

**ILLINOIS FINANCE AUTHORITY
BOARD MEETING
Tuesday, July 19, 2011
Chicago, Illinois**

**COMMITTEE OF THE WHOLE
9:30 a.m.
Two Prudential Plaza - IFA Chicago Office
180 North Stetson Avenue, Suite 2555
Chicago, Illinois**

AGENDA

- I. Call to Order & Roll Call
- II. Chairman's Remarks
- III. Message from the Executive Director (with attachments; Tab A)
- IV. Senior Staff Reports
- V. Committee Reports
- VI. Project Reports
- VII. Other Business
- VIII. Public Comment
- IX. Adjournment

**BOARD MEETING
10:30 a.m.
One Prudential Plaza Conference Center
130 East Randolph Avenue, 7th Floor
Chicago, Illinois**

- I. Call to Order
- II. Chairman's Remarks
- III. Roll Call
- IV. Acceptance of Financial Statements
- V. Acceptance of Minutes
- VI. Project Approvals
- VII. Resolutions
- VIII. Other Business
- IX. Public Comment
- X. Adjournment

AGRICULTURE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Beginning Farmer Bonds						
<i>Final (One-Time Consideration)</i>						
1	A) Brent Zaagman	Hopkins Township (Whiteside County)	\$239,828	0	0	JS/LK
	B) James W. Tarasuik, Jr.	Burgess Township (Bond County)	\$67,000	0	0	JS/LK
	C) Doug E. & Lora M. Kocher	St. Marie Township (Jasper County)	\$80,000	0	0	JS/LK
TOTAL AGRICULTURE PROJECTS			\$386,828	0	0	

HEALTHCARE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds						
<i>Final</i>						
2	Advocate Health Care Network	Multiple locations in the Counties of Cook, DuPage, Lake, McLean and Woodford	\$533,000,000	0	190	PL/NO
3	CDH-Delnor Health System	Winfield and Geneva (DuPage and Kane Counties, respectively)	\$190,000,000	0	0	PL/NO
TOTAL HEALTHCARE PROJECTS			\$723,000,000	0	190	

HIGHER EDUCATION, CULTURAL, AND OTHER NON-HEALTHCARE 501(c)(3)'s

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds						
<i>Final</i>						
4	Lawndale Educational and Regional Network Charter School (LEARN Charter School Project)	Chicago (Cook County)	\$6,000,000	34	30	RF
TOTAL HIGHER EDUCATION, CULTURAL, AND OTHER NON-HEALTHCARE 501(c)(3)'s PROJECTS			\$6,000,000	34	30	
GRAND TOTAL			\$729,386,828	34	220	

RESOLUTIONS

Tab	Project Name	FM
Amendatory Resolutions		
5	Resolution Authorizing the Execution and Delivery of a Bond and Loan Agreement and Related Documents in Connection Therewith; and related matters in connection with IFA Series 2004 Industrial Development Revenue Bonds (Transparent Container Co., Inc. Project)	RF
6	Resolution Approving the Transfer of Allocation for Bonding Authority of Midwestern Disaster Area Bonds by the Illinois Finance Authority to the Village of Gurnee, Lake County, Illinois in an Aggregate Principal Amount not to exceed \$11,000,000 and Related Matters	RF
7	Resolution to Authorize an First Amendment to the Loan Agreement among the Illinois Finance Authority, Sunrise Ag Service Company, and Clayton Holdings LLC relating to IFA Series 2006 Industrial Revenue Bonds (Sunrise Ag Service Company Project)	JS
8	Resolution to Adopt FY 2012 Budget	CM

July 19, 2011

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Gila J. Bronner
Heather D. Parish
Roger E. Poole
Bradley A. Zeller
Hon. Barrett Pedersen

Michael W. Goetz, Vice-Chairman
Edward H. Leonard, Sr.
Terrence M. O'Brien
Jack Durburg
James J. Fuentes
Norman M. Gold

RE: Message from the Executive Director

Dear Members of the Authority:

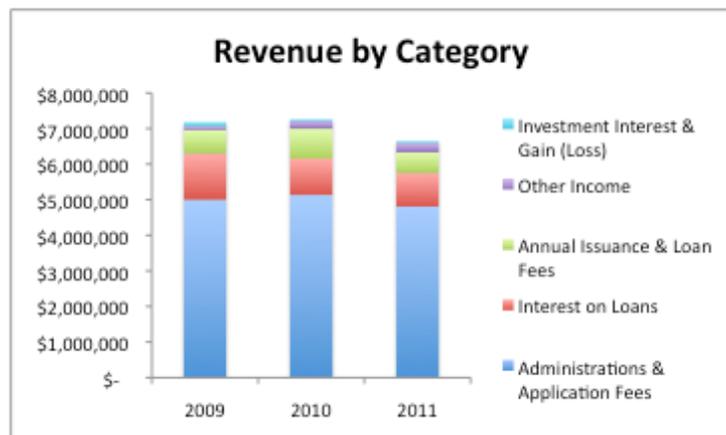
Here at the end of fiscal year 2011, we will consider and determine the operating budget for fiscal year 2012. Fiscal year 2011 financial performance was strong, far surpassing original estimates of both revenue and bond issuances. We were able to leverage a number of now expired federal stimulus programs, supporting both the mission of the organization and the Governor's job retention and creation initiative.

Because of strong management and strategic leadership, the IFA has been able to flexibly adapt to changing market conditions and take advantage of key legislative and economic opportunities over the past two years. This occurred while also reducing both costs and headcount. These cost reductions allowed Net Income to remain constant, even after posting a decline in revenues from fiscal years 2010 to 2011.

As has been highlighted in past Executive Director messages, IFA staff projects a significant decrease in conduit bond issuance activity in fiscal year 2012. This is consistent with national municipal debt issuance trends, with volumes down almost 50% during the calendar year to date. Additionally, many potential borrowers are searching for opportunities to reduce balance sheet debt and "de-leverage".

Despite these challenging economic times, we are proud to present a balanced 2012 budget. This proposed budget incorporates a continued focus on cost reduction, while also investing in the future of the organization.

The IFA is in a fortunate position to be able to continue operating effectively in our core areas of expertise, while at the same time completing a holistic strategic assessment to prepare the organization for future possibilities. The IFA staff continue to be nationally recognized for their expertise in conduit financing, and the organization has an influential voice in discussions at the State and national levels.



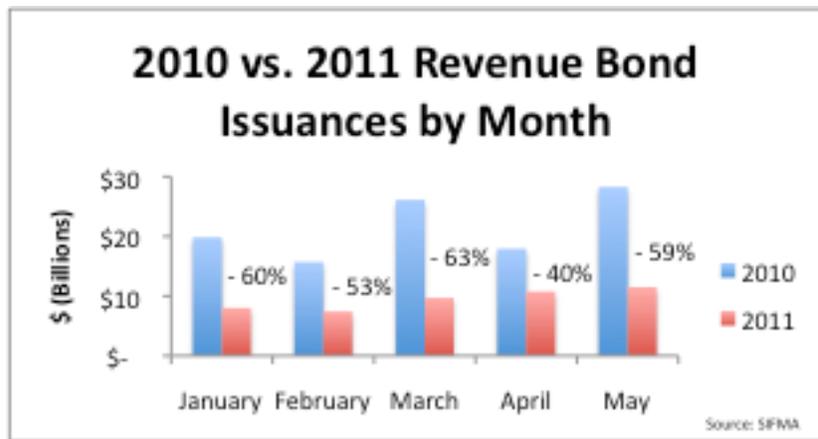
2011 Recap

The IFA produced strong financial results in 2011 while remaining a valuable partner with Governor Quinn in his job creation efforts. The combination of various Recovery Act financing tools allowed the IFA to participate in significant issuances that supported long-term sustainable job retention and creation throughout the State. In addition, a Recovery Act financing tool supporting “bank qualified” issuances that expired at the end of calendar year 2010 provided another healthy issuance market.



Annual revenues decreased approximately 8% from fiscal year 2010, while net income from operations only decreased 1%. This is the result of the significant cost reduction strategies implemented during the end of fiscal year 2010 and into fiscal year 2011. Through these cost reductions, we were able to increase the Operating Revenue per dollar spent on Human Capital by 37% from fiscal years 2010 to 2011.

Even after these cost reduction initiatives, we maintained high-quality service delivery and support to our customers and constituents. We continue to enjoy strong relationships with borrowers, intermediaries and other financial professionals. This bodes well for maximizing future opportunities.



However, the second half of fiscal year 2011 showed a steep decline in the number of issuances across all of the IFA target sectors. This is

consistent with the national decrease in municipal bond volume. Nationally, issuances are down 44% for calendar year 2011. Illinois has issued \$7.4 billion year-to-date, a decrease of 53% from the previous year (*The Bond Buyer*, “Muni Volume So Far Is About Half 2010’s”, July 1, 2011).

2012 Outlook

Based on current trends, the IFA staff expects a continuing downturn in conduit financing opportunities. A combination of decreased demand for new financing in our historical sectors and the expiration of the Recovery Act programs are expected to result in a significant decrease in revenues for the next fiscal year. However, careful management and aggressive pursuit of new opportunities will continue to provide the foundation for a balanced budget, even in an era of decreasing issuances from historically strong sectors.

The IFA has a long and successful track record supporting the financing needs of hospitals throughout the State for both refundings and new construction. Over the last seven to ten years, most healthcare providers have built new hospitals. This means that they are not likely to build new facilities for another 35 to 50 years. In addition, many borrowers have already taken advantage of their single advance refunding option, removing the opportunity to further refund their debt. Because of the nature of this market, there are few

activities that the IFA can undertake to increase market activity. Instead, our focus will be on capturing the market activity that is occurring.

Pam Lenane, our Vice President responsible for serving this market, continues to be a leader in the health care financing sector. Her work has allowed the IFA to be the first choice for these institutions when looking for bond financing opportunities.

We are also expecting a decrease in activity for the industrial, general 501(c)(3) and agriculture bond markets. Rich Frampton, the Vice President responsible for this segment, is a trusted advisor to banks across Illinois, ensuring that the IFA is considered for any issuances.

Conclusion

The fiscal year 2012 budget presented for your consideration is consistent with the guiding principles that have solidified the IFA as a key partner in retaining and creating jobs in Illinois. Through strong leadership and fiscal responsibility, we have developed a balanced budget in a year with a projected significant decrease in revenue opportunities. I would like to thank the Board of Directors for your continued leadership and support as we work together to deliver a successful fiscal year 2012.

Respectfully,

Christopher B. Meister
Executive Director

Attachments:

Attachment 1 – Board of Directors Dashboard

Attachment 2 – The Bond Buyer, “Muni Volume So Far Is About Half 2010’s”, July 1, 2011

THE BOND BUYER

THE DAILY NEWSPAPER OF PUBLIC FINANCE

Muni Volume So Far Is About Half 2010's

But Issuance in June Down Only 9.2%

Friday, July 1, 2011

By Taylor Riggs

Municipal bond issuance remains about half of what it was last year, with volume for the first six months down almost 44%.

Monthly Volume

However, it may pick up in the second half of the year, analysts said, with June down only about 10% from last year, hinting the market may be turning around.

Issuance in June was down 9.2%, with \$31.5 billion of new debt coming to market, compared to \$34.7 billion in June 2010, making it the largest month of issuance this year.

"The market has been expecting this increase in issuance to some degree, and given the performance, I think we have been looking forward to it," said Peter Hayes, head of municipals at BlackRock, adding that the market had an easy time digesting supply.

"So where do we go from here? We will probably see a bit of an increase over the next six months but not significant enough to dramatically affect the market," Hayes said.

He added that issuance will likely come in just below 50% of 2010, which in itself implies there will be an uptick for the second half of the year.

Other analysts agree. "Issuance should pick up slightly in the second half of the year, but not by much," said Tom Kozlik, municipal credit analyst at Janney Capital Markets. "That begs the question of what will happen in 2012, and when will issuance come back?"

Kozlik added that 2012 will likely be as lackluster as 2011, but "as the economy picks up and issuers break out of shells they are in, issuance should pick back up again in 2013."

For 2011, Janney analysts estimate about \$250 billion in total issuance; about \$115 billion has come to market for the first half. The first half of 2010 saw \$205 billion of new debt. Issuance in the first half of the year is the smallest first-half volume since 2000 when it was \$96.5 billion. June issuance was the lowest since June 2001, when it was \$30.9 billion.

Negotiated issuance suffered more than the competitive market, and was down 48.5% for the first six months, while competitive issuance was down about a quarter. For June, negotiated issuance was down 13% to \$24.5 billion, and competitive issuance was up over 6%, with \$6.7 billion coming to market.

Keeping with the traditional trend, New York and California nabbed the top two spots for the most debt issuance, with \$14 billion and \$12.7 billion coming to market in the first half of the year, respectively. They are down 23.7% and 58% from the first half of 2010 when California grabbed the top spot.

Texas beat out Illinois for third place, issuing almost \$10 billion so far in 2011. It is down over 33% from 2010, when it was in fourth place. Illinois issued \$7.2 billion of new debt, down over 53% from last year.

"The biggest story this year is issuance in the municipal market," said Troy Willis, senior portfolio manager at OppenheimerFunds' Rochester municipal group.

"As there were no big issues in the first half of the year and outflows in the retail municipal space continued, the lack of issuance has been a huge help to munis," Willis said, adding that the slim amount of supply has contributed immensely to firming up the market.

And unlike past years, there were fewer big deals that came to market in June. The largest deal was the only one that broke the \$1 billion mark, with Los Angeles issuing \$1.2 billion of general obligation bonds.

The second largest deal was a \$996.5 million GO offering from Georgia, followed by the New York Tobacco Settlement Finance Corp. issuing \$959.2 million of general purpose bonds.

Rounding out the top five was a \$900 million issue from Florida's Citizens Property Insurance Corp. and \$694 million of debt from the Los Angeles Department of Water and Power.

Even with the top 10 deals coming above the \$600 million mark, new-money bonds suffered more than refundings. New money was down 48.4% for the first six months of the year, with \$64.7 billion coming to market compared to last year's \$125.5 billion. For June, new money was down just over 17%, with \$18 billion coming to market versus last June's \$21.6 billion.

Refunding bonds fared a little better, but were still down for the first half of the year compared to last year. BlackRock's Hayes said the reinvestment period was somewhat muted in June but July and August could improve.

"It was highly publicized coming in, with implications that there would be good price performance," Hayes said. "Munis were the best performing of all fixed-income asset classes, so in this risk-off trade, munis have held well."

Refunding bonds were down 33.7% for the first half, with \$32 billion coming to market versus the \$48.4 billion that was issued last year. For June, refundings were up from last year. June saw \$7.7 billion come to market, up 5% from last year's \$7.3 billion.

"Politically, issuers do not want to be issuing new debt right now, and this political environment could last several more years," Willis said. But with the summer reinvestment period coming up, new issuance will be welcome by many in the muni market.

Most classes of borrowers saw declines in June, especially counties and parishes that were down over 57% for June compared to last year. State governments were down only 3.2% for June, issuing \$2.5 billion compared to \$2.6 billion last June. State agencies issued \$9.61 billion this June, down 0.1% from last June when they borrowed \$9.62 billion. Cities and towns were up 1.2% this June, issuing \$5.47 billion, versus \$5.41 billion last year.

However, all sizes of borrowers were down around 50% for all six months compared to the same period last year.

Education, the largest sector by issuance, saw \$34 billion of bonds so far this year, down 28.4% from last year's \$48.6 billion. For June, education bonds were up 31%. General purpose bonds, which were down 46.2% for the first half of the year, were down only 22.5% from June 2010.

Transportation bonds were still down by over half from the first six months of 2010 at \$11.6 billion, versus \$26 billion last year, but were down only about 37% in June at \$3 billion, versus \$4.7 billion in June 2010. And while electric power is down 70% for first-half 2011, it is up 95% from June of last year at \$2.2 billion, versus \$1.1 billion in June 2010.

One explanation might be that the first half of the year saw demand for higher-yielding bonds, BlackRock's Hayes said.

"The triple-A, high-quality, less-yielding bonds were less interesting, especially the latter half of the period," he said. "Credits such as revenue stream bonds did well. Anything with some type of credit spread continues to do well and that will continue over the next couple of months."

"We have seen issuance fall below long-term averages before: issuance slowed in 1987, after a big run-up in 1985 because of the 1986 tax act. Issuance slowed again in 1994 and 1995, and then again in 2000 and 2001," Janney's Kozlik said. "This is not an unprecedented phenomenon. And we will likely start trending higher again."

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Client Services 1-800-221-1809, 8:30am - 5:30pm, ET

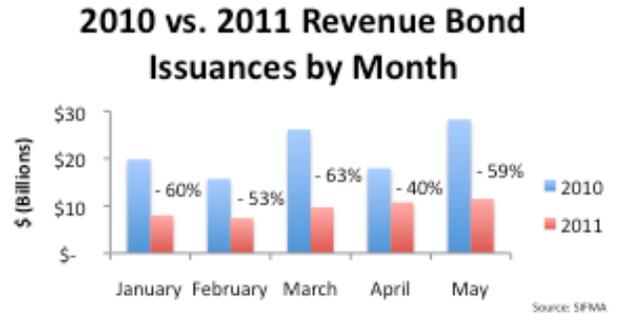
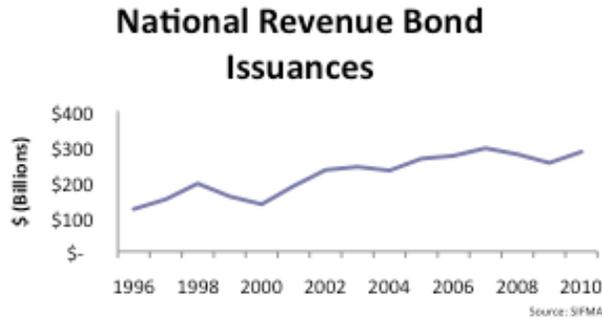
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Illinois Finance Authority Board of Directors Dashboard July 19, 2011



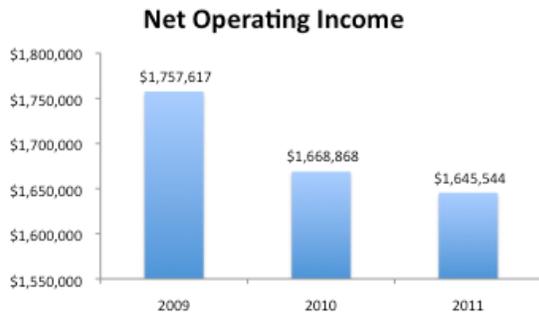
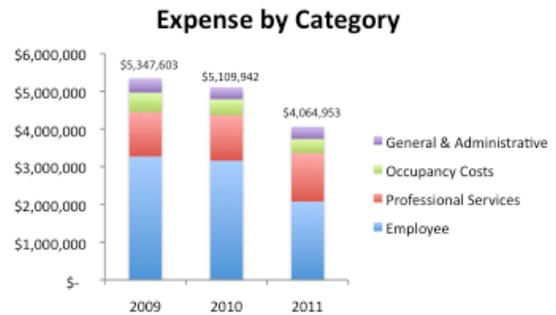
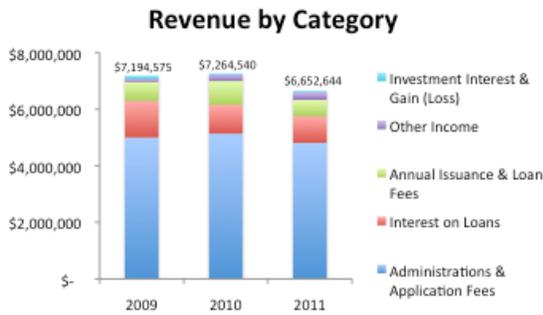
SECTION 1: National Market Analysis

- Calendar year 2010 issuances were up year-over-year from calendar year 2009
- Calendar year 2011 issuances are down significantly from calendar year 2010 monthly numbers



SECTION 2: IFA Operational Analysis

- The reduction in expenses outpaced the decrease in revenues from 2010
- This kept Net Operating Income relatively constant from 2010 to 2011
- Revenue declined by 8.4% while expenses were reduced by 20.5% in fiscal year 2011
- Return on Equity declined year-over-year in part because of the increase in Balance Sheet cash



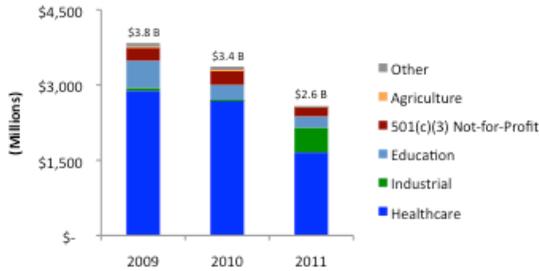
Illinois Finance Authority Board of Directors Dashboard July 19, 2011



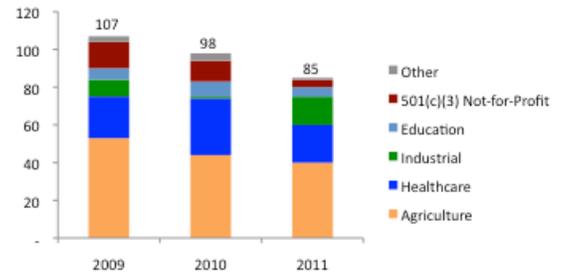
SECTION 3: Revenue Analysis

- Healthcare continued to drive the largest dollar volume of issuances and total revenue by sector
- Industrial and Healthcare bonds drove the highest revenue per issuance across all sectors in 2011

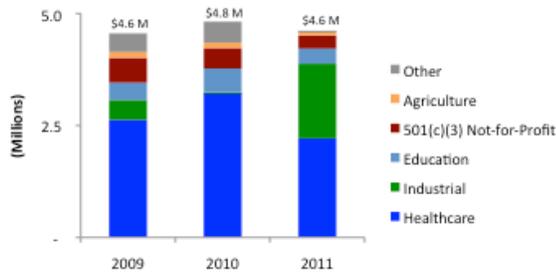
Bond Issuance by Sector



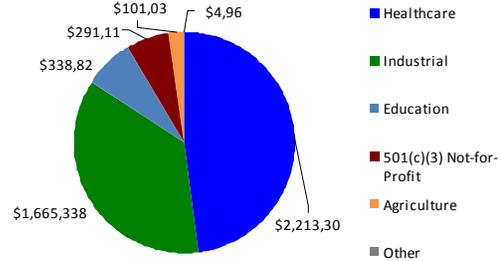
Total Number of Issuances by Sector



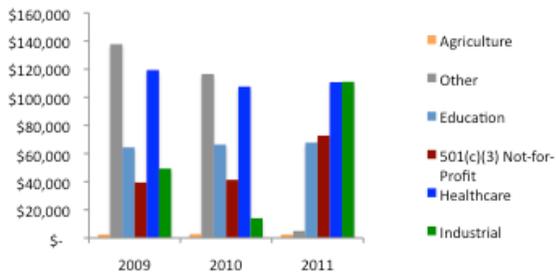
Revenue by Sector



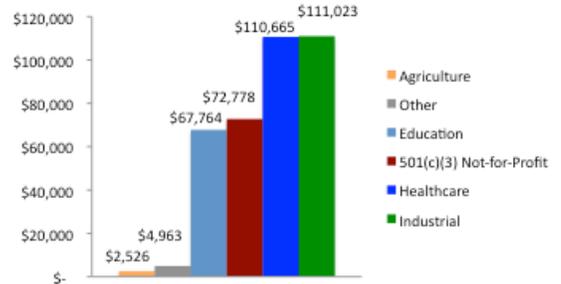
2011 Revenue by Sector



Revenue per Issuance



2011 Revenue per Issuance



* Note: The bond revenue amounts in this document do not match the audited financial statements because of timing issues between the two revenue recognition systems.

**Illinois Finance Authority
General Fund - Actual to Budget
Statement of Activities
for Period Ending
June 30, 2011**

	Actual June 2011	Budget June 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2011	% of Budget Expended
REVENUE										
INTEREST ON LOANS	63,090	77,914	(14,824)	-19.03%	941,601	1,146,121	(204,520)	-17.84%	1,146,121	82.16%
INVESTMENT INTEREST & GAIN(LOSS)	(15,448)	1,701	(17,149)	-1008.17%	29,208	20,500	8,708	42.48%	20,500	142.48%
ADMINISTRATIONS & APPLICATION FEES	44,718	263,451	(218,733)	-83.03%	4,810,291	3,569,338	1,240,953	34.77%	3,569,338	134.77%
ANNUAL ISSUANCE & LOAN FEES	65,921	49,555	16,366	33.03%	576,217	582,892	(6,675)	-1.15%	582,892	98.85%
OTHER INCOME	21,895	6,879	15,016	218.29%	295,328	82,537	212,791	257.81%	82,537	357.81%
TOTAL REVENUE	180,176	399,500	(219,324)	-54.90%	6,652,645	5,401,388	1,251,257	23.17%	5,401,388	123.17%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	160,489	204,433	(43,944)	-21.50%	1,776,596	2,354,798	(578,202)	-24.55%	2,354,798	75.45%
BENEFITS	21,260	24,851	(3,591)	-14.45%	241,821	286,314	(44,493)	-15.54%	286,314	84.46%
TEMPORARY HELP	-	413	(413)	-100.00%	1,382	5,000	(3,618)	-72.36%	5,000	27.64%
EDUCATION & DEVELOPMENT	793	1,667	(874)	-52.43%	7,087	20,000	(12,913)	-64.57%	20,000	35.44%
TRAVEL & AUTO	3,789	6,250	(2,461)	-39.38%	52,197	75,000	(22,803)	-30.40%	75,000	69.60%
TOTAL EMPLOYEE RELATED EXPENSES	186,331	237,614	(51,283)	-21.58%	2,079,083	2,741,112	(662,029)	-24.15%	2,741,112	75.85%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	180,538	20,833	159,705	766.58%	585,702	250,000	335,702	134.28%	250,000	234.28%
LOAN EXPENSE & BANK FEE	8,866	10,875	(2,009)	-18.47%	113,250	130,500	(17,250)	-13.22%	130,500	86.78%
ACCOUNTING & AUDITING	(80,912)	26,318	(107,230)	-407.44%	216,074	315,904	(99,830)	-31.60%	315,904	68.40%
MARKETING GENERAL	906	2,087	(1,181)	-56.59%	14,268	25,000	(10,732)	-42.93%	25,000	57.07%
FINANCIAL ADVISORY	-	31,250	(31,250)	-100.00%	183,958	375,000	(191,042)	-50.94%	375,000	49.06%
CONFERENCE/TRAINING	1,099	1,663	(564)	-33.91%	17,258	20,000	(2,742)	-13.71%	20,000	86.29%
MISC. PROFESSIONAL SERVICES	(31,063)	15,375	(46,438)	-302.04%	108,211	184,500	(76,289)	-41.35%	184,500	58.65%
DATA PROCESSING	2,227	4,587	(2,360)	-51.45%	45,178	55,000	(9,822)	-17.86%	55,000	82.14%
TOTAL PROFESSIONAL SERVICES	81,661	112,988	(31,327)	-27.73%	1,283,899	1,355,904	(72,005)	-5.31%	1,355,904	94.69%

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General Fund - Actual to Budget
Statement of Activities
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June 30, 2011**

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OCCUPANCY COSTS										
OFFICE RENT	21,992	22,836	(844)	-3.70%	254,848	274,076	(19,228)	-7.02%	274,076	92.98%
EQUIPMENT RENTAL AND PURCHASES	1,315	1,700	(385)	-22.65%	19,731	20,400	(669)	-3.28%	20,400	96.72%
TELECOMMUNICATIONS	2,965	5,050	(2,085)	-41.29%	36,248	60,600	(24,352)	-40.18%	60,600	59.82%
UTILITIES	709	913	(204)	-22.34%	11,229	11,000	229	2.08%	11,000	102.08%
DEPRECIATION	2,289	4,106	(1,817)	-44.25%	31,346	49,305	(17,959)	-36.42%	49,305	63.58%
INSURANCE	1,943	1,900	43	2.26%	23,192	22,800	392	1.72%	22,800	101.72%
TOTAL OCCUPANCY COSTS	31,213	36,505	(5,292)	-14.50%	376,594	438,181	(61,587)	-14.06%	438,181	85.94%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	4,114	4,462	(348)	-7.80%	39,031	53,500	(14,469)	-27.04%	53,500	72.96%
BOARD MEETING - EXPENSES	1,731	3,000	(1,269)	-42.30%	32,709	36,000	(3,291)	-9.14%	36,000	90.86%
PRINTING	1,037	542	495	91.45%	9,912	6,500	3,412	52.49%	6,500	152.49%
POSTAGE & FREIGHT	1,692	1,250	442	35.36%	16,618	15,000	1,618	10.79%	15,000	110.79%
MEMBERSHIP, DUES & CONTRIBUTIONS	729	2,712	(1,983)	-73.12%	32,272	32,500	(228)	-0.70%	32,500	99.30%
PUBLICATIONS	157	250	(93)	-37.20%	2,391	3,000	(609)	-20.30%	3,000	79.70%
OFFICERS & DIRECTORS INSURANCE	14,125	15,837	(1,712)	-10.81%	192,445	190,000	2,445	1.29%	190,000	101.29%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,585	28,053	(4,468)	-15.93%	325,378	336,500	(11,122)	-3.31%	336,500	96.69%
LOAN LOSS PROVISION/BAD DEBT	341,579	25,000	316,579	1266.32%	942,147	300,000	642,147	214.05%	300,000	314.05%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	664,369	440,160	224,209	50.94%	5,007,101	5,171,697	(164,596)	-3.18%	5,171,697	96.82%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(484,193)	(40,660)	(443,533)	1090.83%	1,645,544	229,691	1,415,853	616.42%	229,691	716.42%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	49,539	-	49,539	0.00%	1,175,543	-	1,175,543	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	(434,654)	(40,660)	(393,994)	969.00%	2,821,087	229,691	2,591,396	1128.21%	229,691	1228.21%

**Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
June 30, 2011**

	Actual June 2011	Actual June 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	63,090	75,626	(12,536)	-16.58%	941,601	1,018,399	(76,798)	-7.54%
INVESTMENT INTEREST & GAIN(LOSS)	(15,448)	(13,878)	(1,570)	11.31%	29,208	26,718	2,490	9.32%
ADMINISTRATIONS & APPLICATION FEES	44,718	308,370	(263,652)	-85.50%	4,810,291	5,136,576	(326,285)	-6.35%
ANNUAL ISSUANCE & LOAN FEES	65,921	105,695	(39,774)	-37.63%	576,217	841,881	(265,664)	-31.56%
OTHER INCOME	21,895	11,510	10,385	90.23%	295,328	240,966	54,362	22.56%
TOTAL REVENUE	180,176	487,323	(307,147)	-63.03%	6,652,645	7,264,540	(611,895)	-8.42%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	160,489	257,997	(97,508)	-37.79%	1,776,596	2,745,503	(968,907)	-35.29%
BENEFITS	21,260	41,853	(20,593)	-49.20%	241,821	293,332	(51,511)	-17.56%
TEMPORARY HELP	-	3,213	(3,213)	-100.00%	1,382	33,281	(31,899)	-95.85%
EDUCATION & DEVELOPMENT	793	-	793	0.00%	7,087	15,410	(8,323)	-54.01%
TRAVEL & AUTO	3,789	9,371	(5,582)	-59.57%	52,197	74,144	(21,947)	-29.60%
TOTAL EMPLOYEE RELATED EXPENSES	186,331	312,434	(126,103)	-40.36%	2,079,083	3,161,670	(1,082,587)	-34.24%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	180,538	94,014	86,524	92.03%	585,702	287,914	297,788	103.43%
LOAN EXPENSE & BANK FEE	8,866	12,007	(3,141)	-26.16%	113,250	122,337	(9,087)	-7.43%
ACCOUNTING & AUDITING	(80,912)	107,905	(188,817)	-174.98%	216,074	364,101	(148,027)	-40.66%
MARKETING GENERAL	906	70	836	1194.29%	14,268	5,990	8,278	138.20%
FINANCIAL ADVISORY	-	18,333	(18,333)	-100.00%	183,958	219,996	(36,038)	-16.38%
CONFERENCE/TRAINING	1,099	5,660	(4,561)	0.00%	17,258	17,977	(719)	-4.00%
MISC. PROFESSIONAL SERVICES	(31,063)	17,142	(48,205)	0.00%	108,211	141,616	(33,405)	0.00%
DATA PROCESSING	2,227	5,497	(3,270)	-59.49%	45,178	53,478	(8,300)	-15.52%
TOTAL PROFESSIONAL SERVICES	81,661	260,628	(178,967)	-68.67%	1,283,899	1,213,409	70,490	5.81%

**Illinois Finance Authority
General Fund - Actual to Actual
Statement of Activities
for Period Ending
June 30, 2011**

	Actual June 2011	Actual June 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	21,992	22,420	(428)	-1.91%	254,848	261,461	(6,613)	-2.53%
EQUIPMENT RENTAL AND PURCHASES	1,315	1,047	268	25.60%	19,731	26,598	(6,867)	-25.82%
TELECOMMUNICATIONS	2,965	4,480	(1,515)	-33.82%	36,248	49,163	(12,915)	-26.27%
UTILITIES	709	967	(258)	-26.68%	11,229	11,717	(488)	-4.16%
DEPRECIATION	2,289	1,618	671	41.47%	31,346	49,964	(18,618)	-37.26%
INSURANCE	1,943	1,611	332	20.61%	23,192	22,682	510	2.25%
TOTAL OCCUPANCY COSTS	31,213	32,143	(930)	-2.89%	376,594	421,585	(44,991)	-10.67%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	4,114	2,960	1,154	38.99%	39,031	39,099	(68)	-0.17%
BOARD MEETING - EXPENSES	1,731	2,402	(671)	-27.94%	32,709	29,636	3,073	10.37%
PRINTING	1,037	435	602	138.39%	9,912	6,543	3,369	51.49%
POSTAGE & FREIGHT	1,692	1,814	(122)	-6.73%	16,618	17,763	(1,145)	-6.45%
MEMBERSHIP, DUES & CONTRIBUTIONS	729	2,074	(1,345)	-64.85%	32,272	30,881	1,391	4.50%
PUBLICATIONS	157	317	(160)	-50.47%	2,391	2,267	124	5.47%
OFFICERS & DIRECTORS INSURANCE	14,125	13,297	828	6.23%	192,445	187,335	5,110	2.73%
MISCELLANEOUS	-	-	-	-	-	(245)	245	-
TOTAL GENL & ADMIN EXPENSES	23,585	23,299	286	1.23%	325,378	313,279	12,099	3.86%
LOAN LOSS PROVISION/BAD DEBT	341,579	(171,472)	513,051	-299.20%	942,147	485,730	456,417	93.97%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	664,369	457,032	207,337	45.37%	5,007,101	5,595,673	(588,572)	-10.52%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(484,193)	30,291	(514,484)	-1698.47%	1,645,544	1,668,867	(23,323)	-1.40%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	49,539	-	49,539	0.00%	1,175,543	80,608	1,094,935	1358.35%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	(434,654)	30,291	(464,945)	-1534.93%	2,821,087	1,749,475	1,071,612	61.25%

**Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Twelve Months Ending June 30, 2011**

		Actual June 2011
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$	30,085,764
RECEIVABLES, NET		39,667
LOAN RECEIVABLE, NET		13,209,280
OTHER RECEIVABLES		150,675
PREPAID EXPENSES		228,011
TOTAL CURRENT ASSETS		43,713,397
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION		113,081
DEFERRED ISSUANCE COSTS		297,343
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES		874,309
OTHER		-
TOTAL OTHER ASSETS		874,309
TOTAL ASSETS	\$	44,998,130
LIABILITIES		
CURRENT LIABILITIES	\$	899,606
LONG-TERM LIABILITIES		435,029
TOTAL LIABILITIES		1,334,635
EQUITY		
CONTRIBUTED CAPITAL		4,111,479
RETAINED EARNINGS		24,759,631
NET INCOME / (LOSS)		2,821,087
RESERVED/RESTRICTED FUND BALANCE		1,732,164
UNRESERVED FUND BALANCE		10,239,134
TOTAL EQUITY		43,663,495
TOTAL LIABILITIES & EQUITY	\$	44,998,130

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
June 30, 2011

	Actual June 2011	Budget June 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
REVENUE										
INTEREST ON LOANS	241,055	261,023	(19,968)	-7.65%	3,015,899	3,291,666	(275,767)	-8.38%	3,291,666	91.62%
INVESTMENT INTEREST & GAIN(LOSS)	63,778	60,715	3,063	5.04%	725,565	728,492	(2,927)	-0.40%	728,492	99.60%
ADMINISTRATIONS & APPLICATION FEES	44,718	263,451	(218,733)	-83.03%	4,810,291	3,569,338	1,240,953	34.77%	3,569,338	134.77%
ANNUAL ISSUANCE & LOAN FEES	65,921	49,555	16,366	33.03%	576,217	642,892	(66,675)	-10.37%	642,892	89.63%
OTHER INCOME	148,063	11,879	136,184	1146.43%	1,534,342	82,537	1,451,805	1758.97%	82,537	1858.97%
	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	563,535	646,623	(83,088)	-12.85%	10,662,314	8,314,925	2,347,389	28.23%	8,314,925	128.23%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	160,489	204,433	(43,944)	-21.50%	1,776,596	2,354,798	(578,202)	-24.55%	2,354,798	75.45%
BENEFITS	21,260	24,851	(3,591)	-14.45%	241,821	286,314	(44,493)	-15.54%	286,314	84.46%
TEMPORARY HELP	-	413	(413)	-100.00%	1,382	5,000	(3,618)	-72.36%	5,000	27.64%
EDUCATION & DEVELOPMENT	793	1,667	(874)	-52.43%	7,087	20,000	(12,913)	-64.57%	20,000	35.44%
TRAVEL & AUTO	3,788	6,250	(2,462)	-39.39%	52,197	75,000	(22,803)	-30.40%	75,000	69.60%
TOTAL EMPLOYEE RELATED EXPENSES	186,330	237,614	(51,284)	-21.58%	2,079,083	2,741,112	(662,029)	-24.15%	2,741,112	75.85%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	182,621	23,757	158,864	668.70%	610,698	285,000	325,698	114.28%	285,000	214.28%
LOAN EXPENSE & BANK FEE	262,214	264,210	(1,996)	-0.76%	2,652,364	2,771,070	(118,706)	-4.28%	2,771,070	95.72%
ACCOUNTING & AUDITING	(79,066)	28,412	(107,478)	-378.28%	248,004	341,054	(93,050)	-27.28%	341,054	72.72%
MARKETING GENERAL	906	2,087	(1,181)	-56.59%	14,268	25,000	(10,732)	-42.93%	25,000	57.07%
FINANCIAL ADVISORY	-	31,250	(31,250)	-100.00%	183,958	375,000	(191,042)	-50.94%	375,000	49.06%
CONFERENCE/TRAINING	1,099	1,663	(564)	-33.91%	17,258	20,000	(2,742)	-13.71%	20,000	86.29%
MISC. PROFESSIONAL SERVICES	(27,730)	18,712	(46,442)	-248.19%	159,043	224,500	(65,457)	-29.16%	224,500	70.84%
DATA PROCESSING	2,227	4,587	(2,360)	-51.45%	45,177	55,000	(9,823)	-17.86%	55,000	82.14%
TOTAL PROFESSIONAL SERVICES	342,271	374,678	(32,407)	-8.65%	3,930,770	4,096,624	(165,854)	-4.05%	4,096,624	95.95%

Illinois Finance Authority
Consolidated - Actual to Budget
Statement of Activities
for Period Ending
June 30, 2011

	Actual June 2011	Budget June 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2010	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	21,992	22,836	(844)	-3.70%	254,848	274,076	(19,228)	-7.02%	274,076	92.98%
EQUIPMENT RENTAL AND PURCHASES	1,315	1,700	(385)	-22.65%	19,731	20,400	(669)	-3.28%	20,400	96.72%
TELECOMMUNICATIONS	2,965	5,050	(2,085)	-41.29%	36,248	60,600	(24,352)	-40.18%	60,600	59.82%
UTILITIES	709	913	(204)	-22.34%	11,229	11,000	229	2.08%	11,000	102.08%
DEPRECIATION	2,289	4,106	(1,817)	-44.25%	31,346	49,305	(17,959)	-36.42%	49,305	63.58%
INSURANCE	1,944	1,900	44	2.32%	23,192	22,800	392	1.72%	22,800	101.72%
TOTAL OCCUPANCY COSTS	31,214	36,505	(5,291)	-14.49%	376,594	438,181	(61,587)	-14.06%	438,181	85.94%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	4,114	4,462	(348)	-7.80%	39,032	53,500	(14,468)	-27.04%	53,500	72.96%
BOARD MEETING - EXPENSES	1,731	3,000	(1,269)	-42.30%	32,709	36,000	(3,291)	-9.14%	36,000	90.86%
PRINTING	1,037	542	495	91.33%	9,912	6,500	3,412	52.49%	6,500	152.49%
POSTAGE & FREIGHT	1,693	1,250	443	35.44%	16,618	15,000	1,618	10.79%	15,000	110.79%
MEMBERSHIP, DUES & CONTRIBUTIONS	729	2,712	(1,983)	-73.12%	32,272	32,500	(228)	-0.70%	32,500	99.30%
PUBLICATIONS	157	250	(93)	-37.20%	2,391	3,000	(609)	-20.30%	3,000	79.70%
OFFICERS & DIRECTORS INSURANCE	14,125	15,837	(1,712)	-10.81%	192,445	190,000	2,445	1.29%	190,000	101.29%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	23,586	28,053	(4,467)	-15.92%	325,379	336,500	(11,121)	-3.30%	336,500	96.70%
LOAN LOSS PROVISION/BAD DEBT	337,337	116,674	220,663	189.13%	933,320	1,400,000	(466,680)	-33.33%	1,400,000	66.67%
OTHER										
INTEREST EXPENSE	503	502	1	0.20%	6,317	6,317	-	0.00%	6,317	100.00%
TOTAL OTHER	503	502	1	0.20%	6,317	6,317	-	0.00%	6,317	100.00%
TOTAL EXPENSES	921,241	794,026	127,215	16.02%	7,651,463	9,018,734	(1,367,271)	-15.16%	9,018,734	84.84%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(357,706)	(147,403)	(210,303)	142.67%	3,010,851	(703,809)	3,714,660	-527.79%	(703,809)	-427.79%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFERS TO STATE OF ILLINOIS	-	-	-	0.00%	(3,302,000)	-	(3,302,000)	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	(357,706)	(147,403)	(210,303)	142.67%	(291,148)	(703,809)	412,661	-58.63%	(703,809)	41.37%

**Illinois Finance Authority
Consolidated
Statement of Activities
Comparison
for June 2011 and June 2010**

	Actual June 2011	Actual June 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	241,055	609,765	(368,710)	-60.47%	3,015,899	3,280,872	(264,973)	-8.08%
INVESTMENT INTEREST & GAIN(LOSS)	63,778	47,286	16,492	34.88%	725,565	679,651	45,914	6.76%
ADMINISTRATIONS & APPLICATION FEES	44,718	308,370	(263,652)	-85.50%	4,810,291	5,136,576	(326,285)	-6.35%
ANNUAL ISSUANCE & LOAN FEES	65,921	105,695	(39,774)	-37.63%	576,217	841,881	(265,664)	-31.56%
OTHER INCOME	148,063	43,614	104,449	239.49%	1,534,342	489,499	1,044,843	213.45%
	-	-	-	0.00%	-	-	-	-
TOTAL REVENUE	563,535	1,114,730	(551,195)	-49.45%	10,662,314	10,428,479	233,835	2.24%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	160,489	257,997	(97,508)	-37.79%	1,776,596	2,745,503	(968,907)	-35.29%
BENEFITS	21,260	41,853	(20,593)	-49.20%	241,821	293,332	(51,511)	-17.56%
TEMPORARY HELP	-	3,213	(3,213)	-100.00%	1,382	33,281	(31,899)	-95.85%
EDUCATION & DEVELOPMENT	793	-	793	0.00%	7,087	15,410	(8,323)	0.00%
TRAVEL & AUTO	3,788	9,371	(5,583)	-59.58%	52,197	74,144	(21,947)	-29.60%
TOTAL EMPLOYEE RELATED EXPENSES	186,330	312,434	(126,104)	-40.36%	2,079,083	3,161,670	(1,082,587)	-34.24%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	182,621	94,847	87,774	92.54%	610,698	305,417	305,281	99.96%
LOAN EXPENSE & BANK FEE	262,214	651,388	(389,174)	-59.75%	2,652,364	2,631,497	20,867	0.79%
ACCOUNTING & AUDITING	(79,066)	(108,897)	29,831	-27.39%	248,004	388,654	(140,650)	-36.19%
MARKETING GENERAL	906	70	836	0.00%	14,268	5,986	8,282	0.00%
FINANCIAL ADVISORY	-	18,333	(18,333)	-100.00%	183,958	219,996	(36,038)	-16.38%
CONFERENCE/TRAINING	1,099	5,660	(4,561)	0.00%	17,258	17,977	(719)	0.00%
MISC. PROFESSIONAL SERVICES	(27,730)	20,475	(48,205)	0.00%	159,043	181,612	(22,569)	-12.43%
DATA PROCESSING	2,227	5,498	(3,271)	-59.49%	45,177	53,477	(8,300)	-15.52%
TOTAL PROFESSIONAL SERVICES	342,271	687,374	(345,103)	-50.21%	3,930,770	3,804,616	126,154	3.32%

**Illinois Finance Authority
Consolidated
Statement of Activities
Comparison
for June 2011 and June 2010**

	Actual June 2011	Actual June 2010	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	21,992	22,420	(428)	-1.91%	254,848	261,461	(6,613)	-2.53%
EQUIPMENT RENTAL AND PURCHASES	1,315	1,047	268	25.60%	19,731	26,598	(6,867)	-25.82%
TELECOMMUNICATIONS	2,965	4,480	(1,515)	-33.82%	36,248	49,163	(12,915)	-26.27%
UTILITIES	709	967	(258)	-26.68%	11,229	11,717	(488)	-4.16%
DEPRECIATION	2,289	1,617	672	41.56%	31,346	49,964	(18,618)	-37.26%
INSURANCE	1,944	1,611	333	20.67%	23,192	22,682	510	2.25%
TOTAL OCCUPANCY COSTS	31,214	32,142	(928)	-2.89%	376,594	421,585	(44,991)	-10.67%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	4,114	2,960	1,154	38.99%	39,032	39,099	(67)	-0.17%
BOARD MEETING - EXPENSES	1,731	2,402	(671)	-27.94%	32,709	29,635	3,074	10.37%
PRINTING	1,037	435	602	0.00%	9,912	6,543	3,369	51.49%
POSTAGE & FREIGHT	1,693	1,814	(121)	-6.67%	16,618	17,763	(1,145)	-6.45%
MEMBERSHIP, DUES & CONTRIBUTIONS	729	2,074	(1,345)	-64.85%	32,272	30,882	1,390	4.50%
PUBLICATIONS	157	317	(160)	-50.47%	2,391	2,267	124	5.47%
OFFICERS & DIRECTORS INSURANCE	14,125	13,297	828	6.23%	192,445	187,335	5,110	2.73%
MISCELLANEOUS	-	-	-	0.00%	-	(245)	245	0.00%
TOTAL GENL & ADMIN EXPENSES	23,586	23,299	287	1.23%	325,379	313,279	12,100	3.86%
LOAN LOSS PROVISION/BAD DEBT	337,337	(174,456)	511,793	-293.37%	933,320	478,410	454,910	95.09%
OTHER								
INTEREST EXPENSE	503	550	(47)	-8.55%	6,317	6,885	(568)	-8.25%
TOTAL OTHER	503	550	(47)	-8.55%	6,317	6,885	(568)	-8.25%
TOTAL EXPENSES	921,241	881,343	39,898	4.53%	7,651,463	8,186,447	(534,984)	-6.53%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	(357,706)	233,387	(591,093)	-253.27%	3,010,851	2,242,032	768,819	34.29%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	(2,864,822)	2,864,822	0.00%	-	(2,864,822)	2,864,822	0.00%
TRANSFER TO STATE OF ILLINOIS	-	-	-	0.00%	(3,302,000)	-	(3,302,000)	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	-	-	-	-	0.00%
NET INCOME/(LOSS)	(357,706)	(2,631,435)	2,273,729	-86.41%	(291,148)	(622,790)	331,642	-53.25%

**Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Twelve Months Ending June 30, 2011**

	<u>Actual June 2010</u>	<u>Actual June 2011</u>
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 40,630,718	\$ 43,604,314
RECEIVABLES, NET	76,704	39,667
LOAN RECEIVABLE, NET	43,120,844	34,726,044
NOTES RECEIVABLE	45,134,874	38,719,874
OTHER RECEIVABLES	1,151,347	1,194,395
PREPAID EXPENSES	<u>56,246</u>	<u>228,011</u>
 TOTAL CURRENT ASSETS	 130,170,733	 118,512,305
 FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	 48,720	 113,081
 DEFERRED ISSUANCE COSTS	 480,629	 404,712
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	40,581,000	37,730,402
VENTURE CAPITAL INVESTMENTS	2,512,917	2,247,981
OTHER	<u>3,000,000</u>	<u>3,028,402</u>
 TOTAL OTHER ASSETS	 46,093,917	 43,006,785
 TOTAL ASSETS	 <u>\$ 176,793,999</u>	 <u>\$ 162,036,883</u>
 LIABILITIES		
CURRENT LIABILITIES	1,625,036	1,042,683
BONDS PAYABLE	54,385,000	46,900,000
OTHER LIABILITIES	<u>8,504,740</u>	<u>2,106,125</u>
 TOTAL LIABILITIES	 64,514,776	 50,048,808
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	27,173,957	26,144,175
NET INCOME / (LOSS)	(622,790)	(291,148)
RESERVED/RESTRICTED FUND BALANCE	37,471,193	37,878,185
UNRESERVED FUND BALANCE	<u>12,648,171</u>	<u>12,648,171</u>
 TOTAL EQUITY	 112,279,223	 111,988,075
 TOTAL LIABILITIES & EQUITY	 <u>\$ 176,793,999</u>	 <u>\$ 162,036,883</u>

Bonds Issued and Outstanding as of June 30, 2011

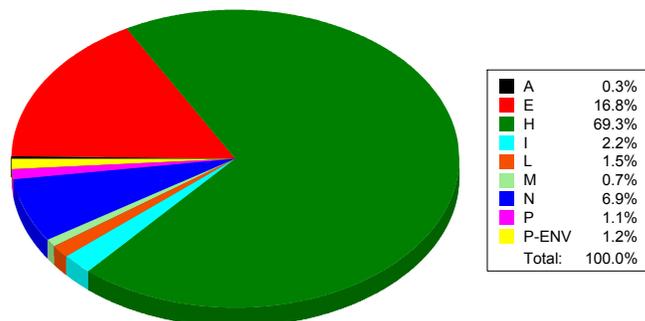
Bonds Issued Since Inception of Illinois Finance Authority

#	Market Sector	Principal Amount (\$)
378	Agriculture **	63,785,949
83	Education	4,027,548,100
168	Healthcare *	16,936,023,508
79	Industrial	931,142,853
25	Local Government	378,145,000
16	Multifamily/Senior Housing	175,417,900
108	501(c)(3) Not-for Profits	1,692,433,195
8	Exempt Facilities Bonds	275,700,000
8	Environmental issued under 20 ILCS 3515/9	326,630,000
		\$ 24,806,826,505

* Includes CCRC's

** Number of Agriculture bonds has been adjusted to reflect the actual number of Beginner Farmer Bonds issued.

Bonds Issued Since Inception

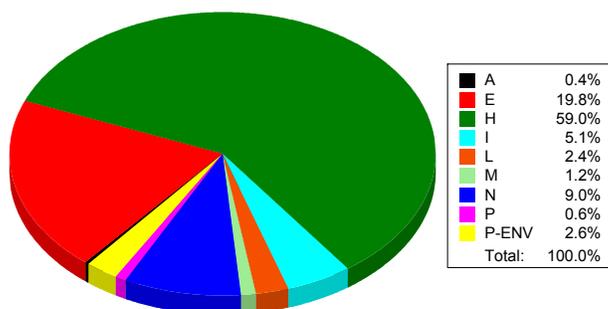


Schedule of Bonds Outstanding by Market Sector Includes IFA and it's Predecessor Authorities

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	302,255,655	95,133,939
Education	5,748,635,730	5,144,847,244
Healthcare *	18,114,472,337	15,074,414,590
Industrial	1,599,342,853	1,302,944,698
Local Government	1,140,314,413	603,241,238
Multifamily/Senior Housing	742,915,396	296,609,171
501(c)(3) Not-for Profits	2,851,259,996	2,305,164,814
Exempt Facilities Bonds	155,360,000	155,160,000
Environmental issued under 20 ILCS 3515/9	770,475,000	672,042,751
	\$ 31,425,031,379	\$ 25,649,558,445

* Includes CCRC's

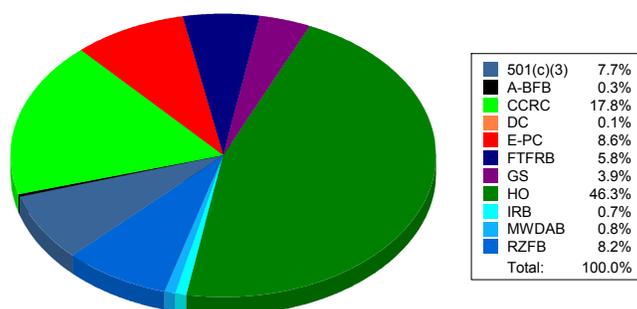
Principal Outstanding by Market Sector



Current Fiscal Year

#	Market Sector	Principal Issued
40	Agriculture - Beginner Farmer	7,002,064
5	Education	221,290,000
1	Financially Distressed Cities	1,985,000
1	Freight Transfer Facilities Bonds	150,000,000
2	Gas Supply	100,000,000
15	Healthcare - Hospital	1,195,055,000
5	Healthcare - CCRC	458,705,000
3	Industrial Revenue	17,329,184
1	Midwest Disaster Area Bonds	20,200,000
4	501(c)(3) Not-for-Profit	199,535,000
8	Recovery Zone Facilities Bonds	211,488,000
85		\$ 2,582,589,248

Bonds Issued - Current Fiscal Year



Bonds Issued between July 01, 2010 and June 30, 2011

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginner Farmer Bonds, Series 2011	07/01/2010	2.76% to 5.25%	7,002,064	0
HO NorthShore University HealthSystem, Series 2010	07/14/2010	2.00% to 5.25%	136,425,000	115,800,000
CCRC The Clare at Water Tower, Series 2010A&B	07/15/2010	5.10% to 6.125%	87,505,000	87,505,000
CCRC Christian Homes, Inc., Series 2010	07/29/2010	3.40% to 6.125%	25,000,000	8,090,000
IRB Bison Gear & Engineering Corporation, Series 2010	07/29/2010	VRB 0.32%	9,230,000	0
HO Institute for Transfusion Medicine, Series 2010	07/29/2010	VRB 3.60%	26,500,000	0
GS Peoples Gas Light and Coke Company, Series 2010A	08/18/2010	VRB 2.125%	50,000,000	0
RZFB Annex II, LLC - Rock City Development, Series 2010	08/24/2010	6.00%	4,585,000	0
CCRC Greenfields of Geneva, Series 2010A-C	08/31/2010	7.50% to 8.25%	117,600,000	9,185,000
HO Provena Health, Series 2010C&D	09/22/2010	VRB 0.29%	72,000,000	0
GS Peoples Gas Light and Coke Company, Series 2010B	10/05/2010	2.625%	50,000,000	50,000,000
IRB Fabrication Technologies, Inc., Series 2010	10/15/2010	DP-VRB	5,140,000	0
HO Little Company of Mary Hospital, Series 2010	10/20/2010	5.25% to 5.50%	72,000,000	0
HO Beloit Health System, Series 2010	10/21/2010	VRB	37,895,000	40,325,000
RZFB Navistar International Corporation, Series 2010	10/26/2010	6.50%	135,000,000	0
DC City of East St. Louis, Series 2010	10/26/2010	3.00%	1,985,000	1,650,000
HO Swedish Covenant Hospital, Series 2010	11/03/2010	DP 4.99%	20,000,000	0
HO University of Chicago Medical Center, Series 2010A&B	11/09/2010	VRB 0.24%	92,500,000	0
CCRC Admiral at the Lake, Series 2010A-E	11/19/2010	7.25% to 8.00%	202,350,000	0
RZFB BPJ Investments, LLC - Nueco, Inc., Series 2010	12/16/2010	DP-VRB 4.00%	2,803,000	0
HO Proctor Hospital, Series 2010	12/16/2010	DP-VRB 2.59202%	15,500,000	0
E-PC The Old Town School of Folk Music, Inc., Series 2010	12/20/2010	DP-VRB 4.25%	10,000,000	0
MWDAB KONE Centre, Series 2010	12/21/2010	DP-VRB 2.30%	20,200,000	0
FTFRB CenterPoint Joliet Terminal Railroad, Series 2010A&B	12/21/2010	DP-VRB 2.1074%	150,000,000	0
E-PC East-West University, Series 2010	12/22/2010	DP-VRB 2.025%	30,000,000	0
501(c)(3) Quest Academy, Series 2010	12/22/2010	DP-VRB 1.987016%	3,200,000	2,100,000
RZFB Rochelle Energy LLC, Series 2010	12/22/2010	DP 4.53%	10,000,000	0
E-PC Illinois College, Series 2010	12/23/2010	DP 4.22%	3,900,000	0
IRB Alef Sausage, Series 2010	12/23/2010	DP 4.25%	2,959,184	0
HO Silver Cross Hospital & Medical Center, Series 2010	12/27/2010	DP-VRB 1.1973%	25,000,000	0
501(c)(3) St. Francis High School College Preparatory, Series 2010	12/28/2010	DP-VRB 2.18%	4,500,000	0
RZFB JH Naperville Hotel, LLC, Series 2010	12/28/2010	5.16%	30,000,000	0
RZFB 1200 Internationale Parkway, LLC, Series 2010	12/28/2010	DP-VRB 3.97%	3,500,000	0
CCRC Mercy Circle, Series 2010	12/29/2010	DP-VRB 2.10%	26,250,000	0
RZFB SMART Hotels/Olympia Chicago, Series 2010	12/30/2010	DP-VRB 1.9876%	21,500,000	0
RZFB Mayo Properties, LLC, Series 2010	12/30/2010	DP-VRB 3.825%	4,100,000	0
E-PC DePaul University, Series 2011A&B	02/02/2011	5.25% to 6.125%	164,440,000	50,600,000
501(c)(3) CHF-Normal, LLC-Illinois State University, Series 2011	02/23/2011	5.50% to 7.00%	59,610,000	0
501(c)(3) CHF-DeKalb, LLC-Northern Illinois University, Series 2011	03/10/2011	5.125% to 6.875%	132,225,000	18,825,000
HO Sarah Bush Lincoln Health Center, Series 2011	03/18/2011	DP-VRB 3.60%	45,000,000	23,560,000
HO Methodist Medical Center of Illinois, Series 2011A&B	05/12/2011	Variable	115,000,000	54,135,000
HO The Carle Foundation, Series 2011A	05/19/2011	4.00% to 6.00%	234,735,000	0
HO University of Chicago Medical Center, Series 2011A-C	05/20/2011	Variable	182,500,000	0
E-PC Columbia College Chicago, Series 2011	05/25/2011	4.00% to 5.00%	12,950,000	13,325,000
HO The Carle Foundation, Series 2011B&C	06/16/2011	Variable	100,000,000	0
HO Swedish Covenant Hospital, Series 2011	06/28/2011	Variable	20,000,000	0
Total Bonds Issued in Fiscal Year 2011			\$ 2,582,589,248	\$ 475,100,000

Legend: Fixed Rate Bonds as shown

DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond

VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.

Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds

<u>Borrower</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
Stortzum, Brent A.	07/21/2010	4.25%	157,500	38.00	Effingham
Tolley, Daniel Steven	07/23/2010	4.50%	106,900	82.30	Knox
Justison, Keri L.	07/30/2010	4.25%	249,736	106.00	Montgomery
Justison, David M.	07/30/2010	4.25%	249,736	106.00	Montgomery
Will, Richard & Linda	07/30/2010	4.00%	206,712	71.30	Cumberland
Smithenry, Eric J.	07/30/2010	4.25%	135,000	20.00	Jasper
Stinnett, Sean & Cheryl	08/05/2010	4.75%	224,000	52.84	Macoupin
Alt, Lawrence & Loretta	08/12/2010	4.00%	100,000	26.67	Vermilion
Alt, James & Jo Ellen	08/12/2010	4.00%	102,667	26.67	Vermilion
Kopplin, Seth A.	08/16/2010	4.00%	184,000	73.62	Effingham
Mellendorf, Mark	09/21/2010	4.25%	25,200	20.00	Clay
Gittleson, Brock	09/21/2010	4.46%	207,500	50.00	Lee
Fritschle, Derek	10/07/2010	4.00%	125,000	78.00	Richland
Stahl, Rodney Lynn	10/25/2010	4.00%	122,500	50.00	Stark
Stahl, Kendall	10/25/2010	4.50%	137,500	50.00	Stark
Rosenthal, Darin T.	10/29/2010	4.00%	250,000	80.00	Montgomery
Stephens, Derek & Brynn	11/05/2010	3.50%	240,000	60.00	Livingston
Stephens, Douglas & Cindy	11/05/2010	3.50%	240,000	60.00	Livingston
Richter, Brett Alan	11/05/2010	2.76%	120,000	46.00	Clinton
Truckenbrod, Steven	11/18/2010	5.25%	104,000	40.00	Ogle
Elliott, Lee Wayne & Latisha	11/30/2010	4.25%	112,000	80.00	Jasper
McLaughlin, Wade C.	12/27/2010	4.67%	150,000	60.70	Henry
Ridgely, Jordan	12/27/2010	3.95%	316,000	149.00	Hamilton
Werkheiser, Wade	12/27/2010	3.90%	345,330	161.00	Henry
Mattingly II, Douglas E.	12/27/2010	3.75%	77,120	30.00	Edgar
Waldrop, Ryan D. & Heather D.	12/28/2010	4.25%	237,268	130.60	Lawrence
Rich, Travis Wesley	03/01/2011	3.90%	146,667	26.66	Crawford
Maedge, Travis M.	03/08/2011	2.76%	171,928	40.00	Madison
Goebel, Thad & Lindsay	03/16/2011	3.75%	98,000	60.00	Jasper
Goebel, Greg & Krystal	03/16/2011	3.75%	114,000	60.00	Jasper
King, Rodney & Christine	03/28/2011	4.25%	80,000	40.00	Stark
Dotson, Joshua & Bonnie	03/30/2011	4.25%	125,000	31.00	Will
Vandersnick, Kane Richard	04/12/2011	4.50%	326,000	116.00	Henry
Berg, Kurt A.	04/29/2011	4.00%	218,000	98.00	Clay
Huber, Craig & Cara	04/29/2011	3.95%	295,450	70.50	Carroll
Mickley, James V.	04/29/2011	4.50%	248,000	120.00	Henry
Purdom, Cody A.	04/29/2011	4.35%	240,000	32.00	McHenry
Cox, Kevin & Lindsay	04/29/2011	5.00%	124,600	60.00	Mercer
Traub, John J.	05/13/2011	3.25%	174,750	40.00	Livingston
Emmerich, Lucas & Megan	05/24/2011	3.75%	114,000	40.00	Jasper
Total Beginner Farmer Bonds Issued			\$ 7,002,064	2,582.86	

<u>AG Debt Restructuring Guarantee</u>	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>State Guarantee</u>
Nelson, Kenneth	11/08/2010	6.00%	410,000	348,500
Brechon, Gerald A.	06/24/2011		500,000	425,000
Total AG Debt Restructuring Guarantee			\$ 910,000	\$ 773,500

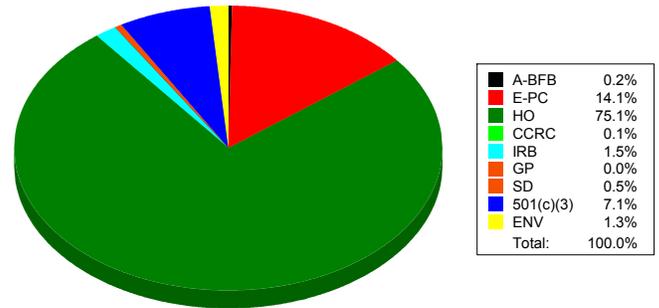
AG Farm Purchase Guarantee	<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>State Guarantee</u>
Kerber, Gregory & Jan	10/28/2010	5.85%	500,000	425,000
Total AG Farm Purchase Guarantee			\$ 500,000	\$ 425,000
			\$ 1,410,000	\$ 1,198,500
			\$ 1,410,000	\$ 1,198,500

Bonds Issued - Fiscal Year Comparison for the Period Ending June 30, 2011

Fiscal Year 2009

#	Market Sector	Principal Issued
53	Agriculture - Beginner Farmer	9,262,727
6	Education	540,040,000
21	Healthcare - Hospital	2,881,599,732
1	Healthcare - CCRC	3,685,000
9	Industrial Revenue	59,389,000
1	Local Government - Pool	1,800,000
1	Local Government Schools	19,820,000
14	501(c)(3) Not-for-Profit	272,057,400
1	Environmental issued under 20 ILCS 3515/9	51,200,000
107		\$ 3,838,853,859

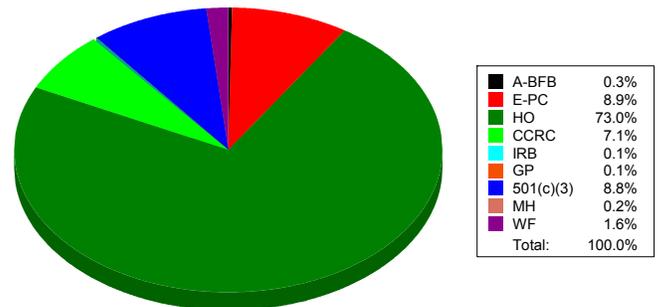
Bonds Issued in Fiscal Year 2009



Fiscal Year 2010

#	Market Sector	Principal Issued
44	Agriculture - Beginner Farmer	8,545,250
8	Education	298,745,000
26	Healthcare - Hospital	2,458,700,628
4	Healthcare - CCRC	240,184,820
1	Industrial Revenue	2,700,000
1	Local Government - Pool	4,460,000
11	501(c)(3) Not-for-Profit	296,142,520
1	MultiFamily/Senior Housing	5,700,000
2	Water Facilities	53,500,000
98		\$ 3,368,678,218

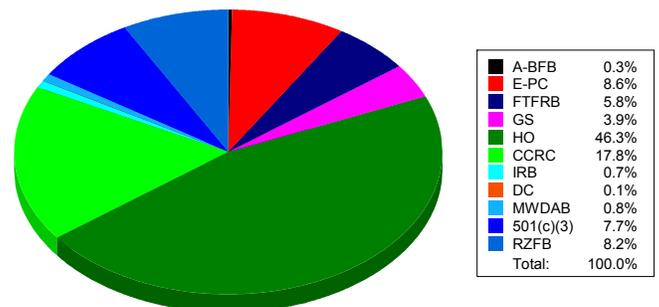
Bonds Issued in Fiscal Year 2010



Fiscal Year 2011

#	Market Sector	Principal Issued
40	Agriculture - Beginner Farmer	7,002,064
5	Education	221,290,000
1	Freight Transfer Facilities Bonds	150,000,000
2	Gas Supply	100,000,000
15	Healthcare - Hospital	1,195,055,000
5	Healthcare - CCRC	458,705,000
3	Industrial Revenue	17,329,184
1	Financially Distressed Cities	1,985,000
1	Midwest Disaster Area Bonds	20,200,000
4	501(c)(3) Not-for-Profit	199,535,000
8	Recovery Zone Facilities Bonds	211,488,000
85		\$ 2,582,589,248

Bonds Issued in Fiscal Year 2011

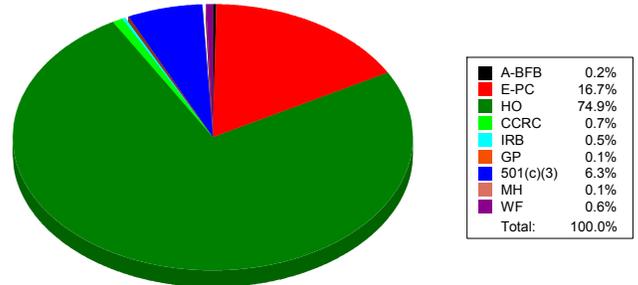


Bonds Issued - Calendar Year Comparison as of June 30, 2011

Calendar Year 2009

#	Market Sector	Principal Issued
38	Agriculture - Beginner Farmer	7,315,408
9	Education	786,245,000
26	Healthcare - Hospital	3,526,456,927
2	Healthcare - CCRC	31,034,820
3	Industrial Revenue	24,000,000
1	Local Government - Pool	4,460,000
11	501(c)(3) Not-for-Profit	295,436,458
1	MultiFamily/Senior Housing	5,700,000
1	Water Facilities	28,500,000
92		\$ 4,709,148,613

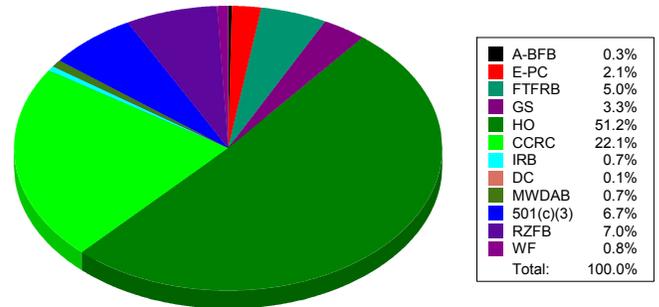
Bonds Issued in Calendar Year 2009



Calendar Year 2010

#	Market Sector	Principal Issued
52	Agriculture - Beginner Farmer	9,374,497
5	Education	64,000,000
1	Freight Transfer Facilities Bonds	150,000,000
2	Gas Supply	100,000,000
20	Healthcare - Hospital	1,545,643,433
7	Healthcare - CCRC	667,855,000
4	Industrial Revenue	20,029,184
1	Financially Distressed Cities	1,985,000
1	Midwest Disaster Area Bonds	20,200,000
8	501(c)(3) Not-for-Profit	203,041,062
8	Recovery Zone Facilities Bonds	211,488,000
1	Water Facilities	25,000,000
110		\$ 3,018,616,176

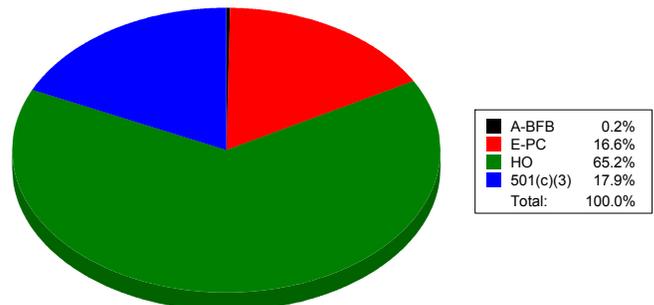
Bonds Issued in Calendar Year 2010



Calendar Year 2011

#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	2,476,395
2	Education	177,390,000
6	Healthcare - Hospital	697,235,000
2	501(c)(3) Not-for-Profit	191,835,000
24		\$ 1,068,936,395

Bonds Issued in Calendar Year 2011



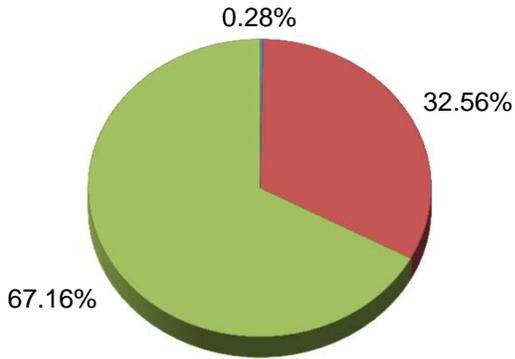


Illinois Finance Authority

Fiscal Year 2011

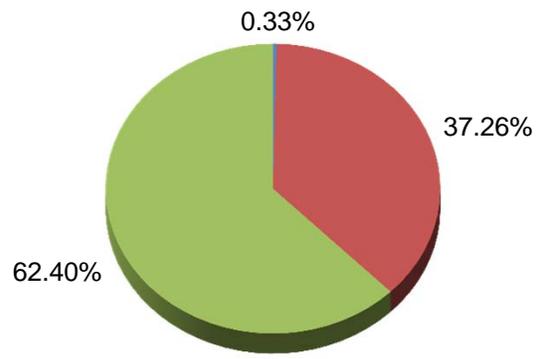
Market Sector	Principal Amount (\$)	New Money (\$)	#	Revenue (\$)
Agriculture	\$ 7,002,064.00	\$ 7,002,064.00	40	\$ 101,030.96
Business/Higher Ed/Non-Profit	801,827,183.67	785,327,183.67	25	2,335,230.67
Healthcare/CCRC's	1,653,760,000.00	1,315,160,000.00	20	2,178,300.00
	\$ 2,462,589,247.67	\$ 2,107,489,247.67	85	\$ 4,614,561.63

Principal Amount (\$)



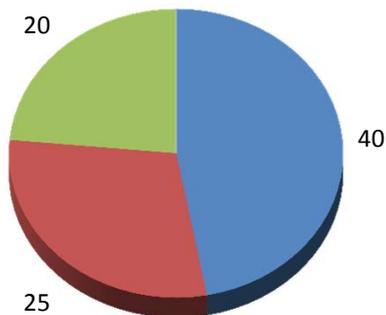
- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

New Money Principal(\$)



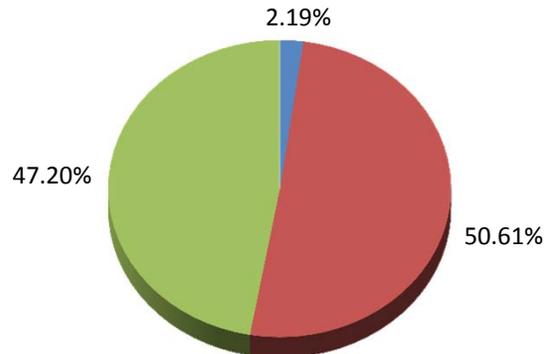
- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

of Projects



- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

Revenue (\$)



- Agriculture
- Business/Higher Ed/Non-Profit
- Healthcare/CCRC's

[Fiscal Year]

**Illinois Finance Authority
Summary of Bonds Issued by Market Sector since Inception**

Bonds Issued	2004	2005	2006	2007	2008	2009	2010	2011	Bonds Issued Since Inception
Agriculture	2,289,201	7,624,597	6,474,009	14,321,790	8,266,312	9,262,727	8,545,250	7,002,064	63,785,950
Education	55,580,000	872,160,000	430,450,000	839,767,100	769,516,000	540,040,000	298,745,000	221,290,000	4,027,548,100
Healthcare	1,097,811,171	929,240,000	1,602,300,378	1,688,860,000	4,379,881,779	2,885,284,732	2,698,885,448	1,653,760,000	16,936,023,508
Industrial	7,300,000	92,218,000	25,930,914	82,527,750	162,060,005	59,389,000	2,700,000	499,017,184	931,142,853
Local Government	154,800,000	45,165,000	94,715,000	40,545,000	14,855,000	21,620,000	4,460,000	1,985,000	378,145,000
Multifamily/Senior Housing	12,700,000	80,817,900	27,100,000	36,300,000	12,800,000	-	5,700,000	-	175,417,900
501(c)(3) Not-for-Profit	12,410,000	153,664,000	115,850,000	311,306,430	331,467,845	272,057,400	296,142,520	199,535,000	1,692,433,195
Exempt Facilities	-	145,200,000	30,000,000	-	47,000,000	-	53,500,000	-	275,700,000
Environmental issued under 20 ILCS 3515/9	18,000,000	11,000,000	25,600,000	30,000,000	190,830,000	51,200,000	-	-	326,630,000
Fiscal Year Totals	1,360,890,372	2,337,089,497	2,358,420,301	3,043,628,070	5,916,676,941	3,838,853,859	3,368,678,218	2,582,589,248	24,806,826,506

# of Bond Issues	2004	2005	2006	2007	2008	2009	2010	2011	# of Bonds Issued Since Inception
Agriculture	40	49	46	56	50	53	44	40	378
Education	1	16	14	18	15	6	8	5	83
Healthcare	10	14	23	26	23	22	30	20	168
Industrial	2	9	9	15	19	9	1	15	79
Local Government	3	6	7	2	3	2	1	1	25
Multifamily/Senior Housing	1	5	3	4	2	-	1	-	16
501(c)(3) Not-for-Profit	4	15	10	29	21	14	11	4	108
Exempt Facilities	-	3	1	-	2	-	2	-	8
Environmental issued under 20 ILCS 3515/9	1	1	2	1	2	1	-	-	8
Total Bonds Issued	62	118	115	151	137	107	98	85	873

Closing Fees	2004	2005	2006	2007	2008	2009	2010	2011	Closing Fees Since Inception
Agriculture	30,338.02	109,468.96	92,510.14	209,226.85	118,994.68	133,640.91	123,778.75	101,030.96	918,989.25
Education	123,024.00	1,472,224.00	925,225.00	1,378,306.30	1,120,312.50	386,320.00	531,202.50	338,820.00	6,275,434.30
Healthcare	1,051,739.00	1,065,053.00	1,939,540.00	2,252,540.00	2,619,852.50	2,626,802.59	3,228,428.90	2,213,300.00	16,997,255.99
Industrial	44,960.00	426,403.60	166,680.66	665,238.675	808,802.55	444,000.12	14,040.00	1,665,338.17	4,235,463.78
Local Government	147,500.00	42,592.50	224,200.00	65,855.00	30,652.50	34,105.00	10,512.50	4,962.50	560,380.00
Multifamily/Senior Housing	78,740.00	490,398.00	260,420.00	225,060.00	54,450.00	-	43,890.00	-	1,152,958.00
501(c)(3) Not-for-Profit	64,532.00	513,567.50	349,100.00	1,051,735.83	868,982.11	552,212.00	454,897.60	291,110.00	4,146,137.04
Exempt Facilities	-	410,000.00	231,000.00	-	311,900.00	-	411,950.00	-	1,364,850.00
Environmental issued under 20 ILCS 3515/9	113,600.00	84,700.00	197,120.00	231,000.00	112,500.00	379,240.00	-	-	1,118,160.00
Total "Closing Fees"	1,654,433.02	4,614,407.56	4,385,795.80	6,078,962.66	6,046,446.84	4,556,320.62	4,818,700.25	4,614,561.63	36,769,628.36

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

Conduit debt issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)] which does not constitute an indebtedness or an obligation, either general or moral, or a pledge of the full faith or a loan of the Authority, the State of Illinois or any Political Subdivision of the State within the purview of any constitutional or statutory limitation or provisions with special limited obligations of the Authority secured under provisions of the individual Bond Indentures and Loan Agreements with the exception of the bonds identified below in Section I (b) -- General Purpose Moral Obligation/State Component Parts -- which are subject to the \$28.15B cap in Section 845-5(a).

Section I (a)

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2010	June 30, 2011		
Illinois Finance Authority "IFA" ^[b]				
320 Agriculture	\$ 46,455,000	\$ 53,079,000		
90 Education	3,721,552,000	3,797,394,000		
243 Healthcare	11,068,668,000	12,342,557,000		
74 Industrial Development [includes Recovery Zone/Midwest Disaster]	345,870,000	825,274,000		
22 Local Government	264,060,000	246,460,000		
18 Multifamily/Senior Housing	157,979,000	160,222,000		
93 501(c)(3) Not-for Profits	1,096,739,000	1,269,225,000		
5 Exempt Facilities Bonds	130,500,000	130,300,000		
865 Total IFA Principal Outstanding	\$ 16,831,823,000	\$ 18,824,511,000		
Illinois Development Finance Authority "IDFA" ^[b]				
3 Education	42,196,000	20,661,000		
5 Healthcare	404,660,000	209,185,000		
64 Industrial Development	562,917,000	477,670,000		
33 Local Government	386,034,000	336,561,000		
14 Multifamily/Senior Housing	147,219,000	136,388,000		
96 501(c)(3) Not-for Profits	1,025,002,000	961,395,000		
1 Exempt Facilities Bonds	24,860,000	24,860,000		
213 Total IDFA Principal Outstanding	\$ 2,592,888,000	\$ 2,166,720,000		
Illinois Rural Bond Bank "IRBB" ^[b]				
17 Bond Bank Revenue Bonds	26,385,000	20,220,000		
- Conduit Debt	2,390,000	-		
17 Total IRBB Principal Outstanding	\$ 28,775,000	\$ 20,220,000		
96 Illinois Health Facilities Authority "IHFA"	\$ 2,908,471,000	\$ 2,522,673,000		
48 Illinois Educational Facilities Authority "IEFA"	\$ 1,446,134,000	\$ 1,401,337,000		
561 Illinois Farm Development Authority "IFDA" ^[f]	\$ 42,055,000	\$ 42,055,000		
1,800 Total Illinois Finance Authority Debt	\$ 23,850,146,000	\$ 24,977,516,000	\$ 28,150,000,000	\$ 3,172,484,000

Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)]

Section I (b)

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2010	June 30, 2011		
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
17 Issued through IRBB - Local Government Pools	\$ 26,385,000	\$ 20,220,000		
7 Issued through IFA - Local Government Pools	28,000,000	26,680,000		
2 Issued through IFA - Illinois Medical District Commission	40,000,000	39,640,000		
26 Total General Moral Obligations	\$ 94,385,000	\$ 86,540,000	\$ 150,000,000	\$ 63,460,000
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
2 Issued through IFA	\$ 2,395,000	\$ 3,825,000		
1 Issued through IDFA	4,660,000	3,565,000		
3 Total Financially Distressed Cities	\$ 7,055,000	\$ 7,390,000	\$ 50,000,000	\$ 42,610,000
State Component Unit Bonds ^[c]				
17 Issued through IRBB	\$ 26,385,000	\$ 20,220,000		
2 Issued through IDFA ^[j]	94,075,000	82,090,000		
2 Issued through IFA ^[j]	91,198,000	81,367,000		
21 Total State Component Unit Bonds	\$ 211,658,000	\$ 183,677,000		

Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwest Disaster Area Bonds in Illinois, February 11, 2010.

Section I (c)

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2010	June 30, 2011		
1 Midwest Disaster Bonds [Flood Relief]	\$ -	\$ 20,200,000	\$ 1,515,271,000	\$ 1,495,071,000

Designated by the Governor of the State of Illinois to manage and coordinate the re-allocation of Federal ARRA Volume Cap and the issuance of Recovery Zone Bonds in the State of Illinois to fully utilize RZBs before December 31, 2010.

Section I (d)

	ARRA Act of 2009 Volume Cap Allocated ^[h]	City/Counties Ceded Voluntarily to IFA	Bonds Issued as of June 30, 2011	Available "Ceded" Volume Cap
- Recovery Zone Economic Development Bonds;	\$ 666,972,000	\$ 16,940,000	\$ 12,900,000	\$ 4,040,000
8 Recovery Zone Facilities Bonds	\$ 1,000,457,000	\$ 292,400,000	\$ 218,702,000	\$ 73,698,000
- Qualified Energy Conservation Bonds	\$ 133,846,000	\$ -	\$ -	\$ -

Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(b)]

Section II

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2010	June 30, 2011		
Illinois Power Agency	\$ -	\$ -	\$ 4,000,000,000	\$ 4,000,000,000

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

Illinois Finance Authority Act [20 ILCS 3501 Section 825-65(f); 825-70 and 825-75] - see also P.A. 96-103 effective 01/01/2010

Section III

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2010	June 30, 2011		
Clean Coal, Coal ,Renewable Energy and Energy Efficiency Projects	\$ -	\$ -	\$ 3,000,000,000 ^[d]	\$ 3,000,000,000

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 830-25 (see also P.A.96-103); 830-30; 830-35; 830-45 and 830-50]

Section IV

	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2010	June 30, 2011			
Agri Debt Guarantees [Restructuring Existing Debt]	\$ 20,300,000	\$ 17,330,000	\$ 160,000,000	\$ 142,670,000	\$ 14,714,000
91 Fund # 994 - Fund Balance \$ 9,976,702					
AG Loan Guarantee Program	\$ 47,229,000	\$ 41,519,000	\$ 225,000,000 ^[e]	\$ 183,481,000	\$ 29,780,000
48 Fund # 205 - Fund Balance \$ 7,679,258					
11 Agri Industry Loan Guarantee Program	\$ 11,104,000	\$ 9,753,000			8,290,000
1 Renewable Fuels	24,445,000	22,823,000			13,888,000
2 Farm Purchase Guarantee Program	491,000	975,000			829,000
23 Specialized Livestock Guarantee Program	8,625,000	5,552,000			4,719,000
11 Young Farmer Loan Guarantee Program	2,564,000	2,416,000			2,054,000
139 Total State Guarantees	\$ 67,529,000	\$ 58,849,000	\$ 385,000,000	\$ 326,151,000	\$ 44,494,000

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 825-80 and 825-85]

Section V

	Fund #	Principal Outstanding		Appropriation Fiscal Year 2011	Fund Balance
		June 30, 2010	June 30, 2011		
116 Fire Truck Revolving Loan Program	572	\$ 18,730,135	17,486,608	\$ 6,003,342	2,723,118
10 Ambulance Revolving Loan Program	334	\$ 993,200	832,213	\$ 7,006,800	590

Note: Due to deposits in transit, the Cash Balance at the Illinois Office of the Comptroller may differ from the Illinois Finance Authority's General Ledger.

Issued under the Illinois Environmental Facilities Financing Act [20 ILCS 3515/9]

Section VI

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2010	June 30, 2011		
Environmental [Large Business]				
9 Issued through IFA	316,440,000	\$ 315,148,000		
19 Issued through IDFA	372,065,000	356,895,000		
28 Total Environmental [Large Business]	\$ 688,505,000	\$ 672,043,000	\$ 2,425,000,000	\$ 1,752,957,000
Environmental [Small Business]				
28 Total Environment Bonds Issued under Act	\$ 688,505,000	\$ 672,043,000	\$ 2,500,000,000	\$ 1,827,957,000

Illinois Finance Authority Funds at Risk

Section VII

#	Original Amount	Principal Outstanding	
		June 30, 2010	June 30, 2011
Participation Loans			
46 Business & Industry	23,020,157.95	17,018,322.85	12,718,990.12
17 Agriculture	6,079,859.01	4,969,295.79	3,308,196.84
63 Participation Loans exluding Defaults & Allowances	\$ 29,100,016.96	\$ 21,987,618.64	\$ 16,027,186.96
			Plus: Legacy IDFA Loans in Default
			1,139,934.62
			Less: Allowance for Doubtful Accounts
			3,957,841.93
			Total Participation Loans
			\$ 13,209,279.65
1 Illinois Facility Fund	\$ 1,000,000.00	\$ 1,000,000.00	1,000,000.00
4 Local Government Direct Loans	\$ 1,289,750.00	\$ 309,303.50	246,526.74
5 FmHA Loans	\$ 963,250.00	\$ 495,772.95	303,781.68
2 Renewable Energy [RED Fund]	\$ 2,000,000.00	\$ 1,755,664.28	1,668,554.37
75 Total Loans Outstanding	\$ 34,353,016.96	\$ 25,548,359.37	\$ 16,428,142.44

[a] Total subject to change; late month payment data may not be included at issuance of report.

[b] State Component Unit Bonds included in balance.

[c] Does not include Unamortized issuance premium as reported in Audited Financials.

[d] Program Limitation reflects the increase to \$3 billion effective 01/01/2010 under P.A. 96-103.

[e] Program Limitation reflects the increase from \$75 million to \$225 million effective 01/01/2010 under P.A. 96-103.

[f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.

[g] Midwest Disaster Bonds - Illinois Counties eligible for Midwest Disaster Bonds include Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.

[h] Recovery Zone Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]

[i] IFA is working with all of the 110 entities to encourage voluntary waivers to ensure that these resources are used to support project financing before the program expires on December 31, 2010.

[j] Includes EPA Clean Water Revolving Fund

Principal Issued by Month *									
Month	Data	Year							
		2004	2005	2006	2007	2008	2009	2010	2011
January	Sum of Principal	-	138,085,000	98,670,000	13,680,000	122,870,000	723,895,000	252,800,000	-
	Sum of % of Change			-28.5%	-86.1%	798.2%	489.2%	-65.1%	-100.0%
February	Sum of Principal	22,950,000	31,714,000	85,235,000	243,775,000	57,235,000	383,520,000	233,982,400	224,050,000
	Sum of % of Change		38.2%	168.8%	186.0%	-76.5%	570.1%	-39.0%	-4.2%
March	Sum of Principal	72,920,000	243,620,900	221,200,000	429,933,900	67,400,000	647,005,000	43,610,000	177,225,000
	Sum of % of Change		234.1%	-9.2%	94.4%	-84.3%	859.9%	-93.3%	306.4%
April	Sum of Principal	87,500,000	54,890,000	53,160,378	204,725,000	1,217,254,000	504,000,000	277,283,662	-
	Sum of % of Change		-37.3%	-3.2%	285.1%	494.6%	-58.6%	-45.0%	-100.0%
May	Sum of Principal	1,112,926,171	374,980,000	67,930,000	239,097,750	1,168,925,000	108,194,732	405,288,433	545,185,000
	Sum of % of Change		-66.3%	-81.9%	252.0%	388.9%	-90.7%	274.6%	34.5%
June	Sum of Principal	62,305,000	137,165,000	131,900,914	394,513,530	817,587,000	475,200,000	287,150,000	120,000,000
	Sum of % of Change		120.2%	-3.8%	199.1%	107.2%	-41.9%	-40.1%	-58.2%
July	Sum of Principal	109,045,000	370,370,000	183,955,000	149,165,000	56,242,400	382,477,000	284,660,000	
	Sum of % of Change		239.6%	-50.3%	-18.9%	-62.3%	580.1%	-25.6%	
August	Sum of Principal	77,395,000	317,680,000	416,886,100	695,600,000	110,315,000	383,766,653	172,185,000	
	Sum of % of Change		310.5%	31.2%	66.9%	-84.1%	247.9%	-55.1%	
September	Sum of Principal	195,595,000	199,800,000	34,525,000	65,406,650	186,705,000	-	72,000,000	
	Sum of % of Change		2.1%	-82.7%	89.4%	185.5%	-100.0%	100%	
October	Sum of Principal	17,095,000	78,070,000	303,685,000	747,030,000	112,905,000	185,370,000	302,020,000	
	Sum of % of Change		356.7%	289.0%	146.0%	-84.9%	56.7%	70.8%	
November	Sum of Principal	674,465,000	72,530,000	134,980,000	34,691,195	90,609,000	240,000,000	314,850,000	
	Sum of % of Change		-89.2%	86.1%	-74.3%	161.2%	164.9%	31.2%	
December	Sum of Principal	275,415,000	655,400,000	435,050,000	765,246,784	431,000,000	668,404,820	363,412,184	
	Sum of % of Change		138.0%	-33.6%	75.9%	-43.7%	55.1%	-45.6%	
Total Sum of Principal		2,707,611,171	2,674,304,900	2,167,177,392	3,982,864,809	4,439,047,400	4,701,833,205	3,009,241,679	1,066,460,000

"Sum of % of Change" reflects the percent of increase/decrease over the same month in the prior year.

* Does not include Beginner Farmer Bonds issued.

Bonds Issued by Quarter - Calendar Year								
	2004	2005	2006	2007	2008	2009	2010	2011
1st Quarter	95,870,000	413,419,900	405,105,000	687,388,900	247,505,000	1,754,420,000	530,392,400	401,275,000
2nd Quarter	1,262,731,171	567,035,000	252,991,292	838,336,280	3,203,766,000	1,087,394,732	969,722,095	665,185,000
3rd Quarter	382,035,000	887,850,000	635,366,100	910,171,650	353,262,400	766,243,653	528,845,000	0
4th Quarter	966,975,000	806,000,000	873,715,000	1,546,967,979	634,514,000	1,093,774,820	980,282,184	0
Total Bonds Issued - Calendar Year	2,707,611,171	2,674,304,900	2,167,177,392	3,982,864,809	4,439,047,400	4,701,833,205	3,009,241,679	1,066,460,000
% Change over Prior Calendar Year		-1.2%	-19.0%	83.8%	11.5%	5.9%	-36.0%	-24.3%

Bonds Issued by Quarter - Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011
1st Quarter		382,035,000	887,850,000	635,366,100	910,171,650	353,262,400	766,243,653	528,845,000
2nd Quarter		966,975,000	806,000,000	873,715,000	1,546,967,979	634,514,000	1,093,774,820	980,282,184
3rd Quarter	95,870,000	413,419,900	405,105,000	687,388,900	247,505,000	1,754,420,000	530,392,400	401,275,000
4th Quarter	1,262,731,171	567,035,000	252,991,292	838,336,280	3,203,766,000	1,087,394,732	969,722,095	665,185,000
Total Bonds Issued - Fiscal Year	1,358,601,171	2,329,464,900	2,351,946,292	3,034,806,280	5,908,410,629	3,829,591,132	3,360,132,968	2,575,587,184
% Change over Prior Fiscal Year		71.5%	1.0%	29.0%	94.7%	-35.2%	-12.3%	-20.1%

Bonds Issued by Quarter - New Money - Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011
1st Quarter		332,815,000	324,575,000	374,952,100	747,011,650	288,012,400	730,989,121	308,265,000
2nd Quarter		648,355,000	693,465,000	448,835,000	979,927,183	541,539,000	713,342,687	887,857,184
3rd Quarter	41,940,000	195,919,900	221,690,000	443,963,900	125,595,000	1,180,645,000	253,995,777	308,290,000
4th Quarter	785,756,179	451,565,000	223,076,292	623,144,280	1,000,621,000	622,409,732	587,737,095	597,725,000
Total Bonds Issued - Fiscal Year	827,696,179	1,628,654,900	1,462,806,292	1,890,895,280	2,853,154,833	2,632,606,132	2,286,064,680	2,102,137,184
% Change over Prior Fiscal Year		96.8%	-10.2%	29.3%	50.9%	-7.7%	-13.2%	-11.4%

Principal Issued/Bonds Refunded by Month

Month	Year								
	2004	2005	2006	2007	2008	2009	2010	2011	
January	-	138,085,000	98,670,000	13,680,000	122,870,000	723,895,000	252,800,000	-	Principal
	-	25,755,000	13,285,000	-	-	205,350,000	155,775,000	-	Refunded
February	22,950,000	31,714,000	85,235,000	243,775,000	57,235,000	383,520,000	233,982,400	224,050,000	Principal
	-	-	52,945,000	96,220,000	45,210,000	113,100,000	90,946,623	50,600,000	Refunded
March	72,920,000	243,620,900	221,200,000	429,933,900	67,400,000	647,005,000	43,610,000	177,225,000	Principal
	53,930,000	191,745,000	117,185,000	147,205,000	62,800,000	255,325,000	29,675,000	42,385,000	Refunded
April	87,500,000	54,890,000	53,160,378	204,725,000	1,217,254,000	504,000,000	277,283,662	-	Principal
	-	11,540,000	-	62,890,000	1,141,790,000	464,985,000	70,420,000	-	Refunded
May	1,112,926,171	374,980,000	67,930,000	239,097,750	1,168,925,000	108,194,732	405,288,433	545,185,000	Principal
	451,164,992	93,060,000	29,915,000	99,375,000	456,397,500	-	55,940,000	67,460,000	Refunded
June	62,305,000	137,165,000	131,900,914	394,513,530	817,587,000	475,200,000	287,150,000	120,000,000	Principal
	28,810,000	10,870,000	-	46,427,000	605,130,000	-	255,625,000	-	Refunded
July	109,045,000	370,370,000	183,955,000	149,165,000	56,242,400	382,477,000	284,660,000	-	Principal
	-	238,695,000	4,749,000	34,830,000	-	-	211,395,000	-	Refunded
August	77,395,000	317,680,000	416,886,100	695,600,000	110,315,000	383,766,653	172,185,000	-	Principal
	43,000,000	239,225,000	255,665,000	123,830,000	65,250,000	35,254,532	9,185,000	-	Refunded
September	195,595,000	199,800,000	34,525,000	65,406,650	186,705,000	-	72,000,000	-	Principal
	6,220,000	92,955,000	-	4,500,000	-	-	-	-	Refunded
October	17,095,000	78,070,000	303,685,000	747,030,000	112,905,000	176,870,000	302,020,000	-	Principal
	-	-	254,960,000	338,880,796	2,400,000	92,425,000	90,325,000	-	Refunded
November	674,465,000	72,530,000	134,980,000	34,691,195	90,609,000	240,000,000	314,850,000	-	Principal
	247,055,000	36,575,000	25,095,000	14,230,000	10,275,000	102,145,000	-	-	Refunded
December	275,415,000	655,400,000	435,050,000	765,246,784	431,000,000	668,404,820	363,412,184	-	Principal
	71,565,000	68,360,000	144,825,000	213,930,000	80,300,000	288,007,133	2,100,000	-	Refunded
Total Sum of Principal	2,707,611,171	2,674,304,900	2,167,177,392	3,982,864,809	4,439,047,400	4,693,333,205	3,009,241,679	1,066,460,000	Principal
Total Sum of Refunded	901,744,992	1,008,780,000	898,624,000	1,182,317,796	2,469,552,500	1,556,591,665	971,386,623	160,445,000	Refunded
Net Bonds Issued	1,805,866,179	1,665,524,900	1,268,553,392	2,800,547,013	1,969,494,900	3,136,741,540	2,037,855,056	906,015,000	Issued

Bonds Issued includes the value of the Bonds Refunded.

**MINUTES OF THE JUNE 14, 2011, MEETING OF THE COMMITTEE OF THE
WHOLE 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 Committee of the Whole Meeting (“COW”) at 9:30 a.m. on June 14, 2011, at the Chicago Office of the IFA at 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

<p>Members Present:</p> <ol style="list-style-type: none"> 1. William A. Brandt, Jr., Chairman 2. Michael W. Goetz, Vice Chairman 3. Dr. William J. Barclay 4. Gila J. Bronner 5. Norman M. Gold 6. Edward H. Leonard, Sr. 7. Terrence M. O’Brien 8. Heather D. Parish 9. Hon. Barrett F. Pedersen 10. Bradley A. Zeller <p>Via Telephone:</p> <ol style="list-style-type: none"> 11. Roger E. Poole 	<p>Members Absent:</p> <ol style="list-style-type: none"> 12. John “Jack” Durburg 13. James J. Fuentes <p>Vacancies: Two</p>	<p>Staff Present:</p> <p>Christopher B. Meister, Executive Director Brendan M. Cournane, General Counsel Richard K. Frampton, Vice President Pamela A. Lenane, Vice President Joy Kuhn, Assistant Treasurer James P. Senica, Sr. Funding Manager Norma Sutton, Procurement Officer Brad R. Fletcher, Legal/Financial Analyst Nora O’Brien, Legal/Financial Analyst Ahad F. Syed, Asst. Board Sect. /Admin. Asst. Mari Money, Executive Administrative Assistant Terrell Gholston, Intern</p> <p>IFA Advisors Present:</p> <p>Courtney Shea, Sr. VP, Acacia Financial Group Fiona McCarthy, Analyst, Acacia Financial Group Shannon Williams, Associate, PFM</p> <p>Others: Sharon Post, SEIU</p>
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GENERAL BUSINESS

Call to Order and Roll Call

Chairman Brandt called the meeting to order at 9:35 a.m. with the above Members present. He welcomed Members of the Board, IFA staff, IFA financial advisors and others present at the meeting. The Chairman asked the Board Secretary, Mr. Cournane, to call the roll. There were seven Members physically present and one Member participating via telephone.

Dr. Barclay and Mr. Zeller arrived in person at the meeting at 9:37 a.m. Hon. Mr. Pedersen arrived in person at the meeting at 9:40 a.m. Dr. Barclay, Hon. Mr. Pedersen and Mr. Zeller were added to the roll call by Mr. Cournane. The total number of Members physically present at 9:40 a.m. was ten with one additional Member participating via telephone.

Chairman’s Remarks

The Chairman informed the Members of the Board that the meeting dates for the July and August Committee of the Whole and Board Meetings will be rescheduled from the second Tuesday of July and August, respectively, to the third Tuesdays of July and August, respectively. The Committee of the Whole and Board Meetings will resume their normal schedule on the second Tuesday of the month beginning in September 2011.

Chairman Brandt stated that Dr. Roger Herrin had resigned from the IFA Board. The Chairman congratulated Dr. Herrin on his recent appointment as Chairman of the Southern Illinois University at Edwardsville Board of Trustees and thanked Dr. Herrin for his decades-long service to the citizens of Illinois as a Member of the IFA Board, the Illinois Health Facilities Authority Board and the Illinois Health Reform Task Force.

Chairman Brandt then asked Director Meister to give his presentation.

Executive Director's Presentation

Director Meister thanked the Chairman and began his presentation.

The Director stated that he is pleased that the IFA Agenda for this June 2011 Board Meeting included projects with total dollar volume exceeding \$800,000,000. The Director explained that this reflects well on the IFA because the bond market is continuing to see a low volume of issuance nationally. The Authority plans to present the next year's budget reflecting these new fiscal and economic realities at the next COW and Board Meetings in July. Furthermore, the Director stated that he would like to initiate a brief strategic planning process.

The Director stated that there are ongoing external challenges facing the IFA. One challenge is an out-of-state issuer which claims it has the ability to legally issue tax-exempt conduit municipal bonds. The IFA believes that the presence of such issuers raises important questions of transparency and accountability. The IFA has supported a strengthened Host TEFRA requirement recently enacted by the Illinois General Assembly to enhance accountability to the public.

Another challenge is the current political climate in Washington, D.C. regarding the future of tax-exempt municipal bonds. Some legislators in Washington are calling for the end tax-exempt conduit municipal bonds issued for non-governmental purposes. The Director stated that the IFA is engaging with national organizations representing issuers of tax-exempt municipal bonds to work with Congress to convey the importance and success of tax-exempt bond financing in supporting the national economy.

The Director also thanked Dr. Roger Herrin for his decades-long service to the IFA and its predecessors and congratulated him on his recent appointment as Chairman on the Southern Illinois University at Edwardsville Board of Trustees. Chairman Brandt asked the Director to draft a resolution honoring Dr. Herrin for his long service on the IFA Board of Directors. The Director agreed that such a Resolution would be presented at a future IFA Board Meeting.

Chairman Brandt asked for the Senior Staff Reports and asked Ms. Granda to present the financials.

Financial Reports

Ms. Granda presented her report on the Authority's financial statements and monthly financial performance.

She explained that the gross revenues year-to-date through May 31st were \$6.472 Million or \$1.470 Million over budget. Total operating expenses were \$4.342 Million or \$388,806 under budget. Year-to-date net income thru May 31, 2011, was \$3.256 Million or \$2.985 Million higher than budget and \$1.537 Million higher than the same period last fiscal year.

Ms. Granda also noted that the May Board Book includes consolidated financial statements, gross revenue year-to-date thru May 2011 ended at \$10.10 Million or \$2.430 Million above the FY11 budget. Total operating expenses are \$6.730 Million or \$1.494 Million under budget.

Additionally, Ms. Granda reported that the Authority received \$120,000 as a settlement on a troubled loan that was sold back to the originating bank at a discount.

Ms. Granda reported that the FY 2010 audit was released on May 26, 2011. The FY 2011 Audit Entrance Conference was held on May 25, 2011. Furthermore, The Office of the Auditor General has informed the Authority that the FY 2011 report will be released at a much earlier date than in prior years. The OAG will attempt to finalize the FY 2011 Financial Report by the end of the calendar year. Lastly, Ms. Granda reported that the fieldwork for the FY 2011 audit started on May 31, 2011 and any potential findings while the fieldwork is in progress will be reported at the Committee of the Whole Meeting.

Chairman Brandt thanked Ms. Granada and asked Mr. Cournane to present his report on the Bond Watch List.

Mr. Cournane delivered a brief update on the confidential Bond Watch List which consists of a number of troubled loans.

The Chairman stated that the IFA's underwriting standards and practices were strengthened in late 2007 and are much stronger now than at the time many of the Authority's currently troubled loans were originated. As a result, the Authority has originated stronger loans since that time and has posted improved performance and reduced delinquencies and defaults than for projects originated prior to December 2007.

Mr. Gold asked a specific question regarding a few of the loans identified on the Watch List and the circumstances under which those projects were originated and approved. Chairman Brandt and other members of the Board explained procedures and practices undertaken by prior management.

Chairman Brandt thanked Mr. Cournane and asked Mr. Senica for an update on the troubled loan originated by PNC Bank.

Mr. Senica delivered a brief update on this loan.

Chairman Brandt thanked Mr. Senica and asked for the Committee Reports.

Committee Reports

Healthcare Committee

Dr. Barclay, Chairman of the Healthcare Committee, reported that the Healthcare Committee met for its regularly scheduled monthly meeting and approved recommendation of three Healthcare 501(c)(3) Revenue Bond projects that were presented. He then deferred to Ms. Lenane who explained that the IFA has reason to believe it will see robust activity in the Healthcare sector for the remainder of calendar year 2011. Ms. Lenane reported that it is reasonable to expect additional acquisitions and mergers of healthcare systems. Citing a current example, Ms. Lenane noted the acquisition of Loyola University Chicago Medical Center by Trinity Health System of Michigan. Ms. Lenane reported that these acquisitions can be expected to drive some activity later in calendar year 2011. Ms. Lenane also explained that the IFA may be able to use its multi-state bonding authority for at least one out-of-state borrower.

Chairman Brandt explained that if Trinity Healthcare System comes to the IFA for an issuance immediately following to its acquisition of Loyola University Chicago Medical Center he may have to abstain. However, the Chairman explained, he may not have to abstain in subsequent votes. Chairman Brandt sits on the Board of Trustees at Loyola University Chicago which is affiliated with the Loyola University Chicago Medical Center.

Chairman Brandt thanked Dr. Barclay and Ms. Lenane and asked for the Agriculture Committee report.

Agriculture Committee

Mr. Leonard, Chairman of the Agriculture Committee, reported that the Agriculture Committee met for its regularly scheduled monthly meeting and approved recommendation of five Beginning Farmer Bonds and one Agri-Debt Guarantee.

Chairman Brandt thanked Mr. Leonard and asked for the Audit Committee report.

Audit Committee

Ms. Bronner, Madam Chairman of the Audit Committee, explained that the Audit Committee met immediately preceding today's Committee of the Whole Meeting. Ms. Bronner reported that the IFA held an exit conference and entrance conference with its auditors within moments of each other. She also reported that the FY 2011 audit has begun and that the Auditor General is working on a more aggressive schedule to complete the audit earlier. Ms. Bronner stated that she believes it would be helpful to the IFA's auditing process for the IFA to implement an internal audit procedure system.

Chairman Brandt thanked Ms. Bronner and asked for the Project Reports.

Project Reports

Mr. Senica presented the following projects for consideration:

Agriculture - Beginning Farmer Bonds

Item No. 1A: Nathan W. Billups - \$167,000 – 38 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$167,000 for the purchase of approximately 38 acres of farmland. This project is located in unincorporated Putnam County, near Magnolia, IL.

Item No. 1B: Daren A. Bohnenstiehl - \$168,100 – 38.5 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$168,100 for the purchase of approximately 38.5 acres of farmland. This project is located in unincorporated Madison County, near Edwardsville, IL.

Item No. 1C: Joshua A. Bohnenstiehl - \$168,100 – 38.5 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$168,100 for the purchase of approximately 38.5 acres of farmland. This project is located in unincorporated Madison County, near St. Jacob, IL.

Item No. 1D: Jennifer Neff - \$476,449 – an undivided 32.6% interest in 150 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$476,449. Bond proceeds will finance the purchase of an undivided 32.6% interest in 150 acres of farmland located in unincorporated Macoupin County, near Virden, IL.

Item No. 1E: Quinn P. & Kristen N. Bennett - \$252,350 – 75.76 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$252,350 for the purchase of approximately 75.76 acres of farmland. This project is located in unincorporated Shelby County, near Windsor, IL.

Agriculture - Agri-Debt Guarantee

Item No. 2: Gerald A. Brechon – Agri-Debt Guarantee - \$500,000

Gerald A. Brechon is requesting approval of an Agri-Debt Guarantee (Final One-Time Resolution) in an amount not-to-exceed \$425,000 on a \$500,000 loan. This proposed loan will be 85% Guaranteed. This proposed loan of \$500,000 will be combined with substantial owner equity to refinance a significantly larger working capital loan. This project is located in unincorporated Lee County, near Dixon, IL.

Chairman Brandt welcomed IFA summer interns Robert Bansberg, Vanessa Lin and Barton Rosser to the Committee of the Whole Meeting and introduced them to the Members of the Board of Directors.

Healthcare – 501(c)(3) Revenue Bonds

Ms. Lenane presented the following projects for consideration:

Item No. 3: Advocate Health Care Network - \$533,000,000 – Preliminary

Advocate Health Care Network (“Advocate”) is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$533,000,000. Bond proceeds together with other available monies of Advocate will be used to (i) acquire, construct and equip several healthcare projects at various campuses, including a new ambulatory pavilion at Advocate Christ Medical Center in Oak Lawn, Illinois; (ii) restructure a portion of Advocate’s outstanding debt issued for its facilities statewide, if deemed necessary or advisable; (iii) fund a debt service reserve fund, if deemed necessary or advisable; and (iv) pay costs of issuance.

Item No. 4: CDH-Delnor Health System - \$190,000,000 – Preliminary

CDH-Delnor Health System is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$190,000,000. Bond proceeds will be used to (i) refund CDH-Delnor Health System’s Series 2004A Bonds and Series 2008A Bonds; and (ii) pay costs of issuance.

Item No. 5: Swedish Covenant Hospital - \$20,000,000 – Final

Swedish Covenant Hospital (the “Hospital”) is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$20,000,000. Bond proceeds will be used to (i) pay or reimburse Swedish Covenant Hospital for the cost of renovating and remodeling Hospital buildings and acquiring medical and information systems equipment; and (ii) pay costs of issuance.

Item No. 6: Northwest Community Hospital - \$54,000,000 – Final (One-time Consideration)

Northwest Community Hospital is requesting approval of a Final Bond Resolution (a one-time consideration) in an amount not-to-exceed \$54,000,000. Bond proceeds will be used to current refund Northwest Community Hospital Series 2002B Bonds for facilities located at its campus in Arlington Heights.

Higher Education, Cultural and Other Non-Healthcare 501(c)(3)’s – 501(c)(3) Revenue Bonds

Mr. Frampton presented the following project and resolution for consideration:

Item No. 7: Lawndale Educational and Regional Network Charter School (LEARN Charter School Network) - \$6,000,000 – Preliminary

Lawndale Educational and Regional Network Charter School (LEARN Charter School Network) (or “LEARN”) is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$6,000,000. Bond proceeds, combined with funds from other sources, will enable LEARN to (i) acquire, construct, renovate and equip a new school campus facility owned and operated by LEARN; (ii) current refund certain Revenue Bonds; and (iii) pay costs of issuance. Mr. Frampton also reported that he would be following up with LEARN Charter School Network to refine the final construction job estimate in advance of the Borrower returning to the Board to request consideration of a Final Bond Resolution.

Update/Resolutions

Item No. 8: Resolution to Approve and Amend a Restated Bond and Loan Agreement, and related changes, in connection with IFA Series 2006 Industrial Revenue Bonds – 590 Tower Boulevard, LLC Project (on behalf of MAAC Machinery Company, Inc.)

Authorizes certain revisions in outstanding Bond documents to permit the transfer of Bonds to a private entity.

Ms. Lenane presented the following Resolution for consideration:

Item No. 9: Resolution to Authorize the Execution and Delivery of Supplemental Bond Trust Indenture and Loan Agreement relating to IFA Series 2004B Bonds and IFA Series 2004C Bonds (Rest Haven Illiana Christian Convalescent Home Project)

Authorizes certain revisions in outstanding Bond documents to permit remarketing.

Mr. Courname briefly discussed the following Resolution and Matters for consideration.

Item No. 10: Resolution Approving and Ratifying Actions Related to IFA Accounts Held at Banterra Bank

Authorizes certain revisions in outstanding Bond documents to permit remarketing.

Item No. 11: Internal Revenue Service Post-Issuance Requirements

Director Meister briefly discussed the following Matter for consideration.

Item No. 12: Energy Committee Matters

Director Meister briefly discussed the following Matter for consideration.

Item No. 13: Approval of Interim Loan to East St. Louis Financial Advisory Authority

The Committee of the Whole agreed to amend the final amount of the interim loan to the East St. Louis Financial Advisory Authority to an amount not-to-exceed \$10,000.

Other Business

None.

Public Comment

Ms. Sharon Post from the Service Employees International Union asked Director Meister a question regarding the current status of the IFA Medicaid Vendor Payment Program. Director Meister stated that he anticipates that it will be on the July 2011 Board Meeting agenda. Furthermore, the Director said that the IFA is working on the procurement process as well as assignment of trustee.

Adjournment

Chairman Brandt thanked the Board, IFA staff, IFA financial advisors and guests for appearing at the meeting and asked if there were any additional matters for the Board's consideration. Hearing none, he adjourned the meeting. The Committee of the Whole unanimously agreed to adjourn the meeting.

The meeting adjourned at 10:44 a.m.

Minutes submitted by:
Ahad Syed
Assistant Board Secretary

**MINUTES OF THE JUNE 14, 2011, MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS
FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA” or the “Authority”), pursuant to notice duly given, held a Board Meeting at 10:30 a.m. on Tuesday, June 14, 2011, at the Prudential Plaza Conference Center at 130 East Randolph Street, 7th Floor, Chicago, IL 60601.

Members Present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Dr. William J. Barclay
4. Gila J. Bronner
5. Norman M. Gold
6. Edward H. Leonard, Sr.
7. Terrence M. O’Brien
8. Heather D. Parish
9. Hon. Barrett F. Pedersen
10. Bradley A. Zeller

Via Telephone:

11. Mr. Roger E. Poole (*The phone connection with Mr. Poole was lost prior to roll call vote.*)

Members Absent:

12. John “Jack” Durburg
13. James J. Fuentes

Vacancies: Two

Call to Order, Roll Call and Chairman’s Remarks

Chairman Brandt called the meeting to order at 10:53 a.m. with the above Members present. The Chairman welcomed Members of the Board, IFA staff and all guests. He then asked the Board Secretary, Mr. Cournane, to call the roll. There being ten Members physically present a quorum was declared met.

Chairman Brandt announced that Dr. Roger Herrin had resigned from the IFA Board and congratulated him on his recent appointment as Chairman of the Southern Illinois University Edwardsville Board of Trustees. The Chairman thanked Dr. Roger Herrin for his decades-long service on the IFA Board, the Illinois Health Facilities Authority Board and the Illinois Health Reform Task Force. The Chairman stated that there may be a Resolution honoring his long-term service for IFA and its predecessors at a Board Meeting in the near future.

Lastly, Chairman Brandt announced that due to the seasonality of business the next two IFA Board Meetings (July and August 2011) would be rescheduled for the third Tuesday of each month. Accordingly, the next two IFA Board Meetings will be held on July 19, 2011, and August 16, 2011, respectively. The Board Meetings will resume their normal schedule on the second Tuesday of each month starting in September 2011, unless otherwise noted.

Acceptance of Financial Statements and Minutes

Chairman Brandt explained to all present that the Board of Directors will defer a vote on the May 10, 2011, Committee of the Whole and Board Meeting Minutes until the next Board Meeting.

Financial statements for the period ending May 31, 2011, were presented to the Board. Chairman Brandt stated that the Authority’s Financial Statements were reviewed at the regularly scheduled Committee of the Whole Meeting held at 9:30 a.m. The Chairman requested a motion to approve the May 31, 2011, Financial Statements.

The motion was made by Mr. O’Brien and seconded by Ms. Bronner. The May 31, 2011, Financial Statements were unanimously approved by the Members of the Board.

Project Approvals

Chairman Brandt asked Mr. Frampton, Vice President, to present the projects for consideration to the Board. The Chairman explained that all projects are reviewed by a staff Credit Committee and all agriculture, energy and healthcare projects are also reviewed at their respective committee's public hearing each month. Finally, each project was discussed at the Committee of the Whole Meeting held at 9:30 a.m. before today's Board Meeting.

Mr. Frampton presented the following projects:

Agriculture - Beginning Farmer Bonds

Item No. 1A: Nathan W. Billups - \$167,000 – 38 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$167,000 for the purchase of approximately 38 acres of farmland. This project is located in unincorporated Putnam County, near Magnolia, IL.

Item No. 1B: Daren A. Bohnenstiehl - \$168,100 – 38.5 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$168,100 for the purchase of approximately 38.5 acres of farmland. This project is located in unincorporated Madison County, near Edwardsville, IL.

Item No. 1C: Joshua A. Bohnenstiehl - \$168,100 – 38.5 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$168,100 for the purchase of approximately 38.5 acres of farmland. This project is located in unincorporated Madison County, near St. Jacob, IL.

Item No. 1D: Jennifer Neff - \$476,449 – an undivided 32.6% interest in 150 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$476,449. Bond proceeds will finance the purchase of an undivided 32.6% interest in 150 acres of farmland located in unincorporated Macoupin County, near Virden, IL.

Item No. 1E: Quinn P. & Kristen N. Bennett - \$252,350 – 75.76 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$252,350 for the purchase of approximately 75.76 acres of farmland. This project is located in unincorporated Shelby County, near Windsor, IL.

Agriculture - Agri-Debt Guarantee

Item No. 2: Gerald A. Brechon – Agri-Debt Guarantee - \$500,000

Gerald A. Brechon is requesting approval of an Agri-Debt Guarantee (Final One-Time Resolution) in an amount not-to-exceed \$425,000 on a \$500,000 loan. This proposed loan will be 85% Guaranteed. This proposed loan of \$500,000 will be combined with substantial owner equity to refinance a significantly larger working capital loan. This project is located in unincorporated Lee County, near Dixon, IL.

No guests attended with respect to Items Nos. 1A, 1B, 1C, 1D, 1E or 2. Chairman Brandt asked if the Board had any questions with respect to Items Nos. 1A, 1B, 1C, 1D, 1E or 2. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Items Nos. 1A, 1B, 1C, 1D, 1E and 2.

Item Nos. 1A, 1B, 1C, 1D, 1E and 2 received approval with 10 ayes, 0 nays and 0 abstentions.

Item No. 7: Lawndale Educational and Regional Network Charter School (LEARN Charter School Network) - \$6,000,000 – Preliminary

Lawndale Educational and Regional Network Charter School (LEARN Charter School Network) (or "LEARN") is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$6,000,000. Bond proceeds, combined with funds from other sources, will enable LEARN to (i) acquire, construct, renovate and equip a new school campus facility owned and operated by LEARN; (ii) current refund certain Revenue Bonds; and (iii) pay costs of issuance. Mr. Frampton also reported that he would be following up with LEARN Charter School Network to refine the final construction job estimate in advance of the Borrower returning to the Board to request consideration of a Final Bond Resolution.

Update/Resolutions

Item No. 8: Resolution to Approve and Amend a Restated Bond and Loan Agreement, and related changes, in connection with IFA Series 2006 Industrial Revenue Bonds – 590 Tower Boulevard, LLC Project (on behalf of MAAC Machinery Company, Inc.)

Authorizes certain revisions in outstanding Bond documents to permit the transfer of Bonds to a private entity.

Item No. 9: Resolution to Authorize the Execution and Delivery of Supplemental Bond Trust Indenture and Loan Agreement relating to IFA Series 2004B Bonds and IFA Series 2004C Bonds (Rest Haven Illiana Christian Convalescent Home Project)

Authorizes certain revisions in outstanding Bond documents to permit remarketing.

Item No. 10: Resolution Approving and Ratifying Actions Related to IFA Accounts Held at Banterra Bank

Authorizes certain revisions in outstanding Bond documents to permit remarketing.

Item No. 11: Internal Revenue Service Post-Issuance Requirements

Item No. 12: Energy Committee Matters

Chairman Brandt explained to all gathered that this resolution is in regards to an energy insurance program which the IFA Energy Committee has worked diligently on to help offset the risks associated with the issuance of bonds.

Item No. 13: Approval of Interim Loan to East St. Louis Financial Advisory Authority

Chairman Brandt explained that a similar resolution was passed in April 2011 by the IFA Board of Directors. However, due to concerns regarding the Financial Advisory Authority the loan is being presented again for consideration. Finally, the not-to-exceed amount of the proposed loan is being reduced to an amount not-to-exceed \$10,000.

No guests attended with respect to Items Nos. 7, 8, 9, 10, 11, 12 or 13. Chairman Brandt asked if the Board had any questions with respect to Items Nos. 7, 8, 9, 10, 11, 12 or 13. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Items Nos. 7, 8, 9, 10, 11, 12 and 13.

Item Nos. 7, 8, 9, 10, 11, 12 and 13 received approval with 10 ayes, 0 nays and 0 abstentions.

Item No. 3: Advocate Health Care Network - \$533,000,000 – Preliminary

Advocate Health Care Network (“Advocate”) is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$533,000,000. Bond proceeds together with other available monies of Advocate will be used to (i) acquire, construct and equip several healthcare projects at various campuses, including a new ambulatory pavilion at Advocate Christ Medical Center in Oak Lawn, Illinois; (ii) restructure a portion of Advocate’s outstanding debt issued for its facilities statewide, if deemed necessary or advisable; (iii) fund a debt service reserve fund, if deemed necessary or advisable; and (iv) pay costs of issuance.

Chairman Brandt welcomed Mr. Dominic Nakis, Senior Vice President, Chief Financial Officer and Treasurer and Mr. Jim Doheny, Vice President, Finance and Corporate Controller from Advocate.

Mr. Nakis thanked the IFA Board for their consideration of the project and explained the purposes and uses of the Bond proceeds. Advocate is currently planning on using Bond proceeds for new money projects such as an ambulatory pavilion with a parking garage. Bond proceeds may also be used to renovate general and neurological operating room(s). Mr. Nakis stated that Advocate may begin the preliminary phase of construction as early as the fall of 2011 using union labor.

Director Meister thanked Advocate for choosing the IFA as its conduit issuer.

Vice Chairman Goetz thanked Advocate for using union contractors for construction work.

Dr. Barclay thanked Advocate for having minority-owned Co-Managers on the project.

Chairman Brandt asked if the Board had any questions with respect to Item No. 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Item No. 3.

Item No. 3 received approval with 10 ayes, 0 nays and 0 abstentions.

Item No. 4: CDH-Delnor Health System - \$190,000,000 – Preliminary

CDH-Delnor Health System is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$190,000,000. Bond proceeds will be used to (i) refund CDH-Delnor Health System’s Series 2004A Bonds and Series 2008A Bonds; and (ii) pay costs of issuance.

Item No. 5: Swedish Covenant Hospital - \$20,000,000 – Final

Swedish Covenant Hospital (the “Hospital”) is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$20,000,000. Bond proceeds will be used to (i) pay or reimburse Swedish Covenant Hospital for the cost of renovating and remodeling Hospital buildings and acquiring medical and information systems equipment; and (ii) pay costs of issuance.

Item No. 6: Northwest Community Hospital - \$54,000,000 – Final (One-time Consideration)

Northwest Community Hospital is requesting approval of a Final Bond Resolution (a one-time consideration) in an amount not-to-exceed \$54,000,000. Bond proceeds will be used to current refund Northwest Community Hospital Series 2002B Bonds for facilities located at its campus in Arlington Heights.

Chairman Brandt asked if the Board had any questions with respect to Item Nos. 4, 5 or 6. Ms. Bronner stated that she would abstain on Item Nos. 4, 5 and 6 due to the fact that she is related to a party that is involved with an entity engaged to work on this transaction. Chairman Brandt requested a roll call vote for Item Nos. 4, 5 and 6. Item Nos. 4, 5 and 6 received approval with 9 ayes, 0 nays and 1 abstention (Bronner).

Other Business

None.

Adjournment

Chairman Brandt then asked if there were any other business matters to come before the Board. Hearing none, the Chairman asked for a motion to adjourn. Vice Chairman Goetz motioned to adjourn and Mr. O'Brien seconded the motion. The Board unanimously agreed to adjourn at 11:16 a.m.

Minutes submitted by:

Ahad Syed

Assistant Board Secretary

**MINUTES OF THE MAY 10, 2011, MEETING OF THE COMMITTEE OF THE
WHOLE 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 Committee of the Whole Meeting at 9:00 a.m. on May 10, 2011, at the Chicago Office of the IFA at 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

<p>Members Present:</p> <ol style="list-style-type: none"> 1. William A. Brandt, Jr., Chairman 2. Michael W. Goetz, Vice Chairman 3. Dr. William Barclay 4. John “Jack” Durburg 5. Norman M. Gold 6. Terrence M. O’Brien 7. Heather D. Parish (joined at 9:15 a.m.) 8. Hon. Barrett Pedersen <p>Via Telephone:</p> <ol style="list-style-type: none"> 9. Gila J. Bronner 10. Roger E. Poole 	<p>Members Absent:</p> <ol style="list-style-type: none"> 11. James J. Fuentes 12. Dr. Roger D. Herrin 13. Edward H. Leonard, Sr. 14. Bradley A. Zeller <p>Vacancies: One</p>	<p>Staff Present:</p> <p>Christopher B. Meister, Executive Director Brendan M. Cournane, General Counsel Pamela A. Lenane, Vice President Joy Kuhn, Assistant Treasurer Jim Senica, Sr. Funding Manager Norma Sutton, Procurement Officer Brad R. Fletcher, Legal/Financial Analyst Nora O’Brien, Legal/Financial Analyst Ahad F. Syed, Asst. Board Sect. /Admin. Asst. Terrell Gholston, Intern</p> <p>IFA Advisors Present:</p> <p>Courtney Shea, Sr. VP, Acacia Financial Group Fiona McCarthy, Analyst, Acacia Financial Group</p>
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GENERAL BUSINESS

Call to Order and Roll Call

Chairman Brandt called the meeting to order at 9:10 a.m. with the above Members present. He welcomed Members of the Board, IFA staff and IFA financial advisors present at the meeting. The Chairman asked Assistant Board Secretary, Mr. Syed, to call the roll. There being seven Members physically present and two Members via telephone, the Chairman declared that a quorum was not present.

Ms. Parish arrived in person at 9:15 a.m., thereby completing the quorum.

Chairman’s Remarks

The Chairman informed the Members of the Board that Mr. DeNard had officially resigned due to increased professional responsibilities at his place of employment. The Chairman extended his thanks to Mr. DeNard for his work on the IFA Board of Directors and wished him luck in his future endeavors.

Chairman Brandt congratulated Dr. Herrin on his recent appointment to the Southern Illinois University Board of Trustees.

Chairman Brandt then asked Director Meister to give his presentation.

Executive Director’s Presentation

Director Meister thanked the Chairman and began his presentation. Director Meister also thanked Mr. DeNard for his work on the IFA Board of Directors and wished him luck.

Director Meister welcomed the newest Member of the Board, Hon. Barrett Pedersen, Mayor of Franklin Park, Illinois. Director Meister stated that he is excited to have Mr. Pedersen on the Board and is currently working with

Mr. Pedersen on the Elgin-O'Hare West Bypass Finance Committee. The Director pointed to Mr. Pedersen's breadth of experience in local government as a valuable asset to the IFA.

Director Meister explained to the Board that the municipal bond market is continuing to see a low volume of issuance nationally. The Director stated that in order to foresee the future of healthcare financings, a sector crucial to IFA's financial picture, he and Ms. Lenane have been meeting with colleagues in the National Association of Health and Education Facilities Finance Authorities ("NAHEFFA"). Ms. Lenane, in addition to being the Vice President of Healthcare at the IFA, is the Vice President and Director of NAHEFFA. Furthermore, the Director explained that he is planning a conference with Ms. Lenane that will take place in Chicago in June regarding policy and the future of healthcare finance.

The Director explained the current political climate and situation with the City of East St. Louis Financial Advisory Authority. There was limited discussion regarding this matter.

There was also limited discussion regarding potential mechanisms of financing for a recent scientific innovation related to rechargeable batteries made by the Engineering Department at University of Illinois at Urbana-Champaign.

Director Meister stated that Wells Fargo has approached the IFA regarding business units, receivables and regulatory risk. There are on-going discussions with Wells Fargo.

Chairman Brandt thanked Director Meister for his report and asked Ms. Kuhn to present the financial reports and audit.

Financial Reports

Ms. Kuhn explained that April was a slow business month for the IFA with no bond closings. Actual total revenue year-to-date was up approximately \$1.0 million to \$5.6 million. Closings fees are currently 16.2% higher than projected for FY 2011. Total revenue to date is roughly 4.15% above the annual forecast of \$5.4 million. Actual operating expenses for the ten months ending April 30, 2011, are down 8.6% to \$3.9 million; it is estimated that FY 2011 operating expenses will be approximately 7.5% below forecast.

Ms. Kuhn stated that since there were no bond closings in April, the IFA experienced a "net loss" of \$226,000, reducing year-to-date Net Income to \$2.83 million. However, Actual year-to-date Net Income to forecast is \$2.5 million above Fiscal Year 2011 projections due to reduced Employee Related Expenses and the income generated from the liquidation of the Venture Capital position in SmartSignal.

The Authority maintains a strong balance sheet. Through April 30, 2011, total cash receipts were \$11.6 million of which \$4.8 million were from loan repayments; \$5.5 million from Administrative/Closing fees and interest on the remaining loans. An additional three loans in April, totaling \$674,000, were paid in full. This brings the total number of loans paid to twenty-four, of which the total amount equals approximately \$3.3 million received by the IFA since July 1, 2010 (the beginning Fiscal Year 2011).

IFA's future reserve has been strengthened by an increase of \$8.2 million through April 30, 2011, in unrestricted cash due to loan payoffs and administrative/closing fees.

Through April 30, 2011, twenty-four Guarantees totaling \$4.5 million were paid off, reducing the State Guarantee funds at risk. In addition, the Authority made a payment of \$28,402 to the Community State Bank of Rockfalls for settlement of a delinquent guarantee which was previously reflected on our internal Loan Portfolio "Watch List". The guarantee was paid from the IFA's Industrial Revenue Insurance Fund pursuant to S.B. 3719.

Audit

Ms. Kuhn explained that the FY 2010 audit is in a near-final state and we anticipate the audit to be released within two to four weeks from today. There are no additional findings besides those mentioned in previous meetings. IFA is currently working on an “action plan” for the eight material and two immaterial findings; once completed the plan will be presented to the Audit Committee for review. The FY 2011 Audit “entrance conference” is scheduled for May 25, 2011; fieldwork will begin on May 26, 2011.

Chairman Brandt thanked Ms. Kuhn for her report.

The Chairman asked for a forecast of closings. Director Meister explained that projects that may go to closing soon are The Carle Foundation, Methodist Medical Center of Illinois, University of Chicago Medical Center and Columbia College Chicago.

There was brief discussion regarding IFA finances and State Guarantees.

Director Meister explained that the IFA canceled the latest scheduled Audit Meeting for May 10, 2011, at 8:30 a.m. due to the fact that the Auditor General had not released its official report and the IFA cannot hold an open meeting until that report is released. Director Meister thanked Ms. Bronner for her work as Chair of the Audit Committee. Ms. Bronner noted that she believes that the IFA exit conference went well. Chairman Brandt explained that Ms. Bronner has been helpful in eliminating audit findings the IFA believes are immaterial.

Chairman Brandt then asked for the Committee Reports.

Committee Reports

Chairman Brandt asked Vice Chairman Goetz to present his report of the Agriculture Committee.

Agriculture Committee

Vice Chairman Goetz deferred to Mr. Senica to present the Agriculture Committee Report. Mr. Senica gave a brief presentation of the Beginning Farmer Bonds and Agri-Debt Guarantees that were approved at the Agriculture Committee.

There was limited discussion regarding staffing.

Chairman Brandt thanked Mr. Senica for the Agriculture Committee report and asked Dr. Barclay for the Healthcare Committee Report.

Healthcare Committee

Dr. Barclay gave a brief presentation regarding the acquisition of Methodist Medical Center of Illinois by Iowa Health Systems. Dr. Barclay also discussed the continuing trend of mergers within the healthcare community before deferring to Ms. Lenane.

Ms. Lenane explained that she met with the Office of Director Julie Hamos at the Illinois Department of Healthcare and Family Services. Director Hamos has also expressed her concern regarding the Hospital Assessment Program (“HAP”). According to Ms. Lenane, Director Hamos is opposed to the extension of the HAP program to 2016.

Ms. Lenane stated that Director Hamos is proposing a plan that would support Medicaid rate reform based upon a model from the State of New York. This is a concern for the IFA since it still has some outstanding bonds in inner-city hospitals. There is also a concern that Illinois may end up with areas with “hospital deserts”.

Chairman Brandt thanked Ms. Lenane for the Healthcare Committee report and asked for the Project Reports.

Project Reports

Agriculture

Mr. Senica presented the following projects for consideration:

Item No. 1A: Andrew J. & Jacqueline L. Colgan - \$125,000 – 40 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$125,000 for the purchase of approximately 40 acres of farmland. This project is located in unincorporated Stark County, near Toulon, IL.

Item No. 1B: Beginning Farmer Bond Amendment – John J. Traub

Bluestem National Bank and John J. Traub have requested that the IFA amend the amortization schedule as originally presented April 12, 2011 in Exhibit A from 25-year maturity to a 30-year maturity in order to meet the eligibility guidelines outlined by the subordinate financing with Farm Service Agency. This would extend Illinois Finance Authority's Bond by 5 years, thus reducing the annual payment by the borrower. Also requested for approval is a revision to the Exhibit B to reflect annual adjustments on the rate after the first three years per the original application in lieu of every three years as originally approved. The subject project is pending closing and has met all other requirements.

Item No. 2: Aaron Bertolino – Agri-Debt Guarantee - \$352,000

Aaron Bertolino is requesting approval of an Agri-Debt Guarantee (Final One-Time Resolution) in an amount not-to-exceed \$352,000. The proposed loan of \$352,000 will refinance an existing real estate loan in the amount of \$201,617 and working capital in the amount of \$150,383. This project is located in unincorporated Christian County, near Morrisonville, IL.

Item No. 3: Adam T. Bertolino – Agri-Debt Guarantee - \$380,000

Adam T. Bertolino is requesting approval of an Agri-Debt Guarantee (Final One-Time Resolution) in an amount not-to-exceed \$380,000. The proposed loan of \$380,000 will refinance an existing real estate loan in the amount of \$230,000 and working capital in the amount of \$150,000. This project is located in unincorporated Christian County, near Morrisonville, IL.

The Committee of the Whole agreed that the Agri-Debt Guarantees will be subject to conditions discussed at the Meeting with a delegation to the Executive Director to meet the Board's conditions.

Update/Resolutions

Director Meister presented an update on Agenda Item #10:

Item No. 10: Participation Loan Update – PNC Bank – (IFA Loan No. B-LL-TX-582)

Mr. Fletcher presented the following project for consideration:

Item No. 9: Request for Financial Covenant Compliance Waiver for IFA Agri-Business Guarantee Loan No. A-AI-TX-GT-6120

Chairman Brandt introduced Mr. Daniel Oh, President/Chief Operating Officer and Ms. Natalie Lischer, Treasurer, (via teleconference call) from Renewable Energy Group, Inc. ("REG"). Chairman Brandt welcomed both guests to the meeting and asked Mr. Oh about REG's general outlook.

Mr. Oh limited his comments on the outlook to general statements regarding the Company's management team and operating model. Mr. Oh also briefly discussed blenders tax credits.

Mr. O'Brien asked a specific question regarding compensation and stock option awards. Mr. Oh gave an explanation to the Board. Director Meister stated that he will engage in more in-depth talks with Mr. Oh and Ms. Lischer regarding compensation and stock option awards and report back to Mr. O'Brien and the Board, should they have additional questions.

Chairman Brandt thanked Mr. Oh and Ms. Lischer for calling into the Committee of the Whole.

Healthcare

Ms. Lenane presented the following project for consideration:

Item No. 5: Swedish Covenant Hospital - \$20,000,000 – Preliminary

Swedish Covenant Hospital (the "Hospital") is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$20,000,000. Bond proceeds will be used to: (i) acquire, construct, renovate and remodel Hospital buildings and related medical and information systems equipment; and (ii) pay costs of issuance.

Ms. O'Brien presented the following project for consideration:

Item No. 6: Methodist Medical Center of Illinois - \$120,000,000 – Final

Methodist Medical Center of Illinois is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$120,000,000. Bond proceeds will be used to: (i) refinance Methodist Medical Center of Illinois Series 1998 fixed rate bonds; (ii) refinance a taxable bank line of credit used for hospital renovations at its campus in Peoria; (iii) pay certain swap termination costs associated with an outstanding fixed payor swap; and (iv) pay costs of issuance.

Higher Education, Cultural and Other Non-Healthcare 501(c)(3)'s

Mr. Fletcher presented the following projects for consideration:

Item No. 4: Mr. Fermin Adames, Sr., individually (on behalf of Tempco Electric Heater Corporation) - \$6,660,000 – Preliminary

Mr. Fermin Adames, Sr. (the "Borrower"), borrowing individually on behalf of Tempco Electric Heater Corporation, is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$6,660,000. Bond proceeds will be used by the Borrower to: (i) construct and equip an addition to an existing manufacturing facility that is leased to Tempco; (ii) refinance currently outstanding Series 1997 Bonds, Series 1989 Bonds; and (iii) pay costs of issuance.

Item No. 7: UNO Charter School Network, Inc. and United Neighborhood Organization - \$65,000,000 - Preliminary

UNO Charter School Network, Inc. and United Neighborhood Organization, as prospective co-borrowers, are requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$65,000,000. Bond proceeds will be used to: (i) refinance outstanding taxable bank loans; (ii) capitalize a debt service reserve fund; and (iii) pay costs of issuance.

Item No. 8: Sarah's Circle, Inc. - \$1,275,000 – Preliminary

Sarah's Circle, Inc. is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$1,275,000. Bond proceeds will enable the Sarah's Circle, Inc. to: (i) acquire and rehabilitate a facility to carry out its corporate purposes; and (ii) pay costs of issuance.

Other Business

None.

Adjournment

Chairman Brandt thanked the Board, IFA staff and the IFA financial advisors for appearing at the meeting and asked if there were any additional matters for the Board's consideration. Hearing none, he adjourned the meeting. The Committee of the Whole unanimously agreed to adjourn the meeting.

The meeting adjourned at 10:35 a.m.

Minutes submitted by:
Ahad Syed
Assistant Board Secretary

**MINUTES OF THE MAY 10, 2011, MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS
FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA” or the “Authority”), pursuant to notice duly given, held a Board Meeting at 10:30 a.m. on Tuesday, May 10, 2011, at the Prudential Plaza Conference Center at 130 East Randolph Street, 7th Floor, Chicago, IL 60601.

Members Present:

1. William A. Brandt, Jr., Chairman
2. Michael W. Goetz, Vice Chairman
3. Dr. William Barclay
4. John “Jack” Durburg
5. Norman M. Gold
6. Terrence M. O’Brien
7. Heather D. Parish
8. Hon. Barrett Pedersen

Via Telephone:

9. Gila J. Bronner
10. Roger E. Poole

Members Absent:

11. James J. Fuentes
12. Dr. Roger D. Herrin
13. Edward H. Leonard, Sr.
14. Bradley A. Zeller

Vacancies: One

Call to Order, Roll Call and Chairman’s Remarks

Chairman Brandt called the meeting to order at 10:48 a.m. with the above Members present. The Chairman welcomed Members of the Board, IFA staff and all guests. He then asked Assistant Board Secretary, Mr. Syed, to call the roll. There being eight (8) Members physically present and two (2) Members present via teleconference a quorum was declared present.

Chairman Brandt announced the resignation of Ronald DeNard and thanked Mr. DeNard for his service on the IFA Board of Directors. The Chairman introduced Hon. Barrett F. Pedersen, the Mayor of Franklin Park, as a new Member of the Board, and stated that he is excited to have Mayor Pedersen, as a Member of the IFA Board.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending April 30, 2011, and Minutes for both the Committee of the Whole and Board of Directors Meetings each held on April 12, 2011, were presented to the Board. Chairman Brandt stated that the Authority’s Financial Statements and respective Minutes were reviewed at the regularly scheduled Committee of the Whole Meeting held earlier this morning. . The Chairman requested a motion to approve the April 30, 2011, Financial Statements and Minutes for both the Committee of the Whole and Board of Directors Meetings held on April 12, 2011.

The motion was made by Dr. Barclay and seconded by Vice Chairman Goetz. The April 30, 2011, Financial Statements and Minutes for both the Committee of the Whole and Board of Directors Meetings held on April 12, 2011, were unanimously approved by the Members of the Board.

Project Approvals

Chairman Brandt asked Ms. Lenane, Vice President, to present the projects for consideration to the Board. The Chairman explained that all projects are reviewed by a staff Credit Committee and all agriculture, energy and healthcare projects are also reviewed at their respective committee's public hearing each month. Finally, each project is discussed at the Committee of the Whole Meeting held before the Board Meeting.

Ms. Lenane presented the following projects for approval:

Item No. 1A: Andrew J. & Jacqueline L. Colgan - \$125,000 – 40 acres

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$125,000 for the purchase of approximately 40 acres of farmland. This project is located in unincorporated Stark County, near Toulon, IL.

Item No. 1B: Beginning Farmer Bond Amendment – John J. Traub

Bluestem National Bank and John J. Traub have requested that the IFA amend the amortization schedule as originally presented April 12, 2011 in Exhibit A from 25-year maturity to a 30-year maturity in order to meet the eligibility guidelines outlined by the subordinate financing with Farm Service Agency. This would extend Illinois Finance Authority's Bond by 5 years, thus reducing the annual payment by the borrower. Also requested for approval is a revision to the Exhibit B to reflect annual adjustments on the rate after the first three years per the original application in lieu of every three years as originally approved. The subject project is pending closing and has met all other requirements.

Item No. 2: Aaron Bertolino – Agri-Debt Guarantee - \$352,000

Aaron Bertolino is requesting approval of an Agri-Debt Guarantee (Final One-Time Resolution) in an amount not-to-exceed \$352,000. The proposed loan of \$352,000 will refinance an existing real estate loan in the amount of \$201,617 and working capital in the amount of \$150,383. This project is located in unincorporated Christian County, near Morrisonville, IL.

Item No. 3: Adam T. Bertolino – Agri-Debt Guarantee - \$380,000

Adam T. Bertolino is requesting approval of an Agri-Debt Guarantee (Final One-Time Resolution) in an amount not-to-exceed \$380,000. The proposed loan of \$380,000 will refinance an existing real estate loan in the amount of \$230,000 and working capital in the amount of \$150,000. This project is located in unincorporated Christian County, near Morrisonville, IL.

Director Meister explained that the Committee of the Whole agreed that the Agri-Debt Guarantees will be subject to conditions discussed at the Meeting with a delegation to the Executive Director to meet the Board's conditions.

Item No. 4: Mr. Fermin Adames, Sr., individually (on behalf of Tempco Electric Heater Corporation) - \$6,660,000 – Preliminary

Mr. Fermin Adames, Sr., (the "Borrower") borrowing individually on behalf of Tempco Electric Heater Corporation, is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$6,660,000. Bond proceeds will be used by the Borrower to: (i) construct and equip an addition to an existing manufacturing facility that is leased to Tempco; (ii) refinance currently outstanding Series 1997 Bonds, Series 1989 Bonds; and (iii) pay costs of issuance.

Item No. 6: Methodist Medical Center of Illinois - \$120,000,000 – Final

Methodist Medical Center of Illinois is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$120,000,000. Bond proceeds will be used to: (i) refinance Methodist Medical Center of Illinois Series 1998 fixed rate bonds; (ii) refinance a taxable bank line of credit used for hospital renovations at its campus in Peoria; (iii) pay certain swap termination costs associated with an outstanding fixed payor swap; and (iv) pay costs of issuance.

Item No. 7: UNO Charter School Network, Inc. and United Neighborhood Organization - \$65,000,000 - Preliminary

UNO Charter School Network, Inc. and United Neighborhood Organization, as prospective co-borrowers, are requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$65,000,000. Bond proceeds will be used to: (i) refinance outstanding taxable bank loans; (ii) capitalize a debt service reserve fund; and (iii) pay costs of issuance.

Item No. 8: Sarah’s Circle, Inc. - \$1,275,000 – Preliminary

Sarah’s Circle, Inc. is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$1,275,000. Bond proceeds will enable the Sarah’s Circle, Inc. to: (i) acquire and rehabilitate a facility to carry out its corporate purposes; and (ii) pay costs of issuance.

Item No. 9: Request for Financial Covenant Compliance Waiver for IFA Agri-Business Guarantee Loan No. A-AI-TX-GT-6120

Item No. 10: Participation Loan Update – PNC Bank – (IFA Loan No. B-LL-TX-582)

No guests attended with respect to Items Nos. 1A, 1B, 2, 3, 4, 6, 7, 8, 9 or 10. Chairman Brandt asked if the Board had any questions with respect to Items Nos. 1A, 1B, 2, 3, 4, 6, 7, 8, 9 or 10. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Items Nos. 1A, 1B, 2, 3, 4, 6, 7, 8, 9 and 10.

Item Nos. 1A, 1B, 2, 3, 4, 6, 7, 8, 9 and 10 received approval with 10 ayes, 0 nays and 0 abstentions.

Item No. 5: Swedish Covenant Hospital - \$20,000,000 – Preliminary

Swedish Covenant Hospital (the “Hospital”) is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$20,000,000. Bond proceeds will be used to: (i) acquire, construct, renovate and remodel Hospital buildings and related medical and information systems equipment; and (ii) pay costs of issuance.

Chairman Brandt asked if the Board had any questions with respect to Item No. 5. Ms. Bronner stated that she would abstain due to the fact that she is related to a party that is involved with an entity working on this project. Chairman Brandt requested a roll call vote for Item No. 5.

After a vote was taken, Mr. Pedersen moved to reconsider the vote due to the fact that one Board Member’s name was not called. Mr. O’Brien seconded the motion. The motion was approved unanimously.

Upon reconsideration and roll call vote, Item No. 5 received approval with 9 ayes, 0 nays and 1 abstention (Bronner).

Other Business

None.

Adjournment

Chairman Brandt then asked if there were any other business matters to come before the Board. Hearing none, the Chairman motioned to adjourn and Mr. O'Brien seconded the motion. The Board unanimously agreed to adjourn at 11:04 a.m.

Minutes submitted by:
Ahad Syed
Assistant Board Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Jim Senica and Lorrie Karcher
Date: July 19, 2011
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for each project
- **Amount:** Up to \$477,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$386,828**
- **Calendar Year Summary:** (as of July 19, 2011)
 - Volume Cap: \$30,000,000
 - Volume Cap Committed: \$4,508,372
 - Volume Cap Remaining: 25,491,628
 - Average Farm Acreage: 58
 - Number of Farms Financed: 25
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - Convey tax-exempt status
 - Will use dedicated 2011 IFA Volume Cap set-aside for Beginning Farmer Bond 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 "Bank")
 - The 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 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

A.

Project Number:	A-FB-TE-CD-8480
Borrower(s):	Zaagman, Brent
Borrower Benefit:	First Time Land Buyer
Town:	Sterling, IL
IFA Bond Amount:	\$239,828
Use of Funds:	Farmland – 90 acres
Purchase Price:	\$459,000 / (\$5,100 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% (<i>Subordinate Financing</i>)
% IFA	50%
Township:	Hopkins Township
County/Region:	Whiteside / Northwest
Lender/Bond Purchaser	Farmers National Bank of Prophetstown / Mike Urish
Legislative Districts:	Congressional: 17 th , Bobby Schilling
	State Senate: 45 th , Tim Bivins
	State House: 90 th , Jerry Mitchell

Principal shall be paid annually in installments determined pursuant to a thirty-year (30 year) amortization schedule, with the first principal payment date to begin January 1, 2013. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin January 1, 2012. The note will have a 30 year amortization and maturity. The note will have a thirty-year (30 year) amortization and maturity.

B.

Project Number:	A-FB-TE-CD-8481
Borrower(s):	Tarasuik, James W. Jr.
Borrower Benefit:	First Time Land Buyer
Town:	Highland, IL
IFA Bond Amount:	\$67,000
Use of Funds:	Farmland – 40 acres
Purchase Price:	\$133,733 / (\$3,343 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% (<i>Subordinate Financing</i>)
% IFA	50%
Township:	Burgess Township
County/Region:	Bond / Southwestern
Lender/Bond Purchaser	Bradford National Bank / Bob Tompkins
Legislative Districts:	Congressional: 19 th , John Shimkus
	State Senate: 51 st , Kyle McCarter
	State House: 102 nd , Ron Stephens

Principal shall be paid semi-annually in installments determined pursuant to a thirty-year (30 year) amortization schedule, with the first principal payment date to begin six months (6) from the date of closing. Accrued interest on the unpaid balance hereof shall be paid semi-annually, with the first interest payment date to begin six months (6) from the date of closing with the sixtieth and final payment of all outstanding balances due thirty years from the date of closing. The note will have a thirty-year (30) amortization and maturity.

C.

Project Number:	A-FB-TE-CD-8482
Borrower(s):	Kocher, Doug E. & Lora M.
Borrower Benefit:	First Time Land Buyer
Town:	Olney, IL
IFA Bond Amount:	\$80,000
Use of Funds:	Farmland – 38 acres including buildings
Purchase Price:	\$160,000 (\$88,095) / (\$2,318per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% (<i>Subordinate Financing</i>)
% IFA	50%
Township:	St. Marie Township
County/Region:	Jasper / Central
Lender/Bond Purchaser	Citizens National Bank of Albion / Walter Koertge
Legislative Districts:	Congressional: 19 th , John Shimkus
	State Senate: 54 th , John Jones
	State House: 108 th , David Reis

Principal shall be paid in monthly installments determined pursuant to a thirty-year (30 year) amortization schedule, with the first principal payment date to begin one month from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to begin one month from the date of closing with the three hundred sixtieth (360) and final payment of all outstanding balances due thirty years from the date of closing. The note will have a thirty-year (30) amortization and maturity.



\$533,000,000

ADVOCATE HEALTH CARE NETWORK

July 19, 2011

REQUEST	<p>Purpose: Bond proceeds will be used by Advocate Health Care Network (“Advocate”, “AHCN”, the “Borrower”, or the “System”) to (i) fund new money projects at Advocate hospital campuses, including a new ambulatory pavilion at Advocate Christ Medical Center (approximately \$163 million) in Oak Lawn, Illinois; (ii) restructure a portion of Advocate’s outstanding debt (the “Prior Bonds”) issued for its facilities statewide, if deemed necessary or advisable in order to reduce interest rate, put, credit and renewal risk; (iii) fund a debt service reserve fund, if deemed necessary or advisable; (iv) finance certain working capital expenditures, if deemed necessary or advisable, and (v) pay costs of issuance.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																
BOARD ACTIONS	<p>Final Bond Resolution</p> <p>Preliminary Bond Resolution approved June 14, 2011: Ayes: 10; Nays: 0; Abstentions: 0; Absent: 3 (Durburg, Fuentes, Poole), Vacancies: 2</p>																
MATERIAL CHANGES	<p>No material changes from Preliminary Bond Resolution.</p>																
JOB DATA	<table border="0"> <tr> <td style="text-align: right;">25,500</td> <td>Current jobs</td> <td style="text-align: right;">0</td> <td>New jobs projected</td> </tr> <tr> <td style="text-align: right;">N/A</td> <td>Retained jobs</td> <td style="text-align: right;">190</td> <td>Construction jobs projected</td> </tr> </table>	25,500	Current jobs	0	New jobs projected	N/A	Retained jobs	190	Construction jobs projected								
25,500	Current jobs	0	New jobs projected														
N/A	Retained jobs	190	Construction jobs projected														
DESCRIPTION	<ul style="list-style-type: none"> • Locations: Cook, DuPage, Lake, McLean and Woodford Counties • As a faith-based health care organization, affiliated with both the United Church of Christ and Evangelical Lutheran Church in America, the mission, values and philosophy of the System form the foundation for its strategic priorities. The System’s mission is to serve the health care needs of individuals, families and communities through a holistic philosophy. • The System provides a continuum of care through its ten acute care hospitals with two integrated children’s hospitals, with approximately 3,300 licensed beds, primary and specialty physician services, outpatient centers, physician office buildings, home health and hospice care throughout metropolitan Chicago, Bloomington-Normal (McLean County) and Eureka (Woodford County) areas. 																
CREDIT INDICATORS	<ul style="list-style-type: none"> • A combination of modes and structures, including Fixed Rate Debt is anticipated (flexibility to issue in different modes, as variable or fixed rate or a combination of both, either public or privately placed (including one or more bank purchases), all dependent upon prevailing market conditions). • Underlying ratings of Aa2/AA/AA (Moody’s/S&P/Fitch) 																
MATURITY	<ul style="list-style-type: none"> • Bonds will mature no later than 2051. 																
SOURCES AND USES	<table border="0"> <tr> <td style="width: 20%;">IFA Bonds</td> <td style="width: 15%; text-align: right;"><u>\$533,000,000</u></td> <td style="width: 45%;">Acquisition and Project Cost</td> <td style="width: 20%; text-align: right;">\$200,000,000</td> </tr> <tr> <td></td> <td></td> <td>Restructuring of Existing Debt</td> <td style="text-align: right;">325,000,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>8,000,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$533,000,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$533,000,000</u></td> </tr> </table>	IFA Bonds	<u>\$533,000,000</u>	Acquisition and Project Cost	\$200,000,000			Restructuring of Existing Debt	325,000,000			Costs of Issuance	<u>8,000,000</u>	Total	<u>\$533,000,000</u>	Total	<u>\$533,000,000</u>
IFA Bonds	<u>\$533,000,000</u>	Acquisition and Project Cost	\$200,000,000														
		Restructuring of Existing Debt	325,000,000														
		Costs of Issuance	<u>8,000,000</u>														
Total	<u>\$533,000,000</u>	Total	<u>\$533,000,000</u>														
RECOMMENDATION	<p>Credit Review Committee recommends approval.</p>																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 19, 2011**

Project: Advocate Health Care Network

STATISTICS

Project Number: H-HO-TE-CD-8476	Amount: \$533,000,000 (not-to-exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Nora O'Brien
County/Region: Cook, DuPage, Lake, McLean, and Woodford counties	City: Bloomington-Normal – McLean Eureka - Woodford Chicago – Cook Oak Lawn – Cook Park Ridge – Cook Hazel Crest – Cook Barrington – Lake Libertyville – Lake Downers Grove - DuPage

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Resolution approved June 14, 2011:

Ayes: 10; Nays: 0; Abstentions: 0; Absent: 3 (Durburg, Fuentes, Poole); Vacancies: 2

PURPOSE

Bond proceeds will be used to (i) fund new money projects at Advocate hospital campuses, including a new ambulatory pavilion at Advocate Christ Medical Center (approximately \$163 million); (ii) restructure a portion of Advocate's outstanding debt (the "Prior Bonds") if deemed necessary or advisable in order to reduce interest rate, put, credit and renewal risk; (iii) fund a debt service reserve fund, if deemed necessary or advisable; (iv) finance certain working capital expenditures, if deemed necessary or advisable 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's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the Borrower's interest expense.

VOLUME CAP

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

JOBS

Current employment:	25,500	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	190

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$533,000,000</u>	Uses:	New money projects	\$200,000,000
				Restructuring of existing debt	325,000,000
				Costs of issuance	<u>8,000,000</u>
	Total	<u>\$533,000,000</u>	Total		<u>\$533,000,000</u>

FINANCING SUMMARY/STRUCTURE

Security: General, unsecured obligations of the Members of the Obligated Group and any future Members of the Obligated Group. (Current members of the Obligated Group are: Advocate Health Care Network, Advocate Health and Hospital Corporation, Advocate Northside Health Network, and Advocate Condell Medical Center.)

Structure: A combination of modes and structures, including Fixed Rate Debt is anticipated (with flexibility to issue in different modes, as variable or fixed rate or a combination of both, either publicly or by private placement (including one or more bank purchases), all dependent based on an evaluation of prevailing market conditions).

Interest Rate: To be determined on the day of pricing.

Interest Mode: Fixed Rate Bonds and/or weekly/Windows/annual/multi-annual uninsured Variable Rate Bonds (i.e., multi-modal bonds) and/or one or more private placements (including one or more bank purchases) where interest rate structure may be fixed or variable rate (including tied to an index) or a combination of both.

Windows mode is a Variable Rate Demand Bond with longer dual put feature (30 day market access conditional put followed by 6 month unconditional put). Upon notification by the investor, there is a one month remarketing "window". If the 7 month Window VRDB cannot be remarketed during this 30 day period then there is a 6 month funding "window" followed by a mandatory tender. Windows Bonds are a product purchased by institutional money market funds.

Credit Enhancement: Fixed Rate Bonds and Bonds privately placed with one or more banks or other entities would be sold based on the underlying rating(s) of Advocate Health Care Network. If uninsured Variable Rate Demand Bonds are issued, they will be secured by either a Standby Bond Purchase Agreement or Letter of Credit (bank(s) to be determined, but with a minimum long-term rating of A- or better) unless in Windows mode, which does not require bank support. Annual and/or multi-annual uninsured variable rate demand bonds in a long-term mode would have the rating of Advocate Health Care Network.

Maturity: Not later than 2051

Rating: Underlying ratings of Aa2/AA/AA (Moody's/S&P/Fitch)

Estimated Closing Date: September, 2011

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will finance approximately \$200 million of new money capital projects including, but not limited to, the Advocate Christ Medical Center ambulatory pavilion project in Oak Lawn (Cook County), Illinois, which is subject to approval of a Certificate of Need by the Illinois Health Facilities Planning Board. Further, AHCN desires to finance or reimburse the Obligated Group for certain previous expenditures made on its various hospital campuses.

Advocate may restructure approximately \$325 million of its existing debt if deemed necessary or advisable in order to reduce interest rate, put, credit and renewal risk.

BUSINESS SUMMARY

Advocate Health Care Network, a 501(c)(3), a not-for-profit corporation ("**Advocate Network Corporation**") is the sole member of the not-for-profit Advocate Health and Hospitals Corporation ("**Hospitals Corporation**"). Advocate Network Corporation and the Hospitals Corporation are, in turn, the sole members of various not-for-profit corporations, including Advocate Condell Medical Center and Advocate Northside Health Network, the primary activities of which are the delivery of health care services or the provision of goods and services ancillary thereto. Such controlled corporations along with Advocate Network Corporation and the Hospitals Corporation constitute the Advocate Health Care Network (the "**System**"). The System was created in January 1995 through the consolidation of two health systems, Evangelical Health System and Lutheran General Health System. As the parent of the System, Advocate Network Corporation currently has no material operations or activities of its own, apart from its ability to control subsidiaries.

As a faith-based health care organization, affiliated with the United Church of Christ and Evangelical Lutheran Church in America, the mission, values and philosophy of the System form the foundation for its strategic priorities. The System's mission is to serve the health care needs of individuals, families and communities through a holistic philosophy.

The System provides a continuum of care through its ten acute care hospitals with two integrated children's hospitals and a specialty long term acute care hospital, with approximately 3,300 licensed beds, primary and specialty physician services, outpatient centers, physician office buildings, home health and hospice care throughout the metropolitan Chicago area. Through a long-term academic and teaching affiliation with the University of Illinois at Chicago Health Sciences Center, Advocate trains more resident physicians than any non-university teaching hospital in Illinois. In addition to owning and operating hospitals and other health care facilities, Advocate is affiliated with several large physician groups.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Advocate Health Care Network
Project Location: Multiple
Borrower: Advocate Health Care Network
2025 Windsor Drive
Oak Brook, IL 60521

Board Members
(Advocate Health Care Network):
Mark M. Harris, *Chairperson*
Michele Richardson, *Vice Chairperson*
James Skogsbergh, *President and Chief Executive Officer*
David B. Anderson
Alejandro Aparicio, M.D.
Lynn Crump-Caine
John A. Dossey
Jose Elizondo, M.D.
Ronald J. Mallicoat, Jr.
Laurie L. Meyer
Bishop Wayne N. Miller
Rev. Dr. Jorge L. Morales
Clarence Nixon, Jr., Ph.D.
Carolyn Hope Smeltzer
John F. Timmer

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Polsinelli Shughart, PC	Chicago	Janet Zeigler
Auditor:	Ernst & Young	Chicago	Tadd Ingles
Bond Counsel:	Chapman and Cutler, LLP	Chicago	Nancy Burke Becky Brueckel
Senior Underwriter:	Citi	Chicago	Ryan Freel Amy Yang
Co-Manager:	Loop Capital Markets, LLC	Chicago	Albert R. Grace, Jr.
Co-Manager:	Cabrera Capital Markets, LLC	Chicago	Santino Bibbo
Underwriter's Counsel:	SNR Denton US, LLP	Chicago	Katie Ashton
Bond Trustee:	The Bank of New York	Chicago	John Prendiville
Issuer's Counsel:	Charity & Associates	Chicago	Alan Bell
IFA Financial Advisor:	Scott Balice Strategies LLC	Chicago	Julia Harris

LEGISLATIVE DISTRICTS

Congressional: 2- Jesse Jackson, Jr., 3-Dan Lipinski, 5-Mike Quigley, 6-Peter Roskam, 8-Joe Walsh, 9-Jan Schakowsky, 10-Robert Dold, 11-Adam Kinzinger, 15-Tim Johnson, 18-Aaron Schock
State Senate: 6-John J. Cullerton, 17-Donne E. Trotter, 18-Edward D. Maloney, 19-M. Maggie Crotty, 21-Ron Sandack, 26-Dan Duffy, 29-Susan Garrett, 33-Dan Kotowski, 44-Bill Brady, 53-Shae Cultra
State House: 12-Sara Feigenholtz, 33-Marlow H. Colvin, 36-Kelly Burke, 38-Al Riley, 42-Sandra M. Pihos, 51-Ed Sullivan, Jr., 52-Vacant, 57-Elaine Nekritz, 65-Rosemary Mulligan, 88-Dan Brady, 106-Keith P. Sommer

SERVICE AREA

Advocate Health Care Network has facilities in the following locations in Illinois: Chicago (Advocate Illinois Masonic Medical Center), (Advocate Trinity Hospital); Libertyville (Advocate Condell Medical Center); Oak Lawn (Advocate Christ Medical Center and Advocate Hope Children's Hospital); Downers Grove (Advocate Good Samaritan Hospital); Barrington (Advocate Good Shepherd Hospital); Park Ridge (Advocate Lutheran General Hospital and Children's Hospital) and Hazel Crest (Advocate South Suburban Hospital); Normal (Advocate BroMenn Medical Center) and Eureka (Advocate Eureka Hospital).



CONDUIT

\$190,000,000 CDH-Delnor Health System

July 19, 2011

REQUEST	<p>Purpose: The proceeds from the sale of the Series 2011 Bonds will be used to refund CDH-Delnor Health System's (the "System") Series 2004A Bonds and Series 2008A Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None</p>																
BOARD ACTIONS	<p>Final Bond Resolution Preliminary Bond Resolution approved June 14, 2011: Ayes: 9, Nays: 0, Abstentions: 1 (Bronner), Absent: 3 (Durburg, Fuentes, Poole), Vacancies: 2</p>																
MATERIAL CHANGES	<p>No material changes from Preliminary Bond Resolution.</p>																
JOB DATA	<table border="0"> <tr> <td style="padding-right: 20px;">4,660</td> <td style="padding-right: 20px;">Current jobs (System)</td> <td style="padding-right: 20px;">0</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs (System)</td> <td>0</td> <td>Construction jobs projected</td> </tr> </table>	4,660	Current jobs (System)	0	New jobs projected	N/A	Retained jobs (System)	0	Construction jobs projected								
4,660	Current jobs (System)	0	New jobs projected														
N/A	Retained jobs (System)	0	Construction jobs projected														
DESCRIPTION	<ul style="list-style-type: none"> • Locations: Winfield and Geneva, Illinois • The System is the parent corporation of an integrated network of healthcare organizations that primarily serve western DuPage County and Kane County, Illinois. The System's primary affiliates are Central DuPage Hospital Association ("CDH") and Delnor-Community Hospital ("Delnor") <p>CDH is a 313-bed general acute care hospital in Winfield, Illinois, located in western DuPage County, approximately 30 miles west of Chicago.</p> <p>Delnor is a 159-bed general acute care hospital located in Geneva, Illinois in Kane County, approximately 40 miles west of Chicago.</p> <p>Both CDH and Delnor have received numerous awards and recognitions regarding the care provided for patients. Both CDH and Delnor are Magnet-designated hospitals, and CDH has been named a Thomson Top 100 Hospital for five years in a row.</p>																
CREDIT INDICATORS	<p>Separate series of Bonds will be sold for CDH and Delnor.</p> <ul style="list-style-type: none"> • CDH is rated AA/AA by S&P/Fitch. Delnor is rated A by S&P. The 2011 Bonds will not carry ratings. • The Bonds will be purchased directly by JPMorgan Chase Bank (the "Direct Lender/Investor"). 																
SECURITY	<ul style="list-style-type: none"> • The CDH Bonds will be secured by the System's Master Trust Indenture. The System Obligated Group will issue no less than one series of bonds relating to the refunding of the Series 2004A Bonds. • The Delnor Bonds will be secured by Delnor's Master Trust Indenture. The Delnor Obligated Group will issue no less than one series of bonds relating to the refunding of the Series 2008A Bonds. 																
MATURITY	<ul style="list-style-type: none"> • The 2011 Bonds will have a final maturity no later than November 15, 2039 and will begin to amortize no later than November 15, 2012. 																
SOURCES AND USES	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td style="text-align: right;"><u>\$190,000,000</u></td> <td>Refinancing</td> <td style="text-align: right;">\$188,000,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>2,000,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$190,000,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$190,000,000</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	<u>\$190,000,000</u>	Refinancing	\$188,000,000			Costs of Issuance	<u>2,000,000</u>	Total	<u>\$190,000,000</u>	Total	<u>\$190,000,000</u>
Sources:		Uses:															
IFA Bonds	<u>\$190,000,000</u>	Refinancing	\$188,000,000														
		Costs of Issuance	<u>2,000,000</u>														
Total	<u>\$190,000,000</u>	Total	<u>\$190,000,000</u>														
RECOMMENDATION	<p>Credit Committee recommends approval.</p>																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 19, 2011**

Project: CDH-Delnor Health System

STATISTICS

Project Number:	H-HO-TE-CD-8478	Amount:	\$190,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Locations:	Winfield, Geneva	Counties/ Region:	DuPage County and Kane County/Northeast

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Resolution approved June 14, 2011:
Ayes: 9; Nays: 0; Abstentions: 1 (Bronner); Absent: 3 (Durburg, Fuentes, Poole), Vacancies: 2

PURPOSE

The proceeds from the sale of the Series 2011 Bonds will be used to refund System's Series 2004A Bonds and to refund Delnor's Series 2008A Bonds.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bond financing 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 thereby reducing the Borrower's interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS

Sources: IFA Bonds	<u>\$190,000,000</u>	Uses: Refinancing	\$188,000,000
		Costs of Issuance	<u>2,000,000</u>
Total	<u>\$190,000,000</u>	Total	<u>\$190,000,000</u>

JOBS

Current employment:	4,660	Projected new jobs:	0
Jobs retained:	4,660	Construction jobs:	0

FINANCING SUMMARY

Security:	The Bonds will be sold in separate series and will be secured by either CDH's Master Trust Indenture or Delnor's Master Trust Indenture, as applicable.
Structure:	The plan of finance contemplates the direct purchase by JPMorgan Chase Bank.
Interest Rate:	To be determined at the time of pricing based upon market conditions.
Interest Rate Modes:	To be determined at the time of pricing based upon market conditions.
Underlying Ratings:	The 2011 Bonds will not carry ratings. CDH and Delnor maintain ratings of AA/AA (S&P/Fitch) and A (S&P), respectively
Maturity:	Not to exceed November 15, 2039
Estimated Closing Date:	August, 2011

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

CDH-Delnor Health System, an Illinois not for profit corporation (the "**Corporation**"), has requested that the Authority issue one or more series in an aggregate principal amount not to exceed \$190,000,000 of its Variable Rate Demand Revenue Bonds, Series 2011 (CDH-Delnor Health System) (the "**Series 2011 Bonds**") and loan the proceeds thereof to the Corporation and **Delnor-Community Hospital** ("**Delnor Hospital**" and, together with the Corporation, the "**Borrowers**") in order to assist the Borrowers and certain of the Corporation's other tax-exempt affiliates (the "**Users**"), including without limitation Central DuPage Hospital Association ("**CDH Hospital**"), in providing the funds necessary to: (i) currently refund the \$140,000,000 original principal amount of Illinois Finance Authority Variable Rate Revenue Bonds, Series 2004A (Central DuPage Health) (the "**Series 2004A Bonds**"); (ii) currently refund the \$59,090,000 original principal amount of Illinois Finance Authority Variable Rate Demand Revenue Refunding Bonds, Series 2008A (Delnor-Community Hospital) (the "**Series 2008A Bonds**" and, together with the Series 2004A Bonds, the "**Prior Bonds**") and (iii) pay certain expenses incurred in connection with the issuance of the Bonds and the current refunding of the Prior Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

BUSINESS SUMMARY

Effective March 31, 2011, the System is the sole member of CDH and Delnor. CDH's and Delnor's existing indebtedness issued by their respective Master Trust Indentures remain outstanding.

Description of CDH: CDH is a general acute care hospital on a 44-acre site in Winfield, Illinois, located in western 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.

Description of Delnor: Delnor operates 159 licensed and staffed acute care beds in a modern facility constructed in 1991. The licensed and staffed acute-care bed complement consists of 116 medical-surgical beds, 20 intensive care, 18 obstetric and 5 pediatrics beds. The Hospital provides a broad range of medical, surgical, obstetrics/gynecology, pediatric and ancillary and support services, including but not limited to the following: cardiology, orthopedics, thoracic/vascular surgery, diagnostics radiology, oncology, physical and occupational health, emergency medicine and trauma services, neonatology, infectious disease, pulmonary medicine, gastroenterology, internal medicine, neurology and neurosurgery and urology. Delnor is designated as a Level II Trauma Center and a Level II+ Nursery by the State of Illinois.

ECONOMIC DISCLOSURE STATEMENT

Applicant: CDH-Delnor Health System
Contact: Brett D. Tande, Vice President & Treasurer (630) 933-5013
Websites: www.cdh.org and www.delnor.org
Project name: CDH-Delnor Health System (IFA Series 2011 Bonds)
Organization: 501(c)(3) corporation
State: Illinois

Board Membership:

Richard A. Mark (CHAIR)	William P. Flesch (VICE CHAIR)
Catherine E. Kozik (SECRETARY)	David C. Brown (TREASURER)
Philip A. Branshaw, M.D.	Kay Clancy
James E. Comerford	Manny Favela
Patrick J. Flinn	Scott E. Fore
James G. Giblin, M.D.	Roger T. Harris
Stephen R. Holtsford, M.D.	Michael J. Kachmer
Bradley J. Kinsey	Timothy P. Moen
C. William Pollard	Matthew J. Ross, M.D.
Donald Van Pelt, Jr.	William A. Wolford

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hawkins Delafield & Wood	San Francisco, CA	John Renken
Bond Counsel:	Jones Day	Chicago, IL	David Kates
Bank/ Direct Purchaser(s):	JPMorgan Chase Bank	Chicago, IL	Nick Watts
Bank Counsel:	Ungaretti & Harris LLP	Chicago, IL	Ray Fricke
Series 2011 Bond Trustee:	Wells Fargo	Chicago, IL	Patricia Martirano
IFA Counsel:	Hinshaw & Culbertson	Chicago, IL	Leslie Richards-Yellen
IFA Financial Advisor:	Acacia Financial Group, LLC	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

CDH

Congressional: 6 – Peter J. Roskam
State Senate: 48 – Thomas Johnson
State House: 95 – Mike Fortner

Delnor

Congressional: 14 – Randall M. "Randy" Hultgren
State Senate: 25 – Chris Lauzen
State House: 50 – Kay Hatcher

SERVICE AREA

CDH and Delnor primarily serve the residents of DuPage and Kane Counties.

CDH provides care to patients from communities in DuPage County and surrounding areas. Communities that border CDH's primary service area are Carol Stream, Glen Ellyn, Warrenville, West Chicago, and Wheaton. Many patients travel up to 50 miles to receive care at CDH. The majority of CDH's patients come from DuPage County.

Delnor draws patients primarily from Kane County. Delnor's primary service area includes the communities of Geneva, St. Charles, Batavia, Elburn, Wasco, LaFox, Campton Hills, and Kaneville.

\$6,000,000 (not-to-exceed amount)
Lawndale Educational and Regional Network Charter School
(LEARN Charter School Project)

July 19, 2011

REQUEST	<p>Purpose: Bond proceeds, combined with funds from other sources, will enable Lawndale Educational and Regional Network Charter School (“LEARN” or the “Borrower”) to: (i) finance or refinance existing taxable bank loans used to acquire, construct, renovate, and equip an existing building located on an approximately 0.95 acre site at 1700 W. 83rd Street, Chicago, Illinois into a new school campus facility (the “Fifth Campus”) owned and operated by the Borrower; (ii) current refund the outstanding balance of the Borrower’s Illinois Development Finance Authority Series 2003 Revenue Bonds issued in connection with LEARN’s Romano-Butler campus located at 1132 S. Homan Avenue, Chicago, Illinois; and, (iii) pay bond issuance costs (the “Project”).</p> <p>Program: Conduit 501(c)(3) Revenue Bonds Extraordinary Conditions: None. No IFA funds at risk. No State funds at risk.</p>																				
BOARD ACTIONS	<p>Final Bond Resolution</p> <p>Preliminary Bond Resolution approved June 14, 2011: Ayes: 10; Nays: 0; Abstentions: 0; Absent: 3 (Durburg; Fuentes; Poole); Vacancies: 2</p>																				
MATERIAL CHANGES	<p>No material changes from Preliminary Bond Resolution.</p>																				
JOBS DATA	<table border="0"> <tr> <td>154</td> <td>Current jobs</td> <td>34</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>30</td> <td>Construction jobs projected (3 months – average)</td> </tr> </table>	154	Current jobs	34	New jobs projected	N/A	Retained jobs	30	Construction jobs projected (3 months – average)												
154	Current jobs	34	New jobs projected																		
N/A	Retained jobs	30	Construction jobs projected (3 months – average)																		
DESCRIPTION	<ul style="list-style-type: none"> • Location: Chicago (Cook County/Northeast Region) • Established in 1981 as a private school known as Lawndale Community School, LEARN transitioned into a public charter school in 2001. LEARN has added facilities over time to form a network of schools. • LEARN replicated their initial Lawndale operating model at three new elementary schools that opened between 2008 and 2010. LEARN will open its fifth school in Fall 2011 as a result of this financing. 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> • The Bonds will be purchased directly by MB Financial Bank, N.A., as the Direct Lender/Investor. • LEARN is not rated. 																				
PROPOSED STRUCTURE	<ul style="list-style-type: none"> • Term: Bonds will purchased directly by MB Financial Bank, N.A. for 10 years, amortized over 25 years. • Interest Rate: Estimated effective interest rate of between 5.0% and 6.0% for the initial ten-year term based on market conditions as of 6/30/2011. 																				
SOURCES AND USES	<table border="0"> <tr> <td>Sources: IFA Bonds (New Money)</td> <td>\$2,863,000</td> <td>Uses: New Project Costs</td> <td>\$4,999,133</td> </tr> <tr> <td>IFA Refunding Bonds</td> <td>2,830,000</td> <td>IFA Refunding Bonds</td> <td>2,830,000</td> </tr> <tr> <td>IFF Subord. Loan</td> <td>1,000,000</td> <td>Issuance Costs</td> <td><u>137,000</u></td> </tr> <tr> <td>Borrower Equity</td> <td><u>1,273,133</u></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td><u>\$7,966,133</u></td> <td>Total</td> <td><u>\$7,966,133</u></td> </tr> </table>	Sources: IFA Bonds (New Money)	\$2,863,000	Uses: New Project Costs	\$4,999,133	IFA Refunding Bonds	2,830,000	IFA Refunding Bonds	2,830,000	IFF Subord. Loan	1,000,000	Issuance Costs	<u>137,000</u>	Borrower Equity	<u>1,273,133</u>			Total	<u>\$7,966,133</u>	Total	<u>\$7,966,133</u>
Sources: IFA Bonds (New Money)	\$2,863,000	Uses: New Project Costs	\$4,999,133																		
IFA Refunding Bonds	2,830,000	IFA Refunding Bonds	2,830,000																		
IFF Subord. Loan	1,000,000	Issuance Costs	<u>137,000</u>																		
Borrower Equity	<u>1,273,133</u>																				
Total	<u>\$7,966,133</u>	Total	<u>\$7,966,133</u>																		
RECOMMENDATION	<p>Credit Review Committee recommends approval.</p>																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 19, 2011**

**Project: Lawndale Educational and Regional Network Charter School
(LEARN Charter School Project)**

STATISTICS

Project Number: N-NP-TE-CD-8475	Amount: \$6,000,000 (not-to-exceed amount; Anticipated issuance amount: \$5,693,000)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Rich Frampton
Location: Chicago	County/ Region: Cook/Northeast

BOARD ACTION

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

PURPOSE

Bond proceeds, combined with funds from other sources, will enable **Lawndale Educational and Regional Network Charter School** (“**LEARN**” or the “**Borrower**”) to: (i) finance or refinance existing taxable bank loans used to acquire, construct, renovate, and equip an existing building located on an approximately 0.95 acre site at 1700 W. 83rd Street, Chicago, Illinois into a new school campus facility owned and operated by the Borrower (the “**Fifth Campus**”); (ii) current refund the outstanding balance of the Borrower’s Illinois Development Finance Authority Series 2003 Revenue Bonds issued in connection with LEARN’s Romano-Butler campus located at 1132 S. Homan Avenue, Chicago, Illinois; and (iii) pay bond issuance costs (the “**Project**”).

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects furthering support of their mission. IFA’s issuance of these Bonds will convey federal tax-exempt status on the interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the Borrower.

VOTING RECORD

Preliminary Bond Resolution approved June 14, 2011:
Ayes: 10; Nays: 0; Abstentions: 0; Absent: 3 (Durburg; Fuentes; Poole); Vacancies: 2

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

Sources:	IFA Bonds (New Money)	\$2,863,000	Uses:	Project Costs	\$4,999,133
	IFA Refunding Bonds	2,830,000		IFA Refunding Bonds	2,830,000
	IFF Subord. Loan	1,000,000		Issuance Costs	<u>137,000</u>
	Equity	<u>1,273,133</u>			
	Total	<u>\$7,966,133</u>		Total	<u>\$7,966,133</u>

JOBS

Current employment:	154	Projected new jobs:	34
Jobs retained:	N/A	Construction jobs:	30 (3 months - average)

BUSINESS SUMMARY

Background: **Lawndale Educational and Regional Network Charter School (“LEARN”)** is the successor to Lawndale Community School, originally established in 1981 as a private community school to provide quality education to low-income children living in the North Lawndale community on Chicago’s West Side.

LEARN is a tax-exempt 501(c)(3) organization incorporated under Illinois law and governed by an 11-member Board of Directors (see p. 5 for listing).

LEARN is subject to a “**Charter Agreement**” with the **Chicago Public Schools (“CPS”)**. The Charter Agreement was executed for an original term of five (5) years in 2001 and has since been renewed two (2) times, with the most recent renewal approved 3/23/2011. LEARN’s Charter Agreement is now effective through 7/15/2016. LEARN has been certified as a Charter School by the Illinois State Board of Education.

Under Illinois law, CPS has oversight responsibility to verify that the School complies and meets the expectations of a public educational system and to also satisfy regulations and compliance requirements established by CPS.

Description: LEARN's mission is to provide low-income communities with a high-quality, pre-kindergarten through 8th grade curriculum with the short-term objective of preparing students for success at college preparatory high schools.

Since converting to charter school status in 2001, LEARN has grown from one school serving 110 students into a four-school network that currently serves approximately 1,400 students across Chicago's West and South Side communities. In September 2011, LEARN plans to open its Fifth Campus. As a result of this financing, total enrollment will ultimately increase to approximately 2,000 students at capacity.

Fueled by an ambitious strategic plan and supported by visionary foundation support (including New Schools for Chicago, the Charter School Growth Fund, and the Walton Family Foundation), LEARN's mission remains focused on providing children with the academic foundation and self-confidence required to attain a high school and college degree.

FINANCING SUMMARY

Structure: The proposed Bonds will be purchased directly by **MB Financial Bank, N.A.** (the “**Bank**” or “**Direct Lender/Investor**”).

Bondholder Security: MB Financial Bank will be secured by a first mortgage in the subject properties (i.e., the new Fifth Campus Project and the refinanced Romano-Butler Campus) and a first security interest in all equipment, receivables, and other business assets of the Borrower.

Additionally, all credit facilities and other agreements between the Bank and the Borrower (and any affiliates of the Borrower) will be cross-collateralized and cross-defaulted.

Interest Rates: The tax-exempt fixed rate for the initial 10-year term is estimated between 5.0% and 6.0% as of 6/30/2011.

Maturity: Bond principal and interest payments will be amortized over 25 years (preliminary; subject to change).

Anticipated Closing: August 2011 (preliminary; subject to change)

Rationale: The Project will enable LEARN to obtain permanent financing to add a fifth campus at 1700 W. 83rd Street, and to refinance the outstanding balance of IDFA Series 2003 Bonds that financed LEARN's 1132 S. Homan Avenue facility in Chicago. As proposed, this financing would enable LEARN to undertake these financings on a tax-exempt basis for up to 25 years.

The proposed IFA Series 2011 Refunding Bonds will refinance the outstanding principal balance (i.e., \$2,830,000 as of 6/1/2011) of Illinois Development Finance Authority Series 2003 Bonds.

PROJECT SUMMARY (for IFA Final Bond Resolution)

Bond proceeds, combined with funds from other sources, will enable **Lawndale Educational and Regional Network Charter School** ("LEARN" or the "Borrower") to: (i) finance the acquisition, construction, renovation, and equipping of an existing building into a school facility located on an approximately 0.95 acre site at 1700 W. 83rd Street, Chicago, Illinois (the "**Fifth Campus**") that will serve grades K-3 initially, and serving grades K-8 when operated at scale; (ii) refinance a taxable interim bank loan used to finance the acquisition of the Fifth Campus site; (iii) current refund the outstanding balance of the Borrower's Illinois Development Finance Authority Series 2003 Revenue Bonds issued in the original principal amount of \$5,000,000 in connection with the renovation, construction, and equipping of a new, approximately 36,000 square foot charter school (commonly known as the Romano-Butler campus) at 1132 S. Homan Avenue, Chicago, Illinois; and (iv) pay bond issuance costs (the "**Project**").

Proposed New Money project costs are summarized below:

Land/Building Acquisition:	\$850,000
Construction Costs:	<u>4,149,133</u>
Total	\$4,999,133

ECONOMIC DISCLOSURE STATEMENT

Applicant: Lawndale Educational and Regional Network Charter School (c/o Ms. Dana Thomas, CPA, Director of Finance & Information Technology, 212 S. Francisco Ave., Chicago, IL 60612; (T) 773-826-0370; ext. 10006; e-mail: dthomas@learncharter.org)

Web Site: www.learncharter.org

Project name: Lawndale Educational and Regional Network Charter School (LEARN Charter School Project), Series 2011 Bonds

Locations: New Money Bonds: 1700 W. 83rd Street, Chicago (Cook County), IL 60620-4621
Refunding Bonds: 1132 S. Homan Avenue, Chicago (Cook County), IL 60624-4344

Organization: Illinois 501(c)(3) not-for-profit Corporation

Board of

Directors: Board Members of LEARN are listed on page 5.

Current Property

Owners: LEARN closed on the acquisition of the 1700 W. 83rd Street site in April 2011. LEARN also owns the 1132 S. Homan Ave. site. (On May 27, 2011, LEARN Charter School's Board of Directors approved a Reimbursement Resolution authorizing the financing of the Project with proceeds of a Tax-Exempt Bond issue.)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	DLA Piper, LLP	Chicago, IL	Kimberlie Pearlman
Auditor:	Haran & Associates, Ltd.	Chicago, IL	
Bank (Direct Purchaser/ Investor):	MB Financial Bank, N.A.	Chicago, IL	John Sassaris, Joe Sheils, Ailisa Herrera
Bond Counsel:	Greenberg Traurig, LLP	Chicago, IL	Matt Lewin
Bank Counsel:	Burke, Burns & Pinelli, Ltd.	Chicago, IL	Mary Anne Murray
Bond Trustee:	N/A (direct purchase transaction)		
Architect:	Legat Architects	Waukegan, IL	Ted Haug
General Contractor:	G3 Construction	Willowbrook, IL	Matthew Guidarelli
IFA Counsel:	Tyson Strong Hill Connor LLC	Chicago, IL	Lance Tyson
IFA Financial Advisor:	Scott Balice Strategies LLC	Chicago, IL	Julia Harris

LEGISLATIVE DISTRICTS

	<u>1700 W. 83rd Street</u>	<u>1132 S. Homan Avenue</u>
Congressional:	1 Bobby L. Rush	7 Danny K. Davis
State Senate:	18 Edward D. Maloney	5 Annazette R. Collins
State House:	36 Kelly M. Burke	9 Arthur Turner

**Lawndale Educational and Regional Network Charter School
Board of Directors 2010-2011**

Chairman

Loren Beadle

Tara Business Ventures

Vice Chairperson

E. Robbie Robinson

Principal
BDT Capital Partners, LLC

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ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: July 19, 2011

Re: Resolution Authorizing the Execution and Delivery of a Bond and Loan Agreement and Related Documents in Connection Therewith; and related matters in connection with IFA Series 2004 Industrial Development Revenue Bonds (Transparent Container Co., Inc. Project)
IFA File Number: I-ID-TE-CD-407

Request:

Transparent Container Co., Inc. (“TCC” or the “**Borrower**”) is requesting approval of a Resolution to authorize execution of a Bond and Loan Agreement to convert the Series 2004 Bonds from a Letter of Credit structure to a Direct Purchase structure.

JPMorgan Chase Bank, N.A. (the “**Bond Purchaser**”) will terminate its Direct Pay Letter of Credit and purchase the Bonds in whole as the Direct Lender/Investor and will continue as TCC’s relationship bank. (JPMorgan Chase Bank is the Direct Pay Letter of Credit Provider under the current structure.)

The outstanding Par Amount of the IFA Series 2004 Bonds was approximately \$4,000,000 as of 7/1/2011. The not-to-exceed amount of the attached Resolution is \$4,000,000. The anticipated issuance amount is \$3,795,000.

Execution of this conversion in structure will be considered a refunding for tax purposes. IFA’s estimated administrative fee will be \$9,487.50.

Background:

IFA originally issued \$6,000,000 of Bonds on behalf of Transparent Container Co., Inc. in 2004. Bond proceeds were used by TCC to finance the acquisition, equipping, construction of buildings and building additions, and for the renovation of three manufacturing facilities located in Addison, Berkeley, and Bensenville.

All payments relating to the IFA Series 2004 Bonds are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower’s Counsel:	Bazos, Freeman, Kramer, Schuster, Vanek & Kolb	Chicago, IL	Peter Bazos
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
Bond Purchaser:	JPMorgan Chase Bank N.A.	Chicago, IL	Joline Schultz
Bank Counsel:	Ice Miller LLP	Lisle, IL	David Hight
IFA Counsel:	Perkins Coie LLP	Chicago, IL	Bill Corbin
IFA Financial Advisor:	Scott Balice Strategies, LLC	Chicago, IL	Julia Harris

IFA RESOLUTION NO. 2011-0719-___

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF INDUSTRIAL DEVELOPMENT REVENUE REFUNDING BONDS (TRANSPARENT CONTAINER PROJECT), SERIES 2011, OF THE ILLINOIS FINANCE AUTHORITY, THE PROCEEDS OF WHICH ARE TO BE LOANED TO TRANSPARENT CONTAINER CO., INC. TO PROVIDE THE FUNDS NECESSARY TO REFUND THE OUTSTANDING AMOUNT OF THE ILLINOIS FINANCE AUTHORITY VARIABLE RATE DEMAND INDUSTRIAL DEVELOPMENT REVENUE BONDS (TRANSPARENT CONTAINER CO., INC. PROJECT), SERIES 2004; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A BOND AND LOAN AGREEMENT UNDER WHICH THE BONDS WILL BE ISSUED AND SOLD TO JPMORGAN CHASE BANK, N.A., AND APPROVING THE EXECUTION OF CERTAIN OTHER AGREEMENTS RELATING TO THE ISSUANCE OF THE BONDS; AND RELATED MATTERS.

WHEREAS, the **ILLINOIS FINANCE AUTHORITY** (the "Authority"), a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "State"), including, without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1, as supplemented and amended (the "Act"), is authorized by the laws of the State, including, without limitation, the Act, to issue its bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the cost of the acquisition and improvement of "industrial projects" as defined in the Act; and

WHEREAS, TRANSPARENT CONTAINER CO., INC., an Illinois corporation (the "Borrower"), has requested that the Authority issue not to exceed \$4,000,000 in aggregate principal amount of its Industrial Development Revenue Refunding Bonds (Transparent Container Project), Series 2011 (the "Bonds") and loan the proceeds thereof to the Borrower in order to assist the Borrower in providing the funds necessary to refund (the "Refunding") the outstanding amount of Illinois Finance Authority Variable Rate Demand Industrial Development Revenue Bonds (Transparent Container Co., Inc. Project), Series 2004 (the "Prior Bonds"). The Prior Bonds financed the costs of acquiring, rehabbing and equipping of a manufacturing facility located at 325 South Lombard, Addison, Illinois 60101, and the rehabbing and equipping of manufacturing facilities located at 5744 McDermott Drive, Berkeley, Illinois 60103, and at 625 Thomas Drive, Bensenville, Illinois 60106, for use by the Borrower in its visible container business and related costs of issuance; and

WHEREAS, the Bonds will be sold to JPMorgan Chase Bank, N.A., or one of its affiliated entities that is also a financial institution (the "Purchaser") in whole; and

WHEREAS, a draft of the following document is hereby presented to the Authority at this meeting and attached to this Resolution (the "Authority Document"):

Bond and Loan Agreement between the Authority, the Borrower and the Purchaser, substantially in the form attached hereto as Exhibit A, under which the Authority will loan the proceeds of the Bonds to the Borrower, all as more fully described in the Authority Document.

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

Section 1. Findings. Based on the representations made by the Borrower, the Authority hereby makes the following findings and determinations with respect to the Borrower, the Bonds to be issued by the Authority and the facilities refinanced with the proceeds of the Bonds:

(a) The Borrower is an Illinois corporation organized under the laws of the State of Illinois and is qualified to do business in the State of Illinois;

(b) The Borrower has properly filed with the Authority its request for assistance in providing funds to the Borrower which the Borrower will use for the purposes aforesaid;

(c) The facilities to be refinanced with the proceeds of the Bonds do not include any property used or to be used for sectarian instruction or as a place of religious worship nor any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis or other professional persons in the field of religion; and

(d) The Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. Bonds. In order to obtain the funds to loan to the Borrower to be used to refinance all or a portion of the Prior Bonds and a portion of the costs of issuance of the Bonds, the Authority hereby authorizes the issuance of the Bonds. The Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Authority Document, in an aggregate principal amount not exceeding \$4,000,000.

The Bonds shall have a final maturity date no later than [August 1, 2036], with or without any required mandatory sinking fund redemption, as shall be determined at the time of sale thereof. The Bonds shall bear interest at rates not to exceed the maximum interest rate of 10% per annum, be subject to optional and mandatory redemption and be payable, all as provided in the Authority Document.

The Bonds shall be issued only as fully registered bonds without coupons. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson or Vice Chairperson and attested by the manual or facsimile signature of its Executive Director, General Counsel, Secretary, Assistant Secretary or Treasurer, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Bonds shall be issued and sold by the Authority and purchased by the Purchaser at a purchase price of 100% of the principal amount of the Bonds.

The Bonds and the interest thereon shall be a limited obligation of the Authority, payable solely out of the revenue and receipts derived by the Authority pursuant thereto as described in the Bond and Loan Agreement. The Bonds shall not in any respect be a general obligation of the Authority, nor shall they be payable in any manner from funds raised by taxation. No holder of the Bonds has the right to compel the exercise of the taxing power of the State or any political subdivision thereof to pay the Bonds, the interest or premium, if any, thereon. The Bonds do not constitute in any respect an indebtedness of the Authority or a loan of credit thereof within the meaning of any constitutional or statutory provision.

The Authority hereby delegates to the Executive Director of the Authority or any two members of the Authority the power and duty to make final determinations as to the principal amount, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional and mandatory redemption provisions and the interest rates of the Bonds, all within the parameters set forth herein.

Section 3. Authority Document. The Authority does hereby authorize and approve the execution by its Chairman, Vice Chairman, any of its other Members, Executive Director, Treasurer or any person duly appointed by the Members to serve in such office on an interim basis (each an "Authorized Officer") and the delivery and use of the Authority Document. The Authority Document shall be substantially in the form attached hereto 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 the form of such Authority Document attached hereto, and to constitute conclusive evidence of such person's approval and the Authority's approval of the terms of the Bonds and the purchase thereof.

Section 4. 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 agreement and certification 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, the Authority Document, 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. Unless otherwise provided therein, wherever in the Authority Document or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by the Executive Director or Treasurer of the Authority, or in the event of the unavailability, inability or refusal of the Executive Director and the Treasurer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Authority Document.

Section 5. Approval of Acts. All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the Refunding be, and the same hereby are, in all respects, approved and confirmed.

Section 6. Severability. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of remainder of the sections, phrases and provisions.

Section 7. Repeal of Conflicting Provisions. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 8. Authority Fee. The Authority's closing fee will be set at 25 basis points based on the par amount of the Bonds payable at closing.

Section 9. Full Force and Effect. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Adopted this ____ day of July, 2011.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: July 19, 2011

Re: Resolution Approving the Transfer of Allocation for Bonding Authority of Midwestern Disaster Area Bonds by the Illinois Finance Authority to the Village of Gurnee, Lake County, Illinois in an Aggregate Principal Amount Now Estimated not to exceed \$11,000,000 and Related Matters

Request:

IFA Staff has reviewed the accompanying written request from the **Village of Gurnee** (the “**Village**”) [see page 6] and is requesting approval of the accompanying Resolution that would transfer an amount not exceeding \$11.0 million of Midwestern Disaster Area Bond (“**MDAB**”) allocation to enable the Village to issue MDABs for a project at Gurnee Mills Mall.

Transfer of this MDAB allocation will be conditional upon the Village (or the underlying beneficiaries of the Project – namely Simon Properties Group and/or Macy’s, Inc.) paying the Authority’s standard bond issuance fee at closing. The Village of Gurnee understands that the Authority’s execution and delivery of the MDAB allocation letter will be conditional upon payment of the issuance fee. Furthermore, any unused MDAB allocation after the Village issues the Bonds shall be deemed waived back to the Authority immediately upon closing. The anticipated issuance amount is \$10.0 million.

Background:

The Bonds are expected to be issued by the Village for the purposes of financing a portion of the cost of acquiring, constructing and installing utilities, reconfiguring and paving a parking lot, demolishing a building, and constructing a building pad in relation to a retail site in Gurnee Mills in the Village, which will be owned by Simon Property Group and partially leased to Macy’s, Inc. (the “**Project**”).

Transferring the MDAB allocation to the Village will provide the Authority with the same fee income as if the Authority had issued the Bonds while (i) simplifying documentation for this transaction and (ii) reducing origination fees and expenses for the Village (and, consequently, Simon Properties Group and Macy’s). Additionally, IFA will have no post-issuance compliance responsibilities as a result of the requested transfer and allowing the Village of Gurnee to serve as Issuer. The Bonds will be secured by a general obligation of the Village of Gurnee with repayment anticipated from a share of the Village’s share of sales tax revenues from Gurnee Mills Mall.

Recommendation:

Staff recommends approval of the requested transfer of MDAB allocation as described in the accompanying Resolution.

PROFESSIONAL & FINANCIAL

Issuer:	Village of Gurnee	Chicago, IL	Jim Hayner, Village Manager
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Kelly Kost
Financial Advisor:	Speer Financial, Inc.	Chicago, IL	Kevin McCanna
Underwriter:	Bonds to be sold by competitive bid to underwriters to be determined		
Underlying			
Beneficiaries:	Simon Properties Group	Indianapolis, IN	
	Macy's, Inc.	Cincinnati, OH	
Counsel to Simon			
Properties Group:	Foley & Lardner LLP	Chicago, IL	Chris Knight
Source of MDAB			
Allocation:	Illinois Finance Authority		

IFA RESOLUTION NO. 2011-0719-_____

**A RESOLUTION APPROVING THE TRANSFER OF ALLOCATION FOR BONDING AUTHORITY OF
MIDWESTERN DISASTER AREA BONDS BY THE ILLINOIS FINANCE AUTHORITY TO THE VILLAGE
OF GURNEE, LAKE COUNTY, ILLINOIS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$11,000,000 AND RELATED MATTERS**

WHEREAS, there has been presented to the Illinois Finance Authority, a body politic and corporate of the State of Illinois (the "*Authority*"), by the Village of Gurnee, Lake County, Illinois (the "*Village*"), a request in relation to the authority to issue Midwestern Disaster Area Bonds ("*MDABs*"), in an amount not to exceed Eleven Million Dollars (\$11,000,000) (the "*Bonds*"); and

WHEREAS, by virtue of a successful election held on November 6, 1990, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the Village is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt; and

WHEREAS, the Bonds are expected to be issued by the Village for the purposes of financing a portion of the cost of acquiring, constructing and installing utilities, reconfiguring and paving a parking lot, demolishing a building, and constructing a building pad (the "*Project*") in relation to a retail site in Gurnee Mills in the Village, which will be owned by Simon Property Group and partially leased to Macy's; and

WHEREAS, the Heartland Disaster Tax Relief Act of 2008 (the "*Act*") provides for the issuance of MDABs, the proceeds of which are to be used to finance qualified projects located in any of 18 eligible counties in the State of Illinois (the "*State*"), including the County of Lake, Illinois; and

WHEREAS, the Act provides that MDABs must be designated in a reasonable manner by the Governor of the State (the "*Governor*"); and

WHEREAS, in a letter dated February 11, 2010 to the Authority, the Governor (i) directed the Authority to be the issuer of MDABs and administer requests for such designations and provide such other administrative support as may be needed or useful and (ii) authorized and directed the Authority to receive applications for MDABs and to coordinate with other departments of the State of Illinois (the "*State*") and the office of the Governor to facilitate the timely use of MDABs in the State; and

WHEREAS, in connection with the issuance of the Bonds, the Village is seeking not to exceed Eleven Million Dollars (\$11,000,000) in an award of allocation for bonding authority to the Village for the Bonds under the Act and a designation by the Governor that the Bonds are "qualified Midwestern Disaster Area Bonds" and certain other determinations, designations and findings to be made by the Governor and the Illinois Department of Commerce and Economic Development (the "*DCEO*") with respect to the Bonds under the Act; and

WHEREAS, the issuance of the Bonds is subject to (i) the availability of such bonding authority under the Act and (ii) the award of such bonding authority by the Governor under the Act to the Village and a designation of the Bonds by the Governor as "qualified Midwestern Disaster Area Bonds" under the Act; and

WHEREAS, the State's maximum limit for MDABs under the Act is \$1,515,271,000, the Authority has issued \$20,200,000 as of the date of this Resolution, leaving a balance of \$1,495,071,000 of bonding authority, which is sufficient to fund the Village's requested amount of not to exceed \$11,000,000; and

WHEREAS, in its request to the Authority, the Village has agreed to the payment of reasonable fees of the Authority to be made in connection with its request and the payment of such fees will be made by the Village to the Authority upon the issuance of the Bonds, *provided* that the Bonds have been designated by the Governor as "qualified Midwestern Disaster Area Bonds" and have received an award of such bonding authority by the Governor; and

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

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

Section 1. Approval. The request of the Village is approved.

Section 2. Adoption of Resolution. The Chairman, the Vice Chairman or the Executive Director (each, an "Authorized Officer") is authorized and directed to execute, and the Secretary or any Assistant Secretary of the Authority is authorized to seal and attest to the adoption of, this Resolution and to do any and all things necessary or desirable in order to carry out the intention of the parties as expressed herein.

Section 3. Bonding Authority. The Authority approves the transfer of allocation for bonding authority of MDABs to the Village for the Bonds in an amount not to exceed Eleven Million Dollars (\$11,000,000) subject to an award of allocation by the Governor for bonding authority of MDABs to the Village for the Bonds in an amount not to exceed Eleven Million Dollars (\$11,000,000) under the Act and a designation of the Bonds by the Governor as "qualified Midwestern Disaster Area Bonds" under the Act, and the Authorized Officers and staff of the Authority are directed to work with the Governor's office to facilitate such award and designation. Any unused MDAB authority as of the issuance date shall be deemed waived back to the Authority for reallocation to other projects in any of the eighteen eligible counties.

Section 4. Certain Determinations, Designations and Findings. The Authority directs the Authorized Officers and staff of the Authority to work with the Governor's office and the DCEO in order that certain determinations, designations and findings will be made by the Governor and the DCEO with respect to the Bonds, the Project and the site of the Project, under the Act.

Section 5. Execution of Necessary Documents and Certificates. Upon request of the Village or its Bond Counsel, the Authorized Officers are authorized to execute any documents or certificates needed by the Village in connection with the issuance of the Bonds by the Village as MDABs.

Section 6. Payment of Issuance Fee to Authority and Lake County Partners at closing. Delivery of executed documents or certificates needed by the Village in connection with the issuance of the Bonds by the Village as MDABs will be subject to payment of (i) a 31 basis point fee (*i.e.*, 0.31%) based on the par amount of Bonds payable to the Authority and (ii) a 31 basis point fee (*i.e.*, 0.31%) based on the par amount of Bonds payable to Lake County Partners.

Section 7. Ratification of Prior Action. All such actions heretofore taken by the Executive Director or any other Authorized Officer in furtherance of the purposes of this Resolution, whether upon oral or written direction of the Authority, are ratified.

Approved and effective this ___th day of July, 2011.

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The Village of Gurnee

Kristina M. Kovarik, Mayor

www.gurnee.il.us

325 North O'Plaine Road, Gurnee, Illinois 60031-2636
Administration 847-599-7500
Building & Engineering 847-599-7550
Fax 847-623-9475

June 27, 2011

Mr. Richard K. Frampton, V.P.
Illinois Finance Authority
180 North Stetson, Suite 2555
Chicago, IL 60601

Dear Mr. Frampton:

The Village of Gurnee requests authority to issue not to exceed \$11,000,000 of Midwest Disaster Area Bonds with the likely issuance being \$10,000,000. The site of the project is Gurnee Mills in the Village of Gurnee. The project consists of utilities, parking lot reconfiguration and paving, building demolition and building pad construction, along with ancillary uses of proceeds. The Village of Gurnee will be the obligor on the debt and the project will be owned by Simon Property Group partially leased to Macy's.

Terms are as follows:

Issuer/Borrower	The Village of Gurnee
Type of Security	General obligation bonds with a pledge of the Village's full faith and credit
Expected Source of Repayment	A portion of the Village's share of sale taxes from Gurnee Mills
Term	Ten to twelve years
Timing	The bond sale is expected around August 1
Rating	Moody's Investors Service
Bond Counsel	Kelly Kost of Chapman and Cutler
Financial Advisor	Kevin McCanna of Speer Financial, Inc.
Underwriter	To be determined by competitive bid

It is understood that the Authority's normal fees related to this program will be paid.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim Hayner".

Jim Hayner
Village Administrator
Village of Gurnee

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Jim Senica

Date: July 19, 2011

Re: Resolution to Authorize a First Amendment to the Loan Agreement among the Illinois Finance Authority, Sunrise Ag Service Company, Clayton Holdings LLC, and related matters

IFA Series 2006 Industrial Revenue Bonds (Sunrise Ag Service Company Project)
IFA File Number: A-ID-TE-CD-6103

Request:

Sunrise Ag Service Company (“the **Borrower**”) is requesting approval of a Resolution to approve an amendment of the following terms and provisions in the Loan Agreement among the Borrower and **Clayton Holdings LLC** (the “**Lender**”), an affiliate of Commerce Bank, N.A., and the Illinois Finance Authority (as Issuer):

1. Amendment of the definition of “Floating Rate” set forth in Article I of the Loan Agreement to be reset annually to a tax-exempt interest rate equal to 65% of the sum of the 30-day LIBOR rate + 1.66%. The original interest rate set in 2006 was 65% of the 30-day LIBOR rate + 1.00% (for the initial 5 year term).
2. Extension of the commitment for an additional five years through August 1, 2016 with the annual interest rate reset and call provision noted above.

Background:

The Illinois Finance Authority issued \$5,500,000 of Industrial Revenue Bonds in August, 2006, the proceeds of which were used to finance the purchase of land, construction and equipping of a manufacturing/processing facility, and to pay bond issuance costs.

IFA RESOLUTION NO. 2011-0719-__

A RESOLUTION PROVIDING FOR THE APPROVAL BY THE ILLINOIS FINANCE AUTHORITY (THE "ISSUER") OF THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LOAN AGREEMENT IN CONNECTION WITH THE OUTSTANDING INDUSTRIAL DEVELOPMENT REVENUE BOND (SUNRISE AG SERVICE COMPANY PROJECT), SERIES 2006; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Issuer"), on June 13, 2006, adopted a resolution authorizing the issuance and delivery of its \$5,500,000 original aggregate principal amount Industrial Development Revenue Bond (Sunrise Ag Service Company Project), Series 2006 (the "Bond"); and

WHEREAS, the Bond was originally issued pursuant to a Loan Agreement dated as of August 1, 2006 (the "Loan Agreement") among the Issuer, Sunrise Ag Service Company, an Illinois agricultural cooperative (the "Borrower") and Clayton Holdings LLC, a Missouri limited liability company (the "Lender"); and

WHEREAS, the Borrower has requested the Issuer and the Lender to amend certain provisions of the Loan Agreement, in order to provide for certain amendments relating to the interest rate provisions; and

WHEREAS, it is necessary and proper for the interests and convenience of the Issuer to authorize such amendments to the Loan Agreement; and

WHEREAS, the Issuer has caused to be prepared and filed with the Secretary of the Issuer, the First Amendment to Loan Agreement dated as of August 1, 2011, among the Issuer, the Borrower and the Lender (the "First Amendment"), which the Issuer proposes to enter into and which amends the Loan Agreement; and

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

That the form, terms and provisions of the proposed First Amendment, a copy of which has been filed with the Secretary of the Issuer, be, and it hereby is, in all respects approved, and that the Chairman, Vice Chairman, or Executive Director (each an "Authorized Officer") be, and they are hereby authorized, empowered and directed to execute and deliver such instrument in the name and on behalf of the Issuer and the Secretary or any Assistant Secretary is hereby authorized to attest the same and to affix thereto the corporate seal of the Issuer and thereupon to cause the First Amendment to be delivered to the Lender and the Borrower; that the First Amendment is to be in

substantially the form thereof and on file with the Issuer and hereby approved, with such changes therein as shall be approved by the official(s) of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of such instrument hereby approved; that the First Amendment shall be entered into by the Issuer with the Lender and the Borrower; and from and after the execution and delivery of such instrument, the officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such instrument as executed. The First Amendment shall constitute, and is hereby made a part of this Resolution and a copy of such document shall be placed in the official records of the Issuer, and shall be made available for public inspection.

That from and after the execution and delivery of the First Amendment, the proper officials, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said document as executed and to further the purposes and intent of this Resolution, including the preamble hereto. The Authorized Officer, and the Secretary or any Assistant Secretary be, and they are hereby, further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Resolution or to evidence said authority, including without limitation, the signing of IRS Form 8038 and the filing thereof as therein required and the certifications relating to Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder and changes in the documents approved hereby as approved by the officials of the Issuer executing the same, and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Issuer under the First Amendment and to discharge all of the obligations of the Issuer thereunder. For purposes of certifying as to matters of arbitrage, an Authorized Officer, is hereby designated an officer responsible for issuing the Bond.

That all prior acts and doings of the officials of the Issuer which are in conformity with the purposes and intent of this Resolution are, in all respects, approved, ratified and confirmed.

That the Issuer hereby elects to have the provisions of Section 144(a)(4)(A) of the Internal Revenue Code of 1986, as amended, apply to the hereinabove described bond issue and hereby affirmatively notes said election in this Resolution.

That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision shall, for any reason, be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

That all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby superseded.

This Resolution shall be in full force and effect from and after its passage and approval, in accordance with law.

APPROVED this ___th day of July 2011.

IFA RESOLUTION NO. 2011-0719-AD__

**RESOLUTION ADOPTING THE BUDGET OF
THE ILLINOIS FINANCE AUTHORITY FOR FISCAL YEAR 2012**

WHEREAS, pursuant to Section 801-30(e) of the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 et seq. (the "Act") and Article VI, Section 3 of Resolution No. 2007-07-21, Resolution Adopting the Amended and Restated By-Laws of the Illinois Finance Authority, the Illinois Finance Authority created and existing as a body corporate and politic under the laws of the State of Illinois, particularly the Act (the "Authority") is authorized to adopt a budget and appropriate the funds to defray the expenses of the Authority for Fiscal Year 2012; and

WHEREAS, the Executive Director, with the assistance of the Staff of the Authority, has, based upon review and analysis, prepared a Budget for Fiscal Year 2012, which Budget is attached hereto as Exhibit A (the "Budget") to support the operations of the Authority during Fiscal Year 2012 pursuant to the various purposes set forth in the Act; and

WHEREAS, the Budget is based upon the following revenue assumptions for Fiscal Year 2011:

- A. Federally tax-exempt conduit financing represents core revenue activity for the Authority; the reduced cost of capital provided through federally tax-exempt conduit financing provides significant value to its non-profit (healthcare; higher education; cultural, and other 501(c)(3)'s) and private for-profit (industrial; water utilities; gas utility; solid waste; beginning farmer) borrowers; the Authority plans to focus on cultivating its existing relationships with borrowers, commercial lenders, and other bond finance professionals;
- B. In addition, the Authority plans to aggressively pursue new conduit opportunities as they become available through Federal legislation, which authorize tools that have additional anticipated potential for job creation and retention as well as revenue generation for the Authority;
- C. The Authority will remain a steadfast and committed financing partner to the community of 501(c)(3) non-profit Healthcare providers; however, given the anticipated slowdown in Healthcare financings and refundings, the Authority recognizes that Healthcare financings may be fewer in number and aggregate size than in recent years;
- D. During Fiscal Year 2009, Fiscal Year 2010 and Fiscal Year 2011, many large Healthcare systems and other large 501(c)(3) Higher Education and Cultural Institutions took advantage of historically low fixed rates to reduce variable interest rate risk, thereby boosting the Authority's financing activity during this time period; however, due to federal tax law restrictions and market conditions, these circumstances are not likely to be repeated in the near-term;
- E. Agriculture's proportion of the revenue picture is anticipated to remain consistent;

and the Authority remains committed to the Agricultural sector; and

- F. Given the myriad economic challenges facing historic revenue streams, the Authority will be embarking on a proposed three-month strategic planning process to develop a roadmap for long-term sustainability; and

WHEREAS, by maintaining the above priorities, the Authority plans to continue to fulfill its statutory mission to retain and create jobs and improve the quality of life for Illinois citizens by expanding access to capital for qualified borrowers across economic sectors -- and to remain a self-funding entity, not supported by State appropriations; and

WHEREAS, through the Budget, the Authority seeks to optimize operational performance, an efficient and functional administrative support infrastructure is integral to fulfilling the Authority's mission and serving the public effectively; in addition, the Authority, through the Budget, seeks to expand resources to strengthen transparency and accountability; and

WHEREAS, the Authority has determined that the adoption of the Budget is in the best interest of the Authority;

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

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

Section 2. Adoption of Fiscal Year 2012 Budget. The revenues, receipts and other available funds set forth in the Budget for Fiscal Year 2012, commencing July 1, 2011, and ending June 30, 2012, are hereby appropriated to meet the purposes set forth therein. The Executive Director, in conjunction with the other officers of the Authority, is authorized to expend funds during Fiscal Year 2012 in accordance with the Budget. Nothing in this Resolution prohibits the Members of the Authority or the Executive Director from revising the Budget during Fiscal Year 2012 if necessary and in accordance with the Act and the By-Laws of the Authority ("By-Laws").

Section 3. Implementation. The Authority hereby authorizes, empowers and directs the Executive Director of the Authority, or his designee(s), to take or cause to be taken any and all such other and further actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents, and to pay all such fees and expenses, as he may deem necessary, appropriate or advisable in order to carry out the purpose and intent of this Resolution.

Section 4. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 5. Enactment. This Resolution shall take effect immediately.

This Resolution shall be retroactive to July 1, 2011.

This Resolution No. 2011-0719-AD__ is adopted this 19th day of July 2011, by the following vote:

Ayes:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

Chairman

ATTEST:

Secretary

[SEAL]

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July 19, 2011

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Gila J. Bronner
Heather D. Parish
Roger E. Poole
Bradley A. Zeller
Hon. Barrett Pedersen

Michael W. Goetz, Vice-Chairman
Edward H. Leonard, Sr.
Terrence M. O'Brien
Jack Durburg
James J. Fuentes
Norman M. Gold

RE: IFA Strategic Planning Process

Dear Members of the Authority:

There are a number of challenges on the horizon that will necessitate a broadening of the IFA's current strategic focus. As the 2012 budget indicates, we need to identify new programs to ensure long-term operational sustainability in an era of decreasing demand for our historical product offerings. Over the past few years, we have completed multiple rounds of head-count and cost-cutting initiatives aimed at reducing the IFA's cost structure. However, it is now vital that we evaluate potential additional revenue-generating opportunities that leverage the organization's strengths.

Legacy agencies have now been fully integrated into one organization that can take advantage of both efficiency and scale to be a key partner in implementing Governor Quinn's jobs strategy. We have been able to complete these headcount reductions without sacrificing effectiveness or customer satisfaction.

Building on these successes, I recommend that we undertake a three-month intensive strategic planning process that engages the Board, the staff and outside stakeholders to evaluate both the competitive strengths as well as the best opportunities to maximize the value that the IFA can add in supporting job retention and creation in Illinois. Now is the time to take advantage of the reduced activity in our current sectors to develop a strategic plan that will lead the IFA into the next decade.

Challenges on the Horizon

As noted in previous discussions, there is strong pressure at the federal level to remove the tax-exempt status of municipal bond issuances from the Internal Revenue Code of 1986 as amended (the Code). Needless to say, this would diminish one of the IFA's key competitive advantages as a conduit issuer with statewide jurisdiction. I have been actively engaged in the national debate and am, along with my counterparts in other major states, challenging these potential changes to the Code. The IFA will continue to advocate for the benefits of conduit financing as an important tool to support job retention and creation at the State and local levels.

If the elimination of conduit tax exempt borrowing were to take effect, it would likely not be implemented without a 12 to 18 month window. Regardless, it is important to take steps now to identify alternatives in a situation where this seminal change was to occur. Changes in the Code may also lead to a short-term uptick in demand for conduit financing, consistent with the trends observed in both 1982 and 1986 when radical changes to the Code were adopted and implemented. We would expect a similar immediate increase in short-term demand with the types of changes being proposed.

The IFA is also facing increased competition from other local and regional issuers of conduit financing. These competitors are purporting to offer a lower-cost model of service. The IFA has been able to maintain a competitive advantage and continues to retain a number of core borrowers because of strong relationships and sector expertise. However, we need to continue to invest in our expertise and service quality to maintain these advantages.

Proposed Next Steps

The IFA is currently in a strong cash position, particularly after the better than anticipated performance in fiscal year 2011, while we project that fiscal year 2012 deal flow will support continuing operations. However, given the risks and challenges discussed above, I believe that we must re-evaluate the IFA's guiding strategy and transform the organization to meet the challenges ahead.

It is now time to capitalize on the successful post-merger integration to address the changing needs of our customers and to ensure that the IFA continues to provide a suite of services that are most helpful to the various constituencies that we serve. At times such as these, it is vital that government agencies look for opportunities to address the challenges that they are best equipped to solve.

I propose that we enter into a three-month strategic planning process that will:

- Analyze the current and anticipated competitive landscape in the State
- Define the organization's mission, goals and operations based on multiple economic and regulatory environment scenarios
- Review the IFA's strengths and opportunities
- Re-map the IFA's organizational structure to maximize efficiency and align it with the goals identified
- Develop an investment strategy to increase effectiveness and fill internal knowledge and skill gaps

At the culmination of this process, the IFA will have:

- A clear mission, vision and goals that are consistent with the economic and policy realities affecting the organization and the statutory mission of the IFA
- An understanding of the skills necessary to meet these goals
- A transformed organizational structure that aligns human capital allocation with outcomes
- A strategic roadmap that will provide tactical implementation steps to transform the IFA
- Decision-making frameworks that will guide investments and asset allocations going forward given regulatory and economic uncertainty

I propose the Board convene an ad hoc committee to be co-chaired by myself and a Board Member designated by the Board Chairman. It will be staffed by an independent consulting team. The consultants will leverage both an outside team of analysts as well as internal resources to balance internal engagement and external independence. The Committee will provide guidance to the consulting team and report to the Board at the monthly Board meetings.

Conclusion

Through strong leadership and management savvy, we have been able to effectively position the IFA to weather the economic challenges currently facing the financial markets. Now is the time to ensure that we continue to be a class-leading public financial institution that meets the needs of our customers and serves as a core partner in the Governor's job retention and creation initiatives.

I appreciate your consideration of this proposal. Through our work together, I am confident that we will develop a strategic plan that will ensure long-term success for the Authority.

Respectfully,

Christopher B. Meister
Executive Director

**Illinois Finance Authority
GENERAL - BUDGET SUMMARY
BUDGET FY 2012**

	Actual FY 2011	Budget FY 2012	\$ Change	% Change
REVENUE				
INTEREST ON LOANS	941,601	538,836	(402,765)	-42.77%
INVESTMENT INTEREST & GAIN(LOSS)	29,208	25,000	(4,208)	-14.41%
ADMINISTRATIONS & APPLICATION FEES	4,810,291	4,194,325	(615,966)	-12.81%
ANNUAL ISSUANCE & LOAN FEES	576,217	425,670	(150,547)	-26.13%
OTHER INCOME	295,328	163,250	(132,078)	-44.72%
TOTAL REVENUE	6,652,645	5,347,081	(1,305,564)	-19.62%
EXPENSES				
EMPLOYEE RELATED EXPENSES				
COMPENSATION & TAXES	1,776,596	1,730,791	(45,805)	-2.58%
BENEFITS	241,821	265,728	23,907	9.89%
TEMPORARY HELP	1,382	-	(1,382)	-100.00%
EDUCATION & DEVELOPMENT	7,087	10,000	2,913	41.10%
TRAVEL & AUTO	52,197	70,000	17,803	34.11%
TOTAL EMPLOYEE RELATED EXPENSES	2,079,083	2,076,519	(2,564)	-0.12%
PROFESSIONAL SERVICES				
CONSULTING, LEGAL & ADMIN	585,702	500,000	(85,702)	-14.63%
LOAN EXPENSE & BANK FEE	113,250	111,000	(2,250)	-1.99%
ACCOUNTING & AUDITING	216,074	263,536	47,462	21.97%
MARKETING GENERAL	14,268	15,000	732	5.13%
FINANCIAL ADVISORY	183,958	200,000	16,042	8.72%
CONFERENCE/TRAINING	17,258	30,000	12,742	73.83%
MISCELLANEOUS PROFESSIONAL SERVICES	108,211	110,000	1,789	1.65%
DATA PROCESSING	45,177	55,000	9,823	21.74%
TOTAL PROFESSIONAL SERVICES	1,283,898	1,284,536	638	0.05%
OCCUPANCY COSTS				
OFFICE RENT	254,848	268,284	13,436	5.27%
EQUIPMENT RENTAL AND PURCHASES	19,731	15,600	(4,131)	-20.94%
TELECOMMUNICATIONS	36,248	42,000	5,752	15.87%
UTILITIES	11,229	12,000	771	6.87%
DEPRECIATION	31,346	52,649	21,303	67.96%
INSURANCE	23,192	23,400	208	0.90%
TOTAL OCCUPANCY COSTS	376,594	413,933	37,339	9.91%
GENERAL & ADMINISTRATION				
OFFICE SUPPLIES	39,031	34,800	(4,231)	-10.84%
BOARD MEETING - EXPENSES	32,709	32,000	(709)	-2.17%
PRINTING	9,912	10,500	588	5.93%
POSTAGE & FREIGHT	16,618	15,000	(1,618)	-9.74%
MEMBERSHIP, DUES & CONTRIBUTIONS	32,272	32,000	(272)	-0.84%
PUBLICATIONS	2,391	3,000	609	25.47%
OFFICERS & DIRECTORS INSURANCE	192,445	183,132	(9,313)	-4.84%
MISCELLANEOUS	-	-	-	0.00%
TOTAL GENERAL & ADMINISTRATION EXPENSES	325,379	310,432	(14,947)	-4.59%
LOAN LOSS PROVISION/BAD DEBT	942,147	-	(942,147)	-100.00%
OTHER				
INTEREST EXPENSE	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%
TOTAL EXPENSES	5,007,100	4,085,420	(921,680)	-18.41%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS)	1,645,544	1,261,661	(383,883)	-23.33%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%
TRANSFERS	1,175,543	-	(1,175,543)	-100.00%
NET INCOME/(LOSS)	2,821,087	1,261,661	(1,559,426)	-55.28%