program, which provides low-interest rates for Ag producers. The Hank's operating loan has a $200K limit under this program. The bank has advanced additional operating funds above the limits of this program when required. The loan officer assured me that the bank has had a adequate comfort level with the Hank's over the past 19 years to continue with their operating loan.

Due to the increased debt load required by the expansion, IFA will require an assignment of $400,000 in life insurance on the borrowers.

Contract Entities-Related Parties

12/31/2004	Biddle Farms Inc.	Winters Creek Inc.	D&D Biddle Farm Inc.
Current Assets	$1,062,478	$259,563	$565,766
Total Assets	$1,142,391	$1,556,229	$2,290,733
Current Liabilities	$408,053	$295,641	$750,339
Total Liabilities	$478,770	$579,813	$1,441,018
Net Worth	$663,621	$976,416	$849,715
Gross Income	$2,259,233	$1,223,139	$914,034
Cash Expenses	$2,340,427	$836,318	$633,323
Net Income/Loss	-$81,194	$386,821	$280,711
Current Ratio	2.60	0.88	0.75
Leverage	0.72	0.59	1.70

Jeff and Trisha Hank will contract with Biddle Farms Inc. to raise weaned pigs to finished market weight. Dennis Davis Biddle are brother's who own and operate three separate entities, all of which are Sub-S corporations.

Together they manage Biddle Farms Inc., which purchases 14 day old pigs from Winters Creek Inc. and feeds those pigs for market hogs. Historically, Winters Creek Inc. has sold half of their weaned pig production to Biddle Farms and the other half of their pigs to a third party producer. In 2005, the Biddles plan to finish all their pigs through Biddle Farms Inc.

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

The loan officer states the Dennis and Davis Biddle frequently loan funds between the corporations in order to maximize income tax efficiencies and reduce their overall taxable income. This is evident by several notes payable listed on the balance sheets of the three entities. They also exchange rent between each of the three corporations for equipment and buildings.

Financial statements for each of the above entities were submitted by the borrowers to the Country Bank in Aledo.

PROJECT SUMMARY

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

FINANCING SUMMARY

Interest:	The Bank's interest rate will be fixed for 5 years at 6.5%. After 5 years, the interest rate will adjust at WSJ prime + 1.0%.
Security:	IFA's guarantee is secured by a 1st mortgage and assignment of rents and leases on 8 acres, improved with the proposed hog facilities. The borrower will also pledge their personal residence along with 2 other existing hog facilities.

Sources of Repayment:	Primary: Operating cash flows generated from monthly contract payments. Secondary: Liquidation of the collateral
Maturity:	Fifteen years with a 15 year amortization

COLLATERAL

The subject loan is secured by a 1st mortgage and assignment of rents and leases on 8 acres, improved with the proposed hog facilities. The borrower will also pledge their personal residence along with 2 existing hog facilities. Assignment of new $400,000 life insurance policy.

The appraisal on the property will be ordered upon the approval of the IFA guarantee. An overall LTV of 80% or less will be a condition of the contract for guarantee. The overall **discounted** LTV based for this facility is 95%. See "Collateral Analysis" on page 7 for more details.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	R. Jeffrey Hank Trisha T. Hank
Location:	1361 130th St., Aledo, IL 61024, Mercer County
Organization:	Sole Proprietorship
State:	Illinois
Ownership:	R. Jeffrey and Trisha Hank

PROFESSIONAL & FINANCIAL

Bank:	Country Bank	Aledo, IL	Rex Johnson

LEGISLATIVE DISTRICTS

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

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Kenneth and Virginia Lasater**

STATISTICS

Project Number:	B-LL-TX-550	Amount:	Not to exceed $450,000.00
Type:	Participation Loan	IFA Staff:	Eric Reed
Location:	McLeansboro, IL	Tax ID:	342-48-2743
SIC Code:	0191 Farm Products-row crop	Est. fee:	$15,750(1st year's int.)

BOARD ACTION

Purchase of Participation Loan from Peoples National Bank, McLeansboro, Illinois
$450,000.00 of IFA funds at risk
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

To provide permanent financing for the purchase of 577.82 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	$450,000	Uses:	Real Estate	$900,000
	Peoples Bank	$450,000			
	Total	**$900,000**			**$900,000**

JOBS

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

BUSINESS SUMMARY

Background:	Kenneth Lasater, age 51, has been a farmer in Hamilton County his entire adult life. He and his wife, Virginia, operate a 2,000 acre cash grain farm located near McLeansboro, IL. Mr. Lasater holds an Agricultural Business degree from Southern Illinois University. Virginia has historically been employed off the farm. Prior to 2004, she was employed at the Hamilton County Hospital. She is now the secretary for Soylutions, Inc. in McLeansboro, IL. Their son, Michael,, who also graduated from Southern Illinois University, helps Kenneth with the daily farming operations. The Lasaters are longtime customers of Peoples National Bank in McLeansboro, IL and considered to be excellent farm managers.
	Kenneth Lasater and his business partner, Roger Swartz started a company known as Soylutions, Inc in 2004. Peoples National Bank has financed the formation of this business. In February 2005, Peoples National Bank's participation request to IFA was approved in the amount $715,627.
Project Rationale:	Kenneth has farmed the subject property for several years on crop share lease. By purchasing the property from his siblings, he will be able to realize the majority of the income from the property. However, the primary reason for him purchasing the family farm is to gain control of the property. Kenneth will eliminate the concern of the future of the farm, should something happen to one of his siblings. As a result, he will be able to insure that his son Michael will able to farm the property when he assumes control of their farming operation.
Transaction	The subject property is located at RR3, McLeansboro, Illinois. The property consists of 1,046.37 acres of farm land, which will be 80% owned by the borrower. Mr. Lasater is purchasing an undivided 60% interest in the farm from three of his four siblings. One brother, Robert, does not wish to sell his interest in the farm, and will continue to own a 20% undivided interest. After the purchase Kenneth will own an 80% undivided interest in the farm. This participation will allow Peoples National Bank to offset some of its portfolio risk and provide a lower interest rate to Kenneth Lasater.
	Peoples National Bank and IFA will each have pro-rata share of collateral secured by a mortgage on the property.

FINANCIAL SUMMARY

Borrower's Finances: Financial Statements and Projections for Kenneth and Virginia Lasater for 2004 projected 2005, are borrower prepared and submitted by Peoples Bank.

FINANCIAL DATA FOR: Kenneth and Virginia Lasater

	12/31/2002 Year	**4/26/2004 Year**	**2/25/2005 Year**	**Proforma Year**
Cash	43,123	21,000	33,500	33,500
Stored Crops	26,200	75,000	243,638	243,638
Prepaid Expenses	0	0	0	0
Growing Crops	0	55,900	59,699	59,699
Other Current Assets	0	0	17,000	17,000
CVLI	0	0	0	0
Total Current Assets	**69,323**	**151,900**	**353,837**	**353,837**
Farm Machinery/Equipment	230,520	296,000	322,800	322,800
Vehicles	10,000	0	0	0
Real Estate/Improvements	1,367,780	1,561,500	1,611,500	2,511,500
Other Non Current Assets	189,711	187,315	225,000	225,000
Total Non-Current Assets	**1,798,011**	**2,044,815**	**2,159,300**	**3,059,300**
Total Assets	**1,867,334**	**2,196,715**	**2,513,137**	**3,413,137**
Notes Payable	131,000	30,087	38,055	38,050
Accounts Payable	791	0	0	0
Current Maturities LT debt	0	4,943	9,752	118,285
Accrued Interest	0	5,163	3,402	3,402
Other Current Liabilities	0	0	6,000	6,000
Total Current Liabilities	**131,791**	**40,193**	**57,209**	**165,737**
Equipment Debt	90,000	79,059	62,196	62,126
Real Estate Debt	118,653	152,779	143,542	1,043,542
Total Non-Current Liabilities	**208,653**	**231,838**	**205,738**	**1,105,668**
Total Liabilities	**340,444**	**272,031**	**262,947**	**1,271,405**
Net Worth	**1,526,890**	**1,924,684**	**2,250,190**	**2,141,732**
Working Capital	**(62,468)**	**111,707**	**296,628**	**188,100**
Current Ratio	**0.53**	**3.78**	**6.18**	**2.13**
Debt-to-asset ratio	**0.18**	**0.12**	**0.10**	**0.37**
Debt-to-worth Ratio	**0.22**	**0.14**	**0.12**	**0.59**
Source	**BORRPP**	**BORRPP**	**BORRPP**	**BORRPP**

Cash Basis Accounting — **Kenneth and Virginia Lasater**

	2002	2003	2004	3 year Average	2005 Projection
Crop/Livestock Sales....	298,461	232,432	351,836	294,243	403,369
Government pymts........	0	0	0	0	0
Other Farm Income............	132,190	173,689	72,781	126,220	126,220
Less Purchases............	0	0	0	0	0
Total Farm Income..........	**430,651**	**406,121**	**424,617**	420,463	**529,589**
Farm Expenses					
Custom Hire..................	0	0	0	0	0
Depreciation................	91,306	76,383	61,253	76,314	79,314
Fertilizer/Chemicals.......	0	0	0	0	0
Freight/Trucking..........	0	0	0	0	0
Gas, Fuel, & Oil............	0	0	0	0	0
Insurance....................	0	0	0	0	0
Interest.....................	0	0	0	0	0
Labor........................	0	0	0	0	0
Land Rent....................	0	0	0	0	0
Machinery Rent............	0	0	0	0	0
Repairs/Supplies...........	0	0	0	0	0
Seed Expenses.............	0	0	0	0	0
Storage.....................	0	0	0	0	0
Taxes........................	0	0	0	0	0
Utilities.....................	0	0	0	0	0
Other Expenses............	314,631	319,736	355,528	329,965	404,474
Prepaid Exp Adjustment..	0	0	0	0	0
Accounts payable adj....	0	0	0	0	0
Total Expenses	**405,937**	**396,119**	**416,781**	**406,279**	**483,788**
Net Farm Inc. (Sch F)	**24,714**	**10,002**	**7,836**	**14,184**	**45,801**
Oper Exp/Rev Ratio	**0.73**	**0.79**	**0.84**	**0.78**	**0.76**

Repayment Margin Analysis

	2002	2003	2004	3 year Average	2005 Projection
Net Farm Operating Income	24,714	10,002	7,836	14,184	45,801
Add: Non-farm Income	943	10613	32377	14,644	15,000
Add: Depreciation Expense	91,306	76,383	61,253	76,314	79,314
Add: Annual Term Debt Interest	18,531	16,857	17,281	17,556	66,300
Less: Income Taxes	(3,492)	(1,635)	(4,713)	(3,280)	(10,000)
Less: Family Living W/D	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Balance Available for Term Debt Rpymt	**102,002**	**82,220**	**84,034**	**89,419**	**166,415**
Principal on Term Debt	29,585	31,259	30,835	30,560	57,149
Interest on Term Debt	18,531	16,857	17,281	17,556	66,300
Total Principal and Interest Pymts	**48,116**	**48,116**	**48,116**	**48,116**	**123,449**
Equals Term Debt Coverage Ratio	**2.12**	**1.71**	**1.75**	**1.86**	**1.35**
Equals Term Debt Repayment Margin	**53,886**	**34,104**	**35,918**	**41,303**	**42,966**

COVENANT	REQUIRED	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-853.76 ac	$1,328,417	0.80	#########
Total Collateral	$1,328,417		#########
Total Loans Outstanding:			$ 900,000
Adjusted LTV:			85%
Excess Collateral:			$ 162,734

Annual Debt Service:	Total Princ. Balance	Principal	Interest	Total Payment
Peoples Bank	900,000	34,833	40500	75,333
Total Term Debt Payments	900,000	34,833	40,500	75,333
			0	
Total Debt Service				75,333

Financial Summary: Profitability has been fairly consistent for the past 3 years. Gross farm revenue had increased over the past three years. Gross farm revenue for 2004, was the highest of the year's analyzed. This is due to the exceptional crop yields experienced by area farmers in 2004.

Balance sheets were prepared and submitted by the borrower for the past three years. A proforma balance sheet was prepared by the funding manager to reflect the changes related to the purchase of the proposed property.

Current assets as of 12/31/04 for the Lasaters consist primarily of $33K in cash, $59K in growing crops, and $243K in stored crops. Based on the current assets on hand, the borrower has an excellent current ratio of 6.18:1, which demonstrates exceptional liquidity.

The borrowers list current liabilities of $57K at year end, most of which is comprised of notes payable and CMLTD.

Long term assets listed on the 2004 balance sheet for the Lasaters include their home at $150K, farm real estate of $1.6M, and $225K in retirement accounts.

Based on the Proforma balance sheet, the borrower's liquidity will decline significantly, net worth will decline slightly, and leverage will increase significantly. All of these changes are a function of the additional $900K in mortgage debt.

Income estimates are based on income and expense data provided by the borrower to Peoples Bank. Income projections, include receipt of the additional crop income on 557 acres, as well as the required debt service for the proposed loan facility. Projected crop yields are based on actual 5-year production average of 120 bushels of corn per acre, 41 bushels of soybeans per acre, and 65 bushels of wheat per acre.

The borrower's repayment ability has historically remained very strong. Their five-year average DSC ratio is 1.85 times debt requirements. Projected debt service coverage for 2005, while declining as a result of the proposed facility, remains acceptable at 1.35 times. Off-farm income is sufficient to service family living requirements, while it should be noted that Virginia Lasater's income is now dependent on a new company, which 50% is owned by Kenneth Lasater.

While the funding manager has posed the question, the bank's loan officer is not requiring any additional loan covenants or life insurance as part of the approval for this loan request. The lack of these requirements is mitigated by the historically strong repayment ability, consistent profitability, and the overall LTV for this loan. The possibility of an assignment of life insurance was discussed at credit review, however for the same reasons mentioned, the requirement was waived by the committee.

PROJECT SUMMARY

Loan proceeds will provide permanent financing for the purchase of an undivided interest in 557.82 acres of farm land.

FINANCING SUMMARY

Interest:	Based on the guidelines of the Participation Lending Program, IFA's interest rate will be 200 basis points below the customer's Bank interest rate. The Bank's interest rate will be 5.5% adjustable annually based on WSJ Prime. The interest rate will have a 1.0% annual cap and floor, as well as a cap of 8.5% cap for the life of the loan.
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 853.76 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 20-year amortization

COLLATERAL

The subject loan is secured by a 1st mortgage and assignment of rents and leases on 853.76 acres of farm land. The appraisal on the property was performed 1/04 by Farm Credit Services, which indicated a value of $1,328,417. The overall discounted LTV based on 80% advance rate for this facility is 85%. Peoples National Bank has required as a condition of the loan, that an appraisal be obtained for at least this amount. See "Collateral Analysis" on page 5 for more details.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Kenneth Lasater Virginia Lasater
Location:	RR1 Box 289A, McLeansboro, IL 62859, Hamilton County
Organization:	Sole Proprietorship
State:	Illinois
Ownership:	Kenneth and Virginia Lasater

PROFESSIONAL & FINANCIAL

Accountant:	N/A		
Bank:	Peoples National Bank	McLeansboro, IL	Terry Droan

LEGISLATIVE DISTRICTS

Congressional:	19th	State Senate:	59th	State House	117th

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: Kenneth A. Barker

STATISTICS

Project Number:	A-SG-TX-GT-530	Amount:	$88,000
Type:	Specialized Livestock Guarantee	IFA Staff:	Eric Reed
Location:	Lewistown, IL	Tax ID:	351-60-3206
SIC Code:	0751: Livestock Services, exc. Veterinary	Est. fee:	$880

BOARD ACTION

Approval to initiate an 80% Loan Guarantee to the Bank of Farmington, Illinois
$70,400 of State Treasurer's Agricultural Reserve funds at risk.
Staff recommends approval, subject to satisfying all conditions of the bank loan.

PURPOSE

The Borrowers wish to borrow $88,000 to refinance the recent purchase of a herd of breeding stock along with an existing loan secured by livestock and machinery. With the approval of the guarantee provided by IFA, the borrowers will realize a 1.50% interest rate savings on the loan request.

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	$ 88,000	Uses:	Breeding Stock	$20,000
				Existing loan	$68,000
	Total	**$88,000**		**Total**	**$88,000**

JOBS

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

BUSINESS SUMMARY

Background: Kenneth Barker, who is approximately 39 years of age, operates a small farming operation near Lewistown, IL. In addition to his small grain farm, Kenneth has built a herd of top quality cattle, which are sold for future breeding stock. He also maintains a niche market for show calves.

Kenneth is employed off the farm by the Fulton County Extension Service as the county extension advisor. While his wife Marilyn will not be signing on this particular loan, since she is not involved in the farming operation, she is also employed outside the home. Marilyn Barker is a former examiner for the FDIC, who is now employed at the Ipava State Bank as their compliance officer. Together, their outside employment provides significant income, which pays for living expenses.

Project Rationale: Kenneth Barker has been trying to increase and improve his cattle heard for the past several years. By purchasing the better quality cows, he will be increase the quality of the calves he sells. In addition, the purchase of the additional livestock will increase the size of his herd by 25%, which has been a goal of his.

Transaction Description: Kenneth will borrow $20,000 to finance the purchase additional breeding stock for his cattle operation. The Bank of Farmington has already agreed to finance this purchase, however he has a previous loan at the Ipava State Bank, which is secured by livestock and equipment. The outstanding balance on this loan is $68,000. The Bank of Farmington has proposed combining those loans to perfect its lien position,. The Bank of Farmington is requesting an IFA guarantee due to the nature of the loan and its high LTV. An 80% guarantee, rather than the traditional 85% guarantee, is recommended due to the high LTV and nature of the proposed collateral. Additional collateral would be required if the Bank demands an 85% guarantee.

Financial Summary: Borrower's financial statement dated 12/7/04 indicates very strong liquidity with working capital of $105,497. This has historically been true for the borrower, due the marketable securities held and cash on hand. The borrower's primary debt obligations are monthly payments on their home and auto. For each of the years submitted, the borrower has maintained, has had positive working capital. For this reason, the borrower has not required an operating loan for annual farm expenses.

The Barker's 12/7/04 BS indicates total assets of $764K, with $105K being current assets. Current assets are comprised primarily of $12K in cash, $7K in stored crops, and $92K in marketable securities. LT assets are comprised of farm machinery, retirement accounts, and their personal residence, which includes 80 acres of farmland.

Liabilities are primarily comprised of the balance on their mortgage, an auto loan, and the proposed facility secured by livestock and machinery. The borrower also lists a note payable for $17K on the 2004 BS. This is a single pay note in Marilyn's name, secured by bank stock. According to the loan officer, this loan will be repaid within 30 days.

The borrower's have historically carried a significant amount of debt in relation to their net worth. The addition of the proposed facility will increase their leverage ratio to .76:1, which is considered at the high end of average for agricultural producers. Most of their debt is related to their mortgage debt on their house and 80 acres.

The primary strength of this credit is the large off-farm income. Since both Kenneth and his spouse are employed off the farm, they are able pay for living expenses without depending on the farming operation for income. It appears that their accountant has used the farming operation as a tax deduction to reduce income and tax liability. Very little sales have been reported in relation to cash expenses and depreciation expense.

Their outside income also provides more than sufficient income to service their debt requirements. For FYE ending 2004, the borrower's DSC ratio is 3.84x. They have historically maintained an exceptionally strong DSC ratio. The borrower should be able to maintain this ratio after the proposed facility.

According to the loan officer, Mr. Barker currently has a $250,000 life insurance policy. He is in the process of increasing that policy to $1M, which should be completed prior to the issuance of the IFA guarantee. Given the small amount of this exposure, an assignment of the policy will not be required.

FINANCIAL SUMMARY

Borrower's Finances: Financial Statements and Projections for Kenneth Barker for 2000, 2003 and 2004, are borrower prepared and provided by Bank of Farmington, IL. 2004 taxes are not prepared yet.

FINANCIAL DATA FOR: Kenneth Barker

	12/31/2000 Year	12/31/2003 Year	12/7/2004 Year	Proforma Year
Cash	8,000	14,000	12,000	12000
Stored Crops	0	3,200	7,000	0
Prepaid Expenses	2,000	0	0	0
Growing Crops	0	0	0	0
Accounts Receivable	0	0	0	0
Marketable Securities	600	92,100	92,100	92,100
Other Current Assets	0	0	1,397	1,397
Total Current Assets	**10,600**	**109,300**	**112,497**	**105,497**
Farm Machinery/Equipment	6,500	29,300	21,800	21,800
Vehicles	14,000	50,000	40,060	40,060
Real Estate/Improvements	300,000	422,000	372,000	372,000
Other Non Current Assets	32,100	71,000	64,100	84,900
Retirement Accounts	127,400	155,000	154,000	154,000
Total Non-Current Assets	**480,000**	**727,300**	**651,960**	**672,760**
Total Assets	**490,600**	**836,600**	**764,457**	**778,257**
Notes Payable	0	19,000	17,000	0
Accounts Payable	0	0	0	0
Current Maturities LT debt	0	0	0	0
Accrued Interest	0	0	0	0
Other Current Liabilities	0	0	0	0
Total Current Liabilities	**0**	**19,000**	**17,000**	**0**
Equipment Debt	7,000	67,700	94,500	88,000
Real Estate Debt	149,000	222,000	218,700	218,700
Personal Liabilities	0	0	0	0
Total Non-Current Liabilities	**156,000**	**289,700**	**313,200**	**306,700**
Total Liabilities	**156,000**	**308,700**	**330,200**	**306,700**
Net Worth	**334,600**	**527,900**	**434,257**	**471,557**
Working Capital	**10,600**	**90,300**	**95,497**	**105,497**
Current Ratio	**#DIV/0!**	**5.75**	**6.62**	**#DIV/0!**
Debt-to-asset ratio	**0.32**	**0.37**	**0.43**	**0.39**
Debt-to-worth Ratio	**0.47**	**0.58**	**0.76**	**0.65**
Source	**BORRPP**	**BORRPP**	**BORRPP**	**Lender**

Cash Basis Accounting **Kenneth Barker**

	2001	2002	2003	3 year Average	2005 Projection
Crop/Livestock Sales....	0	5,116	2,147	2,421	0
Government pymts........	507	627	1,136	757	0
Other Farm Income........	0	0	250	83	0
Purchases/Adj.............	0	0	0	0	0
Total Farm Income.........	**507**	**5,743**	**3,533**	**3,261**	**0**
Farm Expenses					
Custom Hire................	0	1,076	3,425	1,500	0
Depreciation................	6,967	6,064	9,559	7,530	0
Feed Purchased...........	3,078	2,048	932		
Fertilizer/Chemicals.......	0	1,097	2,006	1,034	0
Freight/Trucking...........	0	0	0	0	0
Gas, Fuel, & Oil...........	2,032	890	411	1,111	0
Insurance....................	1,480	1,630	1,200	1,437	0
Interest......................	2,883	9,390	8,554	6,942	0
Labor........................	0	0	0	0	0
Land Rent...................	0	0	1,750	583	0
Machinery Rent............	40	0	0	13	0
Repairs/Supplies...........	2,385	3,073	2,099	2,519	0
Seed Expenses..............	1,266	400	0	555	0
Storage......................	0	0	0	0	0
Taxes........................	296	1,616	1,712	1,208	0
Utilities......................	600	970	400	657	0
Other Expenses............	3,702	2,547	3,959	3,403	0
Veterinary...................	1,824	820	2,393	1,679	0
Other adjustment..........	0	0	0	0	0
Total Expenses	**26,553**	**31,621**	**38,400**	**30,172**	**0**
Net Farm Inc. (Sch F)	**-26,046**	**-25,878**	**-34,867**	**-26,911**	**0**
Oper Exp/Rev Ratio	**32.94**	**2.82**	**5.74**	**4.81**	**#DIV/0!**

Repayment Margin Analysis

	2001	2002	2003	3 year Average	2005 Projection
Net Farm Operating Income	(26,046)	-25,878	(34,867)	(26,911)	0
Add: Non-farm Income	88,706	96779	96532	94,006	95,000
Add: Depreciation Expense	6,967	6,064	9,559	7,530	7,500
Add: Annual Term Debt Interest	2,883	9,390	8,554	6,942	17,203
Less: Income Taxes	(4,766)	(5,320)	(5,067)	(5,051)	(6,500)
Less: Family Living W/D	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
Balance Available for Term Debt Rpymt	**32,744**	**46,035**	**39,711**	**41,516**	**78,203**
Principal on Term Debt	10,342	10,342	10,342	17,048	17,048
Interest on Term Debt	2,883	9,390	0	17,203	17,203
Total Principal and Interest Pymts	**13,225**	**19,732**	**10,342**	**34,251**	**34,251**
Equals Term Debt Coverage Ratio	**2.48**	**2.33**	**3.84**	**1.21**	**2.28**
Equals Term Debt Repayment Margin	**19,519**	**26,303**	**29,369**	**7,265**	**43,952**

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	$ -
Breeding Stock	$ 67,700	0.80	$ 54,160
Equipment	$ 21,800	0.80	$ 17,440
Real Estate	$ -	0.80	$ -
Total Collateral	$ 89,500		$ 71,600
Total Loans Outstanding:			$ 88,000
Adjusted LTV:			123%
Excess Collateral:			$ (16,400)

Annual Debt Service:	Total Princ. Balance	Principal	Interest	Total Payment
Bank of Farmington	88,000	6,706	4885	11,591
Wells Fargo	218,700	3,526	11398	14,924
GMAC	22,200	6,816	920	7,737
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Total Term Debt Payments	328,900	17,048	17,203	34,252
			0	
Total Debt Service			17,203	

PROJECT SUMMARY

Loan proceeds will provide permanent financing for the purchase of breeding stock to expand the borrower's cattle operation. In order to improve cash flow and collateral position, an existing livestock and equipment loan will be refinanced with this facility. IFA will provide an 80% guarantee on the loan request for Bank of Farmington.

FINANCING SUMMARY

Interest:	The Bank's interest rate will be fixed for 1 year at 2.25% over the 1 year treasury. Currently that interest rate would be 5.65%. The interest rate will adjust on each anniversary date of the loan.
Security:	IFA's guarantee is secured by a security agreement on all equipment and livestock.
Sources of Repayment:	Primary: Operating cash flows generated from monthly contract payments. Secondary: Liquidation of the collateral
Maturity:	10 years with a 10-year amortization

COLLATERAL

The subject loan is secured by a security agreement on all equipment and livestock owned by the borrower. The chattel appraisal on the property has indicated a value of total value of $89,500. Based on an advance rate of 80%, the LTV would be 123%. For this reason, the funding manager has proposed an 80% guarantee, which would maintain satisfactory exposure based on the 80% LTV requirement. The overall **discounted** LTV based on the 80% guarantee for this facility is 98%. See "Collateral Analysis" on page 7 for more details.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Kenneth Barker
Location:	14750 E. Kenny Lane, Lewistown, IL 61524, Fulton County
Organization:	Sole Proprietorship
State:	Illinois
Ownership:	Kenneth Barker

PROFESSIONAL & FINANCIAL

Accountant:	Trust Mart Accounting		
Bank:	Bank of Farmington	Farmington, IL	Joseph Higgs

LEGISLATIVE DISTRICTS

Congressional:	17^{th}	State Senate:	47^{th}	State House	94^{th}

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/lk

Date: April 12, 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
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

Voting Record:

Preliminary Bond Resolutions – March 8, 2005
Ayes: 8 Nays: 0 Abstentions: 0 Absent: 4 (Herrin, Ozark, Delgado, O'Brien) Vacant: 3

BEGINNING FARMER BOND LOANS
Projects for Final Resolution
April 12, 2005

Project Number:	A-FB-TE-CD-530
Borrower(s):	Weston Wilhour
Town:	Beecher City
Amount:	$48,750
Fees:	$731
Use of Funds:	Farmland – 40 acres grain farm
Purchase Price:	$50,000
%Borrower Equity	10%
%Other Agency	.0%
%IFA	90%
County:	Fayette
Lender/Bond Purchaser	Fayette County Bank, St. Elmo

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

Interest shall be charged at the rate of 4.50% for the first three years of the loan; thereafter, the rate shall be adjusted every three years to a rate tied to 80% of the National Prime Rate as quoted in The Wall Street Journal.

Project Number:	A-FB-TE-CD-531
Borrower(s):	Chad Wilhour
Town:	Altamont
Amount:	$48,750
Fees:	$731
Use of Funds:	Farmland – 40 acres grain farm
Purchase Price:	$50,000
%Borrower Equity	10%
%Other Agency	.0%
%IFA	90%
County:	Fayette
Lender/Bond Purchaser	Fayette County Bank, St. Elmo

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

Interest shall be charged at the rate of 4.50% for the first three years of the loan; thereafter, the rate shall be adjusted every three years to a rate tied to 80% of the National Prime Rate as quoted in The Wall Street Journal.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Bart Bittner/lk

Date: April 12, 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
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

Voting Record:

Preliminary Bond Resolutions – March 8, 2005
Ayes: 8 Nays: 0 Abstentions: 0 Absent: 4 (Herrin, Ozark, Delgado, O'Brien) Vacant: 3

BEGINNING FARMER BOND LOANS
Projects for Final Resolution
April 12, 2005

Project Number:	A-FB-TE-CD-528
Borrower(s):	Joseph L. Kapraun and Lisa K. Kapraun
Town:	El Paso
Amount:	$62,500
Fees:	$938
Use of Funds:	Farmland – 20 acres grain farm
Purchase Price:	$66,000
%Borrower Equity	10%
%Other Agency	0.0%
%IFA	90%
County:	Woodford
Lender/Bond Purchaser	Flanagan State Bank, El Paso

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.

Interest shall be charged at the rate of 4.00% for the first year of the loan; thereafter, the rate shall be adjusted annually to a rate not to exceed 1.00% above the Weekly Average Yield of US Treasury Securities. A one year constant maturity provided, however, that the expressed rate shall never be lower than 4.00%.

Project Number:	A-FB-TE-CD-529
Borrower(s):	C. Todd Urish
Town:	Green Valley
Amount:	$250,000
Fees:	$3,750
Use of Funds:	Farmland – 104.53 acres grain farm
Purchase Price:	$271,778
%Borrower Equity	10%
%Other Agency	0.0%
%IFA	90%
County:	Tazewell
Lender/Bond Purchaser	First National Bank, Tremont

Principal shall be paid annually in installments determined pursuant to a twenty 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 twentieth and final payment of all interest then outstanding due twenty years from the date of closing.

Interest shall be charged at the rate of 4.50% for the first five years of the loan; thereafter, the rate shall be adjusted every five years to a rate tied to 1.00% below the National Prime Rate as quoted in The Wall Street Journal.

Project Number:	A-FB-TE-CD-540
Borrower(s):	Jeffrey A. Delheimer
Town:	Borrower Lives in Elgin, Property near Blackstone
Amount:	$178,012
Fees:	$2670.18
Use of Funds:	Farmland – 79.49 acre grain farm
Purchase Price:	$222,516
% Borrower Equity	20%
% Other Agency	0%
% Lender	80%
County:	Borrower home in Kane Co., land in Livingston Co.
Lender/Bond Purchaser:	Pontiac National Bank

Principal shall be paid annually in installments determined pursuant to a twenty-five year amortization schedule, with a balloon at the end of 10 years. The first principal payment shall be paid on April 1, 2006. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to be on April 1, 2006, with the tenth and final payment of all interest then outstanding due April 1, 2005.

The Note shall bear simple interest at the Expressed Rate. The Expressed Rate shall be 4.90% for the first three years of the loan; thereafter, the rate shall be adjusted every three years to a rate of 1.5% above the monthly index of US Treasury securities at a constant maturity of 3 years. During the term of this loan the rate will not be lower than 4.75% and will not be higher than 9.75%.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 12, 2005

Project: **Villagebrook Apartments Limited Partnership (Villagebrook Apartments)**

STATISTICS

IFA Project #:	**M-MH-TE-CD-408**	**Amount:**	**$12,500,000 (not-to-exceed amount)**
Type:	**Affordable Rental Housing Bonds**	**IFA Staff:**	**Rich Frampton**
Location:	**Carol Stream**	**Est. fee:**	**$92,400 (based on $12.0 million project)**
SIC Code:	6513		

BOARD ACTION

Final Bond Resolution
Conduit Tax-Exempt Multi-Family Housing Revenue Bonds
Staff recommends approval

No IFA funds at risk
No extraordinary conditions

PURPOSE

Purchase and renovation of an existing 189-unit, 3-story, 4-building affordable multifamily rental property that will preserve the property as affordable to low- and moderate income households.

IFA CONTRIBUTION

IFA will convey tax-exempt bond status on this financing that will make this project eligible for 4% Low Income Housing Tax Credits. The Developer and Financing Team will use approximately $12.0 million of prior year IFA Carryforward Volume Cap.

VOTING RECORD

Preliminary Bond Resolution, December 7, 2004:

Ayes: 8 Nays: 0 Abstentions: 0

Absent: 3 (Giannoulias, Rice, Valenti) Vacant: 4

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	Series 2005 Bonds *(FHLMC Enhanced)*	$12,000,000	Uses:	Project costs	$14,845,000
	Federal Home Loan Bank of Chicago (subordinate loan)	500,000		Tax Credit Costs	125,000
	LIH Tax Credits	4,551,250		Other Reserves	241,000
	Deferred Developer Fees	1,459,380		Issuance/Fin. Costs	275,000
	Prorations and GP Equity	86,000		Developer Fee	1,500,380
	Total	**$17,686,380**		**Total**	**$17,686,380**

Note: The Developer's Fee will be deferred and paid over time subject to the Partnership Agreement to be executed between the Developer and Paramount Financial Group, Inc., the Tax Credit Syndicator. Payment of these fees will be contingent on project performance. Typical performance hurdles include: satisfying certain benchmarks (e.g., debt service coverage, occupancy rates, and other negotiated covenants).

Because the sale of properties financed with Low Income Housing Tax Credits is restricted for a minimum period of 15 years, IRS rules allow these performance-based Developer Fees.

JOBS

Current employment:	6	Projected new jobs:	1
Jobs retained:	N/A	Construction jobs (10 mo's.):	10

BUSINESS SUMMARY

Background: **Villagebrook Apartments Limited Partnership (the "Applicant") is an Illinois limited partnership formed as a special purpose entity established for the express purpose of acquiring, redeveloping, and owning the Villagebrook Apartments in Carol Stream, Illinois.**

The **General Partner** and 1.00% owner of the Applicant will be **Full Circle Villagebrook GP, LLC**, whose sole member is **Full Circle Communities, Inc.**, of Northbrook, Illinois (the "Developer"), an Illinois 501(c)(3) corporation. A listing of the Board Members of Full Circle Communities is attached.

Full Circle Communities, Inc., is a fully independent, philanthropic, 501(c)(3) acquirer and redeveloper of affordable rental housing. Full Circle was founded by the principals of Banner Apartments, Inc., a developer/manager of multifamily apartments based in Northbrook, Illinois. Banner's partners serve as three of Full Circle's sever board members. Banner Property Management donates the time and expertise of its management and construction employees at its affiliates to Full Circle's operations, on an as-needed basis. Banner donates the time of David Gottlieb to serve as Executive Director for Full Circle and Milton Pinsky to serve as Associate Director.

The Limited Partner and 99.0% owner of the project will be affiliates of **Paramount Financial Group, Inc.** of Granville, Ohio, the tax credit syndication division of GMAC Commercial Mortgage, Inc. The project will generate equity through the syndication of 4% Low Income Housing Tax Credits made possible through the issuance of tax-exempt bonds to finance more than 50% of the cost basis of this project.

Description: Villagebrook Apartments is a 189-unit rental apartment property and is located at 244-288 West St. Charles Road in Carol Stream, Illinois (DuPage County). The property was constructed in 1971.

The property's rental buildings consist of four, 3-story, multifamily residential buildings and its common areas include a community resource/clubhouse building.

The property is currently an affordable multifamily property that currently includes 147 units (out of 189) supported by a HUD Housing Assistance Payment (HAP) Contract. Because the Developer intends to use the proceeds of a syndication of 4% Low Income Housing Tax Credits allocable to all units, the property will become a 100% affordable, rent-restricted project for a minimum period of 15 years (i.e., the initial 15-year Tax Credit compliance period).

The proposed project will include a substantial renovation of interiors, exteriors (tuckpointing), and common areas as noted in the overview memo. Villagebrook has estimated an average renovation cost per unit at $8,148 as of 11/12/2004.

Background on Developer and Affiliates: Full Circle Communities, Inc.'s initial acquisition was the Goodlette Arms Apartments, a 250-unit, low-income, senior independent living community in Naples, Florida purchased in 2002. Full Circle financed the acquisition with tax-exempt bonds issued through the Collier County (Florida) Housing Finance Authority. Full Circle's acquisition enabled preservation of the project as affordable. HUD facilitated this acquisition by providing for (1) a term extension on the project-based HAP contract on existing HAP-units, and (2) the "decoupling" (i.e., transfer) of the Section 236 Mortgage Interest Reduction Payment from the prior owner to support Full Circle's tax-exempt bond acquisition/renovation financing.

Full Circle's Board allocated a minimum of 75% of the Florida property's free cash flow (i.e., NOI after debt service) to finance service enhancements to residents. Service enhancements for seniors at the Florida property include nutritional counseling, handicap-accessible transportation to shopping medical appointments, field trips, physical improvements to the property to enhance mobility and security, and social events with catered meals.

Full Circle's management will apply the same free cash flow retainage commitment to support tenant programs at Villagebrook Apartments following closing of this acquisition.

Property Manager: The proposed property manager will be Metroplex, Inc. of Chicago (www.metroplex.com), which will continue to manage the property following Full Circle's acquisition. Metroplex manages approximately 6,000 apartments in Illinois, Iowa, Wisconsin, Minnesota, and Florida. Metroplex is not affiliated with the shareholders of Banner Apartments or the Board of Full Circle. (Metroplex is affiliated with Tandem Associates of Chicago, the current owner.)

Financials: Historical Results Prepared by Applicant based on Audited Results: 12/31/01-12/31/03
Projected Net Operating Income Statements 2004-2007. ($ in Thousands)

	12/31/2001	12/31/2002	12/31/2003	2004 Prelim.	2005 Year 1	2006 Year 2	2007 Year 3
Income:							
Gross Rental Income	$1,809	$1,879	$1,974	$2,038	$2,094	$2,152	$2,211
Vacancy/Coll. Loss	-40	-41	-69	-82	-84	-86	-88
Other Income (Net):	24	26	22	29	30	31	32
Project Income:	**1,793**	**1,864**	**1,927**	**1,985**	**2,040**	**2,097**	**2,155**
Operating Expenses:							
Payroll	235	197	214	176	181	186	191
General Administrative	72	88	96	48	49	51	52
Operating & Maintenance	356	335	196	114	117	120	123
Utilities	197	172	181	179	184	189	194
R/E Taxes	128	131	131	135	139	143	147
Insurance	38	43	48	46	47	49	50
Mgmt. Fees	109	115	110	101	104	107	110
Replacement Reserve	--	21	8	57	59	60	62
Other Exp.	13	13	8	--	--	--	
Total Oper. Expenses & Repl. Reserve:	**1,148**	**1,115**	**992**	**856**	**880**	**905**	**930**
Net Operating Income Before Debt Service:	645	749	935	1,129	1,160	1,192	1,225
HUD Interest Reduction Payment (IRP)	171	170	169	168	166	165	164
Adjusted NOI	**816**	**919**	**1,104**	**1,297**	**1,326**	**1,357**	**1,389**
Maximum Series 2005 Bond Debt Svc. Payments (assumes Cap rate of floaters)	974	974	974	974	974	974	974
Pro Forma Debt Svc. Coverage (x)	**0.84**	**0.94**	**1.13**	**1.33**	**1.30**	**1.39**	**1.43**

Discussion: These projections assume:

(1) 1st Mortgage Bond Payments assume Bond Interest Rate Cap at 7.124% (including FHLMC fees and remainder of fee stack) amortized over 30 years. Actual interest rate will be a 7-day variable rate bond (current effective rate is 2.90%).
(2) Structural rehabilitation will be 100% complete as of 1/2006 (10 months).
(3) 4% vacancy/collection loss rate.
(4) Projected annual rent escalation of approximately 2.75%.
(5) Projected annual expense escalation of approximately 2.75%.
(6) Minimum $57,000 annual replacement reserve to be funded from operations beginning in 2005.

Based on these assumptions, Villagebrook Apartments is projected to generate Net Operating Income (adjusted by HUD's Interest Reduction Payments) sufficient to cover proposed bond payment by multiples of 1.39 times in 2006, the first full year of operation following completion of the proposed renovations.

The proposed substantial renovations will improve the property thereby reducing vacancies in the current non-subsidized units. Upon acquisition and renovation, all 189 units will be rent restricted during the initial 15-year, 4% Low Income Housing Tax Credit compliance period.

Market Facts:

The combined current unit mix for Villagebrook Apartments is as follows. Although only the 147 units supported with HAP payments are offered at sub-market rents, subsequent to closing of this financing, all 189 units will be low income (i.e., affordable) units and subject to rent restrictions.

# Units	*Unit Type*	*Ave. SF*	*Monthly Rents (include. utilities)*
46	1 BR, Low Income (Cost to LI Tenant: $267)	700	$813
11	1 BR Market	700	$740
86	2 BR, Low Income (cost to LI Tenant: $321)	925	$961
28	2 BR Market	925	$894
15	3 BR Low Income (cost to LI Tenant: $398)	1,100	$1,205
3	3 BR Market	1,100	$1,039
189	**Total Units**		**$166,503**

Villagebrook Apartments immediate submarket consists of approximately eight rental properties of 150 units or more. There are no other existing multifamily tax credit properties in the Carol Stream vicinity (although the Autumn Ridge project, approved by the IFA Board for a Bond Resolution in February 2005 will also be supported with 4% tax credits).

Full Circle Management, Inc., a 501(c)(3) development company, has executed a contract to acquire the Villagebrook Apartments. An affiliate of Banner Apartments, Inc. (whose key employees/managers donate time to Full Circle without compensation) has signed a contract to purchase Autumn Ridge Apartments (previously Chateau Apartments), also located in Carol Stream with IFA tax-exempt bond financing and 4% LIHTCs. Gain, Full Circle is seeking to finance its acquisition of Villagebrook with the same FHLMC enhanced bonds and 4% LIHTC structure used in the Autumn Ridge Apartments financing (estimated to close in March 2005).

Villagebrook and Autumn Ridge (formerly Chateau) Apartments are the only HAP-subsidized multifamily properties in the Carol Stream submarket. Additionally, there is one existing affordable bond/tax credit financed, affordable senior property (i.e., Colony Park Apartments) in Carol Stream.

According to Banner Property Management, Inc., the submarket's subsidized units currently report 100% occupancy with waiting lists for designated Section 8 units. The submarket's market-rate properties all report physical vacancy rates ranging from 3% to 11%, with an average vacancy rate of approximately 6%.

The absence of comparable, subsidized/affordable units in the Carol Stream submarket and the existing waiting lists at Villagebrook Apartments and Autumn Ridge (Chateau) Apartments suggest that the proposed tax-exempt bond/4% tax credit financed property will support the long-term viability and demand for this property.

With 100% of the units rent restricted due to the use of 4% Low Income Housing Tax Credits to generate equity for this financing, IFA's bond financing (which avails the use of 4% Low Income Housing Tax Credits) will preserve and extend the use of these units as affordable low- and moderate income housing in DuPage County.

Subsidies: This financing will include syndication proceeds generated by the sale of 4% Low Income Housing Tax Credits that are currently estimated to generate approximately $4,551,000 in proceeds. Upon completion of the proposed renovations, a minimum of 40% of the units will be set aside to households earning no more than 60% of area median income. The Developer has elected to designate 100% of the units as "affordable" and rent restricted.

Accessibility: According to the Applicant, this project is exempt from Americans with Disabilities Act ("ADA") requirements regarding minimum handicapped-unit set-asides and related accessibility and adaptability requirements due to the age of the property (i.e., originally constructed in 1971).

FINANCING SUMMARY

Bondholder Security: **Series 2005 Bonds: FHLMC ("Freddie Mac") credit enhancement (Aaa/AAA-rated by Moody's/S&P)**

Structure: **Series 2005 Bonds: 7-day variable rate demand bonds with an effective interest rate cap of 7.124% (current effective interest rate of 3.00%)**

Maturity: **30 years**

Subordinate Debt: **Federal Home Loan Bank of Chicago: 0.0% interest rate; 30-year term; payment on the subordinate debt will be prohibited unless certain FHLMC (Freddie Mac) terms on the (Senior)** IFA Series 2005 Bonds are satisfied (FHLBC's Affordable Housing Finance Program).

PROJECT SUMMARY

Bond proceeds will be used to finance the acquisition and substantial rehabilitation/renovation of Villagebrook Apartments, a four building, three-story, 189-unit rental property with a community/clubhouse facility located on a 10.34 acre site located at 244-288 E. St. Charles Road, Carol Stream (DuPage County), IL 60188-2835.

Additionally, bond proceeds will be used to pay costs of issuance, capitalized interest, capitalize an operating deficit reserve, and pay development-related soft costs.

Preliminary estimated project costs are as follows:

Land	$1,330,000
Bldg. Acquisition:	11,970,000
Renovations:	1,545,000
Total:	**$14,845,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: **Villagebrook Apartments Limited Partnership, an Illinois Limited Partnership (c/o Mr. David Gottlieb, Executive Director, Full Circle Communities, Inc., 500 Skokie Blvd., Suite 600, Northbrook, IL 60062; Ph.: 847-501-5450; Fax: 847-480-5760;**
E-mail: david.gottlieb@bannerapartments.com)
(Alternate Full Circle Contact: Milton Pinsky, Associate Executive Director;
E-mail: milton.pinsky@bannerapartments.com)

Project name: **Villagebrook Apartments**
Location: 244-288 E. St. Charles Rd, Carol Stream (DuPage County), Illinois 60188-2835
Organization: Limited Partnership
State: Illinois

Ownership of Applicant: **Villagebrook Apartments Limited Partnership, an Illinois Limited Partnership**

- **Full Circle Villagebrook GP, LLC, an Illinois Limited Liability Company, General Partner: 1.00%.** The sole member of Full Circle Villagebrook GP, LLC is Full Circle Communities, Inc., Northbrook, Illinois, a 501(c)(3) corporation. **A list of Board Members for Full Circle Communities, Inc. follows:**
    - David Gottlieb, Director/Executive Director (Full Circle Communities, Inc. and Banner Properties, Inc.,) Northbrook, IL
    - Milton Pinsky, Director/Associate Executive Director (Full Circle Communities, Inc. and Banner Properties, Inc.,) Northbrook, IL
    - Lynn Bergstrom, Director, (Director of Consulting for Lakefront SRO, Chicago)
    - John Lukehart, Director, Oak Park, IL (Leadership Council for Metropolitan Open Communities)
    - Martin Pinsky, Director (CFO, Banner Properties, Inc., Northbrook, IL)
    - Kale Williams, Director (Loyola University, Chicago; Center for Urban Research)
    - Hank Zuba, Director, Oak Park, IL (President of Merriam/Zuba LTD>)

- **Paramount Financial Group, Inc. and affiliates, Granville, OH: 99.00%** (through syndication of 4% Low Income Housing Tax Credits to large corporations, including affiliates, subsequent to closing). Paramount Financial Group is GMAC Commercial Mortgage Corporation's tax credit syndication affiliate.

Current Property Owner: **Villagebrook Investors, an Illinois limited partnership**

Tandem Associates, an Illinois limited partnership (General Partner): The principal owner of General Partner is **Tandem Property Affiliates, Inc.**, an Illinois corporation (Jan E. Juynh, President; Daniel N. Epstein, VP; Tandem Property Affiliates, Inc., 222 N. LaSalle St., Suite 1414, Chicago, IL 60601)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Much Shelist	Chicago, IL	Michael Viner
Accountant:	Dauby O'Connor & Zaleski	Carmel, IN	Bill Farrington
Bond Counsel:	Peck Shaffer & Williams LLP	Chicago, IL Louisville, KY	George Buzard Sujyot Patel
Underwriter:	Piper Jaffray & Co.	Minneapolis, MN Chicago, IL	Mark Appelbaum Nessy Shems
Underwriter's Coun.:	Gilmore & Bell, P.C.	Kansas City, MO	Kim Wells
Credit Enhancement:	Federal Home Loan Mortgage Corp. (Freddie Mac/FHLMC)	McLean, VA	Leonard Clark
FHLMC Counsel:	Ballard Spahr Andrews & Ingersoll, LLP	Washington, DC	Margo BeVier Stern
FHLMC Lender:	Deutsche Bank Berkshire Mortgage, Inc.	Rosemont, IL	Allan Edelson
Counsel to Credit Enhancer:	Cassin Cassin & Joseph LLP	New York, NY	Deborah Franzblau
Tax Credit Investor:	Paramount Financial Group, Inc.	Granville, OH	Amanda Burger
Tax Credit Investor's Counsel:	Nixon Peabody LLP	Boston, MA	Thomas Giblin
Subordinate Debt:	Federal Home Loan Bank of Chicago	Chicago, IL	
Trustee:	J.P. Morgan Trust Company, N.A.	Pittsburgh, PA	Kerry Zombeck
General Contractor:	Full Circle Management, LLC	Northbrook, IL	
Management Agent:	Metroplex, Inc.	Chicago, IL	Linda Capriotti

Rating Agency:	S&P Ratings Group	New York, NY	Chris Moriarty
IFA Counsel:	Bell Boyd & Lloyd, LLC	Chicago, IL	Larry Eppley, Pawel Chudzicki

LEGISLATIVE DISTRICTS

Congressional:	6	Henry J. Hyde
State Senate:	23	Ray Soden
State House:	45	Carole Pankau

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 12, 2005

Project: **Freeport Area Economic Development Foundation, Inc. (Freeport/Stephenson County Visitors Center Project)**

RECENT DEVELOPMENTS

- **This request is for a 6-month extension of Participation Loan Commitment originally approved at the August 2004 Board Meeting (see Voting Record on p. 2)**
- **Because construction was initiated approximately 60 days late, project completion is now projected around 4/30/2005**
- **Proposed increase in Freeport/Lena/Stephenson County Hotel-Motel Tax Rate from 3% to 5% was approved by each jurisdiction and went into effect as of 10/1/2004**
- **Collections for the four months ended 2/28/2005 have been reasonably consistent (i.e., within 5%) of the original annualized forecasted results presented in August 2004 (see p. 4)**
- **With the entire 2% increase in the Hotel-Motel tax rate dedicated for repayment of the underlying lease payments (which in turn service the Bank/IFA Participation Loan), actual dedicated collections of the Hotel-Motel tax have totaled approximately $51,000, sufficient to provide 1.24x coverage on the anticipated maximum $41,273 lease/debt service payments on the State Bank of Freeport/IFA Participation Loan**
- **The Borrower's fundraising efforts have been successful. As a result, the Bank anticipates that the final amount of the combined State Bank of Freeport/IFA Participation Loan amount will be no more than $480,000 (see Loan Condition #3 below)**

STATISTICS

IFA Project #:	**B-LL-NP-TX-412**	**Amount:**	**$250,000 (not-to-exceed amount)**
Type:	**Participation Loan**	**IFA Staff:**	**Rich Frampton**
Location:	**Freeport**	Tax ID:	36-3280411
SIC Code:	8641	Est. 1st Yr. Interest:	$10,625

BOARD ACTION

6 month Extension of Final Participation Loan Resolution approved 8/10/2004
Maximum $250,000 of IFA funds at risk

Staff recommends approval subject to the following Extraordinary Conditions:
Maximum IFA Participation of $250,000 in a maximum $500,000 State Bank of Freeport (the "Bank") Loan subject to the Applicant satisfying the following terms and conditions set forth in the Bank's loan commitment:

1. Minimum fair market value appraisal upon completion on subject property in an amount not less than $625,000, subject to final certification upon completion as required by the State Bank of Freeport. Given the special purpose nature of the subject building, a final certification of liquidation value may be substantially less $625,000, however. The stability of the dedicated Hotel-Motel Tax revenues provides a significantly more stable and predictable source of cash flows than on most IFA Participation Loans. Accordingly, staff recommends approval of a policy exception in the event that a liquidation value appraisal results in a property value that is less than $625,000.
2. Mortgage will include an embedded Assignment of Rents and Leases. (No corporate guarantee from the Tenant will be required, however.)

3. All future contributions to the Visitor Center Building Fund must be applied to reduce the principal balance on the Bank/IFA Loan. To the extent there are prepayments or excess contributions (i.e., above $150,000), the Bank and IFA loans shall be reduced on a dollar-for-dollar (i.e., *pro rata*) basis.

PURPOSE

Permanent, take-out financing for acquisition of a newly constructed Freeport/Stephenson County Visitors Center, just east of the US Bypass 20/US Business 20 interchange on the east side of Freeport.

IFA CONTRIBUTION

IFA will apply $250,000 from IFA's Credit Enhancement Development Fund to purchase a 50% loan participation in a (maximum) $500,000 senior mortgage loan by the State Bank of Freeport.

VOTING RECORD

Participation Loan Resolution Approved August 10, 2004:

Ayes: 12 Nays: 0 Abstentions: 0 Absent: 0

Vacant: 0

SOURCES AND USES OF FUNDS

Sources:	State Bank of Freeport	$250,000	Uses:	Project costs	$631,300
	IFA Participation Loan	$250,000		Soft/finance costs	18,700
	Cash Equity	150,000		**Total**	$650,000
	Total	$650,000			

The Freeport EDF will provide a minimum of $150,000 cash equity at closing, generated from existing cash balances, pledges, fundraising, and upfront kiosk signage rights payments. To the extent that these contributions exceed $150,000, the State Bank of Freeport/IFA Participation Loan will be reduced on a dollar-by-dollar basis.

According to the State Bank of Freeport, the Freeport EDF has available cash balances of $178,932 dedicated for this project as of 3/15/2005.

JOBS

Current employment:	2	Projected new jobs:	1.5 FTE's
Jobs retained:	0	Construction jobs:	15 (6 mo.'s)

BUSINESS SUMMARY

Background: **The Freeport Area Economic Development Foundation (the "Foundation" or the "Borrower/Obligor") is an Illinois 501(c)(3) corporation established in 1984.** The Foundation is governed by a 30 member Board of Directors.

The Foundation will be borrowing on behalf of the Freeport/Stephenson County Convention & Visitors Bureau (the "CVB" or the "Tenant"). The CVB is an Illinois 501(c)(6) organization incorporated in 1991 to promote the growth of the tourism industry in Stephenson County.

Listings of the respective Boards of the Foundation and the CVB are attached to this report.

Borrower Description: The Foundation's mission is to promote business development in Freeport, Stephenson County, and the Northwest Illinois area. The Foundation's efforts focus on the retention and creation of primary employment, as well as serving the service and retail markets. The Foundation works collaboratively with various local government units in Stephenson County and units of state government to achieve its objectives.

Tenant Description: The Freeport/Stephenson County Convention and Visitors Bureau will be the sole tenant of the proposed building, which will be located on the east side of Freeport, just east of the Bypass US 20/Business US 20 interchange. The proposed facility will serve as the Freeport/Stephenson County Visitors Center. The purpose of the Visitors Center will be to serve as the an entry point to promote Freeport, Stephenson County, and the surrounding area as a location for recreation, tourism, commercial, industrial, and residential and retirement opportunities, in order to encourage the economic development of the region.

The CVB is primarily funded with Hotel/Motel Tax Revenues pursuant to Freeport City Ordinance, Stephenson County Ordinance, and Village of Lena Ordinance.

These Hotel/Motel Tax Revenues will provide the source of funding for the CVB to cover its rental payment obligations to the Freeport Area Economic Development Foundation.

Description: The proposed 4,600 SF facility will be located on an approximately 1.2 acre site, at the northwest corner of U.S. Hwy. 20 and Browns Mill Road (and adjacent to westbound traffic). The Visitors Center will be located on the east side of Freeport, just east of the US Bypass 20/US Business 20 interchange (and The Kelly-Springfield Tire & Rubber Company's manufacturing plant).

The Visitors Center will be similar to high amenity interstate "Rest Areas", with restrooms, vending machines, an ATM machine, in addition to a staffed information desk and kiosks with brochures, maps, and locators regarding hotels, restaurants, shopping, businesses, housing, health care, and recreational facilities in the area. Access from eastbound US 20 will be provided at Browns Mill Road.

Comments: The Freeport Area Economic Development Foundation referred this project to IFA. The Executive Director of the Foundation, Mr. Robert J. Skurla, has a longstanding relationship with IFA (IDFA), including referring several loan projects to IDFA and helping IDFA establish a successful Volume Cap partnership with the South Suburban Mayors and Managers Association in 1998 while he served as Executive Director of the Chicago Southland Development, Inc.

Financials: Audited financial statements Freeport Area Economic Development Foundation, Inc. for 2001-2003. Preliminary financial statements for FYE 12/31/2004. Projected financial statements for 2005-2006. Projections assume lease revenues of $41,000 beginning in 2005 pursuant to the lease with CVB.

	Year Ended December 31			Year Ending December 31		
	2001	2002	2003	2004	2005	2006
	(Dollars in 000's)			(Dollars in 000's)		
Income statement:						
Sales	$261	$245	$276	$242	$295	$303
Net income	14	(26)	41	1	3	4

Balance sheet:

Current assets	200	169	233	95	94	104
PP&E	119	119	93	732	720	698
Other assets	10	10	15	15	15	15
Total assets	329	298	341	842	829	817
Current liabilities	129	125	127	143	143	143
Debt	0	0	0	484	468	451
Other LT Liab.	0	0	0	0	0	0
Equity	200	173	214	215	218	223
Total Liab/equity	329	298	341	842	829	817
Ratios:						
Debt/Fixed Ob. Cov.	2.36x	(0.00x)	**9.40x	1.40x	1.20x	1.24x
Current ratio	1.55	1.35	1.83	0.67	0.66	0.72
Debt/equity	N/A	N/A	N/A	2.33	2.22	2.10

**Reflected one-time gain of $57,000 from asset sale

Discussion: Project projections for 2004-2006 prepared by the CVB based on actual annual historical collections follows below:

	Year Ended December 31			Year Ending December 31		
	2001	2002	2003	2004	2005	2006
				Pre-Audit	**Projected**	
Hotel/Motel Tax Revenues:	92	104	91	100	152	152
Dedicated Incremental Tax Revenue per Bank for Debt Service:					*61*	*61*
Proposed Debt Service Pmt.					*41*	*41*
Loan payment coverage:					*1.49x*	*1.49x*

Although the Freeport Area Economic Development Foundation will be the Borrower and Obligor for this financing, lease payments from the Freeport/Stephenson County Convention and Visitors Bureau (CVB) represent the principal source of repayment for this loan.

The CVB's primary source of funding is Hotel/Motel Tax Revenue from lodging facilities located in the City of Freeport, the Village of Lena, and unincorporated Stephenson County. There are 475 rooms available countywide. The average weeknight room rate is approximately $63 according to the CVB.

Annual Hotel/Motel Tax Revenues had averaged $95,000 per annum from 2001-2003 at the prior 3% tax rate. The proposed lease payments are approximately $41,000 annually for 20 years.

The countywide Hotel/Motel Tax was increased from 3% to 5% as of 10/1/2004 to finance this project. Based on 2003 Hotel/Motel Tax Revenues of approximately $91,000 (which is less than the 3-year average), annual Hotel/Motel Tax revenues should increase to approximately $152,000 based on historical occupancy rates and is assumed above.

An additional source of cash flow will be CVB's existing $3,000 annual lease payment for a portion of a commercial building located on US 20, west of Freeport. These lease payments will be diverted to rent payment for the new facility upon completion.

Collateral Analysis : The State Bank of Freeport/IFA Loan will be secured by a first mortgage on the subject property and an assignment of rents and leases pursuant to the $40,000 annual rental payment (the actual loan payments will be approximately $39,000)

The State Bank of Freeport is requiring a certification of the final appraised fair market value of the subject property upon completion as a pre-condition to closing. The minimum appraised fair market value of the property upon completion must be not less than $625,000.

Based on the proposed $500,000 State Bank of Freeport/IFA Participation Loan, the proposed loan represents 80% of minimum appraised fair market value and 79.2% cost (which is a high advance rate for a special purpose facility). Nevertheless, given the strong and relatively stable dedicated cash flow from the CVB's Hotel/Motel Tax Revenues, this project has a more stable and predictable source of cash flow than most IFA loan projects.

The stability of these tax-supported cash flows compensates for the relatively high loan-to-cost ratio proposed for the subject financing.

FINANCING SUMMARY

Bank Security: **The Bank and IFA will be jointly secured by a shared first mortgage on the subject real estate with an embedded Collateral Assignment of Rents and Leases on the underlying 20-year lease between the Freeport Area Economic Development Foundation and the Freeport/Stephenson County Convention and Visitors Bureau.**

Structure: **Maximum $500,000 Term Loan from the State Bank of Freeport with a maximum $250,000 participation in the $500,000 Bank Loan to be purchased by IFA. The Bank and IFA will share a *pro rata* first security interest in the project assets.**

Maturity: **Five (5) year initial term with provision to extend for additional three additional (5) year terms (with IFA Participation Loan extended for up to a second 5 year term, thereby resulting in an IFA participation in the Bank Loan for up to 10 years). Final maturity date of Bank Loan if extended to maximum maturity: 20 years.**

Amortization: **20 years**

Interest Rate: **Bank/IFA Loan will be priced initially at a fixed rate reset after the initial term of 5 years. The Bank/IFA Loans will be repriced at an interest rate determined by the Bank according to the Loan Agreement with the Freeport EDF. The current estimated interest rate on the State Bank of Freeport's Loan will be 6.25% for the first 5 years. Accordingly, IFA's $250,000 Participation will be priced at 4.25% fixed for the first five years, thereby resulting in an estimated blended rate of 5.25% on the Bank/IFA mortgage loan for the initial five year term.**

Conditions: **See Page 1 of this report.**

PROJECT SUMMARY

Loan proceeds will be used to construct and provide permanent financing for the acquisition of approximately 1.18 acres of land, construction and equipping of an approximately 4,600 SF visitors center with parking to accommodate approximately 55-60 passenger vehicles thereon (plus 4 semi-trailers), related site improvements thereon located near the NW corner of Browns Mill Road and US Highway 20, Freeport (Stephenson County), Illinois 61032.

The Obligor on the proposed loan will be the Freeport Area Economic Development Foundation, Inc.. The Foundation will lease the subject facility to the Freeport/Stephenson County Convention & Visitors Bureau, Inc.

Estimated project costs are as follows:

Land:	$7,400
Building & Improvements:	613,500
Equipment/Furnishings:	10,400
Total	**$631,300**

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Obligor: **Freeport Area Economic Development Foundation; http://www.freeport-il-econ-dev.com/**

Borrower Contact: **Mr. Robert J. Skurla, Executive Director, Freeport Area Economic Development Foundation, 26 S. Galena Avenue, Freeport, IL 61032; Tel.: 815-233-1350; e-mail: bskurla@aeroinc.net**

Tenant: **Freeport/Stephenson County Convention & Visitors Bureau; http://www.stephenson-county-il.org/**

Tenant Contact: **Ms. Connie Sorn, Executive Director, Freeport/Stephenson County Convention and Visitors Bureau, 2047 AYP Road, Freeport, IL 61032; Tel.: 815-233-1357; e-mail: stephcvb@aeroinc.net**

Project name: **Freeport/Stephenson County Visitors Center**

Location: NW corner of Browns Mill Road and US Highway 20, Freeport (Stephenson County), Illinois 61032

	Obligor:	**Tenant:**
	Freeport Area Economic Development Foundation, Inc.	Freeport/Stephenson County Convention & Visitors Bureau, Inc.
Organization:	501(c)(3) corporation	501(c)(6) corporation
State:	Illinois	Illinois

Board of Directors: Attached

Current Owner of Subject Real Estate: Chad Chahoon Construction, Orangeville, IL. (Chahoon Construction purchased the subject property from the Illinois Department of Transportation for $7,000.)

PROFESSIONAL & FINANCIAL

Counsel – Obligor:	Daniel G. Fishburn	Freeport, IL	Dan Fishburn
Accountant– Obligor:	Clifton Gunderson LLP	Sterling, IL	
Accountant–CVB:	Lindgren, Callahan, Van Osdol Co., Ltd.	Freeport, IL	
Bank:	State Bank of Freeport	Freeport, IL	Doug Cross, Chris Schneiderman
Bank Counsel:	State Bank of Freeport (In-house counsel)		
Architect:	Christopher Fye & Associates	Freeport, IL	
General Contractor:	Chad Chahoon Construction Co.	Orangeville, IL	Chad Chahoon
Appraiser:	John P. Hill & Associates	Freeport, IL	
IFA Counsel:	Dykema Gossett PLLC	Chicago, IL	David Celliti

LEGISLATIVE DISTRICTS

Congressional:	16	Donald A. Manzullo
State Senate:	45	Todd Sieben
State House:	89	Jim Sacia

Freeport Area Economic Development Foundation, Inc.

Board of Directors:

Executive Committee:

Chair
Doug Cross
President & CEO State Bank
Freeport, IL 61032

Vice Chair
Brian Stewart
President & CEO Stewart & Associates, Inc.
Freeport, IL 61032

Secretary
Dan Fishburn Partner /Attorney
Snow, Hunter, Whiton & Fishburn, Ltd.
Freeport, IL 61032

Treasurer
Doug Freidag, CPA CFP CPBC
Freidag Associates
Freeport, IL 61032

Mayor of Freeport
James Gitz, Mayor
City Of Freeport

County Chair
John Blum
Stephenson County Board
Freeport, IL 61032

Past Chair
Dennis Hamilton
President, Freeport Health Network

Members At Large

Martha W. Furst
President & CEO, Furst McNess Co.
Freeport, IL 61032

Bruce Helm
President, The Helm Group
Freeport, IL 61032

Dave Swift
President & CEO
Freeport, IL 61032

Directors:

Matt Arn, Interim Board President
Freeport Downtown Development Foundation
Freeport, IL 61032

Mike Clark
Aldermanic Finance Chair, Freeport Health Network
Freeport, IL 61032

Lyle Dirks
Casualty Manager, MetLife Auto & Home
Freeport, IL 61032

Dr. Ronald Field
President, Highland Community College
Freeport, IL 61032

Jim Fox
Community Relations Manager, ComEd
Freeport, IL 61032

Jim Fritz
President, Amcore Bank
Freeport, IL 61032

Craig Geiser
Owner, Gastel & Associates
Freeport, IL 61032

Jim Graham
Economic Development, Nicor Gas
Freeport, IL 61032

Kim Grimes
Executive Director, Freeport Area Chamber of Commerce
Freeport, IL 61032

Mick W. Gronewold, PE
Partner, Fehr-Graham & Associates
Freeport, IL 61032

Kevin Harn
President, Harn Construction
Freeport, IL 61032

Dr. Roger Hulsebus
Partner, Hulsebus-Gehlsen Chiropractic Clinic
Freeport, IL 61032

Tom Huber
President, Union Savings Bank
Freeport, IL 61032

Roger Kerr
Executive Officer, Freeport-Galena Area Association of Realtors
Freeport, IL 61032

Directors – cont'd.

Tom Lasse
KST Properties, LLC
Beloit, WI 53511

Bob Levin
Executive Director, Rockford Area Council of 100
Rockford, IL 61110-0247

Bill Leibman
Director of Information Technology, Honeywell Sensing & Control
Freeport, IL 61032

Hal McKiski
Owner, Hal McKiski Construction
Cherry Valley, IL 61016

Donald Morse
President, Morse Electric, Inc.
Freeport, IL 61032

Alice Ohrtmann
Executive Director, Freeport Water & Sewer Commission
Freeport, IL 61032

Jerry Pye
Publisher, The Journal Standard
Freeport, IL 61032

Gary Quinn
Zone Manager, Fifth Third Bank
Freeport, IL 61032

Ernie Rodia
Plant Manager, Kelly-Springfield Tire Company
Freeport, IL 61032

Mike Sanders
President & CEO, The Monroe Clinic
Monroe, WI 53566

Connie Sorn
Executive Director, Stephenson County Convention & Visitors Bureau
Freeport, IL 61032

Barb Viola
Government & Public Relations Manager, Insight Communications
Rockford, IL 61101

Cindy Werkheiser
President, US Bank
Freeport, IL 61032

Dennis Wicks
A Title Escrow Company
Freeport, IL 61032

Jeff Williams
President, Kent Bank
Freeport, IL 61032

Doug Winter
President. Winter & Associates
Freeport, IL 61032

Mark Winter
President, Winter Construction
Freeport, IL 61032

Mark Wright
President, Midwest Bank of Freeport
Freeport, IL 61032

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **Michael Colando**

STATISTICS

IFA Project #:	B-LL-TX-557	Amount:	$300,000 (not-to-exceed amount)
Type:	Participation Loan	IFA Staff:	Jack McInerney
Location:	Glendale Heights	Est. fee:	$13,500 (first year's interest)
SIC Code:	7532		

BOARD ACTION

Purchase of Participation Loan from State Financial Bank
$300,000 of IFA Treasury Funds at risk
Collateral is ***pari passu*** first position with bank
Staff recommends approval, subject to:

- Completion of a fair market value appraisal on the subject property demonstrating a loan to value ratio of no higher than 80%
- Compliance with all bank loan terms and conditions
- Receipt of an updated personal financial statement for the Borrower with no materially adverse change since 12/31/03 (the effective date of the statement collected by the Bank)

PURPOSE

Finance construction of a 20,000 square-foot addition to an existing 8,000 square-foot sales showroom for higher end automobiles in Glendale Heights The addition will house 4 mechanic's bays and additional warehouse space. (IFA is not participating in the Bank's refinancing of existing debt.)

VOTING RECORD

Initial board consideration for this financing, no voting record.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA	$300,000	Uses	Project Costs	$600,000
	State Financial Bank	$750,000		Refinance	$450,000
	Total:	**$1,050,000**		**Total**	**$1,050,000**

JOBS

Current employment:	5	Projected new jobs:	7
Jobs retained:	N/A	Construction jobs:	20

BUSINESS SUMMARY

Description: D&M Auto Sales Inc is an Illinois S-Corporation established in 1987 that is owned by Michael Colando. D&M Auto Sales is a used auto dealer located in Glendale Heights that specializes in sales of expensive sports cars such as Corvettes, Porsches and Ferraris. The addition will enable D&M to more than double its showroom and storage space and allow the company to service the cars that it sells.

The D&M has agreed to have the Village of Glendale Heights annex its site. The company will receive half of the sales tax revenue it generates, capped at $200,000.

Borrower Financials: Tax returns for Michael and Terri Colando for 2003 and Personal Financial Statements as of 12/31/03 submitted to State Financial Bank on 6/4/04

The Colando's reported gross income of $475,000, comprised of salary of $92,000 earned at D&M Auto Sales and rental income of $383,000. The Colando's reported a net worth of $2,786,000 as of 12/3103. Total assets were valued at $4,528,000, consisting of real estate of $4,085,000, 00,000, cash and cash equivalents of $206,000, stock in JB Oxford valued at $23,000, $100,000 note payable from D&M Auto and personal property, IRA assets and other assets for the balance. (The net worth and assets totals summarized above exclude $500,000 in D&M stock and receivables.)

The Colando's real estate holdings consist of the subject property valued at $850,000, 4 additional commercial properties valued at $1,610,000, residential property in Medinah, IL and Orlando, FL valued at $1,550,000 and a vacant lot in Arizona valued at $75,000. The Colando's liabilities consist of several mortgages, with an outstanding balance of $1,202,000. The subject property and Illinois residence are currently financed by Harris Bank. One commercial property valued at $250,000 is financed by State Financial. The vacant land and one commercial property are seller financed, with remaining properties owned free and clear. Annual mortgage payments were reported at $166,000, or 45% of reported Adjusted Gross Income.

Tenant Financials: Financial statements for D&M Auto Sales for the year ended December 31, 2002 and 2003 and ten months ended 10/31/04. Projections prepared by IFA staff. Dollars in thousands.

	Actual			**Forecast**			
	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Income Statement							
Net Sales	7,847	9,200	9,509	9,509	9,509	9,509	9,509
Net Income	150	197	388	235	293	296	299
Earnings Before Interest, Taxes, Depreciation & Amortization	236	286	481	411	442	452	463
Balance Sheet							
Current Assets	1,427	1,725	1,754	1,899	2,136	2,377	2,617
Net Property, Plant and Equipment	56	81	79	664	671	676	684
Other Assets	1	2	2	2	2	2	2
Total Assets	1,484	1,808	1,835	2,564	2,810	3,055	3,303
Current Liabilities	939	1,178	987	1,001	1,110	1,228	1,362
Long-term Debt	0	0	0	585	560	525	475
Sub Note Payable to Mike Collando	409	409	409	409	409	409	409
Stockholder's Equity	136	221	439	569	730	893	1,057
Total Liabilities and Stockholder's Equity	1,484	1,808	1,835	2,564	2,809	3,055	3,303

Ratios

Debt Service Coverage	2.50	2.37	4.38	1.99	2.09	1.96	1.85
Current Ratio	1.52	1.46	1.78	1.90	1.92	1.94	1.92
Debt to Equity	0.00	0.00	0.00	1.03	0.77	0.59	0.45

Discussion: D&M Auto Sales has reported rising sales and earnings during the period reviewed. (Results for 2004 are estimated, based on annualized results through 10 months.) Current assets almost entirely of cars available for sale. Unlike many high-end used car dealerships, Mr. Colando owns his inventory rather than selling cars on consignment. Inventory turnover (annual sales divided by inventory) has exceeded 5 times over the period reviewed. When purchasing more expensive cars, Mr. Colando generally has a buyer arranged before completing the purchase. Equipment and leasehold improvements comprise net fixed assets. (The building is owned personally by Mr. Colando.)

As of October 31, 2004, D&M Auto had a $981,000 balance on a bank line of credit secured by inventory and other assets. Mr. Colando has also extended a subordinated note to the company with a balance of $409,000, which has remained outstanding with no amortization over the period reviewed.

The banker and Mr. Colando expect continued rapid growth in sales. Our forecast assumes no growth in sales and continuation of historical operating margins. Our forecast assumes that the project is begun by June 2005 and completed by yearend. Interest expense is forecast at an average rate of 10% per year.

Even under this pessimistic scenario, it appears that D&M Auto Sales should generate sufficient cashflow to service the debt. In the event that D&M Auto Sales is able to grow as it expects, debt service coverage would be higher if operating margins track historical levels. Under this scenario, D&M would require increased bank financing, which could probably be secured by assignment of inventory and other business assets.

Collateral: D&M Auto Sales currently occupies and operates out of an 8,000 square foot facility on North Avenue IL Highway 64 approximately one mile west of I-355. The building is personally owned by Mr. Colando. Mr. Colando is adding on to the back of this space to create additional warehouse/showroom space. The new addition with include approximately 4 service bays, allowing for a small service department. The Bank currently values the property at $850,000 with the pre-cast addition costing approximately $600,000. Mr. Colando is requesting a new first mortgage, replacing the existing first mortgage of $450,000 and including the construction costs of $600,000, for a total of $1,050,000 (72% LTV based upon cost and existing value). A market appraisal will be a condition of funding with the loan not to exceed 80% of appraised value (i.e., $1,313,500).

Asset	Source of Value	Date	Eligible Value($000s)	Advance Rate	Collateral Value ($000s)	Prior Liens	Net Value ($000s)
22W231 North Avenue	Officer	10/04	$850	80%	$680	$-0-	$680
Construction Costs	Cost	10/04	$600	80%	$480	$-0-	$480
Total Collateral			$1,450				$1,160
Loan Amount							$1,050
Collateral Surplus/(Deficit)							$110
LTV (loan to value)							72%

FINANCING SUMMARY

Borrower:	D&M Auto Sales Inc.
Security:	Pro-rata first mortgage "pari passu" with State Financial Bank (Elgin) on the subject real estate, an assignment of rents/leases on 22W231 North Ave, Glen Ellyn, IL and corporate guaranty from D&M Auto Sales.
Structure:	IFA's interest rate will be 200 basis points below what the Bank is charging the customer, with the Bank passing on the entire 200 basis point savings to the borrower. The Bank's interest rate will be 325 basis points over the 5-year LIBOR SWAP, fixed for 5 years at the time of closing (estimated at 7.865% with the spread as of 4/5/05)
Maturity:	This loan will have a 25-year amortization.
Covenants:	Prepayment penalty will be 90 days of interest.

PROJECT SUMMARY

Mr. Colando has entered into a contract with FCL General Contractors to construct a 20,000 precast addition behind an existing showroom located at 22W231 North Avenue in Glen Ellyn (DuPage County), Illinois. Project costs are estimated at $600,000.

ECONOMIC DISCLOSURE STATEMENT

Project Name:	D&M Auto Sales
Location:	22W231 North Avenue, Glen Ellyn, IL
Organization:	Illinois S-Corporation
Applicant:	Michael Colando, President, D&M Auto Sales Inc., 22W231 North Avenue, Glen Ellyn (DuPage County), IL. Telephone: (630) 858-8358.

PROFESSIONAL & FINANCIAL

Bank:	State Financial Bank	Elgin, IL	Justin Luppino
IFA Counsel:	Dykema Gossett PLLC	Chicago, IL	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional:	6	Henry J. Hyde
State Senate:	23	Ray Soden
State House:	45	Carole Pankau

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: **County of Kankakee**

STATISTICS

Project Number:	L-GO-TE-CD-524	Amount:	$29,000,000 (not to exceed amount)
Type:	Local Government	FM:	Steve Trout
Location:	Kankakee County	Est. fee:	$39,000

BOARD ACTION

Final Resolution to Issue Debt Certificates
Local Government Debt Certificates
No IFA funds at risk.

Staff recommends approval
No Extraordinary Conditions

PURPOSE

To finance a new 384-bed jail facility and pay costs of issuance

IFA CONTRIBUTION

Convey federal and Illinois income tax exemption
Volume Cap is not required for issuance of Local Government Debt Certificates

VOTING RECORD

Preliminary Resolution, March 8, 2005:

Ayes: 8 Nays: 0 Abstentions: 0 Absences: 4 (Delgado, Herrin, O'Brien, Ozark)

SOURCES AND USE OF FUNDS

Sources:	GO Debt Certificates:	$26,000,000	Uses:	Project Costs	$25,560,000
				Costs of Issuance:	307,500
				Bond Insurance Premium	$132,500
	Total	**$26,000,000**		**Total**	**$26,000,000**

JOBS

Current employment:	N/A	New employment:	NA
Jobs retained:	N/A	Construction jobs:	NA

ORGANIZATION

Background: The County of Kankakee ("the County") is a Non-Home Rule municipality located approximately 50 miles south of Chicago. The County has a land area exceeding 600 square miles and a population of 103,833 according to the 2000 US Census. The County has 15 incorporated cities and villages, 17 townships and several special purpose bodies that provide a wide range of services to County residents and institutions. The City of Kankakee is the County's seat.

The County Board, comprised of 28 members, establishes the County Government's budget and policies. The Board Chair is Karl Kruse. A Director of Finance appointed by the Board and an elected Treasurer and Auditor manage the County's finances.

Description: An elected sheriff, Tim Bukowski manages the County's jails and police department. The County employs 75 full-time correctional officers, 2 commissary clerks, 4 part-time medical doctors, 1 full-time nurse, and 3 part-time nurses. The County plans to add 29 more correctional officers to monitor additional inmates from outside Kankakee. The County recently opened a new 312-bed jail to replace an outdated 244-bed facility. The average census in 2003 was 278 inmates.

The Project: The project will finance construction of a new 384-bed jail. Capital and operating costs for the project will paid by the US Marshall Service on a per diem basis for housing federal inmates. The County expects that these payments will exceed $4 million per year once the new facility is open and should be sufficient to realize a profit after paying all associated capital and operating costs for this activity. Income generated will be used to fund general government programs and reduce taxes paid by County residents and institutions.

The Project will be financed by Debt Certificates, which constitute a legally binding general obligation of the County payable from all legally available County funds. The County has no authority to levy a special tax to pay principal and interest on the Debt Certificates. The County's last issue of Debt Certificates dated February 15, 2004 is insured by AMBAC Assurance Corporation and rated "AAA" by Standard & Poor's, with an underlying rating of "A-". The County anticipates that these Debt Certificates will also be insured but bids have yet been sought.

The Certificates will be payable from General Fund revenues and monies on hand. The County will annually appropriate funds to operate the facility and pay debt service on the Certificates.

Financials: Audited financial statement for fiscal years ended November 30, 2000, 2001, 2002, and 2003 for the County's General Fund. All figures are in thousands.

Statement of Revenues & Expenditures	**2000**	**2001**	**2002**	**2003**
Taxes	$ 6,104	$ 6,566	$ 7,366	$ 9,500
Intergovernmental	4,942	4,915	4,754	4,876
Charges for services	2,066	2,241	3,699	3,864
Licenses and permits	148	207	221	224
Fines and forfeits	772	910	797	919
Interest on Investments	139	152	84	387
Miscellaneous	310	386	252	233
Total Revenues	$ 14,481	$ 15,377	$ 17,173	$ 20,003
Expenditures				
General Government	$ 5,781	$ 4,813	$ 5,697	$ 5,555
Judiciary and court-related	4,202	4,478	4,905	5,596
Public Safety	5,494	5,927	6,467	7,708
Other	238	-	-	612
Total expenditures	$ 15,715	$ 15,218	$ 17,069	$ 19,471
Excess (deficiency) of Revenues Over Expenditures	$ (1,232)	$ 160	$ 105	$ 181
Total other financing sources (uses)	$ 1,324	$ 79	$ 619	$ 322
Excess (deficiency) of revenues over expenditures and other sources (uses)	$ 92	$ 239	$ 725	$ 504
Beginning Fund balance	2,327	2,549	2,789	3,546
Residual equity transfers in (out)	129	-	31	-
Ending Fund balance	$ 2,548	$ 2,788	$ 3,545	$ 4,050

Discussion: The County manages its finances through a series of self-balancing funds. Its largest fund is the General Fund, which accounts for over 57% of all Governmental Funds. The Statement of

Revenues and Expenditures summarized above accounts for General Fund revenues, expenditures and net transfers to other funds. Major revenue sources include: taxes, consisting of sales and property taxes (48%), intergovernmental funds, consisting of State and federal reimbursement, income and other taxes collected by the State (25%), service charges, consisting of court, building and zoning, sheriff and other fees (20%), fines and forfeits (5%), licenses and permits (1%) and all other (1%). Revenues have steadily increased over the period reviewed.

General Fund resources are spent on public safety, including police, jail and emergency services (40%), judiciary, including courts, state's attorney, public defender and other services (29%), general government (29%) and debt service (3%). Spending has tracked growth in revenues and has been spurred by particularly rapid growth in public safety and court related services costs.

The General Fund has made relatively few transfers in or out of this Fund. The County has periodically recorded receipt of bond proceeds as a source of income to fund capital expenditures made by the General Fund.

As of November 30, 2003, the General Fund had $2,950,000 in unrestricted cash and investments, or enough for 55 days of operating expenditures. The unreserved fund balance totaled $3,985,000, or 20.5% of annual operating expenditures, a very healthy level of reserves.

A series of socioeconomic, debt and tax statistics, excerpted from the County's last official statement are attached as Appendix 1. The County's population has rebounded from 1990 levels. Per capita income and average home value lag State averages and unemployment rates exceed State averages. The County's indebtedness will significantly increase with this issue but remain within comparable industry averages. The County's tax base has steadily increased and is not overly concentrated, collection rates have remained strong, and tax rates have remained stable.

FINANCING SUMMARY

Security:	Primary: Bond Insurance Policy (expected) Secondary: Unconditional General Obligation Pledge
Repayment:	All legally available County resources. The County will annually appropriate funds to pay principal and interest on the Debt Certificates. The County's payment obligation is unconditional, regardless of whether funds are appropriated for this purpose.
Structure:	Fixed rate, serial maturities, with an early prepayment option to be developed
Maturity:	December 1, 2025 (expected)

ECONOMIC DISCLOSURE STATEMENT

Applicant:	County of Kankakee		
Officials:	Mark Frechette, Treasurer Tim Bukowski, Sheriff		
Board Members:	Karl A. Kruse, Chairman		Stephen El Liehr
	Pam M. Lee, Vice Chair		Kelly McLaren
	Ruth Barber		Ralph Marcotte, Jr.
	Ann Bernard		Leonard Martin
	Duane Bertrand		Edward W. Meents
	Linda Faber		Sam T. Nicholos
	Larry D. Gibbs		William H. Olthoff
	Douglas B. Graves		Jamie S. Romein
	Karen Hertzberger		Robert Scholl
	Frances P. Jackson	Stanley James	James Stauffenberg
	Michael J. LaGesse		

Board Members (Continued):	James Tripp Jim Vickery George Washington Jr.	Lisa Latham-Waskosky Leo Whitten Rverend Elmer E. Wilson

PROFESSIONAL & FINANCIAL

Accountant:	Smith, Koelling, Dykstra & Ohm	Bourbonnais, IL	
Bond Underwriter:	Bernardi Securities	Chicago, IL	Bob Vail
Bond Counsel:	Chapman & Cutler	Chicago, IL	Dan Johnson
Issuer's Counsel:	Mayer Brown Rowe	Chicago, IL	David Narefsky

LEGISLATIVE DISTRICTS

Congressional:	11	Gerald C. "Jerry" Weller
State Senate:	40	Debbie DeFrancesco Halvorson
State House:	79	Lisa Dugan

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY

Project: County of Jefferson

STATISTICS

Project Number:	L-GO-TE-CD-559	Amount:	$16,000,000 (not to exceed amount)
Type:	Local Government	IFA Staff:	Steve Trout and Rick Pigg
Location:	Jefferson County	Est. fee:	$22,500

BOARD ACTION

Final Resolution
Conduit Local Government Bond
No IFA funds at risk.

Staff recommends approval
No Extraordinary Conditions

PURPOSE

To refinance Jefferson County General Obligation Alternate Revenue Bonds, Series 2003-A & B

IFA CONTRIBUTION

Convey federal and Illinois income tax exemption

VOTING RECORD

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

SOURCES AND USE OF FUNDS

Sources:	IFA Bonds:	$15,357,000	Uses:	Refunding Escrow	$15,139,000
	Prior Bond Reserve	658,000		Capitalized Interest Fund	620,000
				Costs of Issuance	165,000
				Bond Insurance Premium	$91,000
	Total	**$16,015,000**		**Total**	**$16,015,000**

JOBS

Current employment:	N/A	New employment:	NA
Jobs retained:	N/A	Construction jobs:	N/A

ORGANIZATION

Background: The County of Jefferson ("the County") is a municipality located in southern Illinois approximately 80 miles east of St. Louis and 275 miles south of Chicago. The County encompasses 571 square miles and has a population of 40,045, according to the 2000 US Census. Government, retail trade, manufacturing, service industries and farming comprise the County's economic base. The City of Mount Vernon is the County's seat.

The County operates under a Board form of government. Fifteen Board members are elected to two-year, staggered terms and establish the County's budget and policies. The Board elects a County President who serves as the County's Chief Executive Officer. Elected County officials include County Clerk and Recorder, Treasurer and Collector, State's Attorney, Circuit Clerk, Circuit Judges, Coroner, Sheriff and Regional Superintendent of Education.

The Project: The bonds to be refunded financed the construction of a 244-bed jail and administrative facility for the Sheriff's Office. The US Marshall's Service and the Department of Immigration and Naturalization Service have largely paid capital and operating costs for the project from per diem charges for housing federal inmates. The County expects to receive approximately $2.4 million in annual incarceration fees beginning in FY 2005, which will be sufficient to realize a modest profit after paying associated capital and operating costs for this activity. Income generated will be used to fund general government programs and reduce taxes paid by County residents and institutions.

Those bonds will be refinanced by the County's Alternate Revenue Bonds. These Bonds are secured by "Pledged Revenues", consisting of per diem incarceration fees paid by federal and local agencies and unencumbered County sales tax revenues and pledged taxes, consisting of an unlimited irrevocable pledge to levy ad valorem taxes if collection of the pledged revenues is ever insufficient to principal and interest on the Bonds when due. The prior bonds were structured similarly to the subject Bonds and are insured by Financial Guaranty Insurance Company ("FGIC") and are rated "AAA" by Standard & Poor's Corporation ("S&P"). The County is finalizing terms with FGIC for insurance for these Bonds, which would convey an "AAA rating.

Financials: Audited financial statement for fiscal years ended November 30, 2000, 2001, 2002, and 2003 for the County's General Fund. All figures are in thousands.

Statement of Revenues & Expenditures	**2000**	**2001**	**2002**	**2003**
Taxes	$ 2,081	$ 2,128	$ 2,093	$ 1,612
Intergovernmental	2,102	1,894	1,924	1,583
Fines and Fees	0	2	8	10
Service Fees	1,034	1,054	1,010	1,180
Interest on Investments	140	115	55	20
Miscellaneous	100	107	90	362
Total Revenues	$ 5,457	$ 5,300	$ 5,180	$ 4,767
Expenditures				
General Government	$ 2,116	$ 2,530	$ 3,219	$ 2,266
Judiciary and Court-related	1,233	1,316	1,356	1,237
Public Safety	1,719	1,882	2,075	2,218
Other	63	60	60	61
Total expenditures	$ 5,131	$ 5,788	$ 6,710	$ 5,782
Excess (deficiency) of Revenues Over Expenditures	$ 326	$ (488)	$ (1,530)	$ (1,015)
Total other financing sources (uses)	$ 0	$ 0	$ 24	$ 0
Excess (deficiency) of revenues over expenditures and other sources (uses)	$ 326	$ (488)	$ (1,506)	$ (1,015)
Prior Period Adjustment	(131)	0	0	0
Beginning Fund Balance	1,885	2,211	1,723	217
Ending Fund balance	$ 2,211	$ 1,723	$ 217	$ (798)

Discussion: The County manages its finances through a series of self-balancing funds. Its largest fund is the General Fund, which accounts for 60% of all Governmental Funds. The Statement of Revenues and Expenditures summarized above accounts for General Fund revenues, expenditures and net transfers to other funds. Major revenue sources include: taxes, consisting of sales and property taxes (34%), intergovernmental funds, consisting of State and federal reimbursement, income and other taxes collected by the State (33%), service charges, consisting of court, building and zoning, sheriff and other fees (25%) and all other (8%). Revenues have steadily declined over the period reviewed because of decreases in economically sensitive revenues: income and sales taxes and intergovernmental grants and transfers from the State of Illinois.

General Fund resources are spent on general government (39%), public safety, including police, jail and emergency services (38%), judiciary, including courts, state's attorney, public defender and other services (22%) and all other (1%). Growth in spending for public safety and a one-time increase in spending for general government in 2002 has led to deficits in 3 of the 4 years reviewed. Ongoing operating deficits have depleted fund balances to a $798,000 ending fund deficit as of December 31, 2004, which is equivalent to 14% of operating expenditures.

The County has increasd fees and taxes and cut spending to reduce operating deficits in FY 2004 and beyond. Interim results for FY 2004 and more details on the County's budget balancing efforts are forthcoming.

Debt Service Coverage Calculation	**2001**	**2002**	**2003**	**Est. 2005**
Pledged Sales Tax Receipts	$ 1,785	$ 1,770	$ 1,379	$ 1,379
Per Diem Incarceration Fees	0	0	0	2,409
Total Pledged Revenues	$ 1,785	$ 1,770	$ 1,379	$ 3,788
Maximum Annual Debt Service	$ 1,351	$ 1,351	$ 1,351	$ 1,351
Debt Service Coverage	1.32x	1.31x	1.02x	2.80x

Pledged sales tax receipts have been sufficient to cover projected maximum debt service on the Bonds. The County expected to begin receiving incarceration fees in FY 2004. Collection of these fees has not begun until FY 2005 because of delays in opening the jail facility.

Various socioeconomic, debt and tax statistics excerpted from a near-final draft of the Preliminary Official Statement are attached as Appendix 1. The County's economic and tax base appears solid. The County's population has grown steadily but modestly from 1980 levels. Median family income and average home value have steadily risen but lag State averages. County unemployment rates generally track State averages. This Bond will be the County's only general obligation debt but are to be paid from pledged revenues rather than property taxes. The County's tax base has steadily increased and is not overly concentrated. Collection rates have remained strong, and property tax rates have declined slightly in recent years.

FINANCING SUMMARY

Security: Primary: Bond Insurance Policy (expected)
Secondary: Unconditional General Obligation Pledge

Repayment: Bonds are payable from Pledged Revenues, consisting of per diem incarceration fees paid by federal and local agencies and unencumbered County sales tax revenues and Pledged Taxes, consisting of an irrevocable pledge to levy ad valorem taxes without limitation as to rate or amount if collection of the pledged revenues is ever insufficient to principal and interest on the Bonds when due.

Structure: Fixed rate, serial maturities

Maturity: January 15, 2024 (expected)

Refinancing: This refinancing is being done to reduce early debt service requirements to match the anticipated receipt of incarceration fees from federal and local agencies. Collection of these fees was expected to begin in FY 2004 but was delayed until FY 2005 because of delays in opening the jail facility. The underwriter expects this refinancing to generate net present value savings of $52,000, or 0.36% of the refunded bonds.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	County of Jefferson	
Officials:	Ted Buck, Chairman and Chief Executive Officer	
	Debbie Elliot Marlow, Treasurer	
Board Members:	Buddy Allen	Marvin Scott
	Edgar Elliot	Richard Shurtz
	Curt Grothoff	Jeff Williams
	Brian Keck	Russell Wilton
	James Malone	Kathy Wood
	Mark Marlow	
	Gale "Wayne" Moody	
	Scott Rogers	
	William Armstrong	

PROFESSIONAL & FINANCIAL

Accountant:	Clark CPA Consulting Ltd.	Murphysboro, IL	
Borrower's Counsel:	Gary G. Duncan, Esq.	Mount Vernon, IL	Gary Duncan
Bond Underwriter:	Bernardi Securities	Fairview, IL	Mike Bowen
Bond Counsel:	Evans, Froelich Beth & Chamley	Champaign, IL	Kurt Froelich
Issuer's Counsel:	Hart, Southworth & Witsman	Springfield, IL	Sam Witsman

LEGISLATIVE DISTRICTS

Congressional:	19	John Shimkus
State Senate:	54	John Jones
State House:	104	Kurt Granberg

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 12, 2005

Project: **Resurrection Health Care**

STATISTICS

Project Number:	H-HO-TE-CD-534	Amount:	$350,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff:	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) fund approximately $251 million in new money projects, 2) refinance existing IHFA series 1995A, 1996, and 1999B bonds (partial refinancing), 3) fund a debt service reserve fund, 4) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

Ayes – 8 Nayes – 0 Absent – 4 Vacancies - 3

SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$350,000,000	Uses:	Project Costs	$242,763,345.76
				Escrow Deposits	73,944,501.45
				Bond Insurance	6,824,152.79
				Issuance Costs	3,268,000.00
				Misc. Expenses	23,200,000.00
	Total	$350,000,000		Total	$350,000,000

JOBS

Current employment:	12,295 (FTEs)	Projected new jobs:	N/A
Jobs retained:	12,295 (FTEs)	Construction jobs:	848

BUSINESS SUMMARY

Background: Resurrection Health Care ("RHC") is a 501(c)(3) corporation established under Illinois law.

Description: Resurrection Health Care traces its beginnings to November 1, 1953 when the Sisters of Resurrection opened Resurrection Hospital (now Resurrection Medical Center). On February 5 1981, Resurrection Health Care was incorporated as the parent corporation of the growing health network. RHC currently has over 80 access points in its primary service area, including eight community hospitals, 10 nursing homes, a home health network, behavioral health network, child care centers and other services. The system has over 3,200 licensed acute care beds and over 1,800 licensed nursing beds. These resources are supported by a physician staff of over 4,000.

Financials: **Resurrection Health Care**
Audited Financial Statements for 2002, 2003 & 2004

	Year Ended June 30		
	2002	2003	2004
	(Dollars in 000's)		
Statement of Revenues/Exp.:			
Revenue/Support	$1,231,546	$1,291,819	$1,409,251
Operating Income	(12,632)	20,821	9,716
Balance sheet:			
Current Assets	$276,428	$286,933	$373,866
PP&E – Net	621,453	633,407	702,446
Other Assets	566,197	688,931	810,064
Total Assets	**1,464,078**	**1,609,271**	**1,886,376**
Current Liabilities	195,789	207,574	269,803
LT Debt/Liabil.	510,528	522,033	587,112
Other Non-Current Liab.	159,060	229,685	313,373
Net Assets	598,701	649,979	716,088
Total Liab. & Net. Assets	**$1,464,078**	**$1,609,271**	**$1,886,376**
Ratios:			
Debt coverage	6.3x	8.3x	6.9x
Days Cash on Hand	156.7	214.5	233.9
Current ratio	1.41	1.38	1.39
Debt/Net Assets	0.85	0.80	0.82

Discussion: RHC's strong balance sheet (including cash and investments) provide sufficient liquidity to cover 234 days of operating expenses as of 6/30/2004.

FINANCING SUMMARY

Security: RHC currently maintains ratings with all three rating agencies. Current ratings are as follows: A1/A/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: The current plan of finance contemplates the issuance of 100% variable rate bonds, comprised of approximately $200 million of R-FLOATs and $150 million in Auction Rate Securities. A portion of the bonds will initially be issued in term mode through the call dates of the advance refunded bonds. Certain bonds may be insured by Aaa/AAA-rated municipal bond insurance.

Maturity: Up to 30 years

PROJECT SUMMARY

Bond proceeds will be used to provide a portion of the funds necessary to (i) pay or reimburse RHC for the payment of the costs of constructing, renovating, remodeling and equipping certain health facilities owned by RHC; (ii) refund or refinance all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Series 1996 (St. Elizabeth's Revenue Bonds), Series 1999B (West Suburban Medical Center Taxable Variable Rate Demand Revenue Bonds), Series 2001A (Catholic Health Partner Services Direct Note Obligation), Series 2001B (Saint Joseph Hospital Direct Note Obligation); (iii) fund working capital for RHC, if deemed necessary or advisable by RHC; (iv) fund a debt service reserve fund, if deemed necessary or advisable by RHC; and (v) pay certain expenses incurred in connection with the issuance of the Series 2005 Bonds and the refunding of refunded bonds, including but not limited to fees for credit or liquidity enhancement for the Series 2005 Bonds, all as permitted by the Illinois Financing Authority Act.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Resurrection Health Care
Location:	7435 West Talcott Avenue, Chicago, IL 60631*
Project name:	Resurrection Health Care
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois

*TEFRA notice attached for full list of addresses.

Board of Directors:
Sister Sally Marie Kiepura, CSFN.
Joseph Toomey
Robert DelGuidice
Alderman Brian Doherty
Sister Donna Marie Wolowicki, C.R.
Donald Versen, Sr.
Mrs. Sheila Hulseman
Sister Kathleen Ann Stadler, CSFN
Mr. Walter Kelly, Jr.
Sister Cecilia Mary Berdar, C.R.
Sister Mary Hedwig Kuczynski, C.R.
Sister Clara Frances Kusek, C.R.
Ada I. Arias, M.D.
Michael Prendergast, M.D.
Donald Offermann, Ph.D.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris, LLP	Chicago	Julie Seymour
Accountant:	KPMG LLP	Chicago	John Depa
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Underwriter:	Merrill Lynch & Co.	Chicago	Ken Valrugo Adam Kates
Underwriter's Counsel:	Foley & Lardner	Chicago	Rick Weiss
Bond Trustee:	Wells Fargo	Chicago	Patricia Martirano
Issuer's Counsel:	Charity and Associates	Chicago	Alan Bell

LEGISLATIVE DISTRICTS

Congressional: 9-Janice D. Schakowsky, 7-Danny K Davis, 5- Rahm Emanuel, 4-Luis V. Gutierrez, 10- Mark Steven Kirk, 6-Henry J. Hyde
State Senate: 10 – James A. DeLeo, 6- John J. Cullerton, 29-Susan Garrett, 2-Miguel del Valle, 9-Jeffery M. Schoenberg, 4-Kimberly A. Lightford, 39-Don Harmon, 33- Dave Sullivan, 8- Ira I. Silverstein
State House: 20- Michael P. McAuliffe, 12- Sara Feigenholtz, 57-Elaine Nekritz, 4-Cynthia Soto, 19-Joseph M. Lyons, 18-Julie Hamos, 7-Karen A. Yarbrough, 78- Deborah L. Graham, 17- Elizabeth Coulson, 65- Rosemary Mulligan, 15- John D'Amico, 77-Angelo "Skip" Saviano, 16-Louis I. Lang

NOTICE OF PUBLIC HEARING

Public Notice is hereby given that a public hearing will be held on April 8, 2005, at 9:00 A.M., at the offices of the Illinois Finance Authority, 427 East Monroe, Room 202, Springfield, Illinois, by the Illinois Finance Authority (the "Authority"), regarding a plan to issue one or more series of its revenue bonds (the "Bonds"), in an aggregate principal amount not to exceed $425,000,000. The proceeds of the Bonds will be loaned to Resurrection Health Care, an Illinois not for profit corporation (the "Borrower"), to be used, together with certain other funds, to (i) pay or reimburse the Borrower and certain of its affiliates (a health care system consisting of, among other things, 9 acute care hospitals with 3,144 licensed beds and 11 long-term care facilities), including without limitation Resurrection Medical Center, Our Lady of the Resurrection Medical Center, Saint Francis Hospital, Westlake Community Hospital (d/b/a Westlake Hospital), Saint Joseph Hospital ("St. Joseph"), Saints Mary and Elizabeth Medical Center, Holy Family Medical Center ("Holy Family"), West Suburban Medical Center ("West Suburban"), Proviso Family Services (d/b/a Resurrection Behavioral Health), Resurrection Senior Services, Resurrection Services, Resurrection Home Health Services and Resurrection Development Foundation (collectively, the "Affiliates"), for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health care facilities owned by the Borrower and the Affiliates, and necessary and attendant facilities, equipment, site work and utilities related thereto; (ii) refund all or a portion of the outstanding principal amount of the Illinois Development Finance Authority Refunding and Improvement Revenue Bonds, Series 1995A (Catholic Health Partners) (the "Series 1995A Bonds"); (iii) refund all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Revenue Bonds, Series 1996 (St. Elizabeth Hospital) (the "Series 1996 Bonds"); (iv) refund all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Revenue Bonds, Series 1997 (Holy Family Medical Center) (the "Series 1997 Bonds"); (v) refund all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Revenue Refunding Bonds, Series 1999A (West Suburban Hospital Medical Center) (the "Series 1999A Bonds"); (vi) refund all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 1999B (West Suburban Hospital Medical Center) (the "Series 1999B Bonds" and, together with the Series 1995A Bonds, the Series 1996 Bonds, the Series 1997 Bonds and the Series 1999A Bonds, the "Prior Bonds"); (vii) pay a portion of the interest on the Bonds; (viii) fund a debt service reserve fund; (ix) provide working capital; and (x) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds, including but not limited to fees for insurance, credit enhancement or liquidity enhancement for the Bonds.

The initial owners, operators or managers of the facilities being financed or refinanced with the proceeds of the Bonds are the Borrower and the Affiliates. A general functional description, and the location of the facilities to be financed or refinanced with the proceeds of the Bonds, and the maximum aggregate face amount of Bonds to be issued with respect to such facilities, are listed below.

1. St. Joseph, a 402 licensed bed acute care hospital located at the following addresses: 2900 N. Lake Shore Drive, Chicago, Illinois, 2913 N. Commonwealth, Chicago, Illinois and 2845 North Sheridan Road, Chicago, Illinois (not to exceed $165,000,000);

2. Holy Family, a 252 licensed bed acute care hospital located at the following addresses: 100 North River Road, Des Plaines, Illinois, 1400 Golf Road, Des Plaines, Illinois, 150 North River Road, Des Plaines, Illinois (not to exceed $45,000,000);

3. West Suburban, a 258 licensed bed acute care hospital located at the following addresses: Erie Court at Austin Boulevard, Oak Park, Illinois, and 7700 West Madison, River Forest, Illinois (not to exceed $105,000,000);

4. Saints Mary and Elizabeth Medical Center, two acute care hospitals consisting of Saint Mary of Nazareth Medical Center (387 licensed beds) and Saint Elizabeth Hospital (276 licensed beds) located at the following addresses: 2233 West Division Street, Chicago, Illinois, and 1431 North Claremont Avenue, Chicago, Illinois; (not to exceed $125,000,000);

5. Resurrection Medical Center, a 449 licensed bed acute care hospital located at the following addresses: 7435 West Talcott Avenue, Chicago, Illinois, and 7447 West Talcott Avenue, Chicago, Illinois; (not to exceed $110,000,000);

6. Our Lady of the Resurrection Medical Center, a 463 licensed bed acute care hospital located at the following addresses: 5600-5650 West Addison, Chicago, Illinois; (not to exceed $65,000,000);

7. St. Francis Hospital, a 375 licensed bed acute care hospital located at the following addresses: 355 Ridge Avenue, Evanston, Illinois, 800 E. Austin, West Tower, Evanston, Illinois, 800 E. Austin, East Tower, Evanston, Illinois, 801 Austin, Evanston, Illinois, 324 Sherman, Evanston, Illinois, 409 Sherman, Evanston, Illinois, 411 Sherman, Evanston, Illinois, 415 Sherman, Evanston, Illinois (not to exceed $140,000,000);

8. Westlake Community Hospital, a 282 licensed bed acute care hospital located at the following addresses: 917-921 Main Street, Melrose Park, Illinois, 1107-09 Lake Street, Melrose Park, Illinois, 1200 Lake Street, Melrose Park, Illinois, 1201-1215 Lake Street, Melrose Park, Illinois, 1218 Lake Street, Melrose Park, Illinois, 1219 Lake Street, Melrose Park, Illinois, 1225 Lake Street, Melrose Park, Illinois, 1301-05 Lake Street, Melrose Park, Illinois, 1309 Lake Street, Melrose Park, Illinois, 1311 Lake Street, Melrose Park, Illinois, 1111 Superior Street, Melrose Park, Illinois, 1200 Superior Street, Melrose Park, Illinois, 1206 Superior Street, Melrose Park, Illinois, 1214 Superior Street, Melrose Park, Illinois, 1220 Superior Street, Melrose Park, Illinois, 502 N. 11th Avenue, Melrose Park, Illinois, 506 N. 11th Avenue, Melrose Park, Illinois, 510 N. 11th Avenue, Melrose Park, Illinois, 511 N. 11th Avenue, Melrose Park, Illinois, 514 N. 11th Avenue, Melrose Park, Illinois, 515 N. 11th Avenue, Melrose Park, Illinois, 518 N. 11th Avenue, Melrose Park, Illinois, 603 N. 11th Avenue, Melrose Park, Illinois, 607 N. 11th Avenue, Melrose Park, Illinois, 611 N. 11th Avenue, Melrose Park, Illinois, 615 N. 11th Avenue, Melrose Park, Illinois, 619 N. 11th Avenue, Melrose Park, Illinois, 507 N. 12th Avenue, Melrose Park, Illinois, 511 N. 12th Avenue, Melrose Park, Illinois, 515 N. 12th Avenue, Melrose Park, Illinois, 519 N. 12th Avenue, Melrose Park, Illinois, 600 N. 13th Avenue, Melrose Park, Illinois, 604 N. 13th Avenue, Melrose Park, Illinois, 606 N. 13th Avenue, Melrose Park, Illinois, 610 N. 13th Avenue, Melrose Park, Illinois, 614 N. 13th Avenue, Melrose Park, Illinois, 618 N. 13th Avenue, Melrose Park, Illinois, 601 N. 14th Avenue, Melrose Park, Illinois, 602 N. 14th Avenue, Melrose Park, Illinois, 607 N. 14th Avenue, Melrose Park, Illinois, 610 N. 14th Avenue,

Melrose Park, Illinois, 611 N. 14th Avenue, Melrose Park, Illinois, 614 N. 14th Avenue, Melrose Park, Illinois, 615 N. 14th Avenue, Melrose Park, Illinois, 618 N. 14th Avenue, Melrose Park, Illinois, 619 N. 14th Avenue, Melrose Park, Illinois, and 615 N. 15th Avenue, Melrose Park, Illinois (not to exceed $65,000,000);

9. Resurrection Senior Services, the owner and/or operator of 11 long-term care facilities and three retirement homes located at the following addresses: 112 S. Northwest Highway, Park Ridge, Illinois, 2380 E. Dempster Street, Des Plaines, Illinois, 1700 E. Lake Avenue, Glenview, Illinois, 7370 W. Talcott Avenue, Chicago, Illinois, 1001 N. Greenwood Avenue, Park Ridge, Illinois, 6930 W. Touhy Avenue, Niles, Illinois, 7000 N. Newark Avenue, Niles, Illinois, 500 Asbury Avenue, Evanston, Illinois, and 480 N. Wolf Road, Northlake, Illinois (not to exceed $45,000,000);

10. Resurrection Health Care, the corporate parent of the Affiliates providing administrative and financial services to the Affiliates at the following addresses: 7435 W. Talcott Avenue, Chicago, Illinois, and 1100 Elmhurst Road, Elk Grove Village, Illinois; and

11. Resurrection Home Health Services, a provider of home health care services located at the following addresses: 4930 West Oakton Street, Skokie, Illinois, and 7411 Lake Street, River Forest, Illinois.

The Bonds do not constitute a debt of the Authority or of the State of Illinois within the meaning of any provisions of the Constitution or statutes of the State of Illinois or a pledge of the faith and credit of the Authority or of the State of Illinois or grant to the owners thereof any right to have the Authority or the General Assembly levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. The Bonds will be payable solely out of the revenues and other funds pledged and assigned for their payment in accordance with one or more Loan Agreements each between the Borrower and the Authority and the indentures pursuant to which the Bonds are issued.

The above notice of public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended. At the time and place set for the public hearing, residents, taxpayers and other interested persons will be given the opportunity to express their views for or against the proposed plan of financing. Written comments may also be submitted to the Executive Director of the Authority at his office located at 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, until April 8, 2005.

In accordance with the Americans with Disabilities Act ("ADA"), if any person with a disability as defined by the ADA needs special accommodations to participate in the public hearing, then not later than April 8, 2005, he or she should contact the Authority at (312) 651-1300.

NOTICE DATED: March 24, 2005

/s/ David C. Gustman
Chairman
Illinois Finance Authority

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 12, 2005

Project: Life Care Retirement Communities, Inc. (Beacon Hill)

STATISTICS

Project Number:	H-SL-RE-TE-CD-520	Amount:	$15,000,000 (Not to exceed amount)
Type:	Not-for-Profit Bond	IFA Staff :	Pam Lenane and Dana Sodikoff
Locations:	Lombard	Estimated fee:	$60,000

BOARD ACTION

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

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

PURPOSE

Proceeds will be used to: 1) refinance existing IHFA series 1997A bonds, 2) fund approximately $300,000 of new money projects, 3) capitalize a debt service reserve fund and 4) pay costs of issuance.

IFA CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOTING RECORD

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

Ayes – 8 Nayes – 0 Absent – 4 Vacancies - 3

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$15,000,000	Uses:	Refunding of '97 bonds	$11,600,000
				New Money Projects	1,000,000
				Debt Service Reserve Fnd	1,075,250
				Issuance Costs	475,000
				Cushion	849,750
	Total	$15,000,000		Total	$15,000,000

JOBS

Current employment: 203.51 FTE's (ave for Dec 2004)
Jobs retained: 203.51

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

BUSINESS SUMMARY

Background: Beacon Hill is a continuing care retirement community on a 20-acre campus in Lombard, Illinois. The community is located on Finley Road, south of 22nd street and immediately north of Downers Grove. Beacon Hill is near shopping centers, professional offices, places of worship and other amenities. The first phase of construction was completed in 1984. The community currently consists of 397 living units and 108 nursing beds, for a total of 505 units/beds. The community includes many common areas for the enjoyment of the residents, such as dining and meeting areas, lounges, a library, game rooms, convocation centers, administrative offices, fitness center, swimming pool, heated parking garage, laundry facilities, guest apartments, beauty/barber shop, art studio, crafts and woodworking areas, pantry and banking facilities, outdoor areas for gardening, and walking paths. The types of living units available include apartments in four and seven story buildings connected by a skywalk. Beacon Hill is a division of Life Care Retirement Communities, Inc. ("LCRC"), as described below.

Occupancy

As shown below, Beacon Hill has had strong occupancy rates during the past 3 years.

	Average Occupancy During the Year:		
	2002	**2003**	**2004**
Living Units	97.6%	96.0%	94.4%
Nursing Units	87.3%	86.6%	92.4%

Life Care Retirement Communities

LCRC is an Iowa nonprofit corporation organized in 1976 for the purpose of owning and operating life care retirement communities in several locations in the United States. LCRC is based in Des Moines, Iowa. The Corporation seeks to provide the elderly with quality retirement living in a soundly-financed facility which offers the advantages associated with multiple project sponsorship and operation. The communities owned by LCRC are listed below:

Community	**Location**	**Total # of Units/Beds**
Abbey Delray	Delray Beach, FL	472
Abbey Delray South	Delray Beach, FL	378
Beacon Hill	Lombard, IL	505
Claridge Court	Prairie Village, KS	170
Friendship Village of Bloomington	Bloomington, MN	417
Friendship Village of South Hills	Upper St. Clair, PA	400
Harbour's Edge	Delray Beach, FL	322
The Waterford	Juno Beach, FL	348
Village on the Green	Longwood, FL	305
TOTAL		**3,317**

For financing purposes, each community is set up as a separate entity. The credit of Beacon Hill is the only credit that secures the Series 2005 Bonds. There is not cross-collateralization with the other communities and LCRC will not provide a guaranty on the debt.

LCRC has set up a Common Reserve Fund as an additional means of offering financial soundness to its communities. Each community contributes funds to the Common Reserve Fund and owns a proportionate share of the fund. The participating communities can borrow funds from the Common Reserve if needed, in an amount that exceeds the respective community's share of the fund. As of December 31, 2004, Beacon Hill's share of the Common Reserve Fund, including accrued interest, was $2,724,350.

Key Personnel

Operations and other financial matters, particularly capital planning and financings, are overseen by LCRC. Listed below are the key LCRC employees involved in the Beacon Hill financing.

- John Kaduce, President, CEO and Director. Mr. Kaduce has been with LCRC since 1987. Mr. Kaduce has been instrumental in building this strong system of well-performing senior living communities. He has piloted the system through many financings and refinancings over the years. He is active in the senior living industry on a national basis and previously served as a Commissioner on the Continuing Care Accreditation Commission.

- Larry Smith, CPA, Vice President, Chief Financial Officer and Treasurer. Mr. Smith joined LCRC in 2002. He has previously served as Controller and Vice President of Finance for several large corporations. Mr. Smith is a sophisticated finance professional who has taken LCRC to the next level in terms of capital planning and complex financial structures.

- Sydney Coder, Director of Finance and Accounting. Ms. Coder has been with LCRC since 1996. For 13 years prior to joining LCRC, she served in various accounting positions within the healthcare industry. Ms. Coder plays a key role in bringing LCRC financings to market. She also focuses on financial reporting to bond investors and others after the issues have closed.

Manager

The community is currently managed by Life Care Services ("LCS"), a for-profit developer and manager of senior living communities. LCS is not affiliated with LCRC. In the coming years, pursuant to a transition plan, LCRC will take over management of the community. This transition will likely take place within a 5 year period. After such transition LCS will continue to provide services to Beacon Hill in the areas of marketing and information technology.

Refunding Details

Using conservative interest rates, the refunding is estimated to generate debt service savings of approximately $104,000 per year, which is approximately $1,768,000 over the remaining 17 years that the bonds will be outstanding. The net present value savings is estimated to be $1.1 million, which is 9.5% of the par amount to be refunded.

Financials: **Beacon Hill**
Audited Financial Statements for 2001, 2002 & 2003*.

	Year Ended December 31		
	2001	2002	2003
		(Dollars in 000's)	
Statement of Revenues & Expenses:			
Revenue/Support (excl. int earns)	$12,242	$12,308	$12,929
Operating Income**	(2,170)	(2,979)	(2,206)
Change in Net Assets	(309)	(136)	646
Earnings Before Interest, Depreciation and Amortization	2,807	3,284	4,015
Balance sheet:			
Current Assets	$6,113	$7,750	$7,512
PP&E – Net	27,457	26,548	25,870
Other Assets	4,404	4,086	3,862
Total Assets	37,974	38,384	37,244
Current Liabilities	$3,166	3,147	2,758
Long-term Debt	19,983	19,400	18,835
Other Non-Current Liab.	38,730	39,878	39,046
Net Assets	(23,905)	(24,041)	(23,395)
Total Liabilities & Net Assets	37,974	38,384	37,244
Ratios			
Debt Service Coverage	2.23x	2.37x	2.42x
Days Cash	109	153	151
Current ratio	1.93	2.46	2.72
Debt to Net Assets	(0.94)	(0.81)	(0.81)

*Beacon Hill's audit for 2004 has not been issued as of date. However, we have noted the ratios calculated from the unaudited financials. For 2004, Debt Service Coverage is 2.61x and Days Cash On Hand is 201 days.

** Operating Income is defined as revenue from independent living unit service fees and health care fees less all expenses including interest, depreciation and amortization. Revenue excludes interest income and amortization of entrance fees.

*** Negative net assets reflected on the balance sheet should not be of concern because most historic losses can be attributed to depreciation and amortization of entrance fees.

Discussion: Beacon Hill has generated ample cash flows to cover operating expenses and capital expenditures. The refunding is estimated to decrease interest expense by $160,000-$180,000 in each of the first six fiscal years following the issuance of the Series 2005 Bonds. Ongoing losses have been relatively small. Debt service coverage is very strong, particularly as compared to other non-rated retirement communities. The organization's liquidity appears adequate and its leverage appears manageable.

FINANCING SUMMARY

Security: Mortgage, payments required under the Loan Agreement, Debt Service Reserve Fund. Covenants and other legal provisions are expected to be consistent with those in use for similar financings

Structure: The Series 2005 financing will be structured as one series of fixed rate bonds and one series of 5-Year EXTRAS. This is an unenhanced and unrated issue.

Maturity:	17 years
Interest Savings:	To be determined upon bond pricing. Estimated to be $104,000 per year, $1,095,060 on a net present value basis.
Waiver:	The bonds will be sold in denominations less than $100,000 (i.e. $1,000, $5,000). The Borrower has requested a waiver of our unrated and non-credit enhanced debt policy. They have met the conditions for a waiver, which they qualify for:

Conditions for a Waiver

- 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:	Beacon Hill, a division of Life Care Retirement Communities, Inc. Project Location: 2400 S. Finley Road, Lombard, Illinois
Applicant:	Life Care Retirement Communities, Inc.
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Beacon Hill is located in Illinois. Life Care Retirement Communities is an Iowa nonprofit corporation headquartered in Des Moines.
Board of Trustees:	The board members reside in the following states: Four in the Des Moines, Iowa area, one in California, one in Illinois, one in Pennsylvania and two in Minnesota.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Dickinson, Mackaman, Tyler & Hagen	Des Moines	Arthur Owens
Accountant:	Ernst & Young	Des Moines	Lynn Walz
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	Ziegler Capital Markets Group	Chicago	Dan Hermann, Jennifer Lavelle
Underwriter's Counsel:	Katten Muchin Zavis Rosenman	Chicago	Janet Hoffman
Bond Trustee:	Wachovia Bank, NA	Miami	Daryl Mergenthal
Issuer's Counsel:	Sanchez & Daniels	Chicago	Manny Sanchez John Cummins

LEGISLATIVE DISTRICTS

Congressional: 6- Judy Biggert
State Senate: 23- Ray Soden
State House: 46- Lee A. Daniels

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 12, 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

Purchase Contract 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 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 Vacancies - 3

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$130,000,000	Uses:	Refunding	$ 38,000,000
				New Money	$ 91,500,000
				Issuance Costs	$ 500,000
	Total	$130,000,000		Total	$130,000,000

JOBS

Current employment: TBD
Jobs retained: TBD

Projected new jobs: TBD
Construction jobs: TBD

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		479			479
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	479	98	250	855
Bridgewater Place - 2005 project		170			170
Total – After New Project	28	649	98	250	1,025

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. Both the President/CEO and the CFO have been in place at FVS since 1997.

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.

Financials: **Evangelical Retirement Homes of Greater Chicago, Inc. d/b/a Friendship Village**
Audited Financial Statements for 2002, 2003 & 2004.

	Year Ended March 31		
	2002	2003	2004
	(Dollars in 000's)		
Statement of Revenues & Expenses:			
Revenue/Support (excl. int earns)	$26,027	$26,491	$29,828
Operating Income	(1,228)	(1,947)	(794)
Change in Net Assets	(1,090)	(1,485)	23
Earnings Before Interest, Depreciation and Amortization	3,307	3,566	3,781

Balance sheet:			
Current Assets	$7,918	$10,861	$12,038
PP&E – Net	41,952	46,719	51,797
Other Assets	23,530	14,893	13,135
Total Assets	73,400	72,473	76,970
Current Liabilities	$5,399	5,472	6,774
Long-term Debt	38,898	37,716	36,253
Other Non-Current Liab.	37,627	39,294	43,929
Net Assets	(8,524)	(10,009)	(9,986)
Total Liabilities & Net Assets	73,400	72,473	76,970
Ratios			
Debt Service Coverage	1.65x	1.91x	3.16x
Days Cash	173.99	199.02	172.22

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 and a café. 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 variable rate demand bonds that will be secured by a Direct pay letter of credit from LaSalle Bank. The Series 2005B bonds will be non-rated fixed rate serial and term bonds.

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: 30 years

Interest Savings: To be determined.

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:	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 Zavis Rosenman	Chicago	Janet Goelz Hoffman Aaron R. Clark
Bond Trustee:	TBD	Chicago	TBD
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

Project: **Pere Marquette Hotel Associates, L.P.**

STATISTICS

Deal Number:	B-LL-TX-582	Amount	$1,000,000
Type:	Participation Loan	IFA Staff:	Jim Senica
Location:	Peoria	Est fee:	$37,500

BOARD ACTION

Purchase of Participation Loan from National City Bank - Peoria
$1,000,000 IFA Treasury Funds at risk.
Collateral is ***pari passu*** first position with the banks listed below under the caption *"Sources"*.
Staff recommends approval, subject to the following conditions:

1. Closing certificate as to accuracy of Representation and Warranties
2. Satisfactory review of the Caterpillar lease
3. Receipt and review of a fair market value appraisal on the project real estate

PURPOSE

Loan proceeds will be used to finance the refurbishment of the 288-room Hotel Pere Marquette and to pay off the remaining existing mortgage on the building and reduce annual debt service payments from $1.452m in 2005 to $497m after closing.

VOTING RECORD

Initial board consideration, no voting record.

SOURCES AND USES OF FUNDS

Sources:	IFA Participation	$1,000,000	Uses: Project Costs	$8,145,000
	National City Bank	2,500,000	Total	$8,145,000
	Commerce Bank	1,500,000		
	Heartland Bank	1,000,000		
	Caterpillar Contribution	1,400,000		
	Partnership Equity	745,000		
	Total	$8,145,000		

JOBS

Current employment:	200	Projected new jobs:	5
Jobs retained:	200	Construction jobs:	50

BUSINESS SUMMARY

Background: Pere Marquette Hotel Associates, L.P. is a limited partnership that owns the Hotel Pere Marquette in Peoria, Illinois. The partnership acquired the hotel in 1982 and undertook a major renovation of the hotel at that time. The partnership invested $4.5 million in capital, secured bond financing in the amount of $13 million and secured a $2 million UDAG grant for the construction of a 240-space parking garage for the exclusive use of the hotel. During its ownership period, the partnership invested $5 million in refurbishment, paid off over $10.5 million in bond financing and repaid $2 million of the UDAG grant. The partnership now desires to undertake a $5 million renovation of the hotel and pay off the remaining outstanding bonds which will terminate existing credit enhancement costs. To accomplish this, the partnership is seeking $6 million in first mortgage financing from a consortium of local banks and IFA. Caterpillar, Inc., Peoria's largest employer, will lease one floor (30 guestrooms) of the hotel (annual lease payments of $1,160,000 payable quarterly in advance) and provide $1.4 million of additional funds for the hotel's renovation project.

Description: Built in 1926 for the then substantial sum of $2.5 million and opened in 1927, the Hotel Pere Marquette is a full service hotel located in the heart of Peoria's business and entertainment district. The hotel is 15 minutes from the greater Peoria Regional Airport (with complimentary shuttle service), 2 blocks from Caterpillar World Headquarters, 4 blocks from Illinois River waterfront attractions and the closest hotel to the Peoria Civic Center (1/2 block away). In fact, the City and the Civic Center consider this hotel to be the primary hotel for the Civic Center activities. (It is important to note that the Civic Center will be doubling its size with a $60 million expansion in the next year to accommodate larger conventions and entertainment acts, bringing much additional business to the hotel.)

The extensive renovation, completed by the partnership in 1984, resulted in a hotel of very contemporary standards while maintaining the historic ambience of the original building. The property was placed on the National Register of Historic Places immediately after the renovation.

The Hotel Pere Marquette includes 288 guest rooms and suites (251 guest rooms, 6 VIP Jacuzzi suites, 13 hospitality suites and 18 junior suites), including two floors designated for Caterpillar Corporate customers. The hotel maintains up-scale, full-service dining in "Carnegie's", coffee shop service in the American Café, entertainment in the Rendevous Lounge, room service, gift shop, over 18,000 square feet of meeting space, including 7,500 square feet of the hotel's grand Marquette Ballroom, irons/ironing boards, coffee maker and hair dryer in each room, complete fitness center and free parking in the attached parking deck. In its 78 years of operations, the hotel has played host to several U.S. Presidents, other Heads of State and International dignitaries as well as many popular entertainers.

Remarks: The $5,000,000 renovation of the hotel will encompass the following items:

HVAC system upgrade

Exterior improvements and updates

Reconfigure and update the restaurants, ballrooms, reception and lobby areas

Renovate and upgrade 263 of the 288 rooms, including new beds, wall coverings, fixtures, artwork and addition of desks

Upgrade corridors, including lighting, wall coverings and carpeting

The proposed project is extremely important to the City of Peoria as the Pere Marquette is a focal point in the revitalized downtown area. The hotel's refurbishment is critical to accommodate the increased convention and entertainment business anticipated following the expansion of the Peoria Convention Center.

The Hotel is bolstered by significant commitment from the region's largest employer, Caterpillar and its excellent location. Caterpillar employees, vendors and customers now generate over 20% of the Hotel's annual occupancy. Caterpillar's current contractual room rates range from $60 to $89 per night. Caterpillar has agreed to pay $106 a night for 10,950 nights under a new lease, which will boost revenue by $300,000 annually. In addition, Caterpillar will infuse $100,000 every 2 years for capital improvements and is also making a $1,400,000 contribution to the project.

The hotel is located in the center of the downtown area one-half block from the Peoria Civic Center and within a short walk of the site of the proposed new $60,000,000 Lakeview and Caterpillar museums.

Operations: The following table summarizes information from a report, dated June 15, 2004, prepared by Horwath Horizon Hospitality Advisors, LLC. The Company was hired by Pere Marquette Hotel Associates, L.P. to complete a performance review of the Hotel. They identified three distinct competitive market sets of lodging properties that included downtown Peoria competitors and full-service hotels in Springfield, Illinois, with which the Hotel Pere Marquette also competes for in-state meeting business.

	Competitive Set			Peoria MSA			Hotel Pere Marquette		
	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy	ADR	RevPAR
1998	58%	$71	$41	65%	$57	$37	64%	$74	$47
1999	56%	$75	$42	63%	$59	$37	62%	$75	$46
2000	57%	$75	$43	57%	$60	$34	59%	$76	$45
2001	60%	$76	$46	61%	$61	$37	57%	$80	$45
2002	60%	$76	$46	60%	$62	$37	57%	$79	$45
2003	59%	$78	$46	61%	$61	$37	61%	$80	$49

The hotels included in the competitive set are shown below:

Competitive Set

Property	Rooms
Hilton Springfield	366
Holiday Inn Peoria City Center	327
Renaissance Springfield Hotel	316
Hotel Pere Marquette	***288***
Crowne Plaza Springfield	288
Radisson of Peoria (Formerly Jumers Castle Lodge)	175
Mark Twain Hotel Peoria	110
Staybridge Suites Peoria	106
Total	1,976

The information presented above indicates that the Hotel Pere Marquette's occupancy rates and revenues per available room (RevPAR) exceed those of the hotels in the competitive set in 4 of the 6 years presented. Except for years 2001 and 2002 (when business and convention travel was severely curtailed following the 9/11 events), the Pere Marquette's occupancy virtually mirrored those experienced by other hotels in the Peoria MSA. The Pere Marquette's revenues earned per available room exceeded those of most other hotels in the Peoria market because of its above average room rates.

Embassy Suites is scheduled to begin construction on a new hotel in East Peoria in late 2005. Embassy Suites' amenities for business travelers will provide additional competition for the Pere Marquette and other Peoria area hotels, despite its location one mile from the Peoria Civic Center and other downtown Peoria attractions.

Financials: Audited financial statements of Hotel Pere Marquette for years 2001 through 2003
Interim financial statements of Hotel Pere Marquette for 9 months ending September 30 2004
Projected financial information for years 2004 through 2007

			Year Ended December 31				
	2001	2002	2003	2004	2005	2006	2007
			(Dollars in 000's)				
Sales	7,905	7,768	8,235	8,238	8,474	8,780	9,019
Capital Exp (Maintenance)	(198)	(122)	(138)				
Other Operating Expenses	(7194)	(6,989)	(7,248)	(7,282)	(7,358)	(7,624)	(7,831)
Net Operating Income	909	901	1,125	956	1,116	1,156	1,188
Total Debt Service	1,362	1,399	1,452	1,400	492	492	492
Debt Service Coverage Ratio	0.67x	0.64x	0.77x	0.68x	2.27x	2.35x	2.41x

Discussion: Except for 2002, which was impacted by the events of 9/11/01, the hotel's revenues have been increasing and are projected to do so through at least 2007 as the renovations attract being financed with project proceeds should enable the hotel to raise prices and attract new guests. Additionally, reconfiguration of the restaurant and banquet facilities is anticipated to provide increased revenues in those operations. Doubling the size of the Peoria Civic Center to accommodate larger conventions and entertainment acts, should provide additional business for the Hotel. Construction of two major museums on the Peoria riverfront only blocks away from the Hotel is also expected to generate additional overnight tourism stays in downtown Peoria.

FINANCING SUMMARY

Borrower: Pere Marquette Hotel Associates, L.P.

Collateral:	Pro-rata first mortgage "*pari passu*" with National City Bank, Commerce Bank, and Heartland Bank on the project real estate with an appraised as-if-completed fair market value of $12.8 million representing collateral coverage on the real estate to IFA and the banks on this participation loan of 2.13 times (46.87% LTV). IFA and the Banks will also share in a blanket first lien on the Hotel's existing and subsequently acquired personal property including but not limited to receivables, inventory, equipment, furniture and fixtures.
Structure:	Based on the guidelines of the Participation Lending Program, IFA's interest rate will be 200 basis points below what the Bank is charging the customer. The Bank's interest rate will be established at 2.75 basis points above libor (3% as of March 23, 2005) for the 5-year term of the loan. The loan will be reviewed at the end of the 5-year term for renewal with IFA participation including a provision to extend its term to a maximum of 10 years.
Maturity:	The loan will be set on a 20-year amortization with monthly interest only payments until 12/31/05 followed by 51 monthly principal plus interest payments beginning December 31, 2005 with a balloon payment at maturity.

Covenants:

1) Compliance with covenants and absence of an Event of Default or Potential Event of Default
2) Repayment of all existing debt
3) Timely delivery of audited annual financial statements
4) Mandatory reductions
   (1) 100% of any material additional indebtedness subject to customary exceptions, excluding the proceeds from allowed subordinated indebtedness
   (2) 100% of the proceeds of the sale of material assets outside the ordinary course of business
   (3) 100% of the proceeds from any material recovery event
   (4) 100% of the proceeds of any equity issuances
   (5) 50% annual excess cash flow recapture after the payment more than (?) $100,000 in partnership distributions
5) Maintenance of a Capital Expense Reserve requirement of 4% of revenues, money to be escrowed in a National City account, with payments being made as expenses are incurred.
6) Prohibition of acquisitions
7) Prohibitions on partnership distributions in excess of $100,000
8) Prohibition on additional indebtedness
9) Limitations on management fee
10) Standard prohibition on change of control

PROJECT SUMMARY

The proposed project involves the renovation of the 288-room Hotel Pere Marquette located at 501 Main Street in Peoria and the repayment of existing debt. Proceeds will be used as follows:

Renovation	$5,000,000	(Bank & IFA loan)
Pay off existing TE bond	1,000,000	(Bank loan)
	881,667	(Caterpillar, Inc.)
Pay off existing taxable bond	504,167	(Caterpillar, Inc.)
Hotel working capital	14,166	(Caterpillar, Inc.)
Pay off City of Peoria note	245,000	(Partnership equity)
Pay garage purchase option obligation	500,000	(Partnership equity)
Total	$8,145,000	

ECONOMIC DISCLOSURE STATEMENT

Project name:	Hotel Pere Marquette Renovation	
Location:	501 Main Street Peoria, Illinois 61602 (Peoria County)	
Applicant:	Pere Marquette Hotel Associates, L.P.	
Organization:	Partnership:	
	General (30%):	Transamerica Investment Properties, Inc.
		TIP Realty Partnership
		Ron Samples, TIPS
		Dave Aull, TIPS
	Limited (70%):	Numerous
	More detail will be forthcoming.	

PROFESSIONAL & FINANCIAL

Accountant:	Meyer Hoffman CPA's	Kansas City, KS	Christine Ritchie
Bank:	National City Bank	Peoria, Illinois	Rick Sems
Borrowers Counsel:	Davis & Campbell LLC	Peoria, Illinois	Robert Coletta
IFA Counsel:	Dykema Gossett PLLC	Chicago, Illinois	Darrell Pierce

LEGISLATIVE DISTRICTS

Congressional:	18 – Ray LaHood
State Senate:	37 – Dale E. Risinger
State House:	73 – David R. Leitch

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 17, 2005

Deal: **Village of South Roxana**

STATISTICS

Deal Number:	L-GP-TE-MO-567-A	Amount:	$200,000
Type:	Local Government	IFA Staff:	Eric Watson
Location:	Madison County	Est. Fee:	$2,500

BOARD ACTION

Final Bond Resolution	Staff recommends approval
Conduit Local Government Bonds	Conditions: Pledge intercept and 1.25x coverage
Moral Obligation of the State	

PURPOSE

The Village proposes to borrow $200,000 to use for working cash to continue to provide services to its citizens including police protection and public works services.

VOLUME CAP

Local government bonds – no volume cap required.

VOTING RECORD

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$200,000	Uses:	Services	$200,000
	Funds on Hand	0		Engineering	0
				Miscellaneous	0
				Issuance Costs	0
	Total	**$200,000**		**Total**	**$200,000**

JOBS

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

CREDIT SUMMARY

The Village of South Roxana is located in south-western Illinois approximately 20 miles northeast of St. Louis, Missouri between Illinois Routes 255 and 111 in western Madison County. The Village's assessed value is primarily residential and commercial, with such evaluations accounting for 79% and 21% of the Village's total 2003 EAV, respectively. Assessed value growth has been good the last five years at nearly 6.4% annually and tax collections have averaged 98.19% during the past five years. The Village does not have taxpayer and employer concentration. The population of the Village has decreased at an average rate of 5.4% since 1970 and 3.7% between the 1990 and 2000 censuses.

The General Fund has performed poorly the past four years with three years of the last four in the red. However, these negative annual net revenues are small and primarily caused by what seems to be capital expenditures. Expenses grew at a rate of 3.9% per year during the last four fiscal years and revenues grew by 1.65% in that same period of time. The fund balance is currently 12.14% of expenses and the cash to liabilities ratio is approximately 0.44x. The Village has one general obligation bond outstanding issued through the Illinois Rural Bond Bank. The existing general obligation debt is 0.21% of expenses.

The City proposes to borrow $200,000 to use as funds to provide services to the Village's citizens such as police protection and public works services. The intercept is approximately 14 times the proposed debt service. We recommend this bond issue as a general obligation bond with an intercept.

Ratio Analysis

Ratios	
Fund Balance/Expenses	12.14%
Cash/Liabilities	43.88%
Short Term Borrowing/Expenses	0.00%
Debt/Market Value	0.15%
Per Capita Debt	$26
Existing GO Debt Service/Expenses	0.21%
Existing GO and Alternate Revenue Debt Service/Expenses	0.21%
Projected GO Debt Service/Net	1.38x

FINANCING SUMMARY

Security:	General Obligation Bond. Not Rated
Structure:	Fixed rate serial bonds
Maturity:	20 Years

PROJECT SUMMARY

The Village proposes to borrow $200,000 to use for working cash to continue to provide services to its citizens including police protection and public works services.

Project costs include the following:

Services/Equipment	$200,000.00
Total Project Costs	**$200,000.00**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Village of South Roxana
Project Name:	The Village proposes to borrow funds to use for working cash to continue to provide services to its citizens including police protection and public works services.
Location:	211 Sinclair P.O. Box 1162, South Roxana, Illinois 62087
Organization:	Village
State:	Illinois
Officials:	Kenny Beasley, Mayor
	Tina Carpenter, Clerk
Alderperson:	Curtis Cawvey
	Wanda Holmes
	Matt Hopke
	Gene Knipping
	Ed O'Neil
	Roxann Read

PROFESSIONAL & FINANCIAL

Accountant:	Daniel Donahoo, CPA	Wood River, IL	Daniel Donahoo
Borrower's Counsel:	Goldenberg, Miller, Heller & Antognoli, PC	Edwardsville, IL	Debra Meadows
Borrower's FA:	Scheffel & Associates, PC	Edwardsville, IL	Tom Wilder
Engineer:	Sheppard, Morgan & Schwaab, Inc	Granite City, IL	
Bond Counsel:	n/a		
Underwriter:			
Issuer's Counsel:			
Paying Agent:			
Rating Agency:	Standard & Poors	Chicago, Illinois	
Rating Agency:	Fitch Ratings	Chicago Illinois	
Financial Advisor:	Robert W. Baird & Co.	Naperville, Illinois	Thomas J. Gavin

LEGISLATIVE DISTRICTS

Congressional:	12 Jerry F. Costello
State Senate:	56 William R. Haine
State House:	111 Daniel V. Beiser

Resolution Number 2005-06

Resolution Appointing an Interim Executive Director of the Illinois Finance Authority

WHEREAS, Ali D. Ata, Executive Director of the Illinois Finance Authority (the "Authority"), informed the Members of the Authority of his intention to resign his office as of 5:00 p.m. on Tuesday, March 8, 2005, and the Members accepted his resignation; and

WHEREAS, pursuant to Section 801-15 of the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 et seq. (the "Act"), the Members of the Authority are authorized to elect and appoint the Authority's Executive Director from persons nominated by the Governor; and

WHEREAS, on the date that Mr. Ata's resignation became effective, the Office of the Governor had no yet submitted a list of nominees to the Members of the Authority; and

WHEREAS, by statute, the Executive Director is the chief administrative and operational officers of the Authority, directs and supervises the Authority's administrative affairs and general management, performs such other duties as may be prescribed from time to time by its Members, and receives compensation fixed by its Members; and

WHEREAS, Sections 801-30 of the Act grants the Members of the Authority broad powers to manage the business affairs Authority; and

WHEREAS, given the duties and responsibilities of the Executive Director, the Members believed that it was in the best interests of the Authority to appoint an interim Executive Director to perform the statutory functions of the Executive Director pending the election and appointment of an Executive Director; and

WHEREAS, at their March 8, 2005 meeting, the Members did duly vote to appoint Jill Rendleman to serve as Interim Executive Director of the Authority; and

WHEREAS, the Members of the Authority have the power to adopt this Resolution pursuant to Sections 801-25, and 801-30 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 Interim Executive Director. The Members hereby ratify, affirm and approve their March 8, 2005 appointment of Jill Rendleman as Interim Executive Director of the Authority at a salary equal to that paid to Mr. Ali D. Ata when he served as Executive Director. Ms. Rendleman shall serve as Interim Executive Director until an Executive Director is elected and appointed by the Board in accordance with Section 801-15 of the Act.

Section 3. Powers. Pending the selection and appointment of an Executive Director, the Members hereby ratify, affirm and approve that they did grant, on March 8, 2005, the Interim Executive Director the power to act as the Authority's chief administrative and operational officers, direct and supervise the Authority's administrative affairs and general management, and perform such other duties as may be prescribed from time to time by its Members. These powers include the ability to execute any and all documents on behalf of the Authority, as Interim Executive Director, to the same extent that the Executive Director is statutorily authorized to do so and to the same extent that the Executive Director had been authorized to do so by a resolution of the Members.

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 2004-26 is adopted this 12th day of April 2005 by roll vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

____
Chairman

Attest to:

____
Secretary

Resolution Number 2005-07

Resolution Authorizing the Establishment of Certain Banking Relationships and Delegating Authority for the Management and Maintenance of Said Relationships

WHEREAS, Sections 801-30 and 845-40 of the Illinois Finance Authority Act, 3501 ILCS 801-1 *et seq.* (the "Act") grant the Members of the Authority broad powers to manage their business affairs, including the management of Authority funds; and

WHEREAS, Article VI, Section 6 of the By-Laws of the Authority provides for the establishment of deposit accounts, sets forth parameters to govern the Authority's banking relationships and designates who and how checks may be drawn against Authority funds; and

WHEREAS, the Members have determined that a general Resolution setting forth additional standards and procedures for the establishment, maintenance, dissolution and operation of its banking relationships and accounts will be in the best interests of the Authority; and

WHEREAS, the Members of the Authority have the power to adopt this Resolution pursuant to Sections 801-15, 801-25, and 801-30 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. Establishment of Banking Relationship; Authorized Parties. The Members of the Authority hereby delegate to the Executive Director, Treasurer and Chief Financial Officer, and any person duly appointed to any such position on an interim basis (collectively, the "Authorized Officials"), all power and authority necessary to establish, maintain, operate and dissolve all banking relationships of the Authority relating to funds of the Authority, as more specifically set forth in Section 3 below. In exercising the powers authorized herein, the Authorized Officers shall comply with all applicable laws and the By-Laws of the Authority. All accounts, checks, securities, collateral and the like held by, deposited with, or purchased from any bank, savings and loan or other financial institution that the Authority is authorized to maintain and conduct a relationship with (collectively, the "Financial Institutions") shall be in the name of the Authority. Any or all of the following officers may be named as the officials authorized to execute documents, including checks, customary and necessary to effectuate the powers granted herein, provided that any bank-related documents, including checks, that require execution by the Authority shall be signed, either manually or by facsimile, by two Authorized Officers to be effective: The Chairperson, the Executive Director, the Treasurer and the Chief Financial Officer, and any person duly appointed by to any of these positions on an interim basis.

Section 3. Specific Banking Relationships Authorized. The Members hereby authorize and approve the exercise of the power granted in Section 2 above for any and all of the following purposes:

A. To designate a Financial Institution into which the funds of the Authority may be deposited.

B. The Authorized Officers are hereby authorized to act on behalf of the Authority to:

i. Sign (manually, via facsimile or otherwise) any and all checks, drafts, and orders, including orders or directions in informal or letter form, against any funds or accounts at any time standing to the credit of the Authority;
ii. Endorse for negotiation, negotiate, and receive the proceeds of any negotiable instruments or orders for the payment of money payable to or belonging to the Authority;
iii. Close any and all accounts of the Authority and receive proceeds thereof; and
iv. Instruct a Financial Institution and take any and all actions relating to an account of the Authority and relating to any checks or other items deposited into or drawn on an account of the Authority.

C. The Authorized Officers are hereby authorized to act on behalf of the Authority to:

i. Enter into agreements with a Financial Institution for cash management services which may include, without limitation, agreements relating to (a) the disbursement of funds (via check, automated clearinghouse (ACH) transfer, wire transfer, other electronic funds transfer or otherwise) of the Authority which may be accomplished in writing or via electronic transmission, (b) the deposit or collection of funds of the Authority, (c) access to information relating to any and all account, collection and disbursement activity of the Authority and (d) the use of software and/or Internet-based products in order to undertake any or all of the foregoing;
ii. Take any and all action permitted or contemplated by any of the foregoing agreements and/or services, as any such person in their sole discretion deems advisable; and
iii. Designate to a Financial Institution the person(s) authorized to provide instructions to it relating to the accounts, disbursements, collections or other cash management arrangements of the Authority.

D. The Authorized Officers are hereby authorized to act on behalf of the Authority to:

i. Withdraw, receive and receipt for and withdraw upon trust receipt on the responsibility of, and at the risk of the Authority, and to sign orders for the withdrawal, substitution and/or exchange of any and all collateral, securities or property pledged, assigned, transferred or otherwise held for its account; such withdrawals, substitutions or exchanges may also be made by the bearer of any order, receipt or request so signed; and
ii. Purchase or otherwise acquire for and on behalf of the Authority, and to sell, transfer or otherwise dispose of, and endorse for sale, transfer or other disposition, any and all bonds, notes, shares of stock and other securities of any kind or nature and by whomsoever issues, or interim, participation or

other certificates therefor, and to identify and guarantee signatures and endorsement thereon, or on powers of attorney executed in connection therewith, and to authorize or direct charges to the depository account(s) of the Authority for the cost of any securities so purchased from or through the Financial Institution.

E. The Authorized Officers are hereby authorized to act on behalf of the Authority to:

i. Enter into agreement(s) with a Financial Institution (and any subsequent modifications or amendments thereto) providing for the Authority to participate in one or more of the Financial Institution's commercial charge card programs, which may include the issuance of commercial charge cards (and opening of charge accounts) and/or commercial "stored value" cards (collectively, such cards and accounts are referred to herein as "Commercial Cards") to or for officers, agents and employees of the Authority for the purposes described therein, and (b) the terms and conditions applicable to Commercial Cards, including the Authority approving and sponsoring the persons who will receive Commercial Cards; and

ii. Designate in writing at any time and from time to time the officers (including themselves), agents and employees of the Authority each of whom is authorized to act individually to administer the Card programs on behalf of the Authority as contemplated by the agreement(s), including, without limitation, applying for Cards as shall seem advisable, such Cards to be issued subject to such credit and other limitations as to him/her shall seem proper.

F. The Authorized Officers of the Authority are hereby authorized to direct a Financial Institution in writing to delete from or add to the person(s) hereinbefore designated to act on behalf of the Authority with respect to any matter set forth in any other Section hereof.

Section 4. Delivery of Resolution. The Secretary and Assistant Secretary of the Authority are hereby authorized to deliver to a Financial Institution a certified copy of this Resolutions.

Section 5. 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Resolution 2005-07 is adopted this 12th day of April 2005 by roll vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

Chairman

Attest to:

Secretary