ILLINOIS FINANCE AUTHORITY
BOARD MEETING
June 9, 2009
Chicago, Illinois

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

AGENDA

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

BOARD MEETING
11:00 a.m.
James R. Thompson Center
100 W. Randolph, 2nd Floor, 2-025
Chicago, Illinois

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds ***Final***						
1	Tye and Jill Adair	Macomb	$137,500	0	0	ER
TOTAL AGRICULTURE PROJECTS			$137,500	0	0	

COMMUNITY AND CULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds ***Final***						
2	Aunt Martha's Youth Service Center, Inc.	Multiple	$9,000,000	0	0	PL/BC
3	Hospice of Northeastern Illinois	Barrington	$9,000,000	31	125	TA
Local Government Direct Bond Purchase ***Final***						
4	City of Girard	Girard	$980,000	0	5	NM
Local Government Bonds ***Preliminary***						
5	Marion Community Unit School District Number 2	Marion	$17,500,000	0	15	NM
501(c)(3) Revenue Anticipation Notes ***Final***						
6	Jewish Charities	Multiple	$41,750,000	0	0	TA
TOTAL COMMUNITY AND CULTURE PROJECTS			$78,230,000	31	145	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Preliminary*						
7	Third Order of St. Fancis of Mary Immaculate, Joliet	Joliet	$11,000,000	2	80	PL/BC
501(c)(3) Bonds *Final*						
8	Central DuPage Health	Winfield	$150,000,000	33	400	PL/BC
9	Provena Health	Chicago	$200,000,000	0	0	PL/BC
10	Riverside Health System	Coal City	$80,000,000	55		PL/BC
11	Rush University Medical Center Obligated Group	Chicago & Aurora	$210,000,000	300	300	PL/BC
12	The University of Chicago Medical Center	Chicago	$350,000,000	0	700	PL/BC
TOTAL HEALTHCARE PROJECTS			$1,001,000,000	390	1,480	

HIGHER EDUCATION

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Bonds *Final*						
13	Illinois Institute of Technology	Chicago	$30,000,000	0	130	TA
TOTAL HIGHER EDUCATION PROJECTS			$30,000,000	0	130	
GRAND TOTAL			$1,109,367,500	421	1,755	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
14	A Resolution Authorizing an Amendment to the Bond Trust Indenture to allow the hospital to release excess monies in the interest fund to pay fees for letter of credit and payments under interest rate agreements.	PL / BC
15	A resolution to delegate authority to the Authority's Agricultural Loan Committee to review, approve, and delegate authority to the Authority's Director of Funding Managers to approve certain immaterial changes to Agricultural Loan Guarantees and Agricultural Participation Loans as needed.	ER
16	A Resolution Authorizing an Amendment to the Bond Trust Indenture to allow Midwest Medical Center to stop prefunding periodic monthly interest payments for the period from June 20, 2009 through September 30, 2009.	PL / BC

Other

Adjournment

Illinois Finance Authority
Executive Director's Report
June 9, 2009

To: IFA Board of Directors and Office of the Governor

From: John B. Filan, Executive Director

Financial Performance

General Fund:
The Illinois Finance Authority's General Fund unaudited financial position for the eleven months ending May 31, 2009, reports total assets of $42,574,265, liabilities of 1,498,947 and total equity of $41,075,318. This compares favorably to the May 2008 balance sheet, with $40,042,102 in total assets, liabilities at $1,831,831 and total equity of $38,210,270.

The General Fund cash balance is projected to be $14,643,668 at June 30, 2009. The beginning cash balance as of June 30, 2008, was $9,886,971, with total cash receipts during the year of $11,927,497 from principal repayments and projected revenue additions of $1,020,991, offset by cash deductions of $8,191,791 due to operating expenses and loan funding.

Gross revenue YTD (other than loan repayments) for May was $6,650,420, or $1,049,866 (-13.6%) below budget. The unfavorable variance is primarily due to fee income and investment income declines. Total operating expenses were $4,736,509, or $1,189,220 (-20.7%) below budget. This is primarily due to a reduction of employee related expenses, professional and office services and the loan loss provision/bad debt.

Gross revenue YTD of $6,650,420, was $2,817,760 (-29.8%) below same period last fiscal year 2008. This is primarily due to reductions from interest on loans ($220,082), fee income ($1,926,097) and investment income ($320,026). Operating expenses YTD were $4,736,509, or $1,353,961 (-22.2%) lower than same period last fiscal year 2008. This is due to a reduction in employee related expenses, professional and office services and reduced loan loss reserve.

Year-to-date net income for May was $1,934,036 or $159,479 higher than budget but $2,291,126 lower than same period last fiscal year.

Full year gross revenue, eleven months actual and one month forecast, are projected to be $7,470,146, or $898,307 (-12.0%) lower than the approved FY09 budget target of $8,368,453. The unfavorable plan performance is primarily due to fee income ($585,776) and investment income ($305,535). Full year operating expenses are projected to be $5,155,054, or $1,309,248 (-20.3%) lower than the approved budget target of $6,464,502. This favorable variance is due to reductions in employee related expenses, professional and office services and reduced loan loss reserve.

Full year projected net income is $2,335,017, or $431,266 higher than the approved FY09 budget target of $1,903,951. It should be noted that fees of approximately $354,000 representing three (3) projects, were accelerated into June 2009 (From FY10).Without this acceleration, net income still would exceed the budget by approximately $77,000.

Consolidated Results
The Illinois Finance Authority's unaudited financial position for its fourteen (14) funds, as of May 31, 2009, reports consolidated total assets of $171,200,572, liabilities of $58,275,860 and total equity of $112,924,711. This compares favorably to the May 2008 balance sheet of $172,914,022 in total assets, liabilities of $61,214,867 and total equity of $111,699,155.

Audit and Compliance
The fiscal year 2008 audit has been finalized. The management representation letters and assertion letter were submitted on May 20, 2009. Audited statements are under final review by the Office of the Auditor General, as of May 2, 2009.

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

Financial Services

Market Update
According to the *Bond Buyer*, New-issuance volume last month came in at a pace lower than in any May since 2000. A total of 838 new issues came to market in May, with a par value of $27.02 billion. Volume was down 38.2% from the $43.75 billion issued in May 2008, when issues came to the market at a near-record pace as refundings took place to get out of auction-rate securities. New issuance through May 31st totals 4,195 issues, with par value of $148.7 billion, down 17.7% from last year. Issuance was ahead of last year's pace for the first two months of 2009 but has fallen behind since March, when issuers last year rushed to refinance auction-rate debt.

The short supply of credit facilities continues to prevent Borrowers from gaining access to a market seeing record-low short-term rates. The SIFMA swap index fell to 0.42% on May 20, an all-time low.

The stimulus package continues to have a positive impact on issuance volume. Bank-qualified issuance was up 38% in May and 78.5% for the year, consistent with an increase in the smaller-issuer limit, to $30 million, and changes in the *de minimis* rule. Taxable issuance was up 55.8% in May, to $3.2 billion, thanks to Build America Bonds ("BAB's"). A total of 31 taxable BABs issues came to market in May, with a par value of $2.4 billion. The market is still adapting to the addition of BABs. Though many of the earliest BAB issues came with corporate-like structures, such as bullet maturities and make-whole calls, several underwriters sold BABs with traditional tax-exempt features such as serial maturities and the standard 10-year call. Though some deals have focused on the savings BABs provide on the long end, some underwriters says its issues have found savings throughout the curve, according to the *Bond Buyer*. A $54 million Southern Illinois University issue that closed in May had savings versus tax-exempt debt ranging from 31 basis points for 2011maturities to 125 basis points for 2030 maturities all-in, present-value savings of 1.00%.

According to market participants, larger, mid-grade credits will see the biggest savings. Many market participants have noted that BAB structuring has evolved beyond the corporate style financing for larger borrowers to include tax-exempt style structures, with bullet maturities and make whole calls for smaller transactions. The differences between the structuring of the market's largest BAB deals in April and some that came in May have essentially created two BAB markets, said Steve Heaney, a managing director and the head of public finance at Stone & Youngberg LLC. "I think there are a couple different parts of the market that are forming," he said, "one being the corporate-style and the other being the more accepting of the tax-exempt style for the smaller issuers."

Interest Rate Trends:
The "newness" premium on Build America Bonds has thinned. A month ago taxable municipal bonds issued under the BAB program carried higher yields than many investment-grade corporate bonds and even government bonds from emerging economies. Market participants said the additional yield reflected a "newness" premium to compensate for the uncertainties of investing in a novel product. After a sharp rally in the sector, BAB spreads have narrowed significantly. Market participants say the tightening in part reflects growing familiarity with the product. Over the long term, these people say, yields could come down more as awareness and comfort reduce more of the "newness" premium.

Judging solely by credit quality, the initial yield premiums on BAB's was not justified. According to Moody's Investors Service, the default rate on investment-grade corporate bonds is 2.09%. The default rate on investment-grade munis is 0.07%. The default rate for all corporate bonds is 9.7%, according to Moody's. For munis, it is 0.1%. Gerry Lian, executive director at Morgan Stanley, however; attributed the BAB yield spread to a few factors, including less stringent disclosure requirements on municipalities than on corporations and relative illiquidity.

The improvements in the credit markets have led a rush to the fixed rate market for many of the Authority's healthcare borrowers. The June meeting includes many longstanding borrowers including the University of Chicago Medical Center, Rush University Medical Center, Central DuPage, Riverside Health and Provena Health. The total amount of these issuances is just in excess of $1 billion.

Interest Rates:

Tax-Exempt Rates:
- Variable Index (***** SIFMA): 0.42% (5/20), down 15 basis points from last month
- Fixed GO Bond (****** MMD-30yr-AA): 4.13% (6/1), down 29 basis points from last month.

Taxable Rates:
- Fed Reserve Benchmark Target Rate: 0.25% (6/1) unchanged from last month
- 90-day LIBOR: 0.656% (6/1), down 34 basis points from last month
- 2-yr Treasury: 0.88%, (6/1) down 4 basis points from last month
- 30-yr Treasury: 4.25% (6/1) up 16 basis points from last month

***** *SIFMA (i.e., "Securities Industry and Financial Markets Association"); The SIFMA Variable Index is an index of High-Grade 7-Day Floating Rate (VRDN) bonds compiled from market sources; www.sifma.org.*

****** *MMD (i.e., "Municipal Market Data"); Thomson Financial compiles several 's proprietary indices of High Grade Municipal Bonds of varying maturities under their "MMD" indices.*

The Tax-Exempt SIFMA Variable Rate Index consistent with strong investor demand for liquidity, as in last month's report retained its historical lows in May (i.e., 0.42% as of May 20th)

Among Taxable rates, 90-day LIBOR, which is used to determine borrowing rates for many interbank loans, continued to decline in May, approaching its lowest levels since 2004. 90-day LIBOR (plus a margin) is frequently used as a benchmark for determining variable rate commercial loan interest rates.

Additionally, the impact of the new Taxable Build America Bonds on long-term Tax-Exempt interest rates is further highlighted by comparing the direction of the 30-Year MMD Tax-Exempt Fixed GO Rate (i.e., declining 29 b.p. in May) to comparable 30-Year Treasuries (which increased by 61 b.p. in May). Accordingly, the reduction in supply of 30-Year Tax-Exempts due to the BABs was more than sufficient to offset a general increase in long-term taxable rates.

The Federal Reserve is expected to hold rates near 0% for an extended period of time. Long-term Treasury rates are still expected to remain low for most of 2009 given the ongoing recession and anticipated Fed purchases of Treasuries.

Economic Data:

As reported by Bloomberg on June 1, 2009, Manufacturing in the U.S. shrank less than forecast in May as new orders increased for the first time since the recession began, a sign that companies are growing more confident the slump will end this year. The Institute for Supply Management's factory index rose to 42.8 from 40.1 in April. (Readings of less than 50 on the Tempe, Arizona-based group's gauge signal a contraction.) The new-orders measure jumped to 51.1 from 47.2.

Economists expected the ISM's manufacturing index to rise to 42.3, according to the median of 71 projections in a Bloomberg News survey. Estimates ranged from 38 to 45.5. The ISM's production index rose to 46, the highest since August, from 40.4 the prior month. The employment index slipped to 34.3 from 34.4. A gauge of export orders rose to 48 from 44.

The inventory index fell to 32.9 from 33.6. A figure below 50 means manufacturers are reducing stockpiles. The economy shrank less than previously estimated in the first quarter, the government said last week, and a Reuters/University of Michigan index showed confidence among consumers rose in May to the highest level since September. Still, a gauge of current conditions, which reflects whether Americans are likely to buy big-ticket items such as cars, fell.

Spending on construction projects in the U.S. unexpectedly rose in April, gaining the most since August, as the housing slump eased and more commercial projects got underway, according to another report today from Commerce. The ISM report reinforces regional data showing the factory industry's contraction slowed in May. The Federal Reserve Bank of New York's manufacturing gauge rose to the highest level since August, the Philadelphia Fed's measure jumped to an eight-month high and the Richmond Fed's index showed its first expansion in more than a year.

By contrast, the Institute for Supply Management-Chicago Inc.'s gauge of business activity shrank at a faster pace than anticipated. Part of the drop may have resulted from the auto slump in neighboring Detroit, economists said. More pain for some factories and workers is ahead. GM, the world's largest carmaker until its 77-year reign ended last year, filed for bankruptcy protection in the U.S. on June 1, 2009. Chrysler filed for bankruptcy on April 30, followed by Visteon Corp., the former parts-making unit of Ford Motor Co., and chassis manufacturer Metaldyne Corp.

Nonfarm payroll employment continued to decline in April (-539,000), and the unemployment rate rose from 8.5 to 8.9 percent, Bureau of Labor Statistics released May 8, 2009. Since the recession began in December 2007, 5.7 million jobs have been lost. In April, job losses were large and widespread across nearly all major private-sector industries. Overall, private-sector employment fell by 611,000. Illinois' 2009 unemployment rate was **9.4%** in April according to the Department of Unemployment Securities.

<u>Other Market News</u>

<u>IFA Sales, Marketing and Credit</u>

- **Energy Initiative** – IFA's Energy Team is continuing to work closely with the US Department of Energy and the Council of Development Finance Agencies to create wind and other renewable energy financing programs. As well as, a new category of Exempt Facilities Bonds that would enable (1) the construction of new electric transmission lines and (2) construction of renewable energy facilities with tax-exempt bonds.
    - The General Assembly transferred legislation that confirms IFA's authority to issue State Moral Obligation Bonds for renewable energy projects and expands its capacity to issue Agricultural Loan Guarantees. The House passed SB 1906 with an amendment that contained these provisions on May 28. The Senate passed the House version of SB 1906 on May 30. This legislation has been sent to the Governor who is expected to sign it into law. The legislation amends the Clean Coal and Energy Act to provide bonding authority for Clean Coal Projects, Coal Projects and Renewable Energy Projects. **Passage of SB 1906 will provide for the first time in State supported borrowing for renewable energy, transmission lines, and battery projects with particular interest in wind projects.**

- **Marketing** – Spurred by the 2009 Recovery Act (or "ARRA"), and the related need to upgrade pubic infrastructure and educational facilities, IFA's Local Government Team is finalizing marketing and development plans to encourage both conduit financings for larger borrowers and pooled financings for small municipalities.

IFA's Local Government team is also working with the Illinois Municipal League, the Illinois State Board of Higher Education, and various professional groups including the Illinois Government Finance Officers Association, the Illinois City and County Management Association, and the Illinois Association of School Business Officials to submit newsletter articles and to arrange speaking engagements at professional events.

- IFA's Local Government Team will be attending an annual legislative staff meeting in Springfield to discuss IFA's enhanced Local Government financing programs on Monday June 15th. This will kick off the new local government, fire truck and ambulance marketing approach with local legislative offices through out the State.

Program Development

- **Fire Truck and Ambulance Revolving Loan Funds -** Payment authorization has been sent to the Comptroller, 41 fire truck loans have been funded totaling $8,652,465 and 12 Ambulance loans totaling $1,193,200.

- The Summer 2009 Local Government Pool is now in marketing mode.

- Local Government Staff intends to work with eligible (i.e., "creditworthy") Borrowers to facilitate interim financing of credit-approved borrowers with an existing, dedicated $2,561,229 (as of April 30, 2009) IRRB Special Reserve Fund (established for the Illinois Rural Bond Bank, an IFA predecessor). This IFA interim financing would enable (i) creditworthy borrowers to proceed with their financings and (ii) enable each IFA Local Government Pool to aggregate sufficient volume to provide economies of scale for participants.

- SBA Micro Loan Program – Although the SBA Micro Loan Application is substantially complete, the application cannot be submitted to the U.S. Small Business Administration without a copy of IFA's audited financial statements for FYE 6/30/2008 (which are due back to IFA in early May).

- Participation Loan and EDA Title IX Revolving Loan Fund, and USDA Rural Development Loan Programs: A new evaluation report on IFA's Participation Loan Program will be presented and discussed at the June Board Meeting.

- Credit criteria for the Authority's products is currently in a development stage and will be completed in June.

Sales Activities

Funding Managers will be presenting six financings totaling $1,109,367,500 for consideration at the June 9, 2009 board meeting:

- Agriculture projects total $137,500.
- Non-Healthcare Projects (Cultural and other 501(c)(3)) total $78,855,000.
- Healthcare Projects total $1,001,000,000
- Higher Education Projects total $30,000,000

The six financings presented for consideration today are expected to create 421 new jobs and 1,755 construction jobs.

- The IFA by letters from the Executive Director and Board Chair will make the Local Government Bond Program and the Fire Truck, Ambulance Revolving Loan Pool Programs available through legislative offices within the State.

IFA Industry Updates and Closing Reports

Agriculture

In May, the Agriculture Team received fourteen calls from lenders and seven calls from producers and businesses seeking possible financing assistance. The projects discussed with lenders and potential borrowers covered various market sectors. The projects discussed included Beginning Farmer Bonds, Participation loans, Agri-Debt Restructuring Guarantees, a Specialized Livestock Guarantee, a Rural Development loan, and a possible Industrial Revenue Bond.

During the month of May, staff concentrated on closing previously approved Beginning Farmer Bonds and developing a more defined strategic plan for the Ag and Rural Development initiative. The downstate funding managers also met in Mattoon to discuss and organize efforts for marketing and calling efforts in FY 2010 for each of the market sectors. Each funding manager will develop and submit a calling plan outlining these efforts to management.

The Agriculture Team is submitting one beginning farmer bond in the amount of $250,000 for approval consideration at the June board meeting.

Agriculture May, 2009 Closing(s)

Closing Date	Amount	Borrower
5/19/2009	$220,000	Nelson, Neal & Lori
5/19/2009	$229,632	Carriker, Bradley & Amber
5/19/2009	$250,000	France, Nicholas & Lynde
5/19/2009	$250,000	Hartke, David
5/19/2009	$240,000	Engelkens, Kal
5/19/2009	$107,500	Shepherd, Paul

Business and Industry

The month of May brought increased calling efforts to manufacturers that have been hearing of stimulus funds available through the Federal government. Many of these entities have been experiencing downturns associated with their work as suppliers to larger manufacturers and have been searching for alternatives for their funding needs. Also, calls with bankers in the Central Illinois region continue to indicate the lack of lending activity in the Business & Industry arena.

IFA's B&I Team will be focusing calls on Illinois-based manufacturers that service industries that remain relatively healthy during the current recession including (1) component suppliers to the wind turbine and other alternative energy sources, (2) the medical products industry.

Business and Industry May, 2009 Closing(s)

Closing Date	Amount	Borrower
5/21/2009	$4,000,000	C&L Tiling, Inc.

Healthcare

On May 27th, Silver Cross Hospital priced $260 million of BBB/BBB+ rated bonds. It was the largest unenhanced 'BBB' category single-site replacement hospital financed nationally since April 2008. The pricing included a 35-year maturity and the all-in cost to the borrower was 7.31% (an improvement of over 75 bps from estimates 3 weeks ago).

The Healthcare Team has received proposals from underwriting firms pursuant to an RFP and is in the process of crafting the finance team for the anticipated Hospital Assessment Program ("HAP") Securitization Programs. Document preparation and review will begin shortly.

- IFA's Healthcare Team views this program extremely positively given that it will benefit (1) the State of Illinois (i.e., resulting in increased federal funding as a result of having Medicare Account Receivables current) and (2) hospitals (by providing additional access to liquidity).

In May, the Healthcare Team attended the Citi Healthcare Investor Conference in New York City. Several of our largest borrowers, Advocate, Rush & Northwestern made presentations to the fund managers and investors in attendance. The Healthcare Team also spoke with Carle Foundation regarding their future financing plans.
The Healthcare plans to attend the 30th Annual Small & Rural Hospital Meeting in Springfield presented by the Illinois Hospital Association. The Healthcare Team will have a booth space for the three day meeting.

IFA's Healthcare Team will continue to work with Borrowers who are restructuring their plans of finance to try to move on the improvements in the credit markets for non-rated investments grade projects, such as The Admiral and Timothy Place, which are financing new facilities.

Healthcare May, 2009 Closing(s)

Closing Date	Amount	Borrower
5/06/2009	$90,000,000	Central DuPage Hospital
5/22/2009	$2,950,000	Passavant Memorial Area Hospital

Non-Healthcare 501(c)(3)'s:

The Higher Education Team held extensive conversations with the Directors of the Federation of Illinois Independent Colleges and Universities to determine how the economy will affect borrowing for campus improvements, new construction, and sprinkler-HVAC improvements for calendar year 2009. Their responses indicate that their memberships will spend cash only for the most necessary improvements since their respective endowments have experienced substantial losses. Many also have concerns about reductions in academic year 2009-2010 enrollments.

A securities market "window" opened for lower rated credits which will make it possible for the Illinois Institute of Technology ("IIT"), which is rated "Baa-2" by Moody's Investors Service, to come to market with 25-year fixed rate bonds. IIT is seeking final Board approval at today's meeting.

Members of the Higher Education Team met with representatives from Stern Brothers & Company to discuss opportunities for underwriting higher education bond transactions for Illinois public universities, community college districts, and not for profit entities.

Non-Healthcare 501(c)(3) May, 2009 Closing(s)

Closing Date	Amount	Borrower
5/27/2009	$12,000,000	Near North Montessori School

Local Government

Local Government Bond Program, which the Board approved at the May meeting, was sent to the Illinois Municipal League which agreed to post the information on its website and include in its July membership newsletter. Legislators will receive letters describing the revised program to broadcast to their constitutients after the current session ends. Staff prepared a timeline for Funding Managers to call on regional Mayors Councils, and existing and potential borrowers.

Staff is in contact with the Illinois State Board of Education to post the information on the ISBE website. Funding managers will be contacting regional school district groups and existing and potential borrowers, which include community college districts.

Currently, there are approximately 15 local units of government (primarily rural downstate) interested in participating in the next pool IFA staff is working with these Borrowers to expedite completion of applications. Today's Board Meeting Agenda features two applications (the City of Girard and the Village of Kane) for interim financing under IFA's Local Government Direct Bond Purchase Program. IFA plans to aggregate interested local governments in this Interim Financing Program until sufficient volume has been generated to justify a Bond Issuance.

There were no Local Government Closings in May, 2009

Energy

Major Initiatives:

SB 1906: The General Assembly transferred legislation that confirms IFA's authority to issue State Moral Obligation Bonds for renewable energy projects and expands its capacity to issue Agricultural Loan Guarantees from SB 1912 to SB 1906. The House passed SB 1906 with an amendment that contained these provisions on May 28. The Senate passed the House version of SB 1906 on May 30. This legislation has been sent to the Governor who is expected to sign it into law. The legislation amends the Clean Coal and Energy Act to provide bonding authority for Clean Coal Projects, Coal Projects and Renewable Energy Projects subject to the following limits:

Up to $3,000,000,000 in aggregate bonds authorized under the Act outstanding any time, subject to the following limitations:

- Clean Coal Projects: Up to $2,000,000,000 to finance qualifying clean coal projects
- Renewable Energy Projects: Up to $2,000,000 to finance qualifying renewable energy projects
- Transmission Lines: Up to $300,000,000 of bonds to finance transmission lines for qualifying coal electric generation and gasification facilities and renewable energy projects
- Carbon Transfer or Abatement: Up to $500,000,000 of bonds to finance pipelines or other methods to transfer carbon dioxide from points of production to storage or to finance carbon abatement technologies at existing generating facilities

Enactment of the legislation will dramatically enhance IFA's ability to finance renewable energy projects that the Obama Administration is encouraging and to leverage substantial federal resources that have been appropriated under The Stimulus Bill and are anticipated once energy legislation is enacted later this year.

DOE Loan Guarantee: Consultants to US Department of Energy ("DOE") have advised staff that IFA is on DOE's short list of conduit issuers that are being considered as partners for the Section 1705 Program, a new program that authorizes the issuance of up to $70 billion in DOE loan guarantees for renewable energy projects. To accelerate project development, DOE is considering a delegation of authority to partnering conduit issues for completing due diligence on projects under $100 million in cost. The prospect of partnering with DOE offers an extraordinary opportunity to leverage State resources to attract projects and help developers obtain debt financing, today's most important development hurdle.

Wind: Staff continues to work with the Illinois Power Agency to develop financing for wind power projects once SB 1906 is enacted into law.

There were no Energy Closings in April, 2009

<u>Human Resources</u>

- Completed performance review process for IFA staff
- Made compensation recommendations to the Compensation Committee of the Board
- Hired a summer intern to work on energy-related projects.

<u>Treasury</u>

- Work continues on implementation of IFA's Investment Strategy.
- A draft of an updated Investment Policy is completed and has been sent to management staff for review.
- CDARS due diligence was completed.
- RFPs are being developed for:
  1) Investment Advisor

2) Money Market and Government Bond Funds
3) CDARS.

These are required in order to commence implementation of the investment strategy.

O**perations**

Final recommendation for Professional Liability insurance was completed and submitted to the Executive Director. Compliance-related RFPs were completed and awards posted on the Illinois Procurement Bulletin.

Venture Capital

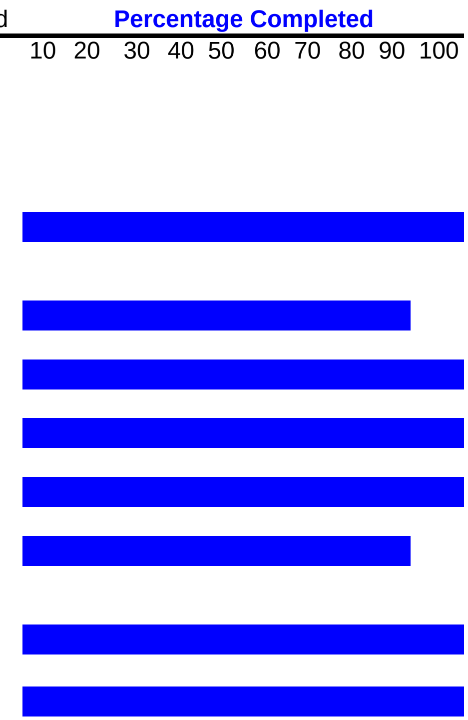
An RFP is being developed in order to procure valuation services for IFA's venture capital portfolio.

Legal/Legislative

A verbal report will be provided at the June 9, 2009 meeting of the Committee of the Whole.

Illinois Finance Authority
Audit Findings Material and Immaterial
Update as of May 31, 2009

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



Illinois Finance Authority
Audit Findings Material and Immaterial
Update as of May 31, 2009

Item Number	Description	Estimated Completion Date	Status Action Items/ (not final) Action Items Completed	Percentage Completed 10 20 30 40 50 60 70 80 90 100
Total Number of 9				
FY 07 Immaterial Findings				
IM07-01	Approval of Incomplete Travel and Marketing Reimbursement Forms	3/31/2009	**4/4**	
IM07-02	Inadequate Processing and Untimely Deposit of Cash Receipts and Refunds	4/30/2008	**4/4**	
IM07-03	Corrected Agency Workforce Report was not Filed Timely	4/30/2008	**4/4**	
IM07-04	Use of Telecommunications Devices Not Properly Monitored	4/30/2008	**3/3**	
IM07-05	Outdated Investment Report	4/30/2008	**4/4**	
IM07-06	Allowance of Old Accounts Receivable Not Performed	7/31/2008	**4/4**	
IM07-07	Statement of Economic Interest Report Not Filed Timely	4/30/2008	**4/4**	
IM07-08	Failure to File for a Refund of Telephone Excise Tax	4/30/2008	**2/2**	
IM07-09	Noncompliance with Printing Requirements	4/30/2008	**2/2**	

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

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Eleven Months Ending May 31, 2009

	Actual May 2009
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	$ 14,637,672
RECEIVABLES, NET	64,052
LOAN RECEIVABLE, NET	24,411,244
OTHER RECEIVABLES	184,545
PREPAID EXPENSES	75,575
TOTAL CURRENT ASSETS	39,373,088
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	104,405
DEFERRED ISSUANCE COSTS	430,101
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	871,998
VENTURE CAPITAL INVESTMENTS	-
OTHER	1,794,675
TOTAL OTHER ASSETS	2,666,673
TOTAL ASSETS	$ 42,574,265
LIABILITIES	
CURRENT LIABILITIES	$ 880,376
LONG-TERM LIABILITIES	618,572
TOTAL LIABILITIES	1,498,947
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	23,058,506
NET INCOME / (LOSS)	1,934,036
RESERVED/RESTRICTED FUND BALANCE	1,732,164
UNRESERVED FUND BALANCE	10,239,134
TOTAL EQUITY	41,075,318
TOTAL LIABILITIES & EQUITY	$ 42,574,265

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
May 31, 2009

	Actual May 2009	Budget May 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2009	% of Budget Expended
REVENUE										
INTEREST ON LOANS	286,161	309,411	(23,250)	-7.51%	3,333,404	3,460,364	(126,960)	-3.67%	3,733,944	89.27%
INVESTMENT INTEREST & GAIN(LOSS)	84,500	202,245	(117,745)	-58.22%	1,670,276	2,197,770	(527,494)	-24.00%	2,399,092	69.62%
ADMINISTRATIONS & APPLICATION FEES	273,472	479,817	(206,345)	-43.00%	4,521,163	5,303,612	(782,449)	-14.75%	5,781,179	78.20%
ANNUAL ISSUANCE & LOAN FEES	55,012	57,168	(2,156)	-3.77%	600,619	614,622	(14,003)	-2.28%	665,579	90.24%
OTHER INCOME	27,351	6,917	20,434	295.42%	617,782	76,087	541,695	711.94%	83,004	744.28%
APPROPRIATIONS FROM STATE	-		-	-	-					
TOTAL REVENUE	726,496	1,055,558	(329,062)	-31.17%	10,743,245	11,652,455	(909,210)	-7.80%	12,662,798	84.84%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	221,933	269,099	(47,166)	-17.53%	2,553,330	2,939,274	(385,944)	-13.13%	3,206,787	79.62%
BENEFITS	24,529	23,288	1,241	5.33%	265,605	258,631	6,974	2.70%	281,903	94.22%
TEMPORARY HELP	1,777	3,333	(1,556)	-46.68%	54,458	36,663	17,795	48.54%	40,000	136.14%
EDUCATION & DEVELOPMENT	-	417	(417)	0.00%	893	4,587	(3,694)	-80.52%	5,000	17.87%
TRAVEL & AUTO	10,290	10,250	40	0.39%	63,542	112,750	(49,208)	-43.64%	123,000	51.66%
TOTAL EMPLOYEE RELATED EXPENSES	258,528	306,387	(47,859)	-15.62%	2,937,828	3,351,905	(414,077)	-12.35%	3,656,690	80.34%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	8,986	70,200	(61,214)	-87.20%	273,996	772,200	(498,204)	-64.52%	842,400	32.53%
LOAN EXPENSE & BANK FEE	212,645	213,895	(1,250)	-0.58%	2,507,537	2,457,929	49,608	2.02%	2,671,824	93.85%
ACCOUNTING & AUDITING	23,920	31,975	(8,055)	-25.19%	335,100	351,725	(16,625)	-4.73%	383,700	87.33%
MARKETING GENERAL	19,709	8,333	11,376	136.52%	58,716	91,663	(32,947)	-35.94%	100,000	58.72%
FINANCIAL ADVISORY	5,000	25,000	(20,000)	-80.00%	275,075	275,000	75	0.03%	300,000	91.69%
CONFERENCE/TRAINING	625	1,250	(625)	0.00%	11,246	13,750	(2,504)	-18.21%	15,000	74.97%
MISC. PROFESSIONAL SERVICES	3,333	4,166	(833)	0.00%	65,666	45,826	19,840	43.29%	50,000	131.33%
DATA PROCESSING	3,621	3,750	(129)	-3.45%	40,834	41,250	(416)	-1.01%	45,000	90.74%
TOTAL PROFESSIONAL SERVICES	277,839	358,569	(80,730)	-22.51%	3,568,172	4,049,343	(481,171)	-11.88%	4,407,924	80.95%

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
May 31, 2009

	Actual May 2009	Budget May 2009	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Budget YTD FY 2009	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2009	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	22,573	25,905	(3,332)	-12.86%	270,782	284,955	(14,173)	-4.97%	310,860	87.11%
EQUIPMENT RENTAL AND PURCHASES	3,793	3,867	(74)	-1.91%	53,612	42,537	11,075	26.04%	46,404	115.53%
TELECOMMUNICATIONS	5,323	5,420	(97)	-1.79%	56,516	59,620	(3,104)	-5.21%	65,040	86.89%
UTILITIES	756	933	(177)	-19.00%	13,334	10,263	3,071	29.92%	11,196	119.09%
DEPRECIATION	5,247	7,355	(2,108)	-28.66%	66,298	80,905	(14,607)	-18.06%	88,256	75.12%
INSURANCE	1,951	1,500	451	30.08%	15,218	16,500	(1,282)	-7.77%	18,000	84.54%
TOTAL OCCUPANCY COSTS	39,643	44,980	(5,337)	-11.87%	475,759	494,780	(19,021)	-3.84%	539,756	88.14%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	3,834	9,450	(5,616)	-59.43%	78,007	103,950	(25,943)	-24.96%	113,400	68.79%
BOARD MEETING - EXPENSES	2,332	2,983	(651)	-21.81%	34,437	32,813	1,624	4.95%	35,796	96.20%
PRINTING	1,360	1,200	160	13.37%	14,054	13,200	854	6.47%	14,400	97.60%
POSTAGE & FREIGHT	615	2,300	(1,685)	-73.26%	21,426	25,300	(3,874)	-15.31%	27,600	77.63%
MEMBERSHIP, DUES & CONTRIBUTIONS	(1,247)	3,083	(4,330)	-140.45%	35,210	33,913	1,297	3.83%	36,996	95.17%
PUBLICATIONS	58	300	(242)	-80.76%	3,312	3,300	12	0.36%	3,600	92.00%
OFFICERS & DIRECTORS INSURANCE	11,387	14,524	(3,137)	-21.60%	159,070	159,764	(694)	-0.43%	174,292	91.27%
MISCELLANEOUS	-	42	(42)	0.00%	4,048	462	3,586	776.19%	504	803.17%
TOTAL GENL & ADMIN EXPENSES	18,340	33,882	(15,542)	-45.87%	349,565	372,702	(23,137)	-6.21%	406,588	85.98%
LOAN LOSS PROVISION/BAD DEBT	66,598	75,000	(8,402)	-11.20%	296,761	825,000	(528,239)	-64.03%	900,000	32.97%
OTHER										
INTEREST EXPENSE	597	621	(24)	-3.82%	6,850	6,831	19	0.28%	7,447	91.98%
TOTAL OTHER	597	621	(24)	-3.82%	6,850	6,831	19	0.28%	7,447	91.98%
TOTAL EXPENSES	661,544	819,439	(157,895)	-19.27%	7,634,934	9,100,561	(1,465,627)	-16.10%	9,918,405	76.98%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	64,952	236,119	(171,167)	-72.49%	3,108,311	2,551,894	556,417	21.80%	2,744,393	113.26%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	(16,667)	16,667	-100.00%	(1,095)	(183,337)	182,242	-99.40%	(200,000)	0.55%
TRANSFER TO STATE OF ILLINOIS	(750,000)	-	(750,000)	0.00%	(3,000,000)	-	(3,000,000)	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	(685,048)	219,452	(904,500)	-412.16%	107,216	2,368,557	(2,261,341)	-95.47%	2,544,393	4.21%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
May 31, 2009

	Actual May 2009	Actual May 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	108,321	126,209	(17,889)	-14.17%	1,201,064	1,421,146	(220,082)	-15.49%
INVESTMENT INTEREST & GAIN(LOSS)	5,345	44,424	(39,079)	-87.97%	231,686	551,712	(320,026)	-58.01%
ADMINISTRATIONS & APPLICATION FEES	273,472	1,822,163	(1,548,691)	-84.99%	4,521,163	6,447,261	(1,926,097)	-29.87%
ANNUAL ISSUANCE & LOAN FEES	55,012	168,958	(113,946)	-67.44%	600,619	894,570	(293,951)	-32.86%
OTHER INCOME	8,576	9,722	(1,146)	0.00%	95,888	153,492	(57,604)	0.00%
						-	-	-
TOTAL REVENUE	450,726	2,171,477	(1,720,752)	-79.24%	6,650,420	9,468,181	(2,817,760)	-29.76%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	221,933	227,939	(6,006)	-2.63%	2,553,330	2,825,507	(272,177)	-9.63%
BENEFITS	24,529	21,232	3,297	15.53%	265,605	250,301	15,305	6.11%
TEMPORARY HELP	1,778	3,569	(1,791)	-50.19%	54,458	73,131	(18,674)	-25.53%
EDUCATION & DEVELOPMENT	-	-	-	0.00%	893	3,553	(2,660)	-74.85%
TRAVEL & AUTO	10,290	6,259	4,031	64.40%	63,542	109,748	(46,206)	-42.10%
TOTAL EMPLOYEE RELATED EXPENSES	258,529	258,998	(469)	-0.18%	2,937,828	3,262,240	(324,412)	-9.94%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	8,000	42,410	(34,410)	-81.14%	253,552	739,070	(485,518)	-65.69%
LOAN EXPENSE & BANK FEE	10,775	12,353	(1,578)	-12.77%	122,428	142,139	(19,712)	-13.87%
ACCOUNTING & AUDITING	21,708	34,979	(13,271)	-37.94%	290,130	336,594	(46,464)	-13.80%
MARKETING GENERAL	19,709	351	19,358	5519.11%	58,716	47,920	10,796	22.53%
FINANCIAL ADVISORY	5,000	30,813	(25,813)	-83.77%	275,075	271,372	3,703	1.36%
CONFERENCE/TRAINING	625	(1,100)	1,725	0.00%	11,246	4,743	6,503	137.11%
MISC. PROFESSIONAL SERVICES	-	-	-	0.00%	20,000	12,055	7,945	0.00%
DATA PROCESSING	3,621	3,080	541	17.57%	40,834	50,866	(10,031)	-19.72%
TOTAL PROFESSIONAL SERVICES	69,438	122,885	(53,447)	-43.49%	1,071,981	1,604,760	(532,779)	-33.20%

Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
May 31, 2009

	Actual May 2009	Actual May 2008	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2009	Actual YTD FY 2008	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,573	25,548	(2,976)	-11.65%	270,782	264,098	6,684	2.53%
EQUIPMENT RENTAL AND PURCHASES	3,793	3,796	(3)	-0.08%	53,612	59,397	(5,785)	-9.74%
TELECOMMUNICATIONS	5,323	4,656	667	14.32%	56,516	67,298	(10,782)	-16.02%
UTILITIES	756	995	(240)	-24.08%	13,334	11,390	1,944	17.07%
DEPRECIATION	5,247	7,249	(2,002)	-27.62%	66,298	71,179	(4,881)	-6.86%
INSURANCE	1,951	1,607	344	21.41%	15,218	15,542	(324)	-2.08%
TOTAL OCCUPANCY COSTS	39,643	43,852	(4,210)	-9.60%	475,759	488,903	(13,144)	-2.69%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	3,834	5,199	(1,364)	-26.25%	78,007	83,747	(5,740)	-6.85%
BOARD MEETING - EXPENSES	2,332	3,775	(1,443)	-38.22%	34,437	49,605	(15,168)	-30.58%
PRINTING	1,360	1,236	124	10.04%	14,054	14,474	(420)	-2.90%
POSTAGE & FREIGHT	615	2,788	(2,173)	-77.94%	21,426	26,898	(5,472)	-20.34%
MEMBERSHIP, DUES & CONTRIBUTIONS	(1,247)	2,927	(4,174)	-142.61%	35,210	42,088	(6,878)	-16.34%
PUBLICATIONS	58	18	39	216.86%	3,312	2,016	1,296	64.26%
OFFICERS & DIRECTORS INSURANCE	11,387	14,524	(3,137)	-21.60%	159,070	161,766	(2,697)	-1.67%
MISCELLANEOUS	-	-	-	0.00%	4,048	1,348	2,700	200.23%
TOTAL GENL & ADMIN EXPENSES	18,340	30,467	(12,127)	-39.80%	349,565	381,944	(32,379)	-8.48%
LOAN LOSS PROVISION/BAD DEBT	8,333	33,333	(25,000)	-75.00%	(98,624)	352,623	(451,247)	-127.97%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	394,282	489,535	(95,253)	-19.46%	4,736,509	6,090,470	(1,353,961)	-22.23%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	56,444	1,681,942	(1,625,498)	-96.64%	1,913,911	3,377,710	(1,463,799)	-43.34%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	53,189	(53,189)	0.00%
TRANSFER	-	-	-	0.00%	20,125	794,262	(774,137)	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	56,444	1,681,942	(1,625,498)	-96.64%	1,934,036	4,225,162	(2,291,126)	-54.23%

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Eleven Months Ending May 31, 2009

	Actual May 2008	Actual May 2009	Budget May 2009	Variance to budget
ASSETS				
CASH & INVESTMENTS, UNRESTRICTED	$ 22,187,517	$ 28,009,503	24,627,986	$ 3,381,517
RECEIVABLES, NET	1,690,643	1,396,982	295,813	1,101,169
LOAN RECEIVABLE, NET	88,205,194	82,656,048	108,891,003	(26,234,955)
OTHER RECEIVABLES	545,727	1,117,325	1,138,502	(21,177)
PREPAID EXPENSES	191,326	75,575	170,277	(94,702)
TOTAL CURRENT ASSETS	112,820,407	113,255,433	135,123,582	(21,868,149)
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	196,112	104,405	122,137	(17,732)
DEFERRED ISSUANCE COSTS	699,068	585,269	613,371	(28,102)
OTHER ASSETS				
CASH, INVESTMENTS & RESERVES	49,778,140	48,231,033	39,551,428	8,679,605
VENTURE CAPITAL INVESTMENTS	5,738,223	5,377,739	5,738,223	(360,484)
OTHER	3,682,072	3,646,693	3,682,072	(35,379)
TOTAL OTHER ASSETS	59,198,435	57,255,465	48,971,723	8,283,742
TOTAL ASSETS	$ 172,914,022	$ 171,200,572	$ 184,830,812	$ (13,630,240)
LIABILITIES				
CURRENT LIABILITIES	$ 1,170,662	$ 993,346	723,572	$ 269,774
LONG-TERM LIABILITIES	60,044,205	57,282,514	68,921,186	(11,638,674)
TOTAL LIABILITIES	61,214,867	58,275,860	69,644,759	(11,368,901)
EQUITY				
CONTRIBUTED CAPITAL	36,061,462	35,608,692	35,608,692	-
RETAINED EARNINGS	17,921,049	24,799,651	24,799,651	-
NET INCOME / (LOSS)	19,659,922	107,216	2,368,557	(2,261,341)
RESERVED/RESTRICTED FUND BALANCE	25,491,190	39,760,982	39,760,982	-
UNRESERVED FUND BALANCE	12,565,531	12,648,171	12,648,171	-
TOTAL EQUITY	111,699,155	112,924,711	115,186,053	(2,261,341)
TOTAL LIABILITIES & EQUITY	$ 172,914,022	$ 171,200,572	$ 184,830,812	$ (13,630,241)

General Operating Fund
Projected Cash Flow
for the One month ending June 30, 2009

Cash Beg. Bal as of 05/31/2009		14,509,537
Projected Additions: for Jun 09		
Administration Fees & Application Fees	674,240	
Service Fees	28,872	
Interest on Loans	98,614	
Principal Bal. Reductions	209,265	
Investment Income	10,000	
Total projected income		1,020,991
Total Incoming Cash Flows thru June 30, 2009		15,530,528
Deductions:		
Operating Expenses June 09	418,545	
Less non cash transactions		
Depreciation Expense	(5,685)	
Cost of issuance	(7,000)	
Loan Loss provision	(4,000)	
Total Outflows in Operating Exp.	401,860	
Loans to be funded/approved by the board as of May 09 board meeting	485,000	
	485,000	
Total Outflows as of June 30, 2009		886,860
Ending Cash balance as of 6/30/09		14,643,668
Net Increase/(decrease) on cash		134,131
Reserve for 6 months Operating Expenses	3,150,000	
	3,150,000	
Total Cash Available as of June 30, 2009		11,493,668

General Operating Fund
Projected Cash Flow
For Fiscal Year 2009

Cash Beg. Bal as of 06/30/08		9,886,971
Additions:		
Principal repayments Jul 08 thru May 09	4,201,693	
Revenues from Jul 08 thru April 09 Collected in cash	7,725,804	
Total cash Receipts		11,927,497
Total Cash		21,814,468
Projected Additions: Jun 09		
Administration Fees & Application Fees	674,240	
Service Fees	28,872	
Interest on Loans	98,614	
Principal Bal. Reductions	209,265	
Investment Income	10,000	
Total projected income		1,020,991
Total Incoming Cash Flows thru June 30, 2009		22,835,459
Deductions:		
Expenses from July 08 thru May 09 Paid in cash	4,594,709	
Projected Operating Expenses May 09 thru June 09	418,545	
Less non cash transactions		
Depreciation Expense	(5,685)	
Cost of issuance	(7,000)	
Loan Loss provision	(4,000)	
Total Outflows in Operating Exp.	4,996,569	
Loans funded Jul 08 thru May 09	2,710,222	
Loans to be funded/approved by the board as of May 09 board meeting	485,000	
Potential loan prospects	-	
Total Loans	3,195,222	
Total Outflows as of June 30, 2009		8,191,791
Ending Cash balance as of 6/30/09		14,643,668
Net increase/(decrease) on cash		4,756,697
Reserve for 6 months Operating Expenses	3,150,000	
	3,150,000	
Total Cash Available as of June 30, 2009		11,493,668

MINUTES OF THE MAY 12, 2009 MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held a Board Meeting at 11:30 a.m. on May 12, 2009 at the Michael A. Bilandic Building, 160 N. LaSalle Street, 5th Floor, Room C-500, Chicago, IL 60601.

Members present:	**Members absent:**	**Members participating by telephone:**
William A. Brandt, Jr., Chairman	April D. Verrett	Bradley A. Zeller*
Michael W. Goetz, Vice Chairman	Edward H. Leonard, Sr.	
Dr. William J. Barclay		
Ronald E. DeNard	**Vacancies:**	
James J. Fuentes	4	
Terrence M. O'Brien		* Mr. Zeller was only present on the phone for the Silver Cross Hospital Resolution. He was absent from all other votes.
Juan B. Rivera		
Dr. Roger D. Herrin		

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 12:01 p.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked the Assistant-Secretary, Kara Nystrom-Boulahanis to call the roll. There being eight (8) members physically present, and one (1) member on the phone, Ms. Nystrom-Boulahanis declared a quorum present.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending April 30, 2009 and minutes for the April 14, 2009 meeting of the Board of Directors were presented to members of the Board and accepted by the Board. Chairman Brandt stated that the Authority's financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the March 31, 2009 Financial Statements and April 14, 2009 Board of Directors meeting minutes. The motion was moved by Vice Chairman Goetz and seconded by Mr. O'Brien. The March 31, 2009 Financial Statements and April 14, 2009 minutes were unanimously approved by members of the Board.

Executive Director's Remarks

Director Filan announced that at today's meeting five (5) financings and one (1) Beginning Farmer Bond will be presented to members of the board for approval.

Director Filan reported that IFA Staff and Chairman Goetz attended both State House and Senate appropriations hearings last week. Additionally, IFA Staff met with consultants from the U.S. Department of Energy in Pittsburg, PA last week.

Finally, Director Filan reported that the IFA's Energy Initiative booth at the American Wind Energy Association Conference Windpower Expo in Chicago from May 4th to the 7th was a success.

Project Approvals

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

Mr. Frampton presented the following projects for board approval:

No. 1: **A-FB-TE-CD-8238 – Jason W. Kane**

Request for final approval of the issuance of Beginning Farmer Bonds in an amount not-to-exceed $250,000 for the purchase of 188 acres of farmland. This project is located in Smithshire, Illinois (Warren County).

No. 2: **A-DR-GT-8239 – Mark and Karen Donoho**

Request for final approval of the issuance of Agri-Debt Guarantee in an amount not-to-exceed $487,000. The proposed loan will refinance and restructure various existing debts for the borrower. This project is located in Bluford, IL (Jefferson County)

No. 3: **I-ID-TE-CD-8071 – C&L Tiling, Inc.**

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed $4M. Bond proceeds will be used to finance (i) construction of a 3,000 square foot addition to the Company's existing 32,000 square foot manufacturing facility ($959,400), (ii) acquisition of new machinery and equipment to expand their operations ($2,960,600). This project is expected to create 24 new jobs and 50 construction jobs. This project is located in Timewell, Illinois (Brown County).

No guests attended with respect to Project Nos. 1, 2 and 3. Chairman Brandt asked if the Board had any questions with respect to Project Nos. 1, 2 and 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project Nos. 1, 2 and 3. Leave was granted. Project Nos. 1, 2 and 3 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 4: **N-NP-TE-CD-8235 – Notre Dame College Prep**

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed $16.5M. Bond proceeds will be used to Bond proceeds will be used to refund existing bonds, refinance existing debt, finance construction and to pay certain bond issuance costs. This project is expected to create 50 new jobs and 40-50 construction jobs. This project is located in Niles, Illinois.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 4. Ms. Sharnell Curtis-Martin, Senior Funding Manager, introduced Chuck McNulty, CFO, Notre Dame, Chris Nowatowski, Borrower's Counsel and Board Member, Sone Pogrud & Korey, and John Sassasaris, Senior Vice President, MB Financial. Mr. McNulty thanked the Board for its consideration, and described Notre Dame College Prep. They have seen a significant increase in the student population over the past 4 to 5 years, requiring an upgrade to their facilities. Mr. McNulty shared that the project has four components: refunding existing bonds and 3 construction projects. The new project will allow the borrower add new classrooms, artificial turf and track, baseball field, locker rooms, administrative offices, and a field house.

Chairman Brandt asked if the Board had any questions for Mr. McNulty. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 4. Leave was granted. Project No. 4 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 5: **<u>N-NP-TE-CD-828 – Near North Montessori School</u>**

Request for preliminary approval of the issuance of 501(c)3 Revenue Bonds in an amount not-to-exceed $12M. Bond proceeds will be used to finance construction, renovations, purchase equipment and furnishings and to pay certain bond issuance costs. This project is expected to create 5 new jobs and 84 construction jobs. This project is located in Chicago, Illinois.

Chairman Brandt asked if there were any guests attending the meeting with respect to Project No. 5. Ms. Sharnell Curtis-Martin, Senior Funding Manager introduced Ms. Linda Rudnick, Finance Director and Ms. Mieko Yoshita, Operations & Facilities Director. Ms. Rudnick thanked the Board for their consideration.

Chairman Brandt asked if the Board had any questions for Ms. Rudnick. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 5. Leave was granted. Project No. 5 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 6: **<u>H-HO-TE-CD-8237 – Passavant Memorial Area Hospital</u>**

Request for final approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed $2.195M. Bond proceeds will be used to fund upgrades of lighting, electrical, and HVAC systems, resulting in a yearly reduction of approximately 19% in utility costs. This project is located in Chicago, Illinois.

No guests attended with respect to Project No. 6. Chairman Brandt asked if the Board had any questions or comments with respect to Project No. 6. Mr. DeNard commented that this was an excellent project and the Diversity Committee would be interested in having the utilities speak on this kind of project at an upcoming seminar. Chairman Brandt then requested leave to apply the last unanimous vote in favor of Project No. 6. Leave was granted. Project No. 6 received final approval with 8 ayes, 0 nays, and 0 abstentions.

<u>Resolutions / Amendatory Resolutions</u>

No. 7: **Silver Cross Hospital.** A Request to Authorize Amendments to the Final Bond Resolution to Increase the Initial Maximum Fixed Rate Yield from 8.00% to 8.50% and start date of principal amortization from August 15, 2014 to August 15, 2030.

No guests attended with respect to Amendatory Resolution No. 7. Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolution No. 7. There being none, Chairman Brandt asked Secretary Nystrom-Boulahanis to take a roll call vote. Resolution No. 7 received final approval with 8 ayes, 0 nays, and 1 abstention. Mr. Fuentes abstained from voting on Amendatory Resolution No. 7 because he has previous worked with Silver Cross Hospital.

No. 8: **DePaul University.** A Request to Authorize the Execution and Delivery of Amendments to the Loan Agreements and to Authorize the Executions and Delivery of any other Necessary Documents Required to Effect Such Amendments; and Authorize and

Approve Related Matters for IFA Series 2004C Bonds, IFA Series 2005A-B-C Bonds, IFA Series 2008 Bonds.

No guests attended with respect to Amendatory Resolution No. 8. Chairman Brandt asked if the Board had any questions with respect to Amendatory Resolution No. 8. There being none, Chairman Brandt asked Secretary Nystrom-Boulahanis to take a roll call vote. Amendatory Resolution No.8 received final approval with 8 ayes, 0 nays, and 0 abstentions.

No. 9: **Provena Health Project.** A Resolution Authorizing Amendments to the Final Bond Resolution to include in the refinancing of the Series 1998C Bonds in the uses of proceeds.

No. 10: **Blackhawk Biofuels.** A resolution with respect to the Agri-Industry Loan Guarantee for Blackhawk/REG.

No guests attended with respect to Resolutions/Amendatory Resolutions Nos. 9 and 10. Chairman Brandt asked if the Board had any questions with respect to Resolutions/Amendatory Resolutions 9, and 10. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolutions/Amendatory Resolutions Nos. 9 and 10. Leave was granted. Resolutions/Amendatory Resolutions Nos. 9 and 10 received final approval with 8 ayes, 0 nays, and 0 abstentions.

Other Business

Chairman Brandt asked if there was any other business to come before the Board. There being none, Chairman Brandt requested a motion to adjourn. Upon a motion by Mr. Goetz and seconded by Mr. O'Brien, the meeting adjourned at approximately 12:32 p.m.

Respectfully Submitted,

Kara Nystrom-Boulahanis, Assistant Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Reed/lk

Date: June 9, 2009

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolutions for each attached project
- **Amounts:** Up to $250,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $250,000.00**
- **Calendar Year Summary:** (as of June 9, 2009)
  - Volume Cap: $15,000,000.00
  - Volume Cap Committed: $4,378,986.00
  - Volume Remaining: $10,621,014.00
  - Average Acreage Farm Size: 85
  - Number of Farms Financed: 22
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - convey tax-exempt status
    - will use dedicated 2009 IFA Volume Cap set-aside for Beginning Farmer transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's Bank
  - The Borrower's Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Participating Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

Project Number:	**A-FB-TE-CD-8242**
Funding Manager:	Eric Reed
Borrower(s):	**Adair, Tye & Jill**
Borrower Benefit:	First Time Land Buyer
Town:	Macomb, IL
Amount:	$137,500.00
Use of Funds:	Farmland – 31 acres
Purchase Price:	$175,000 / ($5,645 per ac)
%Borrower Equity	22%
%Other Agency	0%
%IFA	78%
County/Region:	McDonough / West Central
Lender/Bond Purchaser	Tompkins State Bank / Wes Strode
Legislative Districts:	Congressional: 17th, Phil Hare
	State Senate: 47th, John Sullivan
	State House: 94th, Richard Myers

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

*<u>**Tye & Jill Adair**</u>: Note shall bear simple interest at the expressed rate. The expressed rate shall be 4.35% fixed for the first five years and adjust every five years thereafter equal to the Bloomberg published AAA rated, tax-exempt, general obligation 5 year municipal bond rate plus 2.50%. IFA Fee: $2,063

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

IFA ILLINOIS FINANCE AUTHORITY

CONDUIT

June 9, 2009

$9,000,000

AUNT MARTHA'S YOUTH SERVICE CENTER, INC.

REQUEST	**Purpose**: Use of proceeds: Refund existing IFA Series 2005 bonds ($5,000,000), refinance existing debt ($3,820,000) & pay costs of issuance ($180,000). **Use:** Aunt Martha's operates 13 group homes and 16 health care facilities in the Chicago area. The agency's programs include child welfare, health care, education, counseling and youth development services. They employ over 900 individuals providing support services to over 82,000 clients. **Program**: Conduit 501(c)(3) Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	None

JOB DATA				
	900	Current jobs	0	New jobs projected
	n/a	Retained jobs	0	Construction jobs projected

DESCRIPTION

- Location: Cook County
- Established in 1972, to help troubled youth, Aunt Martha's was staffed by a few volunteers and a village youth worker, C. Gary Leofanti. Today, Aunt Martha's Youth Service Center provides comprehensive health and social services for family members of all ages across Illinois. With a caring community of several hundred volunteers and more than 900 employees, Aunt Martha's offers haven, help and hope for youth and their family members.
- Aunt Martha's most important partner is the child, youth or family who needs help with a philosophy to treat every client/patient with respect and dignity, to listen to concerns and offer solutions.
- Aunt Martha is a Federally Quality Health Care Centers and received 102% of reimbursements under Medicaid totaling grants in excess of $7 million.
- In summary, the analysis shows a total savings of $1,365,222, and a present value savings of $618,216. It will also reduce your annual debt service by about $21,180 while paying off your debt 29 months earlier.

CREDIT INDICATORS

- Private Placement with First American Bank
- Maturity of 20 Years
- Rate: 5.65%
- 5-Year Fixed Rate

SOURCES AND USES

Sources		Uses	
IFA Bonds	$9,000,000	Refinance 2005 Bonds	$5,000,000
		Refinance Bank Debt	3,820,000
		Cost of Issuance	180,000
Total	**$9,000,000**	Total	**$9,000,000**

RECOMMENDATION Credit Committee recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: Aunt Martha's Youth Service Center, Inc.

STATISTICS

Project Number: H-HO-TE-CD-8243
Type: 501(c)(3) Bonds
County/Region: Cook, Kane, Kankakee, Will / Northeast

Amount: $9,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Bill Claus
City: Various

BOARD ACTION

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

Credit Committee Recommends
No extraordinary conditions

VOTING RECORD

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

PURPOSE

Use of proceeds: Refund existing IFA Series 2005 bonds ($5,000,000), refinance existing debt ($3,820,000) & pay costs of issuance ($180,000).

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 900
Jobs retained: N/A

Projected new jobs: 0 (refunding)
Construction jobs: 0 (refunding)

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA bonds	$9,000,000	Uses:	Refinance 2005 Bonds	$5,000,000
				Refinance existing debt	3,820,000
				Issuance costs	180,000
	Total	$9,000,000		Total	$9,000,000

FINANCING SUMMARY/STRUCTURE

Security: None
Structure: Bonds will be purchased directly by First American Bank (as Lender / Investor)
Interest Rate: 5.65%
Interest Mode: Fixed for 5 years
Maturity: June 1, 2029 (20 years)
Rating: These bank purchased bonds will be non-rated
Estimated Closing Date: June 17, 2009

PROJECT SUMMARY

The Project consists of:

(a) the refunding of the outstanding principal amount of IFA Community Facility Revenue Bonds (Aunt Martha's Youth Services, Inc. Project) Series 2005 (the "**Series 2005 Bonds**") issued in the original principal amount of $5,430,000 to (i) pay or reimburse the Borrower for new capital expenditures, (ii) repay all or a portion of a loan to the Borrower with proceeds of Illinois Health Facilities Authority Revenue Bonds, Series 1996A (Community Provider Pooled Loan Program) in the original principal amount of $4,764,000 (the "**Series 1996A Bonds**") and (iii) refinance certain other existing indebtedness of the Borrower (the "**2005 Prior Indebtedness**"). The proceeds of the Series 1996A Bonds were used to finance or reimburse certain capital expenditures of the Borrower and to refinance certain taxable loans which were issued in part to pay costs of certain capital improvements for the Borrower (the "**1996 Prior Indebtedness**"). A general functional description, and the location of each facility which were financed or refinanced with the proceeds of the Series 2005 Bonds, the Series 1996A Bonds, the 1996 Prior Indebtedness and which are expected to be refinanced with proceeds of the Bond, are listed below.

1. 233 W. Joe Orr Road, Chicago Heights, Illinois (North and South buildings) – acquisition, construction, renovation and equipping of facilities used to operate health clinics and house the Borrower's administrative offices (original cost- approximately $1,114,000);
2. 440 Forest Boulevard, Park Forest, Illinois - costs of mold remediation of office space (original amount refinanced- approximately $387,000);
3. 101 Wolpers Road, Park Forest, Illinois - capital costs with respect to facilities providing group home (original cost- approximately $172,000);
4. 3003 Wakefield Drive, Carpentersville, Illinois - acquisition of and capital improvements to existing building to provide health care services (original cost- approximately $631,000);
5. 23485 South Western Avenue, Park Forest, Illinois - capital costs with respect to facilities used to provide a Head Start program (original cost- approximately $190,000);
6. 6010 West Industrial Drive, Monee, Illinois - capital costs with respect to facilities providing group home (original cost- approximately $189,000);
7. 123 Lake Street, Aurora, Illinois - capital costs with respect to facilities providing group home (original cost- approximately $420,000);
8. 1536 Vincennes Avenue, Chicago Heights, Illinois - acquisition of an existing facility and equipment to provide health care services (original cost- approximately $1,135,000);
9. 4213 West Cermak Road, Chicago, Illinois - capital costs with respect to facilities providing alternate school (leased from Westside Community Action Foundation, but no longer in use) (original cost- approximately $534,000); and
10. Miscellaneous computer enhancement software and capital improvements with respect to the facilities listed above (original cost- approximately $348,000)

(b) the refinancing of certain existing indebtedness of the Borrower to First American Bank incurred to purchase a children's reception center located at 5001 South Michigan Avenue in Chicago, Illinois (approximately $2,217,000), to purchase a group home located at One North Center Street in Joliet, Illinois (approximately $164,000) and to purchase an office building located at 19990 Governors Highway in Olympia Fields, Illinois (approximately $1,000,000); and

(c) to pay costs of the purchase of an office/health clinic located at 1775-1777 East Court Street in Kankakee, Illinois; and

(d) to pay costs of issuance, capitalized interest on the Bond or working capital expenditures.

BUSINESS SUMMARY

Description of Business: Aunt Martha's operates 13 group homes and 16 health care facilities in the Chicago area. The agency's programs include child welfare, health care, education, counseling and youth development services. They employ over 900 individuals providing support services to over 82,000 clients.

Project Rationale: The Series 2009 bonds will allow the agency to reduce interest costs by refinancing higher rate conventional debt and converting an existing 2005 bond issue to bank-qualified status, thereby enabling Aunt Martha's to redirect savings to support client services.

Timing: Anticipated closing date is June 17, 2009

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Aunt Martha's Youth Service Center, Inc.
Project Location: Various locations in Cook, Grundy, Iroquois, Kane, Kankakee, Kendall and Will counties.
Borrower: Aunt Martha's Youth Service Center, Inc.
Ownership/Board Members 501(c)(3):

Name	Title	Date Elected	Term Expires	Occupation
John Annis	Chairperson	2002	2010	Banker
Estherose Bachrach	Member	1990	2010	Community Volunteer
Sergio Berrios	Member	2004	2010	Realtor
Charles Childress	Secretary	1988	2010	Div. Manager
Peggy Eisenstein	Member	1980	2009	Community Volunteer
Andre Hubbard	Member	2007	2009	Student
Andrew Jones	Member	2002	2010	Student
Ellen Kaplan	Member	2001	2009	Speech Pathologist
Darryl Stroud	Treasurer	1995	2009	Police Officer
Pam Taylor	Member	2004	2010	Retired Nurse
Deborah Watson	Vice Chair	1998	2010	Community Volunteer
William Wesender	Member	1981	2010	Retired Counselor

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Tucker & Associates,	Oak Lawn, IL	
Accountant:	Wolf & Company, LLP	Oak Brook, IL	
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Purchasing Bank:	First American Bank	Elk Grove Village, IL	Steve Eikenberry
Issuer's Counsel:	Peck Schaffer	Chicago, IL	George Buzard

LEGISLATIVE DISTRICTS

Congressional: Jesse L. Jackson Jr. 2nd
State Senate: M. Maggie Crotty 19th
State House: Al Riley 38th

BACKGROUND INFORMATION

Aunt Martha's offers a variety of programs and services designed to provide a full continuum of care for children, teens and families. These resources form a spectrum of care that includes: child welfare, community based, healthcare, juvenile justice and prevention services.

Aunt Martha's Youth Service Center and Aunt Martha's Healthcare Network (the "Agency") is a private, 501(c)(3), regionally-based agency providing complete health and social services for family members of all ages across Illinois. Aunt Martha's has services in nine counties across northeastern Illinois and cares for over 39,000 Illinois residents.

The Agency is state licensed to provide child welfare, substance abuse treatment and child care services. All services, including mental health and primary health care, are accredited by the Joint Commission on Accreditation of Healthcare Organizations. Aunt Martha's is also a United Way partner agency.

Aunt Martha's believes in:

- giving every child quality care in a supportive home
- comprehensive assessments and counseling to stabilize individuals and families
- providing high quality, affordable and accessible health services for individuals and families
- giving youth and families the knowledge and options to succeed
- offering community resources to promote healthy choices, nurture development and encouragement

These beliefs are what help to convey the concept of the name "Aunt Martha's" - a warm family atmosphere that young people and families experience when they seek our services. Aunt Martha's reputation as a caring community resource is embodied in the tireless dedication of its more than 900 employees. As one former client put it,

"The world will give up on you ... but Aunt Martha's won't."

CONDUIT

$9,000,000

HOSPICE OF NORTHEASTERN ILLINOIS

June 9, 2009

REQUEST	Purpose: The Hospice of Northeastern Illinois will use Bond proceeds to fund a portion ($9,000,000-not to exceed) of the construction cost to build the Pepper Family Hospice Home and Family Care facility. Borrower equity will finance land acquisition, architectural, and bond issuance costs. Project Description: The new Pepper Family Hospice Home and Center for Care, will enable the Borrower to serve an estimated additional 1,100 patients and 3,500 family members (bereavement) annually. Program: Conduit 501(c)(3) Bonds Extraordinary Conditions: None
BOARD ACTIONS	Final Bond Resolution Voting Record None. The Applicant has requested one-time approval in order to comply with the Reimbursement Rule.
MATERIAL CHANGES	N/A
JOB DATA	47 Current jobs 31 New jobs projected N/A Retained jobs 125 Construction jobs projected
BORROWER DESCRIPTION	● Type of entity Non-Profit hospice facility. ● Location: Barrington, Lake County, Northeast Region ● When was it established: 1982 ● Hospice of Northeastern Illinois is a community-based non-profit organization that has a 27 year history of providing quality end-of-life care. The tradition of offering services to anyone who needs it, regardless of their ability to pay. ● The mission is to enhance life by providing dignified and compassionate care and guidance to those coping with loss and the end-of-life. ● The new facility will provide a home-like environment for individuals whose symptoms cannot be managed in their home, or when there is not a caregiver available.
CREDIT INDICATORS	● Harris NA, Chicago, IL will provide a Direct Pay Letter of Credit to credit enhance the subject bonds. ●The short term ratings of Harris NA, Chicago, IL are VMIG-1 (Moody's), and A-1 (Standard and Poors) ● The bonds will not be insured.
Proposed Structure	Variable Rate Demand Bonds Principal payments scheduled to match capital campaign pledge payments. Maturity: 5 years.

Sources and Uses

IFA Bonds	8,500,000	Project Cost	18,404,000
Equity	10,014,000	Bond Issuance Costs	110,000
Total	**$18,514,000**	**Total**	**$18,514,000**

Recommendation Credit Review Committee Recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: Hospice of Northeastern Illinois

STATISTICS

Project Number:	N-NP-TE-CD-8240	Amount: $9,000,000 (not to exceed)	
Type:	501(c)(3) Bonds	IFA Staff: Townsend Albright	
County/Region:	Lake / Northeast	Village: Barrington	

BOARD ACTION

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

Credit Committee recommends approval.
No extraordinary conditions

VOTING RECORD

This is the first time this project has been brought before the Board. The Hospice requests expedited one-time approval in order to comply with the Reimbursement Rule.

PURPOSE

Proceeds will be used to construct and equip a new hospice and care facility on a parcel of land owned by the Hospice. Land purchase, architectural, and bond issuance costs will be funded by the Hospice's equity.

IFA PROGRAM AND CONTRIBUTION

Convey Tax Exempt status on $8.5 million Series 2009 Bonds. 501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders and thereby reducing the borrower's interest expense.

VOLUME CAP

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

JOBS

Current employment: 47		Projected new jobs:	31
Jobs retained: N/A		Construction jobs:	125/13 months

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	$8,500,000	Uses:	Project Costs	$18,404,000
Contributed equity:			Bond Issuance Costs	110,000
Capital Campaign*	7,500,000			
Equity	2,514,000			
Total	**$18,514,000**	**Total:**		**$18,514,000**

* Funds collected as of May 20, 2009

FINANCING SUMMARY/STRUCTURE

Security: Bondholders will be secured by a Direct Pay Letter of Credit from Harris NA, Chicago, Illinois. Harris NA short term ratings are VMIG-1 and A-1, respectively. The bonds will be a general obligation of the Hospice.

Structure: Variable Rate Bonds ("VRDBs") to be sold directly to investors on an enhanced basis.

Interest Rate:	Variable
Interest Mode:	Weekly VRDBs to be sold directly to investors on an enhanced basis. The most recent average interest rate for 7-day floating rate bonds was approximately 0.36% as of May 20, 2009 (thereby resulting in a current effective rate of approximately 1.65%-1.90% after adding typical ongoing LOC and Remarketing Agent Fees, and Trustee Expenses).
Credit Enhancement:	Direct Pay Letter of Credit from Harris Bank NA, Chicago, IL.
Maturity:	25 years outstanding
Rating:	The Hospice does not have its own underlying rating.
Estimated Closing Date:	June 30, 2009

PROJECT SUMMARY

Bond Proceeds will be used to fund a portion of the construction costs to build the Pepper Family Hospice Home and Family Care facility to be located at 405 Lake Zurich Road, Barrington, Lake County, Illinois. 60010. Land purchase, architectural, and bond issuance costs will be funded by the Hospice's equity.

Estimated project costs are as follows:

Land	$ 1,768,000
New Construction	15,098,000
Arch/Eng	1,538,000
Total	**$18,404,000**

Project Rationale: The proposed project will affect both the quantity and the quality of services provided. With the opening of the new Pepper Family Hospice Home and Center for Care, HNI estimates serving an additional 1,100 patients and 3,500 family members (bereavement) annually. The quality of care will increase, as the new facility will provide a home-like environment for individuals whose symptoms cannot be managed in their home, or when there is not a caregiver available. The new facility is also expected to decrease the use of intensive care unit beds in local hospitals and emergency room admissions.

BUSINESS SUMMARY

Background: Hospice of Northeastern Illinois ("Hospice"), ("HNI") is a community-based nonprofit organization that has a 27 year history of providing quality end-of-life care.

- The tradition of offering services to anyone who needs it, regardless of their ability to pay, began in 1982 with five women that founded Hospice for McHenry County.
- In 1984, individuals in Barrington formed HNI, also aiming to provide quality hospice care for their community.
- In 1989, the two hospices merged, retaining the HNI name. The new organization became Medicare/Medicaid certified and formed a bereavement program to ensure grief-support services were available for the family members of hospice patients.
- In 1996, HNI achieved accreditation from the Joint Commission, and has maintained that accreditation.

The mission is to enhance life by providing dignified and compassionate care and guidance to those coping with loss and the end-of-life. Today, HNI continues to provide comprehensive and innovative services through empathy, concern and compassion. A trained network of staff and volunteers provide quality care, pain and symptom management, personal care, pastoral care, counseling, bereavement resources, companionship and community education services. A list of the HNI's Board of Trustees is noted on pp 5-6 of this report.

The Foundation: The Hospice created the Hospice Foundation of Northeastern Illinois (the "Foundation") which is a separate Illinois not-for-profit corporation. The Foundation was created with the sole purpose of supporting and funding the Hospice. Capital campaign pledge payments will be received by the Foundation, and funds will be transferred to the Hospice to pay down the bonds in accordance with the pledge payments.

The Hospice of Northeastern Illinois provides the following programs and services:

- *Traditional Hospice Care* – Patients diagnosed with a terminal illness receive care through an interdisciplinary team that includes a Registered Nurse (RN), Certified Nursing Assistant (CNA), social worker, chaplain, integrative therapists, and volunteers. The focus is on care to alleviate suffering and promote quality of life.
- *Hope's Friends* **–** The region's only non-profit pediatric hospice and palliative care program that provides supportive care for children from birth through age 21 who are experiencing a life-limiting illness.
- *Life Improves With Friends in Transition (LIFT)* – A free, volunteer-based, pre-hospice program that targets individuals who have been diagnosed with a life-limiting illness but are not yet ready or eligible for traditional hospice care. At no charge, LIFT provides clients with a volunteer who will offer companionship, transportation, light housekeeping, and respite breaks for family members and caregivers.
- *Integrative Therapy* – A unique program designed to complement the hospice care provided to a patient and his/her loved one(s). Several therapies are available including art, massage, music, pet and Reiki.
- *The Center for Loss and Hope* **–** Grief support for adults and children coping with the loss of a loved one. Services include one-on-one counseling, support groups and workshops to anyone who is seeking grief support regardless of whether they had a family member in our care. Outreach is initiated by a series of letters, follow-up phone calls, invitations to grief-support groups, personal visits, and any other needed support during their most vulnerable period.
- *Camp Courage* – A summer day camp for children ages 5-16 who have experienced the loss of a parent, grandparent, sibling, or other significant loved one. Through laughter, music, art, and fun, *Camp Courage* includes a variety of activities to help children express their thoughts and feelings.
- *Veterans Program* – Hospice of Northeastern Illinois staff are trained in Post Traumatic Stress Disorder and the veterans benefits available in order to provide patients with the level of support for their specific needs.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant	Hospice of Northeastern Illinois
Project:	Series 2009 Pepper Hospice Home Project
Project Location:	405 Lake Zurich Road, Barrington, Lake County, Illinois 60010, Perlstein Hall 221, Ms. Anne Van Oost, Vice President and Chief Financial Officer, 847-622-0127.
Ownership:	501(c)(3) Corporation
State of Incorporation:	Illinois
Board of Trustees:	please see attached listing on pp 5-6

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	K & L Gates	Chicago, Il	Ken Peterson
Accountant:	KPMG LLP	Chicago, IL	
Bond Counsel:	Ice Miller LLP	Chicago, IL	James Snyder
Credit Enhancer:	Harris NA	Chicago, IL	Greg Bins
Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	Carol Thompson
Bond Underwriter:	BMO Capital Markets-GKST, Inc.	Chicago, IL	Nicholas Korr
Underwriter's Counsel:	Chapman and Cutler LLP	Chicago, IL	William Hunter
Issuer's Counsel:	Ungaretti & Harris LLP	Chicago, IL	Raymond C. Fricke
Trustee:	US Bank NA	Milwaukee, WI	Peter Brennan
Trustee Counsel:	TBD		
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: 8th – Melissa Bean
State Senate: 26th– Dan Duffy
State House: 52nd – Mark H. Beaubein Jr.

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DIRECT LOAN

June 9, 2009

$980,000
CITY OF GIRARD
LOCAL GOVERNMENT DIRECT LOAN CONVERTIBLE TO A PARTICIPATION IN THE LOCAL GOVERNMENT POOLED BOND PROGRAM

REQUEST	Purpose: Loan proceeds will be used to finance a new water storage tank. Project Description: 1) Demolish and remove an existing 75,000 gallon water storage tank; 2) replace with a new 200,000 gallon elevated spheroid water storage tank and construction of 1,400 linear feet of 10-inch water transmission main, including all related appurtenances; 3) install new telemetry system; and 4) pay certain closing costs. Program: Local Government Direct Loan IFA Funds at Risk: $980,000 Waiver Request: None
BOARD ACTIONS	Final Resolution
MATERIAL CHANGES	This project received preliminary IFA approval on November 12, 2008 as a participant in the Local Government Pooled Bond Program. The City is seeking a Direct Loan from the IFA to provide interim financing until the IFA is able to include the City's financing in the Authority's Local Government Pooled Bond Program. The City of Girard has interceptable state revenues adequate to qualify for moral obligation. Staff expects to close on the next issue of Pooled Bonds during the third quarter of 2009.
JOB DATA	Current Jobs 0 — New jobs projected 0 Retained Jobs 0 — Construction jobs projected 0
BORROWER	City of Girard – Illinois Municipality
DESCRIPTION	Located in Macoupin County approximately 25 miles southwest of Springfield
CREDIT	Not Rated
INDICATORS	Direct Bond Purchase by IFA
STRUCTURE:	Not Credit Enhanced Interest will be set at a rate of 4.25% while held by IFA as a direct loan. The rate of interest will be converted to the applicable rate for the next series of Pooled Bonds when the City's Bond is sold as part of the next issue of Pooled Bonds. The City shall issue Alternate Revenue Bonds that IFA will purchase and hold as a Direct Loan. IFA is authored to the sell the Bonds as part of its next issuance of Local Government Pooled Bonds. The next issue is anticipated in the third quarter of 2009.

SOURCES AND USES

Sources		Uses	
IFA Bonds/Loan	$980,000	Water System Updates	$1,122,000
CDAP Grant	350,000	Refunding IRBB Series 2001	205.500
		Costs of Issuance	2,500
Total	**$1,330,000**	**Total**	**$1,330,000**

Recommendation Credit Review Committee Recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: **City of Girard**

STATISTICS

Number: L-GP-TE-8082		Amount:	$980,000 (not to exceed)
Type: Local Government Pooled Program		Location:	Girard, Illinois
County / Region: Macoupin / Central		IFA Staff:	Nona Myers and Steven Trout

BOARD ACTION

Final Bond Resolution
Local Government Direct Loan Convertible to a Participation in the Local Government Pooled Loan Program
$980,000 IFA funds at risk
Credit Committee recommends approval.
Material Change Since November 12, 2008: The City is now requesting a Direct Loan until IFA can issue its next series of Local Government Pooled Bonds.

VOTING RECORD

The Board approved a Preliminary Resolution to include this project a participant in the Local Government Pooled Loan Program on November 12, 2008 by the following vote: 8 ayes, 0 nays, 0 abstentions

PURPOSE

Project Description: 1) demolish and remove an existing 75,000 gallon water storage tank; 2) replace with a new 200,000 gallon elevated spheroid water storage tank and construct 1,400 linear feet of 10-inch water transmission main, including all related appurtenances; 3) install new telemetry system; and 4) pay certain closing costs.

IFA PROGRAM AND CONTRIBUTION

The Local Government Direct Bond Purchase Program enables IFA to purchase debt directly from units of local government. The Program may be used to providing interim financing when needed until an offering of the Pooled Bond Program is available. The Direct Bond Purchase Program utilizes funds that were transferred from the Illinois Rural Bond Bank to the IFA for local government purposes that were originally appropriated by the General Assembly. The Program has $2.6 million in available capacity with 5 outstanding loans totaling $333,000 as of May 31, 2009. The City has enacted a Bond Ordinance that permits the IFA, as Bond Purchaser, to sell the City's Bonds in the IFA's Pooled Loan Government Bond Program, and thereby permit IFA to recover its investment in the Loan.

This project received preliminary approval by the IFA Board on November 12, 2008. The preliminary approval was based on this applicant participating in the Local Government Pooled Bond Program. However, due to delays in construction design and testing, timing for participation in the Pooled Program was not possible. Therefore, this project is being presented to the IFA Board for reconsideration

JOBS

Current employment:	14 (full time) 29 (part time)	Projected new jobs:	0
Jobs retained:	0	Construction jobs:	5

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$980,000	Uses:	Water System Improvements	$1,122,000
	CDAP Grant	350,000		Refunding IRBB Series 2001	205,500
				Costs of Issuance	2,500

Total	$1,330,000	Total	$1,330,000

FINANCING SUMMARY

Debt: The IFA will purchase the City of Girard's Alternate Revenue Bonds ("the Bonds").

Security: *The Bonds will be secured*:

First by Pledged Revenues, consisting of: a) Net Revenues of the Water Fund and Revenues and b) the City's share of funds distributed by the State pursuant to the Illinois Income Tax Act, the Use Tax Act, the Service Tax Act, the Service Occupation Tax Act and the Retailers Occupation Tax Act (collectively referred to as "income taxes and State sales taxes").

Second, by a Pledge to Collect Property Taxes Levied to pay debt service on the Bonds. In the event that the Pledged Revenues are insufficient to pay principal and interest on the bonds, the City has committed to collect ad valorem property taxes levied to pay debt service on the bonds. The City has used it most recent audited financial statement for the fiscal year ended April 30, 2008 to confirm that the Pledged Revenues are sufficient to provide 1.25 times debt service coverage on the Bonds. This level of debt service coverage permits the City to pledge ad valorem property taxes to repay the bonds, without passing a voter referendum

Third, by an Intercept of State Aid.

Authorization: *Bond Counsel has advised IFA that the City has completed all steps necessary to authorize the issue of the Bonds*, including the adoption of an Ordinance on November, 3, 2008 authorizing the issuance of up to $1.25 million of Bonds and completing the "back-door" referendum process, including providing public notice of its intent to issue the Bonds and holding a public hearing on December 1, 2008.

Collateral: The bonds are general obligations of the City and are payable from (i) the Pledged Revenues as described above, (ii) an Intercept of State Aid, and (iii) ad valorem property taxes levied against all of the taxable property in the City without limitation as to rate or amount.

Interest: The Bonds will pay interest at a rate of 4.25% while held by IFA as a Direct Loan. The rate of interest will be converted to the applicable rate for the next series of Pooled Bonds when the City's Bond is sold as part of the next issue of Pooled Bonds.

Estimated Closing: August or September 2009

PROJECT SUMMARY

The City of Girard will use bond proceeds to construct a new water storage tank, to refund the outstanding balance of Series 2001 Bonds issued by the Rural Bond Bank and pay for costs associated with the issuance of the Local Government Securities and the Bonds. The City applied for and received CDAP funds and is now requesting final approval for interim financing for a Direct Loan. It is anticipated that funds will be needed in July or August 2009.

BUSINESS SUMMARY

The City of Girard, located in northern Macoupin County, covers approximately 1 square mile. The City was incorporated in 1855 and boasts a current population of 2,245. Girard is approximately 25 miles southwest of Springfield and serves as a bedroom community for the city. The chart provided below offers a comparative analysis of key income indicators between the City and Illinois.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	The City of Girard (P.O. Box 115 Girard, IL 62640, contact: Larry Herron, City Clerk)
Project Location:	P.O. Box 115 Girard, IL 62640
Organization:	Illinois Municipality
Mayor:	John Lutz

PROFESSIONAL & FINANCIAL

Local Bond Counsel:	Hart, Southworth & Witsman	Springfield	Mike Southworth
CPA	Fleming, Tawfall & Company, P.C.	Carlinville	Tom Smith
IFA Counsel:	TBD		
IFA Financial Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	17th – Phillip Hare
State Senate:	49th – Deanna Demuzio
State House:	98th– Betsy Hannig

ILLINOIS FINANCE AUTHORITY

CONDUIT

June 9, 2009
Board Meeting

$17,500,000
MARION COMMUNITY UNIT SCHOOL DISTRICT #2

REQUEST	Bond proceeds will be used to finance the cost of constructing and equipping a new elementary school building, improving the site thereon and paying for certain costs associated with the issuance of the Bonds. Program: Conduit: Double Tax-Exemption
BOARD ACTIONS	Preliminary Bond Resolution
	No prior board action.
MATERIAL CHANGES	Not applicable

JOB DATA				
	Current Jobs	0	New jobs projected	0
	Retained jobs	0	Construction jobs projected	15-20 (5-10 months)

BORROWER	Marion Community Unit School District #2
DESCRIPTION	Located in Marion Illinois in Williamson county. Marion CUSD 2 provides an educational program for grades Pre-K thru 12. Current enrollment is 4,096 students. .
CREDIT INDICATORS	• Rated • General Obligation Limited Tax Lease Certificates
Proposed Structure	• The Certificates will be fixed rates of interest at levels to be determined.
Insurance	• The District is seeking insurance from Assured Guaranty.
Term	• The Certificates are expected to amortize over 20 years.
Bond Rating	• The Certificates are expected to be rated AAA by Standard & Poor's if insured by Assured Guaranty or A/A- if not insured or otherwise credit-enhanced.

Sources and Uses

Uses:		**Sources**	
IFA Bonds	$17,500,000	Project Costs	$17,025,000
		Underwriter	150,000
		Bond Insurance	175,000
		Professional Fees	150,000
Total	**$17,500,000**	**Total**	**$17,500,000**

Recommendation Credit Review Committee Recommends ___________________

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: **Marion Community Unit School District Number 2**

STATISTICS

Project Number:	L-SD-TE-8246	Amount: $17,500,000 (not to exceed)
Type:	School District	IFA Staff: Nona Myers and Steve Trout
County/Region:	Williamson / Southern	Location: Marion

BOARD ACTION

Preliminary Bond Resolution	No IFA funds at risk
No extraordinary conditions	Conduit: Double Tax Exemption

VOTING RECORD

No prior board action.

PURPOSE

Bond proceeds will be used to (i) finance the cost of constructing and equipping an elementary school building in the District and improving the site thereon (the "Project") and (ii) pay for certain costs associated with the issuance of the Bonds.

IFA PROGRAM AND CONTRIBUTION

This is the first project that has been brought to IFA that is requesting financing under the auspices of the County Schools Facility Occupation Tax Law, which took effect in Illinois on October 17, 2007. The legislation for this financing option was modeled on similar law enacted in Iowa, which has been tremendously successful in enabling that state's school districts to make needed facility improvements. To date, five counties in Illinois (Williamson, Champaign, Jo Daviess, Cass and Schyler), serving 30 school districts, have qualified for this financing by passing referendums in their communities. As noted under "Legal Challenge", a complaint is pending that may affect the ability of the District to receive its allocation of the new sales tax. The District has pledged State Aid to secure the Bonds and has begun to evaluate options for cutting expenses to make debt payments from that source if proceeds from the new sales tax are not available.

IFA's Local Government Bond Program assists units of local government and school districts in financing capital improvement projects. The IFA issues tax-exempt securities in the municipal market and uses the proceeds of this sale to purchase securities issued by a local government or school district. The program provides local governments and school districts with the opportunity to achieve interest cost savings via double tax exempt securities and to structure flexible loan repayment terms. Additionally, IFA is able to provide authority for the state intercept that provides security for this project.

VOLUME CAP

No Volume Cap is required for local government financings.

JOBS

Current employment:	Forthcoming	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	15 - 20 (5 -10 months)

PRELIMINARY SOURCES AND USES OF FUNDS

Sources: IFA Bonds	$ 17,500,000	Uses:	Project Costs	17,025,000
			Underwriter	150,000
			Insurance	175,000
			Professional Fees	150,000
Total	$ 17,500,000	Total		$ 17,500,000

FINANCING SUMMARY

The Financing:	The debt will be structured as General Obligation Limited Tax Lease Certificates.
Security:	The obligation to make payments due on the Certificates will be a direct general obligation of the District payable from the District's general funds and such other funds as are lawfully available. The District has agreed to annually budget funds to make all payments due on the Certificates on a timely basis. There is no statutory authority for the levy of a separate tax in addition to the District's other taxes or the levy of a special tax unlimited as to rate or amount to pay amounts due on the Certificates.
Payment Source:	The District intends to pay principal and interest on the Certificates first with monthly intercepts of State Aid and second, from its allocation of County School Facility Occupation Sales Taxes ("the Taxes"), which will be deposited with the Trustee on a monthly basis. Upon receipt of the Taxes, the Trustee will rebate a corresponding amount of State Aid payments to the District to be used for operations.
Structure:	The Certificates will be pay fixed rates of interest rate at levels to be determined (estimated at 4.60% ranging to 5.20%)
Insurance:	The District is seeking insurance from Assured Guaranty, but may sell bonds on the Districts underlying A/A rating.
Term:	The Certificates are expected to amortize over 20 years.
Bond Rating:	The Certificates are expected to be rated AAA by Standard & Poor's if insured by Assured Guaranty or A/A- if they are not insured or otherwise credit-enhanced.

PROJECT SUMMARY

Certificate proceeds will be used by Marion Community Unit School District Number 2 to (i) finance the cost of building and equipping a new elementary school building in the District and improving the site thereon (the "Project") and (ii) pay for certain costs of issuance.

BUSINESS SUMMARY

Background: The District is located in southern Illinois in the central portion of Williamson County, with a small portion in Johnson County. The District covers approximately 159 square miles and serves the City of Marion. The City is a Home Rule municipality and is southern Illinois' second largest city and Williamson County's seat. The City serves as the region's largest retail center located at the intersection of Illinois Route 13 and Interstate 57 and is now one of the State's fastest growing cities.

The District provides Pre-K through 12th grade educational programs to students. The students are educated in seven school buildings, with assignments according to grade placement. Grades Pre-K-5 are self-contained and grades 6-12 are departmentalized. The curriculum in grades Pre-K-8 is traditional with an emphasis on the basics. The curriculum in grades 9-12 is strong academically and vocationally. The instructional techniques are traditional, with growing use of technology by teachers and students. The District has a reputation for providing outstanding academic programs and strong co-curricular and extra-curricular activities for students.

Current enrollment is 4,096 students. The District's school buildings include:

Creal Springs Elementary School: Grades Pre-K to 8
400 South Line St., Creal Springs
Enrollment: 194

Jefferson Elementary School: Grades K to 5
700 East Boulevard St., Marion
Enrollment: 270

Lincoln Elementary School: Grades Pre-K to 5
400 Morningside Dr., Marion
Enrollment: 604

Longfellow Elementary School: Grades K to 5
1400 West Hendrickson St., Marion
Enrollment: 303

Marion High School: Grades 9 to 12
1501 South Carbon St., Marion
Enrollment: 1,200

Marion Jr. High School: Grades 6 to 8
1609 West Main St., Marion
Enrollment: 887

Washington Elementary School: Grades Pre-K to 5
420 East Main St., Marion
Enrollment: 674

Payment Source: The General Assembly enacted the County School Facility Occupation Tax Law (PA 95-0677, "the Law") on October 17, 2007, which authorized the county board of any county except Cook to impose a county sales tax for the acquisition, development, construction, reconstruction, rehabilitation, improvement and financing of land buildings, structures and equipment. A county may impose the Tax only after a majority of voters at a regular election authorize such a tax, which may be imposed in 0.25% increments up to 1%.

A majority of the voters of Williamson County approved the imposing of a 1% County School Facility Occupation Tax (the *"Sales Tax"*) at the general primary election on February 5, 2008. Subsequently, the Williamson County Board adopted an ordinance imposing the Sales Tax and filed the ordinance with the Department of Revenue. Accordingly, the Department of Revenue began to administer and enforce the Sales Tax on July 1, 2008. The Williamson County school districts began receiving the Sales Tax on October 10, 2008. Several Williamson County school districts are considering the issuance of bonds payable from the Sales Tax to fund various school construction projects.

Legal Challenge: On May 20, 2008, a complaint was filed in the Circuit Court of the Illinois 4th Judicial Circuit (which contains Williamson County) and was amended on September 26, 2008 (the *"Complaint"*), challenging, among other things, the constitutionality of the legislation authorizing the Sales Tax, the authority of Williamson County to submit the question of the Sales Tax to referendum and procedures of the Williamson County Board in imposing the Sales Tax, and seeking to enjoin the collection of the Sales Tax and the ability of the Williamson County school districts to issue revenue bonds payable from the Sales Tax. On January 29, 2009, the Circuit Court entered an order finding that the plaintiffs did not have standing to bring the lawsuit and granting the County's motion to dismiss the complaint. The plaintiffs have appealed the Court's order to the 5th District Illinois Appellate Court. That appeal is now pending.

The Project: Creal Springs Elementary School was built in 1912. The building is outdated and does not fully meet the educational needs of today's students because of its age, crowded classrooms, and lack of technology capacity. The purpose of this project is to build and equip a state-of-the-art elementary school building that will adequately house students and provide them with an updated learning environment.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Marion Community Unit School District Number 2	
Contact:	Dr. Wade Hudgens, Superintendent, School Board	
Board Membership:	Todd Goodman	President
	Richard Baggett	Vice President
	Joe Baker	Member
	Amanda Byassee Gott	Member
	Richard McFadden	Member
	Richard Sanders	Member
	Michael Simmons	Member
Project name:	Marion Community Unit School District Number 2 project	
Location:	Marion	
Organization:	Illinois Community Unit School District	
Current Land Owner:	Marion CUSD No. 2	

PROFESSIONAL & FINANCIAL

Underwriter:	Stifel Nicolaus	St. Louis, MO	Anne Noble
Bond Counsel:	Chapman and Cutler, LLP	Chicago	Lynda Given
Underwriter's Counsel:	Chapman & Cutler, LLP	Chicago	Kelly Kost
Issuer's Counsel:	TBD		

Trustee:	TBD	
Rating Agency:	Standard & Poor's	Chicago

LEGISLATIVE DISTRICTS

Congressional:	12th, District: U.S. Representative Jerry F. Costello
State Senate:	59th District: State Senator Gary Forby
State House:	117th District: State Representative John E. Bradley

CONDUIT

June 9, 2009

$41,750,000
Jewish Charities Revenue Anticipation Note Program

REQUEST

Purpose: The four Agencies of the Jewish Charities will use Revenue Anticipation Note proceeds to (i) fund temporary cash flow deficits of the social service agencies described further herein, and (ii) to pay bond issuance costs. The Jewish Federation of Metropolitan Chicago makes allocations to various agencies at the beginning of the Federation's Annual General (Funds) Campaign at the beginning of the Agencies' fiscal year which for this year's program is July 1, 2009 through June 30, 2010. The Federation issues RANs through the IFA to fund the receivable which will be paid from funds from grants from the Annual General Campaign funds and other contributions.

Project Description: Authorized borrowing amounts for the :

Jewish Vocational Services and Employment Center	$ 3,700,000
Jewish Community Centers	12,400,000
Council for Jewish Elderly	14,400,000
Jewish Child and Family Services	11,250,000
Total	**$41,750,000**

Program: Conduit 501(c)(3) Revenue Anticipation Notes
Extraordinary Conditions: None.

BOARD ACTIONS Final Revenue Anticipation Notes Resolution

MATERIAL CHANGES None. This is an annual presentation to the IFA Board

JOB DATA

N/A	Current jobs	N/A	New jobs projected
N/A	Retained jobs	N/A	Construction jobs projected

DESCRIPTION

- Locations (Multiple/Northeast Region)
- The Jewish Federation of Metropolitan Chicago Metropolitan Chicago ("JUF/Federation") is an Illinois 501(c)(3) Corporation. The Jewish Federation of Metropolitan Chicago serves as the fundraising entity for its affiliated organizations. The major source of current opertions of the Federation is provided by the Jewish United Fund of Metropolitan Chicago which conducts fundraising activities by means of annual calendar year campaigns and makes allocations to beneficiaries (primarily the Federation and United Jewish Communities). The affiliated organizations which receive support are Illinois 501(c)(3) Corporations.
- The Federation has provided welfare services to children and adults living in the Chicago Metropolitan Area for more than 100 years.

CREDIT INDICATORS

- Harris NA, Chicago, IL will be providing a Direct Pay Letters of Credit to Credit Enhance the subject RANs.
- The short-term ratings of Harris NA, Chicago, IL are VMIG-1 (Moody's), and A-1(Standard & Poors)

Proposed Structure

- Two series, one having a six-month maturity, the other having a one-year maturity.

Sources and Uses

IFA Series 2009-2010A	$20,000,000	Working Capital	$41,627,400
IFA Series 2009-2010B	21,750,000	Cost of Issuance	122,600
Total	**$41,750,000**	**Total**	**$41,750,000**

Recommendation Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: **Jewish Charities Revenue Anticipation Note Program, Series 2009-2010A and Series 2009-2010B**

STATISTICS:

Project Number: N-ND-TE-CD-8245
Type: 501(c)(3) RANs
Counties/Regions: Multiple/Northeast

Amount: $41,750,000 (Not-to-Exceed)
IFA Staff: Townsend Albright
Cities: Multiple

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Revenue Anticipation Notes
No IFA funds at risk

Credit Committee recommends approva.
No extraordinary conditions.

VOTING RECORD

Final IFA Bond Resolution: (FY 08-09)
Voting Date: June 10, 2008

Ayes: 10 Nays: 0 Abstentions: 0 Vacancies: 2 Absent: 3 (DeNard, Herrin, Talbott)

Note: This is an ongoing program, which requires the Board's annual approval. The IFA Board has been granting approval for this Program since the Agency's inception in 2004. The Board of the Illinois Development Finance Authority, a predecessor authority, granted approval for the Program since 1990.
.

PURPOSE

The Federation will use Revenue Anticipation Note proceeds to (i) fund the temporary cash flow deficits of the social service agencies described in the attached report, and (ii) to pay bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Revenue Anticipation Notes are a form of tax-exempt instruments that 501(c)(3) corporations can use to provide working capital for use in their daily operations. IFA's issuance will convey tax exempt status on interest earned on the RANs and thereby reduce the borrower's interest expense.

VOLUME CAP

501(c)(3) revenue anticipation note issues do not require Volume Cap.

JOBS

Current employment: 1,100
Jobs retained: Not applicable

Projected new jobs: Not applicable
Construction jobs: Not applicable

ESTIMATED SOURCES AND USES OF FUNDS (PRELIMINARY, SUBJECT TO CHANGE)

Sources:		Uses:	
IFA RANS (Series A-B)	$41,750,000	Working Capital	$41,627,400
		Costs of Issuance	122,600
Total	**$41,750,000**	**Total**	**$41,750,000**

FINANCING SUMMARY/STRUCTURE

Security:	Bondholders will be secured by a Direct Pay Letter of Credit from Harris NA, Chicago, Illinois (that will be scheduled to expire July 15, 2010; 15 days after the scheduled maturity date of the IFA Series 2009-2010B Revenue Anticipation Notes). Harris NA, will be secured by a general obligation by each of the four underlying agencies (which for purposes of Harris NA, are the Borrowers.
LOC Bank	Harris NA, Chicago, IL
Structure:	The 7-day Floating Rate Revenue Anticipation Notes will be privately placed by BMO Capital Markets (an affiliate of Bank of Montreal and Harris NA). It is anticipated that the proposed series of Notes will be rolled over into a new series for new purposes upon maturity (i.e., June 30, 2009) as customary since 1990.
Interest Rate Mode:	Floating Rate Bonds with weekly reset. BMO Capital Markets will be the Remarketing Agent. The most recent average interest rate for 7-day floating rate bonds was approximately 0.36% as of May 20, 2009 (thereby resulting in a current effective rate of approximately 1.65%-1.90% after adding typical ongoing LOC and Remarketing Agent Fees, and Trustee Expenses).
Maturities:	Six months (IFA Series 2009-2010A); and one year (IFA Series 2009-2010B)
Rating:	The applicable rating for these Revenue Anticipation Notes is the short-term rating(s) of the Harris NA, Chicago, IL which are VMIG-1/A-1 (Moody's/S&P).
Estimated Closing Date:	July 9, 2009

PROJECT SUMMARY

The Federation will use Revenue Anticipation Note proceeds to (i) fund temporary cash flow deficits (i.e., temporary budget relief) for certain of the Federations' affiliated social service agencies specified below, and (ii) to pay certain Revenue Anticipation Note issuance costs. ***The addresses of the project locations of the agencies are listed on Page 5 of this report.***

The IFA Series 2009-2010 RAN's will authorize borrowing by the following agencies (in the following estimated amounts):

Jewish Vocational Services and Employment Center	$ 3,700,000
Jewish Community Centers	12,400,000
Council for Jewish Elderly	14,400,000
Jewish Child and Family Services	11,250,000
Total	**$41,750,000**

Program Mechanics:

1. The Federation makes allocations to the affiliated social service agencies identified herein throughout the fiscal year. The RAN's will be repaid as these allocations are advanced to the individual agencies. The fiscal year for this year's program is July 1, 2009 through June 30, 2010.
2. The Federation sends each borrowing agency a letter (the "Allocation Letter") stating the amount of the allocation for the following fiscal year that will be paid at the end of that fiscal year from Annual General Campaign funds.
3. The Allocation Letter becomes a receivable for the Federation which is pledged to Harris NA. Chicago, IL to support a Letter of Credit.
4. The Federation issues RANs through IFA to fund the receivable to be repaid from grants made from Annual General Campaign funds and other contributions as collected.
5. The same process is expected to be replicated for the fiscal year (2010-2011).

Project Rationale: The proposed funding will allow the Federation's affiliated social service agencies to finance needs at the lowest possible cost to provide mission-based client services.

BUSINESS SUMMARY

Organization: **The Jewish Federation of Metropolitan Chicago ("JFMC" or the "Federation")** is an Illinois 501(c)(3) Corporation. The Jewish Federation of Metropolitan Chicago serves as the fund raising entity for its affiliated organizations (i.e. the Jewish Charities). The major source of current operations of the Federation is provided by the **Jewish United Fund of Metropolitan Chicago ("JUF")** which conducts fundraising activities by means of annual calendar year campaigns and makes allocations to beneficiaries (primarily the Federation and United Jewish Communities). The affiliated organizations which receive support are Illinois 501(c)(3) Corporations. A list of JUF/Federation Board members is included in this report for IFA Board review.

Background: The Jewish United Fund/Jewish Federation of is the largest not-for-profit social welfare institution in Illinois. JUF/Federation provides critical assistance that brings food, refuge, healthcare, education, and emergency assistance to approximately 300,000 Chicagoans of all faiths, and to more than two million persons around the world. JUF/Federation funds a network of approximately 70 agencies and programs that care for people at every stage of life, regardless of the ability to pay. Since 1900, JUF/Federation has worked to give voice to the community, and to assure that necessities are provided for its most vulnerable members - children, immigrants, the poor, the elderly, and the disabled. A list of its Board members is provided on page 7.

JUF/Federation funded agencies offer services that support people at every stage of life. This network offers everything from respite care for families of children with disabilities to community-based services that allow seniors to live independently in their own homes.

The four borrowing organizations that will borrow under the proposed RAN Notes include: (i) Jewish Vocational Service and Employment Center, (ii) Jewish Community Centers, (iii) Council for Jewish Elderly, and (iv) Jewish Child and Family Services:

1. **Jewish Vocational Service and Employment Center** ("**JVS**") provides services to occupationally disadvantaged residents of metropolitan Chicago to facilitate maximization of employment opportunities, and educational skills.
2. **Jewish Community Centers of Chicago** ("**JCC**") provides recreation and education facilities, community service centers, and camping facilities for the use of residents in the Chicago metropolitan area. The primary sources of revenue are program service fees, grants, contributions and an allocation from JUF/Federation.
3. **Council for Jewish Elderly** ("**CJE**") plans, organizes, and/or administers services to the Jewish elderly of metropolitan Chicago. The primary mission is to facilitate independence of older adults and to enhance quality of life. The Council provides facilities and services consisting of (i) housekeeping, personal care, meals and transportation, (ii) family and individual counseling, (iii) adult day services for those who are frail or have forms of dementia, (iv) home health and rehabilitative services, (v) low cost independent living, and (vi) 24-hour skilled nursing care.
4. **Jewish Child and Family Services** is a comprehensive social services agency that provides services to children, adults, and families living in the metropolitan Chicago area. Services include (i) childcare and education, (ii) residential and child welfare services, (iii) counseling and support, (iv) services to people with disabilities, and (v) community support services.

In commemoration of the Federation's 100 years of service, the Federation embarked on a Centennial Campaign, a capital and endowment campaign that anticipates community needs in the future. As of FYE 6/30/2008, more than 2,800 donors have made gifts totaling approximately $515 million to the Centennial Campaign.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	The Jewish Federation of Metropolitan Chicgo, 30 South Wells Street, Chicago, Cook County, IL 60606-5056
Borrower Contact:	James A. Pinkston, VP, Accounting, Ph.: 312-357-4790; E-mail: **jamiepinkston@juf.org**
Borrower:	The Jewish Federation of Metropolitan Chicgo
Organization:	501(c) (3) not-for-profit Corporation
State:	Illinois
Locations:	Arlington Heights; Buffalo Grove; Chicago; Deerfield; Evanston; Flossmoor; Glencoe, Hazel Crest; Lake Zurich; Lombard; Northbrook; Prairie View; Skokie;
Project Sites:	Locations of the facilities at which the underlying beneficiaries conduct their charitable activities include:

- City of Chicago for JVS: 6526 North California Avenue, 950 East 61st Street, 2020 West Devon Avenue, 7130 South Jeffrey, 7147 South Jeffrey, 1039 West Lawrence Avenue, 4729 South Ellis, 2850 South Michigan Avenue, 1210 West Granville, 6522 South Vernon, 133 North Kingsbury, 1962 East 71st Place, 2358 East 70th Street;
- City of Chicago for JCC: 615 W. Wellington, 5200 South Hyde Park Boulevard, 3003 West Touhy Avenue, 3480 North Lake Shore Drive, 909 West Wilson Avenue, 524 West Melrose Avenue;
- City of Chicago for CJE: 3003 West Touhy Avenue, 3101 West Touhy Avenue, 1345 West Jarvis, 1420 West Farwell Avenue, 1221 West Sherwin Avenue, 5333 North Sheridan;
- City of Chicago for JCFS: 3525 W. Peterson, 3033 West Touhy Avenue; 6552 North Sacramento, 6135 North Talman, 6107 North Mozart, 6725 North Campbell, 6618 North Talman, 2757 Jerome Street, 3145 Pratt Avenue; and,
- Locations in Suburban Chicago: 3400 West 196th Street, Flossmoor for JCC; 840 Vernon, Glencoe for JCC; 3050 Woodridge Lane, Northbrook for JCC; 23280 North Old McHenry Road, Lake Zurich for JCC; 3649 West 183rd Street, Hazel Crest for JCFS; 5050 West Church Street, Skokie for JCC; 5150 Golf Road, Skokie for JVS/JCFS; 1015 West Howard Street, Evanston for CJE; 7550 North Kostner, Skokie for CJE; 8901 Gross Point Road, Skokie for CJE; 5140 Galitz, Skokie for CJE; 9700 Gross Point Road, Skokie for CJE; 8975 West Golf Road, Niles for CJE; 3433 Walters Road, Northbrook for JCC; 255 Revere Drive, Northbrook for JCFS; 300 Revere Drive, Northbrook for JCC/JVS; 9304 Skokie Boulevard, Skokie for JCFS; 1551 Lake Cook Road, Deerfield for CJE; 1601 Lake Cook Road, Deerfield for CJE; 370 Half Day Road, Buffalo Grove for JCC; 16595 Easton Avenue, Prairie View for JCFS; 10 East 22nd Street, Lombard for JCFS/JVS; 85 Revere Drive, Northbrook for JCFS; 1156 W. Shure Drive, Arlington Heights for JCFS/JVS.

Corporate offices of underlying Borrowers/Affiliates:

The corporate offices of JCC are located at 30 South Wells Street (Ben Gurion Way) Chicago, Illinois 60606.
The corporate office of CJE is located at 3003 West Touhy Avenue, Chicago, Illinois 60645.
The corporate offices of JVS and JCFS are located at 216 W. Jackson Boulevard, Chicago, Illinois 60606.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago	Christopher Torem
Counsel to JFCS, JCC, JVC, and CJE:	Seyfarth Shaw LLP	Chicago	Richard Cutschall
Accountant:	McGladrey & Pullen, LLP	Chicago	Lynne T. Well
Bond Counsel:	Chapman and Cutler LLP	Chicago	Nancy Burke
LOC Banks:	Harris Bank NA	Chicago	Gregory Bins
Bank Counsel:	Chapman and Cutler LLP	Chicago	William Hunter
Placement Agent & Remarketing Agent:	BMO Capital Markets	Chicago	Nick Knorr
Counsel to Placement Agent & Remkt. Agent:	Chapman and Cutler LLP	Chicago	William Hunter
Trustee:	US Bank NA `	Chicago	Diane Swanson
Rating Agency:	Standard & Poor's	New York, NY	
Issuer's Counsel:	Requested - Assignment Forthcoming		
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, LLC	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	2nd	Jesse L. Jackson
	7th	Danny K. Davis
	8th	Melissa Bean
	9th	Janice Schakowsky
	10th	Mark S. Kirk
State Senate:	6th	John J. Cullerton
	7th	Heather Steans
	8th	Ira R. Silverstein
	9th	Jeffrey M. Schoenberg;
	19th	M. Maggie Crotty
	26th	Dan Duffy
	28th	John Millner
	29th	Susan Garrett
	30th	Terry Link
	31st	Michael Bond
	40th	Toi Hutchinson
State House:	11th	John A. Fritchey
	13th	Greg Harris
	16th	Louis I. Lang
	18th	Julie Hamos
	37th	Kevin McCarthy
	51st	Ed Sullivan, Jr.
	59th	Kathleen A. Ryg
	60th	Eddie Washington
	61st	JoAnn Osmond
	80th	George F. Scully Jr.

BOARD OF TRUSTEES

CONDUIT

June 9, 2009

$11,000,000
THIRD ORDER OF ST. FRANCIS OF MARY IMMACULATE, JOLIET

REQUEST	**Purpose**: The proceeds of the Bonds will be loaned used to (i) finance or refinance, or reimburse the Borrower for, the cost of constructing, acquiring and equipping 28 independent living cottages in 14 separate duplex structures that is known as Phase 1A of Our Lady of Angels Village (the "Project"), (ii) fund a reserve fund, if any, (iii) pay capitalized interest on the Bonds and (iv) finance certain costs associated with the issuance of the Bonds, including the cost of any credit enhancement. **Program**: Conduit 501(c)(3) Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None
JOB DATA	22 Current jobs; 2 Jobs created by project 22 Retained jobs; 80 Construction jobs created by project
BORROWER DESCRIPTION	● Location: Joliet. (Will County) ● The Third Order of St. Francis of Mary Immaculate (also referred to herein as "Sisters of St. Francis" or "Joliet Franciscans") is an order of Franciscan sisters that manage and provide staff support for educational and social service needs in designated areas. Its service area included 13 states and Brazil. In the Joliet area, they sponsor a pre-school and kindergarten program, high school, University and social service agency for women and children and the retirement home known as Our Lady of Angels Village. Its revenues are derived from (1) payments made by sponsored organizations to offset the salary costs of the sisters who provide services to them and (2) property lease payments from the sponsored organizations. ● The project, construction of new independent housing on the campus of Our Lady of Angels Retirement Home is one of the organizations sponsored by The Third Order of the St. Francis of Mary Immaculate. The construction loan was financed on a stand alone basis. The Third Order of the St. Francis of Mary Immaculate will be taking on that debt long term, and refinancing existing bank loans as the borrower. They plan to retire this debt, and do not expect Our Lady of Angels to take any responsibility for the debt service. ● Our Lady of Angels Home serves the aged in Joliet and the surrounding area. The Third Order of the St. Francis of Mary Immaculate currently respond to those in need in 13 states: Alabama, Arizona, California, Florida, Illinois, Indiana, Michigan, Minnesota, Mississippi, New York, Ohio, and Wisconsin. In addition to their work in the United States, the Joliet Franciscans have established six missions and a novitiate in different areas of Brazil.
CREDIT INDICATORS	Bank - TBD 30 Year maturity Variable Rate Letter of Credit Enhanced – Variable Rate Demand Bonds

SOURCES AND USES

Sources		Uses	
IFA Bonds	$11,000,000	Refinance 2005 Bonds	$9,600,000
		Costs of Issuance & Reserve Funds	1,400,000
Total	**$11,000,000**	**Total**	**$11,000,000**

RECOMMENDATION The Credit Committee recommends Aproval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: Third Order of St. Francis of Mary Immaculate, Joliet

STATISTICS

Project Number: H-HO-TE-CD-8244	Amount: $11,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Bill Claus
County/Region: Will / Northeast	City: Joliet

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Use of proceeds: The proceeds of the Bonds will be loaned to the Congregation of the Third Order of St. Francis of Mary Immaculate, Joliet, an Illinois not for profit corporation (the "Borrower"), and will be used to (i) finance or refinance, or reimburse the Borrower for, the cost of constructing, acquiring and equipping 28 independent living cottages in 14 separate duplex structures that is known as Phase 1A of Our Lady of Angels Village (the "Project"), (ii) fund a debt reserve fund, if any, (iii) pay capitalized interest on the Bonds and (iv) finance certain costs associated with the issuance of the Bonds, including the cost of any credit enhancement.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	22 FTE's	Jobs created by Project:	2
Jobs retained:	22 FTE's	Construction jobs created by project:	80

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA bonds	$11,000,000	Uses:	Refinance of Outstanding Loans:	$9,600,000
				Costs of Issuance and Reserve Funds	$1,400,000
	Total	**$11,000,000**		**Total**	**$11,000,000**

FINANCING SUMMARY/STRUCTURE

Security:	Direct Pay Letter of Credit from a bank to be determined
Structure:	Variable Rate Demand Bonds
Interest Rate:	Weekly Rate Mode
Interest Mode:	TBD
Credit Enhancement:	Letter of Credit from a bank to be determined
Maturity:	No later than 2049

PROJECT SUMMARY

The proposed financing consists of converting short term construction loans into long term debt. Now that the construction of the units has been completed the construction loans to be refinanced represent the total costs of the project. The bank loans were used to construct new independent housing on the campus of Our Lady of Angels Retirement Home, one of the organizations sponsored by the Sisters of St. Francis, Joliet.

The independent housing addition consists of twenty eight cottages. The cottages are structured as duplexes. Each cottage has two bedrooms, two bath units with living room, dining room and kitchen, with optional sun room, enclosed porch or covered patio. Eight of the cottages are occupied. The Sisters have sponsored informational sessions, open houses, advertised in public media and church publications. These new cottages have been designed specifically for men and women who are able to live independently in the comfort of their own private space.

The Sisters of St. Francis, Joliet will be assuming long term debt by financing the short term construction loans. They plan to retire this debt, and do not expect Our Lady of Angels Retirement Home to take any responsibility for the debt service.

BUSINESS SUMMARY

Description of Business:	Retirement Home
Project Rationale:	The independent living expansion was intended to allow Our Lady of Angels to offer the complete continuum of care to local seniors.
Timing:	Anticipated to Close in July 2009.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Joliet Franciscans
Project Location: Joliet, IL - 1201 Wyoming Avenue, Joliet, IL 60435
Borrower: Joliet Franciscans
Tenant: Our Lady of Angels Retirement Home
Ownership/Board Members 501(c)(3):
Sr. Mary Rose Lieb, President; Sr. Margaret Guider, Vice President and Councilor for the Mission; Sr. Peggy Quinn; Sr. Susan Bruno; Sr. Mary Jane Griffin, General Treasurer; and Sr. Lourdes Boyer, General Secretary.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Tracy, Johnson, and Wilson	Joliet	Mike Mojtak
Accountant:	George Bagley and Company	Joliet	George Bagley
Bond Counsel:	Benesch Copland & Aronoff	Sandusky, OH	Mike Melliere
Credit Enhancer/Purchasing Bank:	(Potential Banks include Harris, Cole Taylor & First Midwest)		
Bank Counsel:	TBD	Chicago, IL	TBD
Bond Underwriter:	Ziegler Capital Markets	Chicago, IL	Lynn Daly
Underwriter's Counsel:	Benesch Friedlander C& A LLP	Chicago, IL	TBD
Issuer's Counsel:	Requested	Chicago, IL	Forthcoming

LEGISLATIVE DISTRICTS

Congressional: 11^{th} - Deborah Halvorson
State Senate: 43^{rd} - A J Wilhelmi
State House: 86^{th} - Jack McGuire

SERVICE AREA

Our Lady of Angels Home serves the aged in Joliet and the surrounding area. Joliet Franciscans currently respond to those in need in 13 states: Alabama, Arizona, California, Florida, Illinois, Indiana, Michigan, Minnesota, Mississippi, New York, Ohio, and Wisconsin. In addition to their work in the United States, the Joliet Franciscans have established six missions and a novitiate in different areas of Brazil. There they care for the poor, sick, and elderly, sponsor a grade school, Instituo San Damiano, and are engaged in pastoral ministry, sacramental preparation and counseling.

Locally, the Joliet Franciscans offer heritage through sponsorship and service to the Church and the world via these institutions:

- Joliet Catholic Academy is a 4-year, Catholic, coeducational, college-prep, high school.
- University of St. Francis in Joliet is a Catholic, liberal arts University in the Franciscan tradition.
- Our Lady of Angels Retirement Home provides long-term care, assisted living facility and independent care with services.
- Franciscan Learning Center offers preschool and kindergarten programs.
- Guardian Angel Community Services offers a variety of social services for women and children in need.

CONDUIT

June 9, 2009

$150,000,000
CENTRAL DUPAGE HEALTH

REQUEST	**Purpose**: to (i) refund all or a portion of the Illinois Health Facilities Authority Variable Rate Demand Revenue Bonds, Series 2000A, 2000B and 2000C (Central DuPage Health) (the "Prior Bonds"), (ii) fund capital expenditures for the health care facilities of the Borrower or its affiliates, (iii) pay a portion of the interest on the portion of Series 2009 Bonds that are issued to fund capital expenditures, if deemed necessary or advisable, (iv) provide working capital, if deemed necessary or advisable, (v) fund a debt service reserve fund, if deemed necessary or advisable, and (vi) pay the cost of issuance. **Project Description**: Capital expenditures for Central DuPage Hospital Association health care facilities or its affiliates, including but not limited to 280,000 square foot bed pavilion, diagnostic imaging facility, 202 private medical surgical rooms, approximately 48,000 square foot cancer center, and approximately 400 space parking garage **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	None

JOB DATA	2,427	Current jobs	33	Jobs created from Project
	2,427	Retained jobs	400	Construction Jobs created by Project

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

Sources and Uses	IFA Bonds	$150,000,000	Project Cost	$48,120,000
			Refinancing:	$100,000,000
			Cost of Issuance	$755,000
			Underwriters Discount	$1,125,000
	Total	**$150,000,000**	Total	**$150,000,000**

Recommendation	Credit Committee recommends approval

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ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: Central DuPage Health

STATISTICS

Project Number:	H-HO-TE-CD-8119	Amount: $150,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff: Pam Lenane & Bill Claus
County/Region:	DuPage/Northeast	City: Winfield

BOARD ACTION

Final Bond Resolution	Credit Committee recommends approval
No IFA Funds contributed	No extraordinary conditions
Conduit 501(c)(3) bonds	

VOTING RECORD

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

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment (Obl. Group):	2,427 FTE's	Jobs created by project:	33
Jobs retained:	2,427 FTE's	Construction jobs created by project:	400

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bond proceeds	$150,000,000	Uses:	Project Costs	$48,120,000
				Refinancing	100,000,000
				Funded Interest	0
				Costs of Issuance	755,000
				Underwriter's Discount	1,125,000
	Total	$150,000,000		Total	$150,000,000

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by an Obligation of Central DuPage Health under a Master Trust Indenture. The Obligation is a general unsecured obligation of the Borrower and its affiliate Central DuPage Hospital Association (collectively, the "Obligated Group").
Structure:	The plan of finance contemplates the issuance of fixed rate debt. The fixed rate bonds will carry the rating of Central DuPage Health which is AA/AA (Fitch/S&P).
Interest Rate:	To be determined the day of pricing.
Interest Mode:	The plan of finance contemplates the issuance of Fixed Rate Bonds.
Credit Enhancement:	None. (The bonds will carry the credit rating of Central DuPage Health.)
Maturity:	Not later than 2049
Rating:	AA/AA (Fitch/S&P)
Est. Closing Date:	August 2009

PROJECT SUMMARY

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

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

BUSINESS SUMMARY

Description of Business:	Central DuPage Health (the "Borrower") was incorporated in 1980 as an Illinois not for profit corporation and is the parent corporation of an integrated network of healthcare organizations which primarily serves western DuPage and Kane Counties, Illinois. The Borrower’s primary affiliate is Central DuPage Hospital Association (the “Hospital”). The Borrower and the Hospital together comprise the “Obligated Group” under the Master Trust Indenture. The Hospital owns and operates a general acute care hospital on a 44-acre site in Winfield, Illinois, located in the central portion of DuPage County, approximately 30 miles west of Chicago. Beginning in 1958, a group of concerned community citizens formed the Hospital and in 1963 purchased the then-existing Winfield Tuberculosis Sanitarium and surrounding acreage from the Jewish Federation of Metropolitan

Chicago. The facility was renovated and converted into a 113-bed acute care hospital which opened on September 16, 1964. Since then, successive building additions were constructed to expand the services of the facilities of the Hospital to accommodate the growing needs of the surrounding service area. Today, the Hospital facilities comprise approximately 1.2 million square feet with 2,376 parking spaces.

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

- One of America's Best Hospitals by *US News and World Report* in 2007 and 2008, orthopedics category
- *Thomson Reuters* 100 Top Hospitals in 2006, 2007 and 2008
- Recognition by *HealthGrades* for Clinical Excellence in 2007, 2008 and 2009 and for Patient Safety in 2006, 2007, 2008 and 2009
- *Hospitals & Health Networks* Top 100 Most Wired Award in 2004, 2006, 2007 and 2008.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

Board Members (501(c)3)

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

PROFESSIONAL & FINANCIAL

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

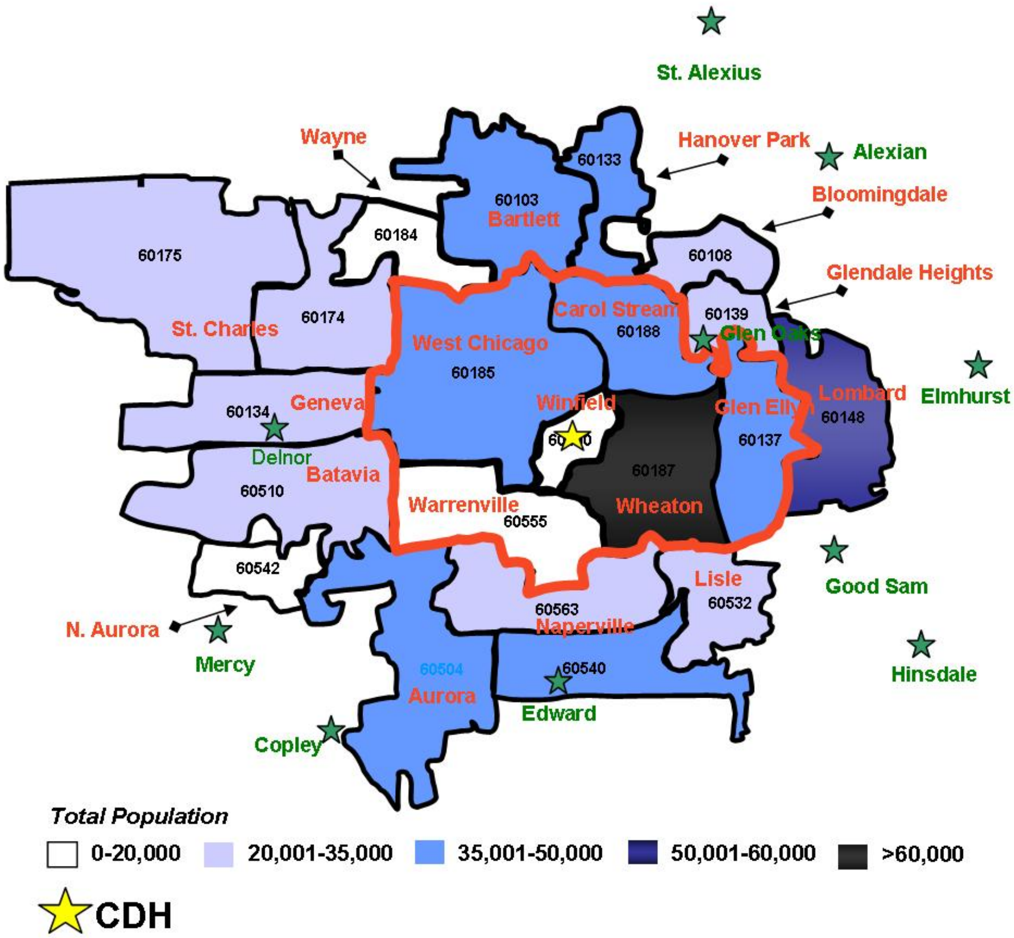
LEGISLATIVE DISTRICTS

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

SERVICE AREA

Central DuPage Hospital (CDH), located in Winfield, provides care to patients from towns in DuPage County and surrounding areas. Bordering and nearby towns in the primary service area are Carol Stream, Glen Ellyn, Warrenville, West Chicago, and Wheaton; 51 percent of inpatients originated from the primary service area in Fiscal Year (FY) 2008. Many patients travel to CDH to receive care from other communities, spanning a radius of approximately 50 miles from Winfield. The majority of patients come from the home county. (i.e., In FY 2008, 71 percent originated in DuPage County.) Towns to the west, northwest and southwest of CDH are expected to grow substantially. The 65 and older population in DuPage County is expected to grow by over 18% over the next five years.

CDH Primary and Secondary Markets (Map)



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

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

CONDUIT

ILLINOIS FINANCE AUTHORITY

June 9, 2009

$200,000,000
PROVENA HEALTH

REQUEST	**Purpose**: to (i) pay or reimburse the Borrower, Provena Hospitals (the "Hospital") or Provena Senior Services ("Senior Services") for, or refinance outstanding taxable and / or tax-exempt 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, the Hospital or Senior Services and all necessary and attendant facilities, equipment, site work and utilities thereto; (ii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or the Borrower; (iv) provide working capital, if deemed necessary or advisable by the Authority or the Borrower; (v) finance the termination costs of qualified hedging instruments and (vi) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to fees for insurance, credit enhancement or liquidity enhancement for the Bonds. **Project Description**: The proceeds will be used to reimburse Provena Health for certain qualified projects throughout the various hospital and senior service ministries. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution This project is coming for a One-time Final Resolution because of market conditions
MATERIAL CHANGES	None

JOB DATA	10,924	Current jobs	0	New jobs projected
	10,924	Retained jobs	0	Construction jobs projected

DESCRIPTION	● Location (Chicago/ Cook County / Northeast Region) ● Provena Health is a Catholic health system that includes six hospitals, 16 long-term care and senior residential facilities, 28 clinics, five home health agencies and other health-related activities operating in Illinois and Indiana. ● Provena Health ministries are sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary and the Sisters of Mercy of the Americas.
CREDIT INDICATORS	● Fixed and Variable Rate Debt (actual structure TBD) ●Current rating of Provena Health is Baa1 / BBB+ (Moody's / S&P)
Proposed Structure	• Uninsured Variable Rate Debt with a Letter of Credit from JPMorgan Chase and potentially TBD banks ● Bonds will Mature no later than 2049

Sources and Uses	IFA Bonds	$200,000,000	Projects	$197,000,000
			Cost of Issuance	$3,000,000
	Total	**$200,000,000**	Total	**$200,000,000**

Recommendation	Credit Committee recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: **Provena Health**

STATISTICS

Project Number: H-HO-TE-CD-8234	Amount: $200,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane & Bill Claus
County/Region: Cook / Chicago	

BOARD ACTION

Final Bond Resolution	No Extraordinary Conditions
Conduit 501(c)(3) Bonds	
No IFA Funds at Risk	Credit Committee recommends Approval

VOTING RECORD

This is the first time this project has been brought before the Board.
This project is coming for a One-time Final Resolution because of market conditions.

PURPOSE

Bond proceeds along with certain other funds will be used to (i) pay or reimburse the Borrower, Provena Hospitals (the "Hospital") or Provena Senior Services ("Senior Services") for, or refinance outstanding taxable and / or tax-exempt 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, the Hospital or Senior Services and all necessary and attendant facilities, equipment, site work and utilities thereto; (ii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or the Borrower; (iv) provide working capital, if deemed necessary or advisable by the Authority or the Borrower; (v) finance the termination costs of qualified hedging instruments and (vi) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to fees for insurance, credit enhancement or liquidity enhancement for the Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 10,924 FTE's	Projected new jobs: N/A
Jobs retained: 10,924 FTE's	Construction jobs: N/A

ESTIMATED SOUCES AND USES OF FUNDS

Sources			*Uses*		
IFA Bonds	$	200,000,000	Projects	$	197,000,000
			Costs of Issuance	$	3,000,000
Total	**$**	**200,000,000**	**Total**	**$**	**200,000,000**

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by an Obligation of Provena Health under a Master Trust Indenture. Collateral is expected to include a pledge of gross revenue and debt service reserve funds. The variable rate bonds will be secured by one or more Direct Pay Letters of Credit provided by JPMorgan Chase Bank and (potentially additional TBD banks). The anticipated initial Bank LOC term is three years, subject to extension.
Structure:	Fixed and Variable Rate Demand Bonds (Mode TBD)
Interest Rate:	To be determined at pricing
Interest Mode:	Fixed Rate and/or Variable Rate Demand Bonds
Credit Enhancement:	Variable: Letter of Credit from: JPMorgan Chase and potentially additional TBD banks
Maturity:	TBD – No later than 2049
Rating:	Baa1 / BBB+ (Moody’s / S&P) Affirmed.
Estimated Closing Date:	July 15th, 2009

PROJECT SUMMARY

The proceeds will be used to reimburse Provena Health for certain qualified projects throughout the various hospital and senior service ministries.

BUSINESS SUMMARY

Description of Business:	Provena Health is a Catholic health system that includes six hospitals, 16 long-term care and senior residential facilities, 28 clinics, five home health agencies and other health-related activities operating in Illinois and Indiana. Provena Health ministries are sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary and the Sisters of Mercy of the Americas.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Provena Health
Location:	N/A
Borrower:	Provena Health
State:	Illinois
Ownership/Board Members (501(c)3):	See below

As of January 1, 2009, the members of the Board were as follows:

Name	Professional Affiliation	Term Ends December 31,
William Berry, PhD	Associate Chancellor; Associate Professor University of Illinois	2011
Robert Biedron *Chairperson*	President, Voyaguer's Landing Development Corp.	2009
Aida Giachello, PhD	Associate Professor and Director Midwest Latino Health Research, Training and Policy Center	2009
Sister Lois Graver, RSM Secretary	Treasurer Sisters of Mercy of the Americas Regional Community of Chicago	2009
Mark Hanson	Attorney in Private Practice	2011
Sister Linda Hatton, SSCM	Provincial Superior Servants of the Holy Heart of Mary	2009
Thomas Huberty, MD	Physician	2011
Sister Mary Elizabeth Imler, OSF	General Community Leader Franciscan Sisters of the Sacred Heart	2009
Bettina Johnson Treasurer	Vice President, Retired (2007) J.P. Morgan Chase	2010
Marsha Ladenburger	Quality Management Consultant L&A Healthcare	2010
Bethann McGregor	The Luvian Group	2009
Daniel Russell Vice Chairperson	President-Emeritus Catholic Health East	2011
Kent Russell	Retired Executive VP/CFO Catholic Health East	2011
Guy Wiebking, President and CEO	Provena Health	2011

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris	Chicago	Tom Fahey
Borrower's Financial Advisor:	KaufmanHall	Chicago	Ken Kaufman
Accountant:	KPMG		
Bond Counsel:	Jones Day	Chicago	Mike Mitchell David Kates
Credit Enhancer/Purchasing Bank:	(Candidates to be determined)		
Bank Counsel:	TBD		
Bond Underwriter:	JPMorgan Securities, Inc.	Chicago	Tim Wons
Underwriter's Counsel:	Sonnenschein Nath & Rosenthal LLP	Chicago	Mary Wilson
Issuer's Counsel:	Charity & Associates PC	Chicago	Alan Bell
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional: Districts 6, 11, 13, 14, 15
State Senate: Districts 21, 23, 24, 25, 28, 38, 40, 41, 42, 43, 48, 52, 53, 55
State House: Districts 41, 42, 45, 46, 47, 48, 49, 55, 56, 75, 79, 80, 81, 82, 83, 84, 85, 86, 95, 96, 103, 104, 105, 110
Note: Completed based on Provena Health service areas

SERVICE AREA

Provena Health provides services to the northern and central regions of Illinois.

BACKGROUND INFORMATION

System Overview

Provena Health (the "Corporation") was formed as an Illinois not for profit corporation on November 30, 1997 and is the parent corporation of a regionally focused health care system which concentrates on providing ongoing quality health care, long-term care and home health services to communities primarily located in central and northern Illinois and northern Indiana (the "System"). The System consists of the Corporation and various wholly-owned controlled subsidiaries, including: Provena Hospitals ("Provena Hospitals"), Provena Senior Services ("Provena Senior Services"), Provena Home Health ("Provena Home Health"), Provena Care at Home ("Provena Care at Home"), Provena Health Assurance SPC ("Provena Health Assurance SPC") and Provena Ventures, Inc. ("Provena Ventures").

Sponsorship

The System was jointly formed by the Franciscan Sisters of the Sacred Heart (the "Franciscan Sisters"), the Servants of the Holy Heart of Mary, Holy Family Province, U.S.A. (the "Servants of the Holy Heart") and the Sisters of Mercy of the Americas, Regional Community of Chicago (the "Sisters of Mercy"), collectively the "Sponsors," to consolidate their respective facilities and operations in order to offer a full range of health care services to a broader community.

All three sponsoring congregations have a long history of service to the sick and needy. The Franciscan Sisters of the Sacred Heart was formed in Germany in 1866 and came to the United States in 1876. They have operated hospitals and long-term care facilities in Illinois and Indiana since the 1880s. They were among the earlier organizations to create a multi-hospital health care system, with the incorporation of Franciscan Sisters Health Care Corporation as an Illinois not for profit corporation in 1977.

The Servants of the Holy Heart was formed in France in 1860, and came to the United States in 1889. They have been providing hospital and other health care services in Illinois since the late 1890s. They organized ServantCor, an Illinois not for profit corporation, to function as their system holding company in December of 1982.

The Sisters of Mercy was established in Ireland in 1831 and came to the United States to continue to serve the needy in 1843. They have been operating in the Aurora, Illinois community since 1911, when Mercy Health Corporation was incorporated as an Illinois not for profit corporation.

Corporate Organization

Each of the Corporations, Provena Health, Provena Hospitals, Provena Senior Services, Provena Home Health and Provena Care at Home is an Illinois not for profit corporation, exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501(c)(3) of the Code, and is a private foundation as defined in Section 509(a) of the Code. Provena Ventures, whose sole shareholder is the Corporation, is an Illinois business corporation which is nonexempt. As a Catholic health care system, the Corporation and its controlled subsidiaries act in accordance with Roman Catholic tradition in all matters of operation and in the discharge of governance, and abide by the "Ethical and Religious Directives for Catholic Health Care Services." Provena Health was adapted from the word "providence," which means "divine guidance or care," and Health to reflect the broad spectrum of health care services to be offered. It was chosen by the Sponsors to communicate their mission as an integrated Catholic health care system.

CONDUIT

June 9, 2009

$80,000,000

RIVERSIDE HEALTH SYSTEM

REQUEST	**Purpose**: Use of proceeds: Bond proceeds will be used to: (i) reimburse RHS for prior capital expenditures (the "Project"), (ii) currently refund RHS' Series 2006B Bonds and a portion of RHS' Series 2004 Bonds (the "Refunded Bonds"), (iii) terminate interest rate swaps associated with the Refunded Bonds, (iv) fund a Debt Service Reserve Fund, and (v) pay costs of issuance. **Program**: Conduit 501(c)(3) Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	None
JOB DATA	1,720 Current jobs — 55 New jobs projected 1,720 Retained jobs — 0 Construction jobs projected
DESCRIPTION	● Location: Kankakee ● Riverside Health System ("RHS") is the parent corporation of a regional health system operating in the far southern portion of the Chicago metropolitan market and headquartered in Kankakee. ● The Project consists of reimbursement of prior capital expenditures including the 40 bed addition to the Miller Nursing Center, the Coal City Diagnostic and Treatment Center, and the acquisition of equipment and remodeling at the Medical Center.
CREDIT	● Secured under Master Trust Indenture Note
RATING	● (A3/A/NR)
STRUCTURE	● Uninsured Fixed Rate Bonds maturing 2010 to 2039
PROPOSED STRUCTURE	● Fixed Rate Bonds

SOURCES AND USES

Sources		Uses	
IFA Bonds	$68,000,000	Capex Reimbursement	$35,000,000
Equity	2,467,000	Refinancing 2004 VRDBs	10,000,000
		Refinancing of 2006 VRDBs	14,950,000
		Swap Termination	2,600,000
		DSRF Funding	6,801,000
		Cost of Issuance	1,116,000
Total	**$70,467,000**	Total	**$70,467,000**

RECOMMENDATION Credit Committee recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: Riverside Health System ("RHS")

STATISTICS

Project Number:	H-HO-TE-CD-8241	Amount:	$80,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Bill Claus
County/Region:	Grundy / Northeast	City:	Coal City

BOARD ACTION

Final Bond Resolution	Credit Committee Recommends Approval
Conduit 501(c)(3) bonds	No extraordinary conditions
No IFA funds at risk	

VOTING RECORD

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

PURPOSE

Use of proceeds: Bond proceeds will be used to: (i) reimburse RHS for prior capital expenditures (the "Project"), (ii) currently refund RHS' synthetically fixed Series 2006B Bonds and a portion of RHS' Series 2004 Bonds (the "Refunded Bonds"), (iii) terminate interest rate swaps associated with the Refunded Bonds, (iv) fund a Debt Service Reserve Fund, and (v) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	1,720 FTEs	Projected new jobs:	55 FTEs
Jobs retained:	1,720 FTEs	Construction jobs:	N/A

ESTIMATED SOUCES AND USES OF FUNDS

Source of Funds		Uses of Funds	
Par Amount	$68,000,000	Reimbursement of Prior Capital Expenditures	$35,000,000
Series 2004 and 2006B DSRF Releases	2,467,000	Refinancing of Series 2004 VRDBs	10,000,000
		Refinancing of Series 2006 VRDBs	14,950,000
		Estimated Swap Termination	2,600,000
		DSRF Funding	6,801,000
		Cost of Issuance	1,116,000
Total	**$70,467,000**	**Total**	**$70,467,000**

FINANCING SUMMARY/STRUCTURE

Security:	RHS expects to issue debt secured by a Master Note under MTI, as amended
Structure:	Unenhanced Fixed Rate Bonds Maturing from 2010 through 2039
Interest Rate/ Mode:	Fixed Rate
Obligor:	Riverside Health System
Maturity:	Not greater than 35 years (2044)
Ratings:	Current (A3/A/NR)
Estimated Closing Date:	August 15, 2009

PROJECT SUMMARY

The Project consists of reimbursement of prior capital expenditures including the 40 bed addition to the Miller Nursing Center, the Coal City Diagnostic and Treatment Center, and the acquisition of equipment and remodeling at the Medical Center.

BUSINESS SUMMARY

Riverside Health System ("RHS") is the parent corporation of a regional health system operating in the far southern portion of the Chicago metropolitan market and headquartered in Kankakee. RHS is the sole corporate member of **Riverside Medical Center** ("Medical Center"), **Oakside Corporation** ("Oakside"), **Butterfield Service Corporation** ("Butterfield") and **Riverside Senior Living Center** ("Living Center"). **Riverside Medical Center Foundation** (the "Foundation") is a not-for profit organization serving in an agency capacity by holding and managing certain investment assets contributed for the benefit of the Medical Center. All of these entities except for Butterfield Service Corporation are Illinois not-for-profit corporations and are organized as described under Section 501(c)(3) of the Internal Revenue Code. Butterfield is an Illinois business corporation.

In 1989, RHS, the Medical Center and Oakside became the initial members of an obligated group (the "Obligated Group") established under a Master Trust Indenture dated as of December 15, 1989, as amended and supplemented from time to time, among the members of the Obligated Group and JPMorgan Chase Bank, successor to Bank One, National Association, as Master Trustee. *Living Center became a member of the Obligated Group in 1990.* Butterfield and the Foundation are not members of the Obligated Group.

- The Medical Center owns and operates a general acute care hospital in Kankakee, IL, which is licensed for 330 beds, of which 262 beds are currently staffed. In addition to the main hospital facility, the Medical Center operates the Resolve Center in Manteno Illinois, which houses an 18-bed licensed inpatient substance abuse program and associated outpatient services. The Medical Center also operates Riverside Ambulance which provides ambulance service to the Medical Center's primary service area from five remote locations in Momence, Kankakee, St. Anne, Herscher, and Ashkum. Riverside Ambulance is also responsible for 16 communities through its Emergency Medical Service System. In addition, the Medical Center operates eight community, primary and specialty care clinics located in Kankakee, Bourbonnais, Manteno, Monee, Momence, Hopkins Park, Wilmington, and Peotone.

- The Medical Center also owns the Atrium Building in Bradley, Illinois which provides medical office space, space for a joint venture single-specialty ambulatory surgery center, and industrial medicine services. Located in Bourbonnais and owned by the Medical Center is the Medical Plaza, a comprehensive ambulatory campus which includes radiation therapy, diagnostic imaging, ambulatory surgery, and physician office space. Located in Coal City and owned by the Medical Center is the West Campus, consisting of a state of the art diagnostic imaging center, and physician office complex.

- Oakside operates the 70,000 square foot Riverside Health Fitness Center located in Bourbonnais, Illinois. Additionally, Oakside operates a community counseling program (two (2) outreach clinics – Kankakee and Wilmington; commercial pharmacy, health equipment sales and leasing, home health care and supports the new business activities of other affiliates.

- Living Center was incorporated in 1989 and owns and operates a senior living community that includes ninety (90) independent living apartments known as Westwood Oaks, ninety-six (96) assisted living apartments known as Butterfield Court, eighteen (18) ranch style family homes for seniors known as

Westwood Estates and an one hundred-sixty (160) bed nursing facility. The senior living community is located directly across from the Medical Center in Kankakee and was constructed in phases beginning in 1990.

- There are no activities currently operated by Butterfield.

The Foundation raises funds for RHS and its affiliates and supervises the management of the Riverside Foundation Trust, which was established in 1968 by the Medical Center as an irrevocable trust for the investment of gifts, contributions and bequests to the Medical Center.

Project Rationale: The Project will reimburse RHS for funds used to increase its capital assets over the last 18 months. Such funds will increase RHS' financial flexibility and allow it to then fund from operating cash flow and reserves a 3-story patient tower for which it received CON approval on April 21, 2009.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant:	Riverside Health System
Project Location:	350 N. Wall Street, Kankakee, IL 60901
Borrower:	Riverside Health System
Tenant:	None

Ownership/Board Members 501(c)(3):
See **Exhibit B** for a list of RHS Board Members

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago	Janet Hoffman
Accountant:	KPMG	Chicago	James Stark
Bond Counsel:	Jones Day LLP	Chicago	Michael Mitchell
Bond Underwriter:	Goldman Sachs	Chicago	Jay Sterns
Underwriter's Counsel:	Winston Strawn LLP	Chicago	Kay McNab
Issuer's Counsel:	Assignment Requested		

LEGISLATIVE DISTRICTS

Congressional:	Debbie Halvorson	11th District
State Senate:	Toni W. Hutchinson	40th District
State House:	Lisa M. Dugan	79th District

SERVICE AREA

The primary service area is defined as Kankakee County. The secondary service area consists of portions of Will, Iroquois, Ford, Grundy and Livingston Counties.

ILLINOIS FINANCE AUTHORITY

June 9, 2009

$210,000,000
RUSH UNIVERSITY MEDICAL CENTER OBLIGATED GROUP

REQUEST	**Purpose**: Proceeds will be used for some or all of the following purposes: 1) provide financing to pay costs of capital expenditures for the acquisition, construction, and equipping of various health facilities for Rush University Medical Center and Copley Memorial Hospital; 2) to provide for the funding of one or more debt service reserve funds; 3) to pay certain expenses incurred in connection with the issuance of the bonds; and 4) for other such purposes including working capital and capitalized interest. **Program**: Conduit 501(c)(3) Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	None
JOB DATA	9,117 Current jobs; 300 New jobs projected N/A Retained jobs; 300 Construction jobs projected
DESCRIPTION	● Location: Cook County and Kane County/Northeast ● RUMC is an academic medical center in Chicago, Illinois. The mission of RUMC is to provide the very best care for its patients. Its education and research programs, community programs, and relationships with other hospitals are dedicated to enhancing excellence in patient care for the diverse communities of the Chicago area now and in the future. ● The clinical and academic facilities are primarily located in the northeast portion of the Illinois Medical Center District. RUMC's clinical operations include 825-licensed bed Rush University Hospital ("RUH"), 296-licensed bed Rush Oak Park Hospital, Rush University, a health sciences university that educates students in health related fields and Rush University Medical Group, a faculty practice plan that currently employs 358 physicians.
CREDIT	● Secured under Master Trust Indenture Note
RATING	● A-/A-/A3 (S&P/Fitch/Moody's)
STRUCTURE	● Uninsured Fixed Rate Bonds maturing no later than 40 years from their dated date
PROPOSED STRUCTURE	● Fixed Rate Bonds

SOURCES AND USES

Sources		Uses	
IFA Bonds	$210,000,000	Project Fund/ Cap Interest	$184,800,000
		Debt Service Reserve Fund	21,000,000
		Costs of Issuance	4,200,000
Total	**$210,000,000**	Total	**$210,000,000**

RECOMMENDATION Credit Committee recommends Approval

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: Rush University Medical Center Obligated Group

STATISTICS

Project Number: H-HO-TE-CD-8143
Type: 501(c)(3) Bonds
County/Region: Cook County and Kane County/Northeast

Amount: $210,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane and Bill Claus
City: Chicago (Rush University Medical Center) and Aurora (Copley Memorial Hospital, Inc. and affiliates)

BOARD ACTION

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

Credit Committee recommends Approval
No extraordinary conditions

VOTING RECORD

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

PURPOSE

Proceeds will be used for some or all of the following purposes: 1) provide financing to pay costs of capital expenditures for the acquisition, construction, and equipping of various health facilities for Rush University Medical Center and Copley Memorial Hospital; 2) to provide for the funding of one or more debt service reserve funds; 3) to pay certain expenses incurred in connection with the issuance of the bonds; and 4) for other such purposes including working capital and capitalized interest.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment (FTEs): 9,117
RUMC 7,903 FTEs
Copley 1,214 FTEs

Projected new jobs: 300
Construction jobs: 300

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA bonds	$210,000,000	Uses:	Project Fund/Cap I Fund (*)	$184,800,000
				Debt Service Reserve Fund	21,000,000
				Cost of Issuance	4,200,000
	Total	$210,000,000		Total	$210,000,000

* - May include amounts, currently outstanding, including accrued interest, under a line of credit with Harris Bank N.A. which was drawn upon to pay costs of capital expenditures for the acquisition, construction and equipping of various health facilities for Rush University Medical Center and Rush Copley Medical Center.

FINANCING SUMMARY/STRUCTURE

Security:	Gross revenue pledge; mortgage on primary health facilities at Rush University Medical Center and Copley Memorial Hospital; and Debt Service Reserve Fund(s)
Structure:	Debt structure to be determined prior to pricing
Interest Rate:	The current plan of finance contemplates the issuance of either uninsured fixed rate bonds or letter of credit backed variable rate demand bonds, or a combination thereof
Interest Mode:	Fixed Bonds or Variable Rate Demand Bonds
Credit Enhancement:	The fixed rate bonds will carry the rating of Rush University Medical Center Obligated Group (see below). Any Variable Rate Demand Bonds would carry the ratings of the letter of credit provider.
Maturity:	No later than 40 years from their dated date
Rating:	A-/A-/A3 (S&P/Fitch/Moody's)
Estimated Closing Date:	July 2009, but may be issued in multiple tranches

PROJECT SUMMARY

RUMC has a significant Capital Transformation Project from FY2004-FY2016. This project will optimize the patient and family experience and allow RUMC to move patients out of 100+ year buildings. There are four phases of the Project totaling $1.0 billion, and include 1) Phase I (2010 completion) for a parking structure, power plant, orthopedics ambulatory building and supply chain/loading dock 2) Phase II (2012 completion) for the new East Tower to include a new Emergency Room and interventional platform. These two phases have received CON approval. Phases III and IV include renovation and demolition. RUMC expects to finance a portion of Phase I and Phase II.

RCMC also has a significant Master Facilities Plan totaling $266MMfrom FY07-FY16. These projects include a new atrium, expansion of med/surgical capacity, expansion of the Cancer Care Center, expansion of the imaging department, development of the Yorkville campus, parking, and an ICU addition.

The Obligated Group's long term financial plan envisions an issuance of approximately $372M debt to partially fund these projects, exclusive of debt being incurred to refinance outstanding debt. The primary source of funds for these projects is cash flow from operations. Other sources of funding include philanthropy, private funding, and government funding.

BUSINESS SUMMARY

Description of Business: The Members of the Obligated Group include:

- Rush University Medical Center ("RUMC");
- Rush-Copley Medical Center, Inc. ("RCMC");
- Copley Memorial Hospital, Inc. ("Copley")
- Rush-Copley Foundation ("Copley Foundation");
- Copley Ventures, Inc. ("Copley Ventures"); and
- Rush-Copley Medical Group, NFP ("Medical Group")

Rush University Medical Center

RUMC is an academic medical center in Chicago, Illinois. The mission of RUMC is to provide the very best care for its patients. Its education and research programs, community programs, and relationships with other hospitals are dedicated to enhancing excellence in patient care for the diverse communities of the Chicago area now and in the future.

The clinical and academic facilities are primarily located in the northeast portion of the Illinois Medical Center District. RUMC's clinical operations include 825-licensed bed Rush University Hospital ("RUH"), 296-licensed bed Rush Oak Park Hospital, Rush University, a health sciences university that educates students in health related fields and Rush University Medical Group, a faculty practice plan that currently employs 358 physicians.

RUMC provides care through a multidisciplinary approach that brings together a combination of teaching, research, and patient care. In 2008, RUH was named a "Top-Performing Hospital" by University Health Systems Consortium, an alliance of 102 academic medical centers, in a study examining key measures of quality and safety. RUH was ranked in the top five out of 88 academic medical centers that were examined based on measures of patient safety, effectiveness, quality of care, efficiency and patient centeredness. It was the fourth consecutive year RUH was ranked among the best in the study, and RUH is one of only two hospitals to be in this "Top-Performing Hospital" group for all four years. Additionally, RUH received a perfect score in the category "equity of care", indicating Rush's safety and quality of care does not vary regardless of the patient's gender, race or socioeconomic status, for the fourth consecutive year.

In June 2006, RUH received a four-year renewal of its Magnet status, the highest recognition given for nursing excellence. The nursing program was initially awarded Magnet Designation in 2002. RUH is the only hospital in Illinois serving both children and adults to receive this designation a second time.

In *U.S. News & World Report's* July 2008 issue, RUMC ranked in seven categories, and ranked higher than any other Illinois hospital in orthopedics (#10 in the country). The rankings of other RUMC programs are neurology and neurosurgery, geriatrics, kidney disease, urology, gastroenterology, and heart and heart surgery.

Finally, the U.S. Department of Labor has presented RUMC with its prestigious 2007 Exemplary Voluntary Efforts (EVE) award. The award recognizes federal contractors for exceptional efforts to increase employment opportunities for minorities, women, individuals with disabilities, and veterans. RUMC was one of only three organizations to receive this year's EVE award. RUMC is the first Chicago-area organization to receive the award in more than a decade.

Service area: Rush University Medical Center is located in the City of Chicago. Due to its specialty and subspecialty programs, its patients are primarily from the contiguous 8-county service area, and other areas of Illinois and the Midwest.

Rush-Copley Medical Center, Inc., Copley Memorial Hospital, Inc., Rush-Copley Foundation, Copley Ventures, Inc. and Rush-Copley Medical Group NFP (collectively referred to as the "Copley Members")

The Copley Members include:
- Rush-Copley Medical Center, Inc., the parent holding corporation;
- Copley Memorial Hospital, Inc., a 183-licensed bed hospital in Aurora, Illinois;
- Rush-Copley Foundation, organized exclusively to engage in charitable fundraising activities which promote the interest of Copley;
- Copley Ventures, Inc., organized to establish and operate real estate properties for rental purposes; and
- Rush-Copley Medical Group NFP, organized to operate and manage the activities of physician practice health and medical services.

RCMC has served the community health needs of the greater Aurora community since 1886, when it began operations as the Aurora City Hospital. RCMC provides a range of inpatient and outpatient health care programs and services, with particular strengths in cardiac, obstetrical, and cancer care. RCMC has been recognized as one of the *100 Top Hospitals* by Thomson Healthcare (2007). It was also named a *Distinguished Hospital* by J.D. Power and Associates for three consecutive years (2005-2007).

Service area: RCMC defines its Primary Service Area (PSA) to include the cities of Aurora, Yorkville, Oswego, Montgomery, Bristol, Plano, Newark, Sandwich, Eola, Somonauk, and North Plainfield, Illinois. During FY2008, 79.0% of RCMC's total inpatient discharges originated from the PSA.

Project Rationale: Financing of capital expenditures for both RUMC and RCMC. Both institutions have embarked on Campus Transformation Projects to provide the best patient care experience.

Timing: Both RUMC and RCMC projects are underway.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Rush University Medical Center Obligated Group
1653 West Congress Parkway
Chicago, IL 60612

Project Location: Rush University Medical Center campus, Chicago, IL, and Copley Memorial Hospital campus, Aurora, IL

Borrower: Rush University Medical Center and Copley Memorial Hospital

Ownership/Board Members (501(c)3): Forthcoming.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sonnenschein Nath & Rosenthal	Chicago	Mary Wilson
Accountant:	Deloitte	Chicago	Don O'Callaghan
Bond Counsel:	Chapman and Cutler	Chicago	James Luebchow/Chris Walrath
Underwriting Team (*):	Morgan Stanley	Chicago	Bruce Gurley
	Loop Capital Markets	Chicago	Lerry Knox
	Cabrera Capital Markets	Chicago	Santino Bibbo
Underwriter's Counsel:	Jones Day	Chicago	John Bibby/David Kates
Trustee:	Wells Fargo	Chicago	Patricia Martirano
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris
	Scott Balice Strategies, Inc.	Chicago	Lois Scott
Issuer's Counsel:	Gonzalez, Saggio, Harlan LLP	Chicago	Tim Wright

* - Roles within the Underwriting Team are to be determined.

LEGISLATIVE DISTRICTS

RUMC:

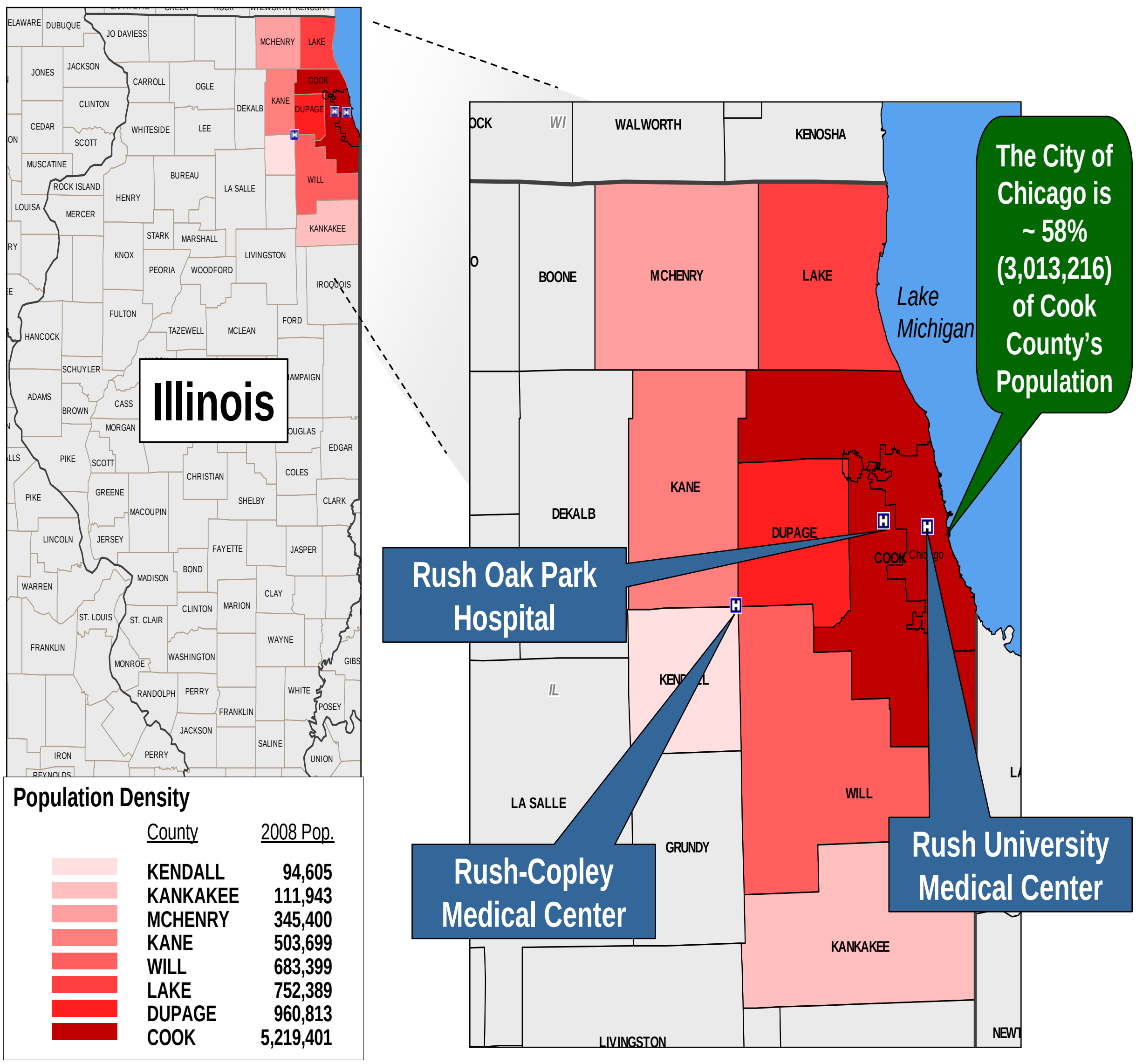
Congressional: 7 – Danny K. Davis
State Senate: 5 – Rickey R. Hendon
State House: 9 – Arthur L. Turner

Copley Memorial Hospital, Inc.

Congressional: 14 – Bill Foster
State Senate: 42 – Linda Holmes
State House: 83 – Linda Chapa LaVia

SERVICE AREA

The following map shows the surrounding eight county metropolitan area and the location of Rush University Medical Center, Rush-Copley Medical Center and Rush Oak Park Hospital:



CONDUIT

June 9, 2009

$350,000,000

THE UNIVERSITY OF CHICAGO MEDICAL CENTER

REQUEST	**Purpose**: to (i) reimburse UCMC for previously paid capital expenditures; (ii) establish a project fund to pay for acquisition costs, construction and equipping of the New Hospital Pavilion ("NHP"); (iii) capitalize interest costs; (iv) provide for a debt service reserve fund, if needed; (v) fund any original issue discount or premium, if applicable; and (vi) pay costs of issuance. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	None

JOB DATA				
	5,792	Current jobs	TBD	New jobs projected
	5,792	Retained jobs	700	Construction jobs projected

DESCRIPTION	● Location (Cook / Northeast) ● UCMC operates three hospitals and a state-of-the-art ambulatory-care facility located in 20 interconnected buildings on the main campus of the University as well as certain outlying facilities and activities ● The three hospitals operated by UCMC consist of the main adult patient care facility, a maternity and women's hospital and a children's hospital. UCMC opened a new children's hospital, the University of Chicago Comer Children's Hospital ("Comer") in February 2005, which replaced the existing children's hospital that had been in service since 1967
CREDIT INDICATORS	● The plan of finance contemplates the issuance of Fixed Rate and/or Variable Rate Bonds. The Variable Rate Demand Bonds will be backed by letters of credit or one or more liquidity facilities (from a bank or banks to be determined that have current long-term ratings of at least A1/A+ and current short term ratings of at least A1/P1) and the Fixed Rate Bonds would carry the ratings of The University of Chicago Medical Center ●Current rating of UCMC is AA-/Aa3 (S&P/Moody's). ● Bonds will Mature no later than 2049

Sources and Uses				
	IFA Bonds	$350,000,000	Reimbursement	$92,646,742
			Project Fund	$236,353,257
			Debt Service Reserve Fund	$17,500,000
			Costs of Issuance	$3,500,000
	Total	**$350,000,000**	Total	**$350,000,000**

Recommendation	Credit Committee recommends

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: The University of Chicago Medical Center ("UCMC" or "Corporation")

STATISTICS

Project Number: H-HO-TE-CD-8118	Amount: $350,000,000 (Not-to-Exceed, Net Proceeds)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and William Claus
County/Region: Cook/Northeast	City: Chicago

BOARD ACTION

Final Bond Resolution	Credit Committee Recomends ______
Conduit 501 (c)(3) Bonds	No extraordinary conditions
No IFA funds at risk	Credit Review Committee recommends

VOTING RECORD

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

PURPOSE

The proceeds will be used to (i) reimburse UCMC for previously paid capital expenditures; (ii) establish a project fund to pay for acquisition costs, construction and equipping of the New Hospital Pavilion ("NHP"); (iii) capitalize interest costs; (iv) provide for a debt service reserve fund, if needed; (v) fund any original issue discount or premium, if applicable; and (vi) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	5, 792 FTE's	Projected new jobs: TBD
Jobs retained:	5, 792 FTE's	Construction jobs: 700

ESTIMATED SOURCES AND USES OF FUNDS

Sources		**Uses**	
IFA Bonds	$350,000,000	Reimbursement through 6/30/09	$92,646,742
		Project Fund	$236,353,258
		Debt Service Reserve Fund	$17,500,000
		Costs of Issuance	$3,500,000
Total	$350,000,000	Total	$350,000,000

FINANCING SUMMARY/STRUCTURE

Security: The Bonds are expected to be secured by an Obligation of The University of Chicago Medical Center under a Master Trust Indenture. Collateral is expected to include a gross pledge of unrestricted receivables. Additional security may include a debt service reserve fund.

Structure: The plan of finance contemplates the issuance of Fixed Rate and/or Variable Rate Bonds. The Variable Rate Demand Bonds will be backed by letters of credit or one or more

	liquidity facilities (from a bank or banks to be determined that have current long-term ratings of at least A1/A+ and current short term ratings of at least A1/P1) and the Fixed Rate Bonds would carry the ratings of The University of Chicago Medical Center.
Interest Rate:	To be determined the day of pricing.
Interest Mode:	The bonds will be issued as Fixed Rate Bonds or Variable Rate Bonds. The Variable Rate Bonds will be in one or more of the following modes: Daily Interest Rate, Weekly Interest Rate, a Long-Term Interest Rate, Bond Interest Term Rates, the LIBOR-Based Interest Rate or the Auction Period Rate.
Credit Enhancement:	The Variable Rate Demand Bonds will be backed by letters of credit or one or more liquidity facilities (from a bank or banks to be determined that have current long-term ratings of at least A1/A+ and current short term ratings of at least A1/P1) and the Fixed Rate Bonds would carry the ratings of The University of Chicago Medical Center.
Maturity:	No later than 2049
Rating:	The University of Chicago Medical Center is currently rated AA- / Aa3 (S&P/Moody's)
Est.Closing Date:	August or September 2009

PROJECT SUMMARY

The proceeds will be used to (i) reimburse UCMC for previously paid capital expenditures; (ii) establish a project fund to pay for acquisition costs, construction and equipping of the New Hospital Pavilion ("NHP"); (iii) capitalize interest costs; (iv) provide for a debt service reserve fund, if needed; (v) fund any original issue discount or premium, if applicable; and (vi) pay costs of issuance.

BUSINESS SUMMARY

Description of Business: UCMC operates three hospitals and a state-of-the-art ambulatory-care facility located in 20 interconnected buildings on the main campus of the University as well as certain outlying facilities and activities. The three hospitals operated by UCMC consist of the main adult patient care facility, a maternity and women's hospital and a children's hospital. UCMC opened a new children's hospital, the University of Chicago Comer Children's Hospital ("Comer") in February 2005, which replaced the existing children's hospital that had been in service since 1967.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Lawrence Furnstahl, Chief Financial and Strategy Officer and Treasurer
Borrower: The University of Chicago Medical Center

Ownership/ 2008-2009 Board Members 501(c)(3): James S. Crown, Trisha Rooney Alden, Andrew M. Alper, Paul F. Anderson, Diane P. Atwood, Robert H. Bergman, Edward McC. Blair, Jr., Ellen Block, Deborah A. Bricker, Kevin J. Brown, John Bucksbaum, Benjamin D. Chereskin, Frank M. Clark, Stephanie Comer, Craig J. Duchossois, James S. Frank, Stanford J. Goldblatt, Rodney L. Goldstein, Linda H. Heagy, David S. Hefner (ex officio), William J. Hunckler III, Jeffrey D. Jacobs, Kenneth Lehman, Carol Levy, James L. Madara, M.D. (ex officio), Cheryl Mayberry-McKissack, Dane A. Miller, Ralph G. Moore, Christopher J. Murphy III, Emily Nicklin, Brien M. O'Brien, Timothy K. Ozark, Nicholas K. Pontikes, James Reynolds, Jr., Thomas A. Reynolds III, Thomas F. Rosenbaum (ex officio), Gordon Segal, Benjamin Shapiro, Jeffrey T. Sheffield, Jorge A. Solis, Melody Spann-Cooper, John A. Svoboda, Michael Tang, J. Richard Thistlethwaite, M.D. (ex officio), MarrGwen Townsend, James C. Tyree, Scott Wald, Terry L. Van Der Aa, Kelly R. Welsh, Bruce W. White, Paula Wolff, Robert J. Zimmer (ex officio)

PROFESSIONAL & FINANCIAL

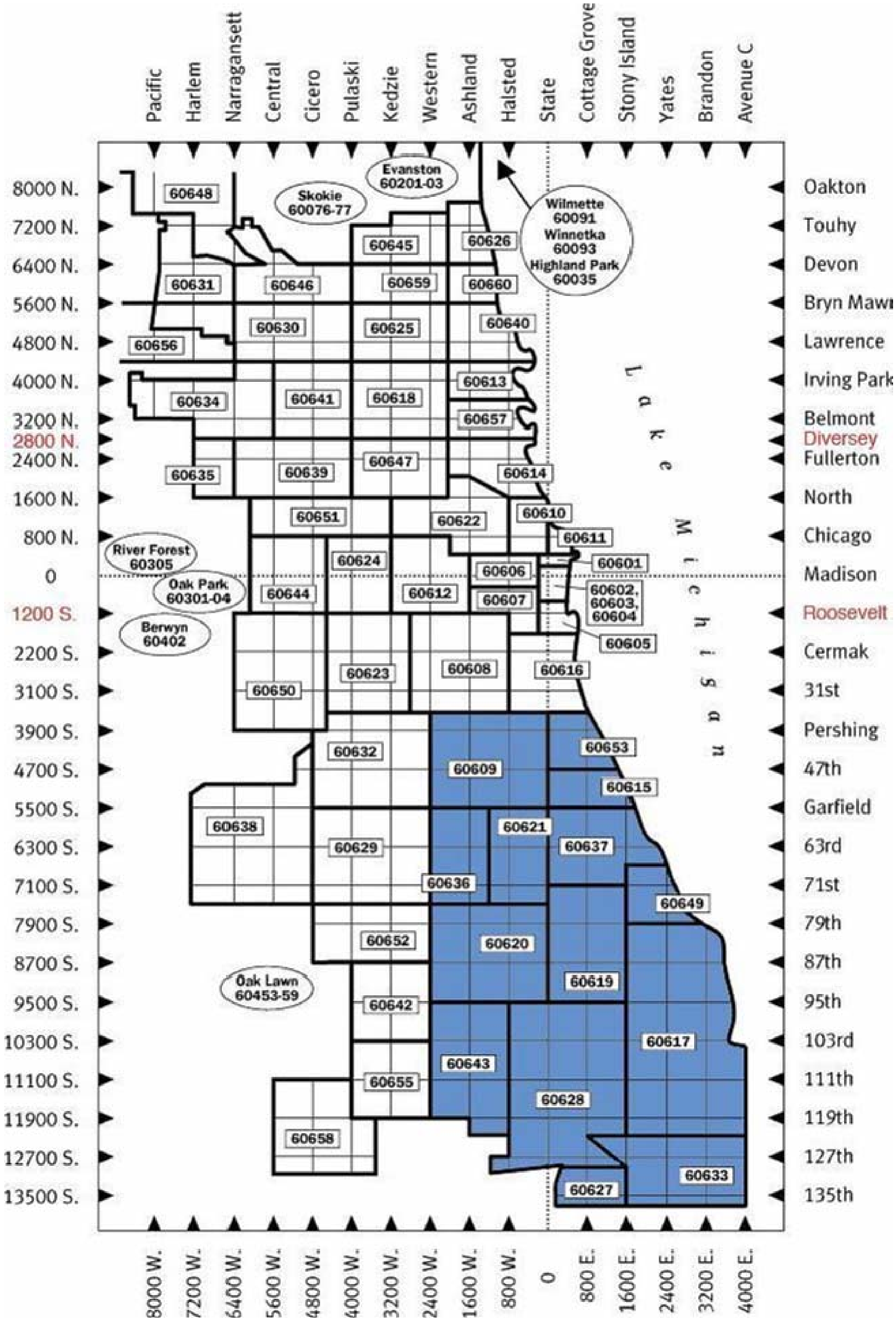
Bond Counsel:	Jones Day	Chicago	John Bibby
Borrower's Counsel:	Katten Muchin Rosenman	Chicago	Elizabeth Weber
Borrower's Financial Advisor:	Melio & Company	Northfield	Mark Melio
LOC Provider(s):	TBD	TBD	TBD
LOC Provider(s)' Counsel:	TBD	TBD	TBD
Co-Senior Manager (books):	J.P. Morgan	New York	Suzanne Beitel
Co-Senior Manager:	Barclay's Capital	New York	John Augustine
Co-Manager:	Loop Capital Markets	Chicago	Lerry Knox
Co-Manager:	Cabrera Capital Markets	Chicago	Santino Bibbo
Underwriters' Counsel:	Foley & Lardner	Chicago	Janet Zeigler
Accountant:	PriceWaterhouseCoopers	Chicago	Robert Valletta
Issuer's Counsel:	TBD	TBD	TBD

LEGISLATIVE DISTRICTS

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

SERVICE AREA

UCMC's primary service area covers much of the south side of the City of Chicago. The primary service area is bounded by 36th Street to the north, Lake Michigan and the Indiana border to the east, 130th Street to the south and Western Avenue to the west. The primary service area is eight miles long, four miles wide at the northern boundary and eight miles wide at the southern boundary. Travel time from UCMC's facilities to the most distant parts of the primary service area is 25 to 30 minutes.



$30,000,000 (not-to-exceed amount)
ILLINOIS INSTITUTE OF TECHNOLOGY

June 9, 2009

REQUEST	Purpose: Bond proceeds will be used to fund various campus renovations at IIT's Main Campus. The campus renovations are necessary for the University to maintain its position as a world class institution of higher education and research. Campus renovations include mandated student housing sprinkler systems as mandated by law to be installed and operational by 2013. Project Description: To finance various campus renovation projects at IIT's main campus including classroom laboratories, technology infrastructure upgrades, residence hall and graduate housing improvements, campus energy and sustainability projects, HVAC upgrades and general campus renovation. Program: Conduit 501(c)(3) Bonds Extraordinary Conditions: None
BOARD ACTIONS	Final Bond Resolution Voting Record from Preliminary Bond Resolution approved March 10, 2009: 8 Ayes, 0 Nays, 0 Abstentions, Absent 3 (Barclay, Fuentes, Zeller), 4 Vacancies
MATERIAL CHANGES	Bonds will now be sold on a Fixed Rate mode based on the direct underlying rating of IIT (a Direct Pay LOC had also been contemplated to secure a prospective Floating Rate Bond Issue).
JOB DATA	750 Current jobs; 0 New jobs projected N/A Retained jobs; 130 Construction jobs projected
BORROWER DESCRIPTION	● Type of entity: Private University ● Location: Chicago, Cook County, Northeast Region ●The Institute was established in 1940 ● The Illinois Institute of Technology is a private co-educational, non-sectarian institute of higher education. The University is a result of the merger of the Armour Institute of Technology and the Lewis Institute. The Institute of Design, created in 1937, joined the University in 1949. The Chicago Kent School of Law merged with the University in 1969. ● IIT's mission is to provide a world-class education for students from the United States and around the world, and continue to serve as an institute for research. ● The new project will enable the University to maintain state-of-the-art laboratories and campus facilities that will continue to attract and retain quality students and faculty.
CREDIT INDICATORS	The Bonds will be rated Baa-2 by Moody's Investors Service The Bonds will not be insured.
Proposed Structure	Fixed Rate Bonds (with an interest rate cap of 10.0% per the Final Bond Resolution) Maturity: 25 years

Sources and Uses

Sources		Uses	
IFA Bonds	$25,000,000	Project Cost	$25,000,000
Equity	$300,000	Costs of Issuance:	$300,000
Total	**$25,300,000**	**Total**	**$25,300,000**

Recommendation Credit Review Committee Recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 9, 2009

Project: Illinois Institute of Technology

STATISTICS

Project Number:	E-PC-TE-CD-8212	Amount: $30,000,000 (Not to Exceed)
Type:	501(c)(3) Bonds	IFA Staff: Townsend Albright
County/Region:	Cook, Northeast	City: Chicago

BOARD ACTION

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

Credit Committee recommends approval.
No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution: March 10, 2009

8 Ayes 0 Nays 0 Abstentions Absent 3 (Barclay, Fuentes, Zeller) 4 Vacancies

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 706 (FT Staff)/44 (PT Staff)	Projected new jobs: 0
Jobs retained: N/A	Construction jobs: 130/ 9 months

ESTIMATED SOURCES AND USES OF FUNDS

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

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds will be a general obligation of the University.
Structure:	Fixed Rate Bonds
Interest Rate:	Fixed to maturity, with an interest rate cap of 10.0% (pursuant to Bond Resolution)
Credit enhancement:	No credit enhancement
Maturity:	25 years
Rating:	Moody's Investors Service is expected to reaffirm IIT's existing Baa2 long term rating
Estimated Closing Date:	June 25, 2009

PROJECT SUMMARY

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

Project costs are estimated below (preliminary, subject to change):

Academic Facility Projects	
Classroom Lab Upgrades	$4,070,000
Technology Infrastructure Upgrades	1,200,000
Other	2,700,000
Subtotal:	**$7,970,000**
Administrative Space – Main Building Renovation:	**$300,000**
Student Support:	
Graduate Housing/Repairs., Renov.	$1,200,000
Residence Hall Renovations	2,867,000
Phase I Res. Hall Sprinkler Installation	3,710,000
Subtotal:	**$7,777,000**
Energy and Sustainability Projects:	
Campus Energy/Sustainability Impr. – Phase III	$2,033,000
Galvin Perfect Power/Smart Grid Initiative	1,590,000
3424 HVAX Upgrades (Phase II)	400,000
Emergency Generator	800,000
Subtotal	**$4,823,000**
Infrastructure Projects:	
Facility Maintenance/Repair Projects	$2,100,000
Roof Maintenance	750,000
Other	1,280,000
Subtotal	**$4,130,000**
Total:	**$25,000,000**

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

BUSINESS SUMMARY

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

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

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

For academic year 2008-2009, the University has an enrollment of 7,613 students, comprised of 2,639 undergraduate students, and 4,974 graduate and professional students. A list of the University's Board of Trustees follows on pp 5-7 of this report.

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

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant	Illinois Institute of Technology
Project:	Series 2009 Renovation and Maintenance Project
Project Location:	10 West 33rd Street, Perlstein Hall 221, Chicago, IL 60616, Ms. Tondalaya Lewis-Hozier, Financial Analyst, 312-567-3824
Ownership:	See pp. 5-7
Board of Trustees:	Please see pp. 5-7.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	In-house		Anthony D'Amato
Accountant:	KPMG LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Nancy Burke
Bond Underwriter:	Loop Capital Markets, LLC	Chicago, IL	Lerry J. Knox, Jr.
Underwriter's Counsel:	Charity & Associates, P.C.	Chicago, IL	Alan Bell
Issuer's Counsel:	Kutak Rock LLP	Chicago, IL	Kevin L. Barney
Trustee:	Forthcoming (will be included in the final report)		
Trustee Counsel:	Forthcoming (will be included in the final report)		
IFA Advisors:	D.A. Davidson & Co.	Chicago, IL	Bill Morris
	Scott Balice Strategies, Inc.	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

David C. Hovey Sr. '67, '70	Founder and President, Optima, Inc.
Richard M. Jaffee	Chairman, Oil-Dri Corporation of America
Martin C. Jischke '63	President Emeritus, Purdue University
Patrick J. Kelly	Chief Executive Officer, DP Holdings, Inc.
James W. Kiley	President and Chief Executive Officer, Kiley Capital
Thomas E. Lanctot	Principal, William Blair & Company
F. Christopher "Chris" Lee	President, Johnson & Lee, Ltd.
Göran Lindahl	Chairman and Chief Executive Officer, LivSAfe Group
Dirk Lohan	Principal, Lohan Anderson LLC
Paul F. McKenzie	Vice President, Centocor R&D
Rosemarie Mitchell	Co-Founder and Chief Executive Officer, ABS Associates, Inc.
Anita M. Nagler '80	Retired, Chairman and Chief Executive Officer, Harris Alternatives, LLC
Walter Nathan '44	Chairman and Co-Founder, RTC Industries, Inc.
Adrian Nemcek '70	Executive Vice President (Retired), Motorola, Inc.
Satyan "Sam" Pitroda '66	Chairman, C-Sam, Inc.
Ellen Jordan Reidy '79, '81	President, America's Food Technologies, Inc.
John R. Schmidt	Partner, Mayer Brown LLP
Carl S. Spetzler '63, '65, '68	Chairman, Strategic Decisions Group
Efthimios J. "Tim" Stojka	Chief Executive Officer, Fast Heat, Inc.
John Tracy	Chief Technology Officer; Senior Vice President of Engineering, Operations and Technology
Priscilla Anne "Pam" Walter	Partner, Drinker Biddle & Reath LLP
Ralph Wanger	LZW Group, LLC
Alan W. "Bud" Wendorf '71	Chairman, President, and Chief Executive Officer, Sargent & Lundy

Life Trustees

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

Vernon Armour	James E. Cowie	Bryan R. Dunn	Alvin L. Gorman
Theodore E. Hanson	James Hill Jr	Donald R. Hollis	Norbert O. Kaiser
Jules F. Knapp	Kaarina Koskenalusta	John H. Krehbiel Jr.	Bruce C. Liimatainen
Richard A. Lenon	William W. Parks '44	Robert J. Potter	Carole Browe Segal
Bernard F. Sergesketter	William A. VanSanten Jr. '61		

Trustees Emeritus

Harold A. Bergen '50	Heather Bilandic Black	Robert D. Cadieux '59	Calvin A. Campbell Jr.
S. R. Cho '65	Lewis M. Collens	Gordon R. Lohman	Albert K. Hawkes '50, '54
Thomas L. Martin Jr.	William B. McCain '53	Werner E. Neuman '49	The Honorable Ilana D. Rovner '66
Lajos Schmidt '54	Raymond C. Tower		

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Pam Lenane and Bill Claus

DATE: June 9, 2009

RE: A Resolution Authorizing an Amendment to the Bond Trust Indenture to allow the hospital to release excess monies in the interest fund to pay fees for letter of credit and payments under interest rate agreements.
(Rockford Health System)
IFA Project: H-HO-TE-CD-8158

BACKGROUND:

The IFA Board of Directors approved a Final Bond Resolution to issue conduit 501(c)(3) Revenue Bonds for the Rockford Health System in an amount not to exceed $60.8 million at the November 12, 2008 Board Meeting. The Series 2008 Bonds were issued as Variable Rate Demand Bonds secured by a letter of credit from JP Morgan Chase.

REQUEST:

The Series 2008 Refunding Bonds ($60,800,000 par) were used to refund the Series 1994 Revenue Bonds of Rockford Memorial Hospital Obligated Group (the "Corporation") which carried an outstanding par value of $55,800,000. The Series 1994 indenture required that the refunding escrow include interest funded at the maximum interest rate of 15%. After payment of the 1994 Bonds, the excess monies were deposited in the 2008 Interest Fund. As a result, the fund has $632,359.23 remaining in the fund and management is requesting that the funds be released to the Corporation to pay swap and letter of credit related payments.

Rockford Health System is not requesting any other amendments to the documents previously approved by the IFA Board.

RECOMMENDATION:
The credit review committee recommends approval of the amendment of the Bond Trust Indenture.

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

Ayes – 9 Nays – 0 Absent – 5 Vacancies – 4

PROFESSIONAL AND FINANCIAL:

Borrower's Internal Counsel:	Earl Barnes		
Borrower's External Counsel:	Sonnenschein Nath & Rosenthal, LLP	Chicago	Mary Wilson
Accountant:	Deloitte & Touche LLP	Chicago	Donnell O'Callaghan,
Bond Counsel:	Jones Day	Chicago	Mike Mitchell
Borrower's Financial Advisor:	Shattuck Hammond Partners	Chicago	Victoria Poindexter
Bank Counsel:	Foley & Lardner	Chicago	Laura Bilas
Bond Underwriter:	Barclays Capital	Chicago	Ben Klemz
Underwriter's Counsel:	Ungaretti & Harris LLP	Chicago	Tom Fahey
IFA Advisors:	D.A. Davidson & Co.	Chicago	Bill Morris

Scott Balice Strategies, Inc	Chicago	Lois Scott

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT:

Applicant: Rockford Memorial Hospital
Project Location: 2400 N. Rockton Avenue, Rockford, IL 61103
Borrower: Rockford Memorial Hospital

Ownership/Board Members (501c3): Duane R. Bach, Jack J. Becherer, Ed.D., James W. Breckenridge, M.D. Thomas D. Budd, John W. Chadwick, Eleanor F. Doar, John T. Dorsey, M.D., Pamela S. Fox, Jose L. Gonzalez, M.D., Alphonso N. Goode, Paul A. Green, Gary E. Kaatz, Jack W. Packard (Emeritus Director, non-voting), Dennis T. Uehara, M.D., Connie Vitali, M.D., John D. Whitcher, Curtis D. Worden

DRAFT

RESOLUTION NUMBER 2009-05-14

Resolution authorizing the execution and delivery of a First Supplemental Bond Indenture supplementing and amending a Bond Trust Indenture by and between U.S. Bank National Association, as bond trustee, and the Illinois Finance Authority to allow additional uses of moneys on deposit in the Interest Fund and authorizing and approving certain other matters.

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

WHEREAS, on December 11, 2008, the Illinois Finance Authority issued its $60,800,000 Variable Rate Demand Revenue Bonds, Series 2008 (the "Series 2008 Bonds") and loaned the proceeds thereof to Rockford Memorial Hospital (the "Borrower"), a not for profit corporation incorporated under the laws of the State of Illinois, to assist the Borrower in providing the funds necessary to (i) refund all or a portion of the outstanding principal amount of the Illinois Health Facilities Authority Revenue Bonds, Series 1994 (Rockford Memorial Hospital Obligated Group) Select Auction Variable Rate Securities (SAVRS) originally issued in the principal amount of $75,000,000 (the "1994 Bonds"), (ii) pay a termination payment for an interest rate hedge related to the Prior Bonds and (iii) pay certain expenses incurred in connection with the issuance of the Series 2008 Bonds, including but not limited to the cost of a letter of credit, if deemed necessary or desirable by the Corporation and the Authority, all as permitted by the Act; and

WHEREAS, the Series 2008 Bonds were issued pursuant to a Bond Trust Indenture dated as of December 1, 2008, as previously amended (the "Bond Indenture"), between the Authority and U.S. Bank National Association, as bond trustee (the "Bond Trustee"); and

WHEREAS, since the 1994 Bonds to be refunded were variable rate bonds, the amount required to be deposited to provide for interest on the 1994 Bonds was calculated based upon the "Maximum Rate" for such 1994 Bonds, or 15%; and

WHEREAS, upon payment in full of the 1994 Bonds, the amount on deposit in excess of the amount required to provide for such refunding was deposited in the Interest Fund established by the Bond Indenture; and

WHEREAS, such amount is not reasonably expected to be paid out of the Interest Fund within 13 months solely to pay interest on the Series 2008 Bonds; and

WHEREAS, to assure such amounts are spent within 13 months as required by the Internal Revenue Code of 1986, as amended, and related regulations, it is desirable to amend the Bond Indenture to allow amounts in the Interest Fund to be applied to payments on a related hedge agreement and to pay fees for a related letter of credit; and

WHEREAS, a draft of a First Supplemental Bond Indenture supplementing the Bond Indenture and providing for such amendments has been previously provided to the Authority and is on file with the Authority; and

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

Section 1. First Supplemental Bond Indenture. The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Treasurer or any officer or employee designated by the Executive Director (each an "Authorized Officer") and the delivery of the First Supplemental Bond Indenture. The First Supplemental Bond Indenture shall be substantially in the form presented to the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from such form of the First Supplemental Bond Indenture, and to constitute conclusive evidence of such person's approval and the Authority's approval thereof.

Section 2. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of a document setting forth the agreements and certifications of the parties thereto relating to certain federal tax matters) as may be necessary to carry out and comply with the provisions of these resolutions and the First Supplemental Bond Indenture, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

ADOPTED this 9th day of June, 2009 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

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Secretary

Illinois Finance Authority

Memorandum

To: Board of Directors

From: Eric Reed, Regional Director

Re: Approval of resolution by IFA Board of Directors to delegate authority to the Authority's Agricultural Loan Committee to review, approve, and delegate authority to the Authority's Director of funding managers to approve certain immaterial changes to Agricultural Loan Guarantees and Agricultural Participation Loans as needed.

Specifically, changes typically include:

1) Release or substitution of collateral which does not materially effect the lender's or IFA's lien position and remains within IFA guidelines.
2) Substitution of lenders or transfer of guarantees from one lender to another
3) Changes or modifications to an existing loan's payment timing or structure and changes or modifications to the borrower's interest rate

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Agricultural loans are by nature generally long term loans, which are typically structured for terms ranging from 5 years to 30 years. As the changes in ownership, operational structure, and opportunities arise during this time period, lenders and their borrowers request certain modifications on these loans.

Since the IFA is generally partnered with the originating lender either by granting a loan guarantee or purchasing up to 50% of the loan through a participation loan, lenders seek and require concurrence from the IFA on changes and modifications to these loans.

These changes generally involve loans and lenders in good standing with the IFA, which are otherwise performing loans. Lenders and borrowers also seek quick resolution and approval of these requests. Currently the IFA does not have a stream lined process to accommodate these requests and provide professional and timely responses to our business partners. With approval of a resolution, providing signature authority to the Director of Funding Managers through the Agricultural Loan committee, IFA will be able to provide more efficient service to our lenders who use the various loan programs.

DRAFT

AMENDMENT 2009-06-16

AUTHORIZING THE ILLINOIS FINANCE AUTHORITY'S AGRICULTURAL LOAN COMMITTEE TO DELEGATE AUTHORITY TO THE DIRECTOR OF FINANCIAL SERVICES TO APPROVE IMMATERIAL CHANGE REQUESTS TO AGRICULTURAL LOAN GUARANTEES AND PARTICIPATION LOANS.

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

WHEREAS, the Illinois Finance Authority has a statutory mission to provide various agricultural loan guarantees to lenders who seek to provide financing for farmers and agribusinesses; and

WHEREAS, the Illinois Finance Authority engages in Participation loans with lenders who provide financing for farmers and agribusinesses; and

WHEREAS, the Agricultural Loan Guarantees and Participation loans provided by the Authority are generally long term loans, which may require periodic changes or modifications to the loan's payment, collateral, and pricing structure, and substitution of servicing lender; and

WHEREAS, the originating lender of Agricultural Loan Guarantees and Participation loans may periodically seek expedited approval from the Authority to accommodate requests; and

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

Section 1. that the Members of the Authority's Board of Directors direct the staff to seek approval as needed and by special session if needed to accommodate any lender's request for approval of immaterial changes or modifications to a loan's payment, collateral, or pricing structure. Furthermore, upon approval from the Authority's Agricultural Loan Committee, the Director of Financial Services will have the authority to provide signature approval on such requests.

Section 2. immaterial changes to Agricultural loan guarantees and participation loans will be include but not be limited to 1) release of collateral which is deemed immaterial in the overall lien position and maintains the Authority's lien position within the Authority's policy guidelines 2) changes to the loan's original payment frequency or interest rate structure 3) substitution of lender or transfer of guarantee to a new lender.

Section 3. all loans considered for expedited approval on immaterial changes will only be considered for loans, borrowers and lenders which are otherwise performing and in good standing with the Authority.

ADOPTED this 9th day of June, 2009 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Secretary