

April 6, 2004

PUBLIC NOTICE OF MEETING

The Audit Committee (the "Committee") of the Illinois Finance Authority (the "IFA") will hold its regular scheduled meeting on Tuesday, April 12, 2005 at 3:00 p.m. for the purpose of discussing reviewing various financial processes, controls and documents of the IFA. The Committee will meet at the IFA's Chicago offices, which are located at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601.

All meetings will be accessible to handicapped individuals in compliance with Executive Order #5 (1979) and pertinent State and Federal laws upon notification of anticipated attendance. Handicapped persons planning to attend and needing special accommodations should contact, either by telephone or letter, Anthony D'Amato, Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601 or at (312) 651-1300, TDD (312) 496-1155.

The agenda for the above-referenced meeting is as set forth below.

This notice is issued pursuant to Section 2.02 of the Illinois Open Meetings Act

For Audit Committee

By:

/s/ Anthony D. D'Amato
General Counsel

AGENDA

- I. Call to Order
- II. Role of Chief Financial Officer
- III. Review of IFA's Accounting/Audit Systems and Procedures
- IV. Review of IFA's Financial Statements
- V. New Business
- VI. Adjournment



ILLINOIS FINANCE AUTHORITY

Chicago Office • Sears Tower • 233 South Wacker, Suite 4000 • Chicago, Illinois 60606 • 312.627.1434 • Fax 312.496.0578



Rod R. Blagojevich
Governor

July 8, 2004

PUBLIC NOTICE OF SPECIAL MEETING

The Audit Committee (the "Committee") of the Illinois Finance Authority (the "IFA") will hold its regular scheduled meeting on Tuesday, July 13, 2004 at 3:00 p.m. for the purpose of discussing organizational matters and reviewing the various financial documents of the IFA. The Committee will meet at the IFA's Chicago offices, which are located at Two Prudential Plaza, 180 North Stetson Avenue, Chicago, Illinois 60601.

All meetings will be accessible to handicapped individuals in compliance with Executive Order #5 (1979) and pertinent State and Federal laws upon notification of anticipated attendance. Handicapped persons planning to attend and needing special accommodations should contact, either by telephone or letter, Anthony D'Amato, Illinois Finance Authority, 233 South Wacker Drive, Suite 4000, Chicago, Illinois 60606 or at (312) 496-1156, TDD (312) 496-1155.

The agenda for the above-referenced meeting is as set forth below.

This notice is issued pursuant to Section 2.02 of the Illinois Open Meetings Act.

For Andrew Rice, Chairman, Venture Capital Committee

By:

/s/ Anthony D. D'Amato
General Counsel

AGENDA

- I. Call to Order
- II. Review of IFA's Accounting/Audit Systems and Procedures
- III. Review of IFA's Financial Statements
- IV. New Business
- V. Adjournment

Meeting of the Illinois Finance Authority Audit Committee

The Audit Committee (the "Committee") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held its regularly scheduled meeting at 3:00 p.m., on July 13, 2004 at the Illinois Finance Authority, located at the Sears Tower, 233 South Wacker Drive, Suite 4000 in Chicago, Illinois.

MEMBERS PRESENT:

Joe Valenti – Chair
Natalia Delgado
Terrence O'Brien

STAFF PRESENT:

Michael Pisarcik

MEMBERS ABSENT:

Demetris Giannoulis

Call to Order

The meeting was called to order by Chairman Valenti at 3:05 p.m.

Chairman's Comments

Mr. Valenti welcomed every one and noted that this was the initial meeting of the Committee. He asked Mr. Pisarcik to provide an overview of the Authority's accounting and financial system as well as audit matters.

Recent History Overview

Mr. Pisarcik provided the Committee with a history of the Authority's financial and accounting systems and the challenges confronted and the changes made by the Authority since January. A summary of his presentation is as follows:

I. Major Events

- A. Consolidate/integrate financial processes and procedures of the IHFA, IDFA, IRBB, IEFA and IFDA into the new Authority, which was culminated by the adoption of the IFA Policies and Procedures Manual by the Board at its August 2004 meeting
- B. Jeff Pruyn, Accountant for IEFA, retained (and continues to be retained) by IFA to assist with the on-going financial and accounting consolidation, especially as it relates to the IRBB and IFDA
- C. Laura Lanterman, IFDA CFO, retained from January 2004 through May 2004
- D. Each Predecessor Authority had its own accounting platforms – Elite, Peachtree, Quicken, Excel, others – which the Authority has consolidated into a single platform – Great Plains – effective as of May 2004

II. Current Staff & Responsibilities

- A. Mike Pisarcik – CFO, Comptroller, Treasurer, Signatory
- B. Joy Kuhn – Account integration, Treasury, Cash, Receivables, Risk Management
- C. Ximena (Six) Granda – Great Plains Power-user, general ledger, compliance, payroll, loans

- D. Gill Stein – Accountemps – Payables, Check issuance, integration projects, Elite

III. Current Systems

- A. Microsoft Great Plains general ledger platform
- B. Financial Statements
- C. Bond bookkeeping for outstanding issues
- D. Incentive Pay system
- E. Budget maintenance

Role of the Audit Committee

The Committee discussed the role that it should play and after discussing the matter agreed that it would focus on the following five matters:

- i. Committee as oversight role
- ii. Review progress toward resolving outstanding audit findings
- iii. Review IFA investment performance
- iv. Review loan portfolio and aging
- v. Review monthly check register

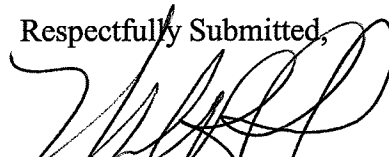
Prioritization of Financial/Accounting Matters

The Committee sought to prioritize those financial and accounting matters that need to be addressed or reviewed. After discussing this topic, the Committee agreed that the following items should be given priority:

- 1. IFA Audit process and the stub period audit findings
- 2. Bond recordkeeping
- 3. GAAP package
- 4. Compliance calendar
- 5. Loan amortization and receivables
- 6. Annual fee collection process
- 7. IFA Annual Report
- 8. Bond bank financials
- 9. Subsidies
- 10. Fund consolidation

The Chairman asked if there was any other business to come before the Committee or if any member of the public wished to address the Committee. There being no further business and no one seeking to address the Committee, Chairman Valenti adjourned the meeting at approximately 10:00 a.m.

Respectfully Submitted,



Michael Pisarcik, Secretary



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

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October 4, 2004

PUBLIC NOTICE OF SPECIAL MEETING

The Audit Committee (the "Committee") of the Illinois Finance Authority (the "IFA") will hold its regular scheduled meeting on Tuesday, October 12, 2004 at 3:00 p.m. for the purpose of discussing organizational matters and reviewing the various financial documents of the IFA. The Committee will meet at the IFA's Chicago offices, which are located at Two Prudential Plaza, 180 North Stetson Avenue, Chicago, Illinois 60601.

All meetings will be accessible to handicapped individuals in compliance with Executive Order #5 (1979) and pertinent State and Federal laws upon notification of anticipated attendance. Handicapped persons planning to attend and needing special accommodations should contact, either by telephone or letter, Anthony D'Amato, Illinois Finance Authority, 233 South Wacker Drive, Suite 4000, Chicago, Illinois 60606 or at (312) 496-1156, TDD (312) 496-1155.

The agenda for the above-referenced meeting is as set forth below.

This notice is issued pursuant to Section 2.02 of the Illinois Open Meetings Act.

For Andrew Rice, Chairman, Venture Capital Committee

By:

/s/ Anthony D. D'Amato
General Counsel

AGENDA

- I. Call to Order
- II. Review of IFA's Accounting/Audit Systems and Procedures
- III. Review of IFA's Financial Statements
- IV. New Business
- V. Adjournment



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November 15, 2004

PUBLIC NOTICE OF SPECIAL MEETING

The Audit Committee (the "Committee") of the Illinois Finance Authority (the "IFA") will hold a special meeting on Thursday, November 18, 2004 at 8:30 a.m. for the purpose of reviewing various financial documents and processes of the IFA as well as audit related procedures. The Committee will meet at the IFA's Chicago offices, which are located at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601.

All meetings will be accessible to handicapped individuals in compliance with Executive Order #5 (1979) and pertinent State and Federal laws upon notification of anticipated attendance. Handicapped persons planning to attend and needing special accommodations should contact, either by telephone or letter, Anthony D'Amato, Illinois Finance Authority, 233 South Wacker Drive, Suite 4000, Chicago, Illinois 60606 or at (312) 496-1156, TDD (312) 496-1155.

The agenda for the above-referenced meeting is as set forth below.

This notice is issued pursuant to Section 2.02 of the Illinois Open Meetings Act.

For Joseph Valenti, Chairman, Audit Committee

By:

/s/ Anthony D. D'Amato
General Counsel

AGENDA

- I. Call to Order
- II. Review of IFA's Accounting/Audit Systems and Procedures
- III. Review of IFA's Financial Statements
- IV. Review of Audit Procedures
- V. New Business
- VI. Adjournment

Meeting of the Illinois Finance Authority Audit Committee

November 18, 2004

The Audit Committee (the "Committee") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held its scheduled meeting at 8:30 a.m., on November 18, 2004 at the Illinois Finance Authority, located at the 180 N. Stetson, Suite 2555 in Chicago, Illinois.

MEMBERS PRESENT:

Joe Valenti – Chair
Terrence O'Brien
Natalia Delgado (teleconference)

STAFF PRESENT:

Ali Ata
Michael Pisarcik

MEMBERS ABSENT:

Demetris Giannoulis

Call to Order

The meeting was called to order by Chairman Valenti at 8:45 a.m.

Chairman's Comments

Mr. Valenti welcomed every one and noted that this is the second meeting of the Committee. The agenda for this meeting is focused on the issues presented in the November 4, 2004 letter to A. Ata, IFA Executive Director, by W. Holland, Illinois Auditor General.

Overview

The Illinois Office of the Auditor General (OAG) has completed five (5) stub period financial and compliance audits of the predecessor authorities (IHFA, IEFA, IFDA, IRBB and IDFA) since January 1, 2004. The Illinois OAG began financial and compliance audits of the IFA for the period of January 1, 2004 through June 30, 2004 in June 2004. The current audit is being conducted by the OAG contractor McGladrey & Pullen (M&P).

The Committee reviewed the contents of the Holland letter and identified strategies for resolution of each issue.

Summary of IFA needs highlighted in the Holland letter:

- Comprehensive accounting system
- Reconciled opening balances for IFA and closing balances of predecessors
- Accurate venture investment valuations
- Loan balance receivable confirmations
- Current loan loss reserve calculation
- Current listing of loans outstanding
- Accounting for Treasury funds (IFDA)
- Back-up for accrued expenses
- Accounting for fixed assets of predecessors

The letter demands response to these weaknesses on or before November 22, 2004.

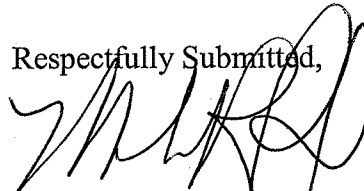
The Committee agreed that the IFA must aggressively reply to the issues raised in the Holland letter by replying to the Honorable W. Holland immediately. Ali Ata will contact the OAG office to request an on-site meeting at IFA to review our approach for meeting the needs of the OAG and M&P.

J. Valenti recommended that we follow up with Joe Evans of M&P to get a progress update prior to the next IFA Board meeting on December 7, 2004. M. Pisarcik will inquire about Joe Evan's availability and invite him to attend a meeting at IFA at 1:00 PM on Monday December 6, 2004. IFA wants to demonstrate cooperation and get an update on IFA's progress and M&P's satisfaction with the materials and cooperation they've received.

J. Valenti stressed the urgency of this matter and the support of the IFA Board of Directors to deliver the necessary cooperation and information on a top-priority basis.

The Chairman asked if there was any other business to come before the Committee or if any member of the public wished to address the Committee. There being no further business and no one seeking to address the Committee, Chairman Valenti adjourned the meeting at approximately 10:00 a.m.

Respectfully Submitted,



Michael Pisarcik, Secretary



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

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November 30, 2004

PUBLIC NOTICE OF SPECIAL MEETING

The Audit Committee (the "Committee") of the Illinois Finance Authority (the "IFA") will hold a special meeting on Monday, December 6, 2004 at 1:00 p.m. for the purpose of reviewing audit related procedures and the status of the FY 2004 audit. The Committee will meet at the IFA's Chicago offices, which are located at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601.

All meetings will be accessible to handicapped individuals in compliance with Executive Order #5 (1979) and pertinent State and Federal laws upon notification of anticipated attendance. Handicapped persons planning to attend and needing special accommodations should contact, either by telephone or letter, Anthony D'Amato, Illinois Finance Authority, 233 South Wacker Drive, Suite 4000, Chicago, Illinois 60606 or at (312) 496-1156, TDD (312) 496-1155.

The agenda for the above-referenced meeting is as set forth below.

This notice is issued pursuant to Section 2.02 of the Illinois Open Meetings Act.

For Joseph Valenti, Chairman, Audit Committee

By:

/s/ Anthony D. D'Amato
General Counsel

AGENDA

- I. Call to Order
- II. Status Review of IFA's FY 2004 audit
- III. Review of Audit Procedures
- IV. New Business
- V. Adjournment

Meeting of the Illinois Finance Authority Audit Committee

December 6, 2004

The Audit Committee (the "Committee") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held its scheduled meeting at 1:00 p.m., on December 6, 2004 at the Illinois Finance Authority, located at the 180 N. Stetson, Suite 2555 in Chicago, Illinois.

MEMBERS PRESENT:

Joe Valenti – Chair (teleconference)

STAFF PRESENT:

Ali Ata

Michael Pisarcik

MEMBERS ABSENT:

Demetris Giannoulis

Terrence O'Brien

Natalia Delgado

Call to Order

The meeting was called to order by Chairman Valenti at 1:00 p.m.

Chairman's Comments

Mr. Valenti greeted every one and noted that this is the third meeting of the Committee. Mr. Valenti acknowledged that due to travel plans, Ms. Delgado and Messrs. Giannoulis and O'Brien are unable to attend the meeting today.

The agenda for this meeting is focused on the progress toward delivering the materials and information referenced in the November 4, 2004 letter to A. Ata, IFA Executive Director, by W. Holland, Illinois Auditor General.

Discussion

Mr. Ata discussed the request for Mr. J. Evans of McGladrey & Pullen to meet with us today. Approximately two weeks ago, M. Pisarcik invited Mr. Evans to today's meeting. Mr. Evans returned with a verbal request to send a letter to Mr. W. Holland, OAG specifically requesting his approval for Jon Fox (OAG) and Mr. Evans to visit IFA for this meeting. Mr. Ata submitted this request in a letter dated November 30, 2004. Mr. Holland replied and denied the request in his letter dated December 1, 2004, stating that

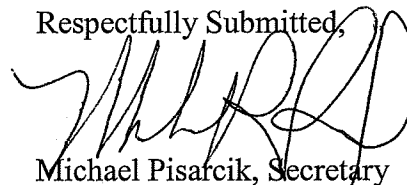
such a visit is premature, the auditors have been at IFA for some time and IFA should be well aware of status of the progress of the audit.

The Committee reviewed the outcome of the progress meeting held at IFA at 11:00 AM on Friday, November 17, 2004. This meeting, chaired by Mr. Ata, was attended by IFA staff, six (6) auditors from M&P, Mr. Jon Fox of the OAG, and Mr. M. Lurie of OMB. During this 3-hour meeting, Mr. J Evans expanded upon their areas of dissatisfaction with the IFA systems and processes, and at one point even openly disagreed with Mr. Fox on the depth to which an IFDA legacy issue should be investigated, taking the more aggressive approach. This meeting ended with agreement to resume the on-site auditing activity on November 22, 2004. On that date, the full M&P audit team returned to IFA and M. Pisarcik walked them through the 20+ files of documents that M&P had requested. So, the audit process seems to be back in full swing.

The Committee considered retaining an accounting contractor/consultant firm to support IFA in the next few months. Several names were suggested and discussed. Messrs. Ata and Pisarcik will draft a project scope, schedule interviews with firms, and arrange for the accounting support starting in January 2005.

The Chairman asked if there was any other business to come before the Committee or if any member of the public wished to address the Committee. There being no further business and no one seeking to address the Committee, Chairman Valenti adjourned the meeting at approximately 2:00 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Michael Pisarcik', written over a horizontal line.

Michael Pisarcik, Secretary