

ILLINOIS FINANCE AUTHORITY

Tuesday, October 11, 2011

AGENDA

COMMITTEE OF THE WHOLE MEETING

9:30 a.m.

**IFA Chicago Office
Two Prudential Plaza
180 North Stetson Avenue, Suite 2555
Chicago, Illinois 60601**

- I. Call to Order & Roll Call
- II. Chairman's Remarks
- III. Message from the Executive Director
- IV. Consideration of the Minutes
- V. Presentation and Consideration of the Financial Statements
- VI. Committee Reports
- VII. Project Reports
- VIII. Other Business
- IX. Public Comment
- X. Adjournment

BOARD MEETING

10:30 a.m.

**Conference Center
One Prudential Plaza
130 East Randolph Street, Suite 750
Chicago, Illinois 60601**

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

Board Meeting Agenda

October 11, 2011

Page 2

AGRICULTURE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Beginning Farmer Bonds						
<i>Final</i>						
1	A) Jay W. Ohnesorge	Dieterich (Effingham County)	\$32,500	0	0	JS/LK
	B) Chad Randall Borkgren	Cambridge (Henry County)	\$107,369	0	0	JS/LK
	C) Matthew W. & Kayla J. Schaffer	Pontiac (Livingston County)	\$141,056	0	0	JS/LK
TOTAL AGRICULTURE PROJECTS			\$280,925	0	0	

BUSINESS AND INDUSTRY

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Affordable Rental Housing Bonds						
<i>Preliminary</i>						
2	Bravo Properties, LLC, and its affiliates, successors, and assigns (St. Anthony Supportive Living Community Facility Project)	Lansing (Cook County)	\$20,500,000	31	200	RF/BF
TOTAL BUSINESS AND INDUSTRY PROJECTS			\$20,500,000	31	200	

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>Preliminary</i>						
3	The University of Chicago	Chicago (Cook County)	\$480,000,000	TBD	TBD	RF/BF
4	United Methodist Homes and Services	Chicago (Cook County)	\$8,000,000	16	30	RF/BF
TOTAL GENERAL/HIGHER EDUCATION PROJECTS			\$488,000,000	16	30	

HEALTHCARE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds						
<i>Preliminary</i>						
5	The Lodge at Northbrook	Northbrook (Cook County)	\$13,000,000	5	80	PL/NO
TOTAL HEALTHCARE PROJECTS			\$13,000,000	5	80	
GRAND TOTAL			\$521,780,925	52	310	

RESOLUTIONS

Tab	Project Name	FM
Amendatory Resolutions		
6	Resolution authorizing the execution and delivery of a Bond and Loan Agreement in connection with the IDFA Series 1994 Variable Rate Demand Revenue Bonds to enable conversion to a Bank Direct Purchase Structure (Aurora Central Catholic High School Project)	RF/BF
7	Resolution approving the transfer of the remaining moneys on deposit in the Project Fund for the IEFA Commercial Paper Pool Program to a new escrow agreement among the IFA, The Bank of New York Mellon Trust Company and OSF Healthcare System and approving the projects for which that money will be used.	PL/NO

October 11, 2011

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Gila J. Bronner
John E. Durburg
James J. Fuentes
Norman M. Gold
Edward H. Leonard, Sr.

Michael W. Goetz, Vice-Chairman
Terrence M. O'Brien
Heather D. Parish
Mayor Barrett Pedersen
Roger E. Poole
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

Last week, we had the opportunity to meet with our colleagues, issuers of federally tax-exempt debt in other states, at the meeting of the National Association of Health and Educational Facilities Finance Authorities ("NAHEFFA"). As we have previously discussed, federally tax-exempt financing faces a trifecta of unprecedented challenges:

No. 1 Existential Challenge

Efforts in Washington, D.C. to reduce the deficit may lead to the restriction or elimination of federally tax-exempt conduit financing as a viable job retention and job creation tool. The headline of a recent Bond Buyer article summarizes market participant fears regarding the fate of federally tax-exempt financing: "Debt Reduction Plan Would be Disastrous, Players Say," Lyn Hume, October 3, 2011.

No. 2 Regulatory Challenge

Regulatory efforts, particularly by the Securities & Exchange Commission ("SEC"), but also by the Internal Revenue Service ("IRS"), increase the likelihood that issuers such as the IFA will be required to play a larger role with respect to post-issuance compliance and disclosure. If enacted, the IFA would need to invest organizational resources to comply with such requirements. However, if done properly, such efforts could strengthen the tax-exempt capital markets and the IFA, as well as provide investors with additional knowledge and protection.

No. 3 Economic Challenge

Continuing economic difficulties reduce the likelihood that borrowers will have the confidence and the resources to invest in new capital infrastructure projects financed with federally tax-exempt debt. Deficit reduction efforts in Washington, D.C. are expected to negatively impact finances of not-for-profit healthcare borrowers and not-for-profit education borrowers, two sectors essential to the IFA's public mission and finances.

Nonetheless, the IFA as well as our NAHEFFA colleagues remain confident in the effectiveness and efficiency of federally tax-exempt financing as a job retention and creation tool. We also are optimistic that the successful record of this tool will prove persuasive to federal decision-makers.

To end on some positive notes, the transaction with Trinity Health Corporation (“Trinity Health”), the Michigan-based not-for-profit healthcare system that has acquired Loyola Medical Center in Maywood, will close later this month. We welcome Trinity Health to Illinois. In addition, we are also pleased that the University of Chicago has a bond issue on the agenda for consideration by the board this month.

Conclusion

As always, we look forward to continuing to work with you to fulfill our economic development mission.

Respectfully,

A handwritten signature in black ink, appearing to read 'C. Meister', with a long horizontal line extending to the right.

Christopher B. Meister
Executive Director

Attachments:

Attachment 1 – Board of Directors Dashboard

Attachment 2 – Bonds Issued Analyses; Schedule of Debt

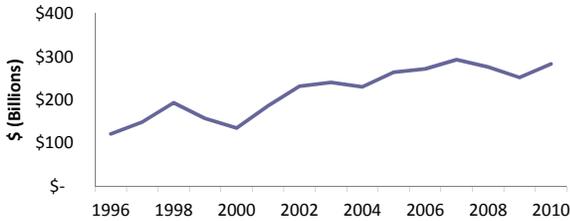
Attachment 3 – Audit Tracking Schedule

Illinois Finance Authority
Board of Directors "Dashboard"
October 11, 2011

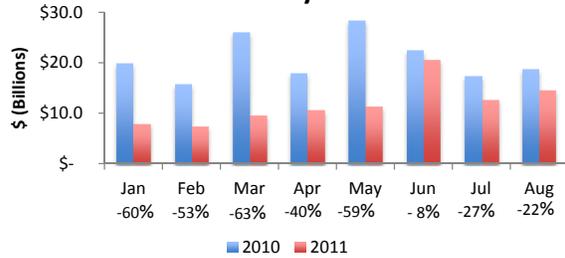
Section 1: National Market Analysis

- Calendar Year 2011 issuances down 42.7% over same period in Calendar Year 2010.
- Some improvement in the volume of Revenue Bonds issued in the three-months ending August 31, 2011.

**National Revenue Bond Issuances
1996 - 2010**



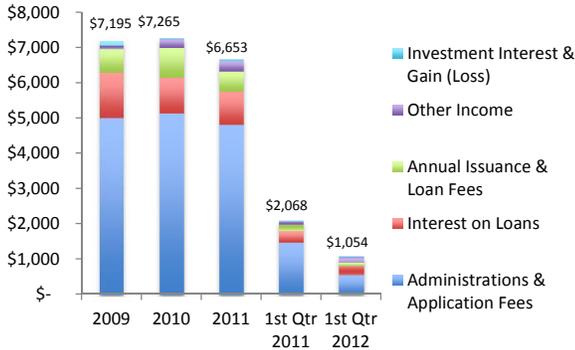
**2010 vs. 2011 Revenue Bond
Issuances by Month**



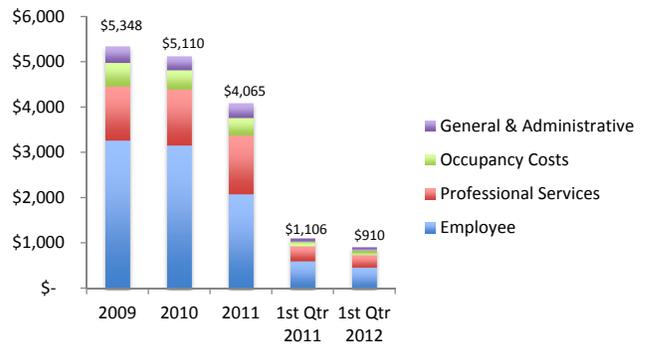
Section 2: IFA Operational Analysis

- Revenues declined 49% while expenses declined only 39.6% during the 1st quarter of Fiscal Year 2011/2012.
- Net Income declined 73%, however our Balance Sheet remains strong. The increase in cash strengthens our reserve for the coming year.
- Return on Equity decline year over year in part due to the increase in Cash on the Balance Sheet.

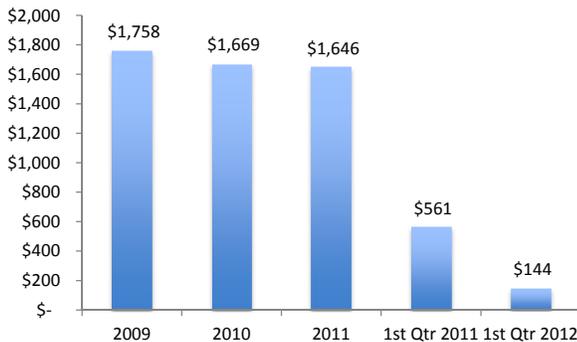
Revenue by Category



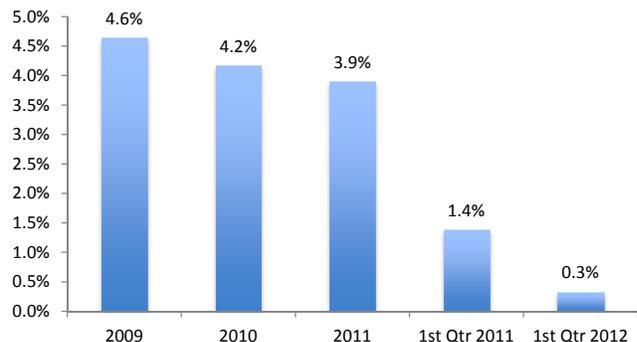
Expense by Category



Net Operating Income



Return on Equity

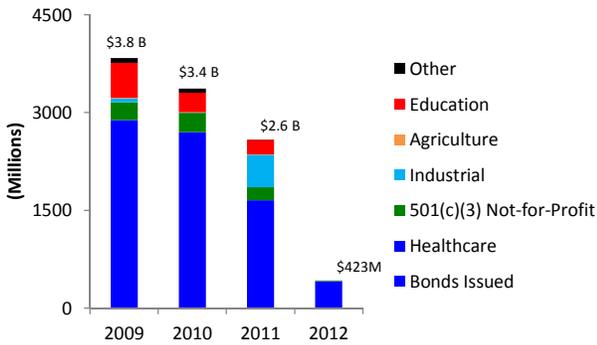


Illinois Finance Authority Board of Directors "Dashboard" October 11, 2011

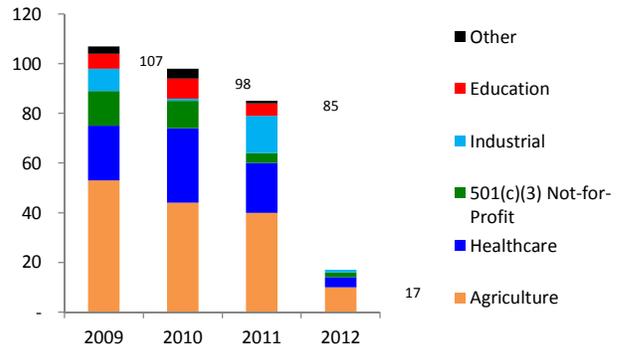
Section 3: Revenue Analysis

- Healthcare continues to drive the largest dollar volume of issuances and total revenue by sector.

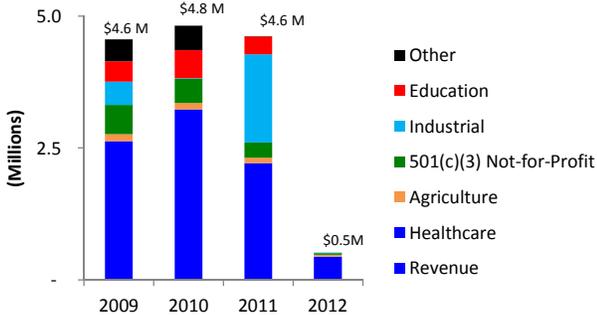
Bond Issuance by Sector



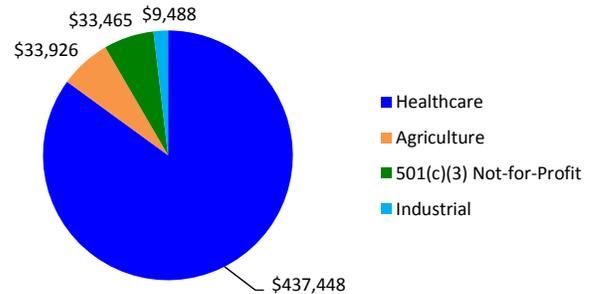
Total Number of Issuances by Sector



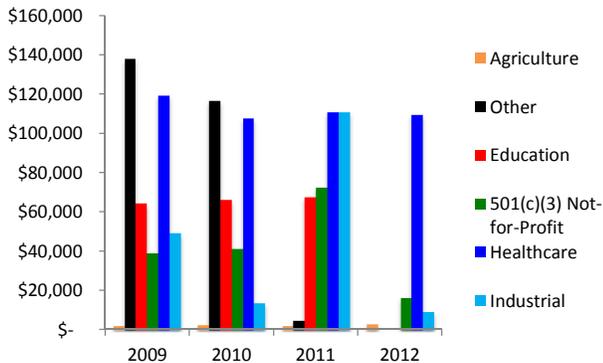
Revenue by Sector



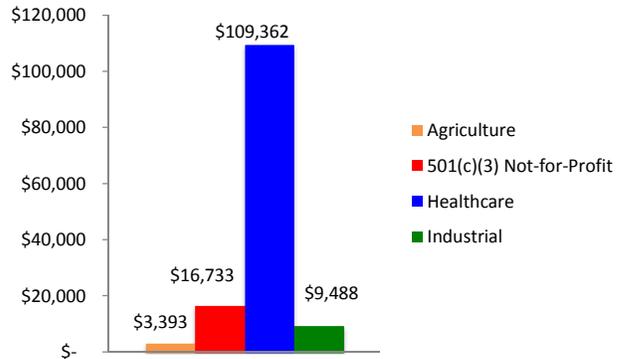
2012 Revenue by Sector



Revenue per Issuance



2012 Revenue per Issuance





Bonds Issued and Outstanding as of September 30, 2011

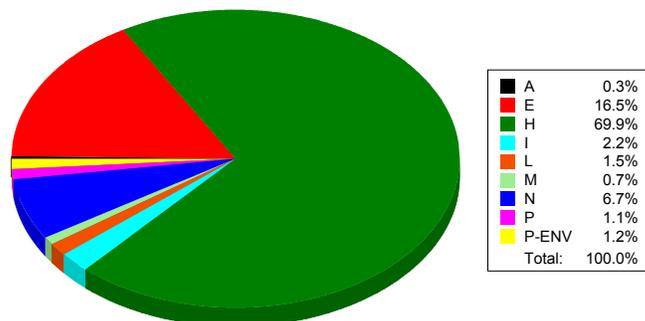
Bonds Issued Since Inception of Illinois Finance Authority

#	Market Sector	Principal Amount (\$)
360	Agriculture **	66,114,326
83	Education	4,027,548,100
172	Healthcare *	17,342,918,508
80	Industrial	934,937,853
25	Local Government	378,145,000
16	Multifamily/Senior Housing	175,417,900
110	501(c)(3) Not-for Profits	1,702,226,195
8	Exempt Facilities Bonds	275,700,000
8	Environmental issued under 20 ILCS 3515/9	326,630,000
		\$ 25,229,637,882

* Includes CCRC's

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

Bonds Issued Since Inception

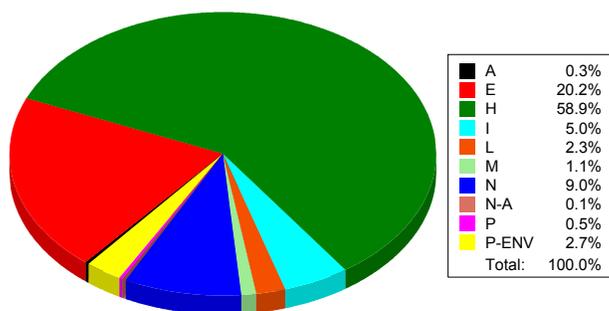


Schedule of Bonds Outstanding by Market Sector Includes IFA and it's Predecessor Authorities

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	304,584,032	88,405,026
Education	5,625,425,730	5,106,128,261
Healthcare *	17,581,626,959	14,894,806,177
Industrial	1,526,316,939	1,257,349,154
Local Government	1,032,839,413	575,231,238
Multifamily/Senior Housing	726,835,396	289,904,591
501(c)(3) Not-for Profits	2,799,757,996	2,263,573,595
Exempt Facilities Bonds	130,500,000	130,300,000
Environmental issued under 20 ILCS 3515/9	756,325,000	671,701,926
	\$ 30,484,211,464	\$ 25,277,399,967

* Includes CCRC's

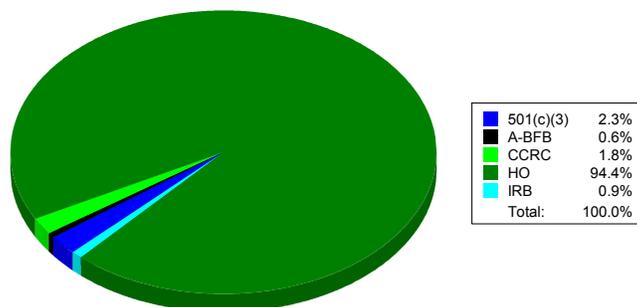
Principal Outstanding by Market Sector



Current Fiscal Year

#	Market Sector	Principal Issued
10	Agriculture - Beginner Farmer	2,328,377
3	Healthcare - Hospital	399,295,000
1	Healthcare - CCRC	7,600,000
1	Industrial Revenue	3,795,000
2	501(c)(3) Not-for-Profit	9,793,000
17		\$ 422,811,377

Bonds Issued - Current Fiscal Year



Bonds Issued between July 01, 2011 and September 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 2012A	07/01/2011	Various-See Below	2,328,377	0
501(c)(3) Learn Charter Schools, Series 2011	08/01/2011	Variable	5,693,000	2,830,000
HO CDH-Delnor Health System, Series 2011A&B	08/05/2011	Variable	127,150,000	127,150,000
IRB Transparent Container Co., Inc., Series 2011	08/09/2011	DP-VRB	3,795,000	3,795,000
HO CDH-Delnor Health System, Series 2011C	08/24/2011	DP-VRB	58,415,000	58,415,000
501(c)(3) Chicago Shakespeare Theater, Series 2011	09/09/2011	DP-VRB	4,100,000	4,100,000
HO Advocate Health Care Network, Series 2011A-D	09/21/2011	DP-VRB	213,730,000	12,295,000
CCRC Chestnut Square at The Glen, Series 2011	09/30/2011	DP-VRB	7,600,000	0
Total Bonds Issued in Fiscal Year 2011			\$ 422,811,377	\$ 208,585,000

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>
Bennett, Quinn P. & Kristen N.	07/15/2011	4.50%	252,350	75.76	Shelby
Neff, Jennifer	07/15/2011	3.65%	476,449	48.90	Macoupin
Zaagman, Brent	08/11/2011	4.50%	239,828	90.00	Whiteside
Colgan, Andrew J. & Jacqueline L.	08/16/2011	4.00%	125,000	40.00	Stark
Kocher, Doug E. & Lora M.	08/19/2011	4.00%	80,000	38.00	Jasper
Sterrenberg, Casey P.	09/13/2011	4.00%	477,000	96.70	Livingston
Meister, Evan T.	09/20/2011	4.00%	203,940	80.00	Iroquois
Tarasuik, James W. Jr.	09/20/2011	4.00%	67,000	40.00	Bond
Jorden, Korey P.	09/23/2011	4.00%	203,405	56.00	Montgomery
Jordan, Alexander Colby	09/23/2011	4.00%	203,405	56.00	Montgomery
Total Beginner Farmer Bonds Issued			\$ 2,328,377	621.36	

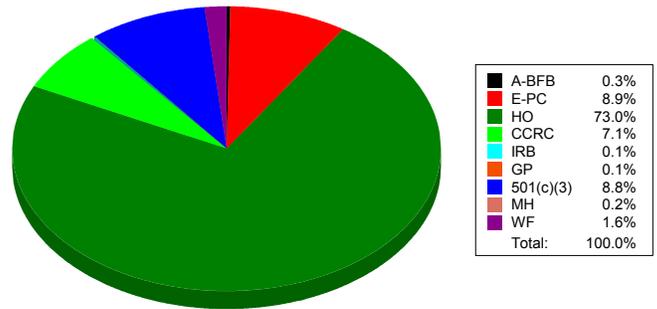


Bonds Issued - Fiscal Year Comparison for the Period Ending September 30, 2011

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

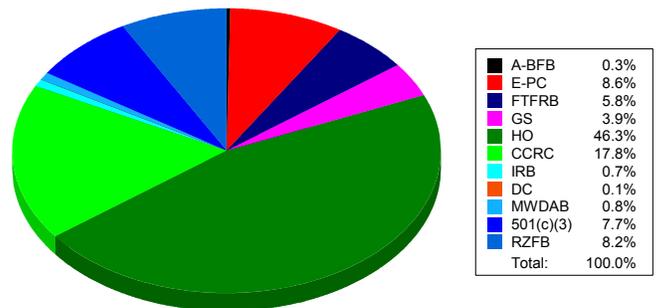
Bonds Issued in Fiscal Year 2010



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

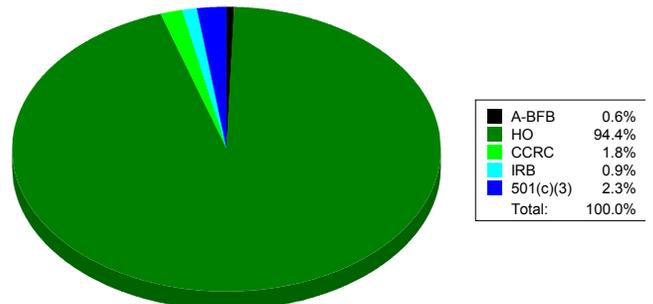
Bonds Issued in Fiscal Year 2011



Fiscal Year 2012

#	Market Sector	Principal Issued
10	Agriculture - Beginner Farmer	2,328,377
3	Healthcare - Hospital	399,295,000
1	Healthcare - CCRC	7,600,000
1	Industrial Revenue	3,795,000
2	501(c)(3) Not-for-Profit	9,793,000
17		\$ 422,811,377

Bonds Issued in Fiscal Year 2012

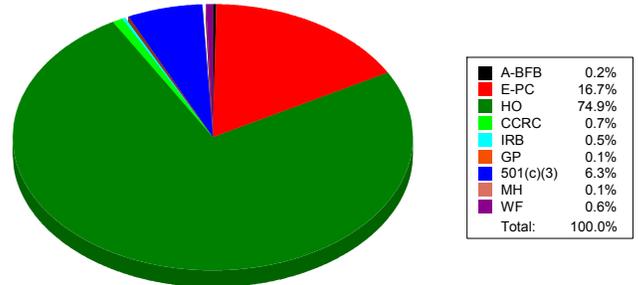


Bonds Issued - Calendar Year Comparison as of September 30, 2011

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

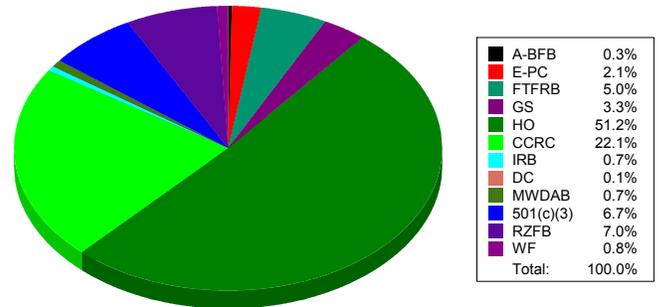
Bonds Issued in Calendar Year 2009



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

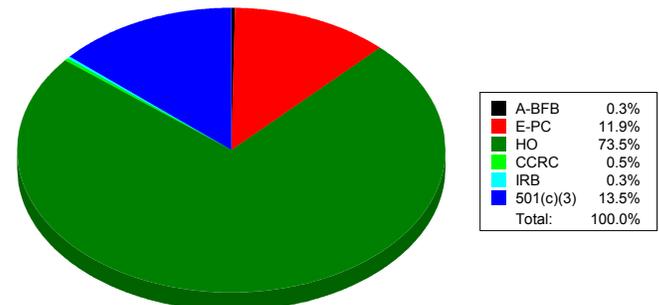
Bonds Issued in Calendar Year 2010



Calendar Year 2011

#	Market Sector	Principal Issued
24	Agriculture - Beginner Farmer	4,804,772
2	Education	177,390,000
9	Healthcare - Hospital	1,096,530,000
1	Healthcare - CCRC	7,600,000
1	Industrial Revenue	3,795,000
4	501(c)(3) Not-for-Profit	201,628,000
41		\$ 1,491,747,772

Bonds Issued in Calendar Year 2011



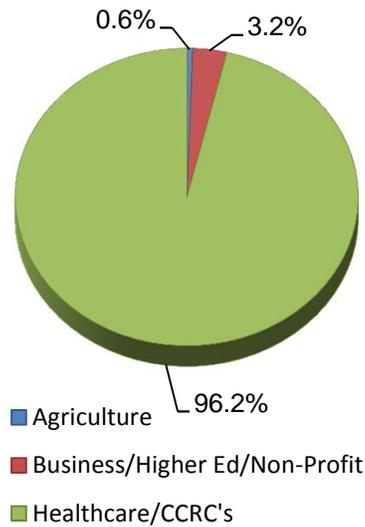


Illinois Finance Authority

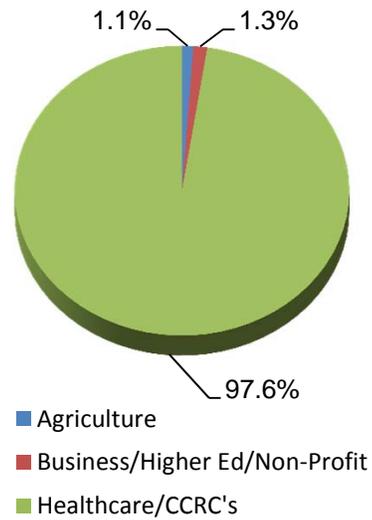
Fiscal Year 2012

Market Sector	Principal Amount (\$)	New Money (\$)	#	Revenue (\$)
Agriculture	\$ 2,328,377.00	\$ 2,328,377.00	10	\$ 33,925.66
Business/Higher Ed/Non-Profit	13,588,000.00	2,863,000.00	3	42,952.50
Healthcare/CCRC's	406,895,000.00	209,035,000.00	4	437,447.50
	\$ 422,811,377.00	\$ 214,226,377.00	17	\$ 514,325.66

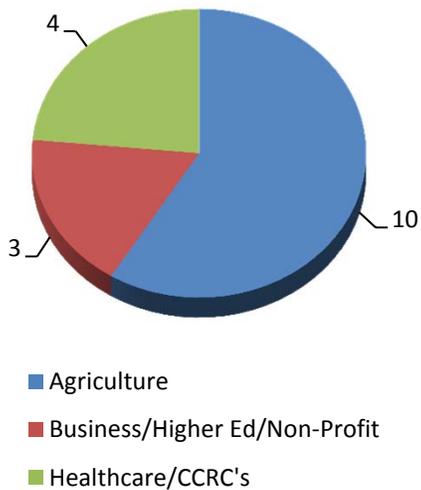
Principal Amount (\$)



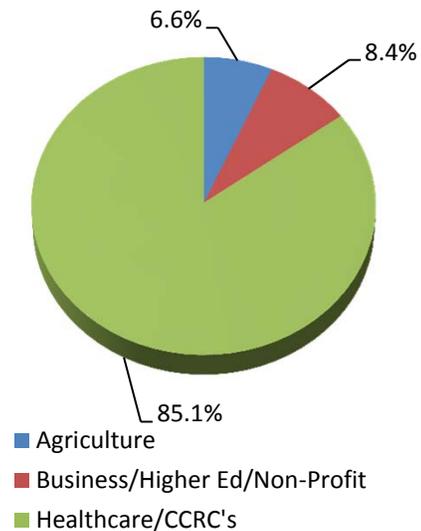
New Money Principal(\$)



of Projects



Revenue (\$)



[Fiscal Year]

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

Bonds Issued	2004	2005	2006	2007	2008	2009	2010	2011	2012	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	2,328,377	66,114,327
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	406,895,000	17,342,918,508
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	3,795,000	934,937,853
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	9,793,000	1,702,226,195
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	422,811,377	25,229,637,883

# of Bond Issues	2004	2005	2006	2007	2008	2009	2010	2011	2012	# of Bonds Issued Since Inception
Agriculture	40	49	46	56	50	53	44	40	10	388
Education	1	16	14	18	15	6	8	5	-	83
Healthcare	10	14	23	26	23	22	30	20	4	172
Industrial	2	9	9	15	19	9	1	15	1	80
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	2	110
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	17	890

Closing Fees	2004	2005	2006	2007	2008	2009	2010	2011	2012	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	33,925.66	952,915
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
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	437,447.50	17,434,703
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	9,487.50	4,244,951
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
Multifamily/Senior Housing	78,740.00	490,398.00	260,420.00	225,060.00	54,450.00	-	43,890.00	-	-	1,152,958
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	33,465.00	4,179,602
Exempt Facilities	-	410,000.00	231,000.00	-	311,900.00	-	411,950.00	-	-	1,364,850
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
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	514,325.66	37,283,954.01

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, 2011	September 30, 2011		
Illinois Finance Authority "IFA" ^[b]				
332	Agriculture	\$ 51,236,000	\$ 53,470,000	
90	Education	3,796,724,000	3,773,785,000	
251	Healthcare	12,342,557,000	12,288,613,000	
74	Industrial Development [includes Recovery Zone/Midwest Disaster]	824,762,000	808,686,000	
22	Local Government	246,460,000	240,395,000	
18	Multifamily/Senior Housing	160,222,000	159,909,000	
94	501(c)(3) Not-for Profits	1,269,225,000	1,241,651,000	
5	Exempt Facilities Bonds	130,300,000	130,300,000	
886	Total IFA Principal Outstanding	\$ 18,821,486,000	\$ 18,696,809,000	
Illinois Development Finance Authority "IDFA" ^[b]				
3	Education	20,661,000	19,941,000	
5	Healthcare	209,185,000	209,185,000	
65	Industrial Development	502,364,000	448,663,000	
32	Local Government	322,251,000	314,616,000	
13	Multifamily/Senior Housing	130,521,000	129,996,000	
95	501(c)(3) Not-for Profits	961,395,000	947,377,000	
210	Total IDFA Principal Outstanding	\$ 2,146,377,000	\$ 2,069,778,000	
Illinois Rural Bond Bank "IRBB" ^[b]				
17	Bond Bank Revenue Bonds	20,220,000	20,220,000	
17	Total IRBB Principal Outstanding	\$ 20,220,000	\$ 20,220,000	
95	Illinois Health Facilities Authority "IHFA"	\$ 2,522,273,000	\$ 2,397,008,000	
48	Illinois Educational Facilities Authority "IEFA"	\$ 1,401,337,000	\$ 1,386,947,000	
561	Illinois Farm Development Authority "IFDA" ^[f]	\$ 42,055,000	\$ 34,936,000	
1,817	Total Illinois Finance Authority Debt	\$ 24,953,748,000	\$ 24,605,698,000	\$ 28,150,000,000 \$ 3,544,302,000

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

Section I (b)	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2011	September 30, 2011		
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
17	Issued through IRBB - Local Government Pools	\$ 20,220,000	\$ 20,220,000	
7	Issued through IFA - Local Government Pools	26,680,000	26,680,000	
2	Issued through IFA - Illinois Medical District Commission	39,640,000	39,120,000	
26	Total General Moral Obligations	\$ 86,540,000	\$ 86,020,000	\$ 150,000,000 \$ 63,980,000
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
2	Issued through IFA	\$ 3,825,000	\$ 3,825,000	
1	Issued through IDFA	3,565,000	3,565,000	
3	Total Financially Distressed Cities	\$ 7,390,000	\$ 7,390,000	\$ 50,000,000 \$ 42,610,000
State Component Unit Bonds ^[c]				
17	Issued through IRBB	\$ 20,220,000	\$ 20,220,000	
2	Issued through IDFA ^[j]	82,090,000	76,920,000	
2	Issued through IFA ^[j]	81,367,000	77,252,000	
21	Total State Component Unit Bonds	\$ 183,677,000	\$ 174,392,000	

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, 2011	September 30, 2011		
1	Midwest Disaster Bonds [Flood Relief]	\$ 20,200,000	\$ 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 September 30, 2011	Available "Ceded" Volume Cap
	-	Recovery Zone Economic Development Bonds;	\$ 666,972,000	\$ 16,940,000
8	Recovery Zone Facilities Bonds	\$ 1,000,457,000	\$ 292,400,000	\$ 218,577,000
-	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, 2011	September 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, 2011	September 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, 2011	September 30, 2011			
Agri Debt Guarantees [Restructuring Existing Debt]	\$ 17,330,000	\$ 16,920,000	\$ 160,000,000	\$ 143,080,000	\$ 14,367,000
89 Fund # 994 - Fund Balance \$ 9,994,585					
AG Loan Guarantee Program	\$ 41,519,000	\$ 40,537,000	\$ 225,000,000 ^[e]	\$ 184,463,000	\$ 29,042,000
47 Fund # 205 - Fund Balance \$ 7,720,855					
11 Agri Industry Loan Guarantee Program	\$ 9,753,000	\$ 9,377,000			7,970,000
1 Renewable Fuels	22,823,000	22,417,000			13,641,000
2 Farm Purchase Guarantee Program	975,000	975,000			829,000
22 Specialized Livestock Guarantee Program	5,552,000	5,357,000			4,553,000
11 Young Farmer Loan Guarantee Program	2,416,000	2,411,000			2,049,000
136 Total State Guarantees	\$ 58,849,000	\$ 57,457,000	\$ 385,000,000	\$ 327,543,000	\$ 43,409,000

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

Section V

	Fund #	Principal Outstanding		Appropriation Fiscal Year 2012	Fund Balance
		June 30, 2011	September 30, 2011		
116 Fire Truck Revolving Loan Program	Fund # 572	\$ 17,486,608	\$ 16,742,902	\$ 6,003,342	\$ 3,539,860
10 Ambulance Revolving Loan Program	Fund # 334	\$ 832,213	\$ 749,560	\$ 7,006,800	\$ 83,243

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, 2011	September 30, 2011		
Environmental [Large Business]				
9 Issued through IFA	315,148,000	\$ 314,822,000		
19 Issued through IDFA	356,895,000	356,880,000		
28 Total Environmental [Large Business]	\$ 672,043,000	\$ 671,702,000	\$ 2,425,000,000	\$ 1,753,298,000
Environmental [Small Business]				
28 Total Environment Bonds Issued under Act	\$ 672,043,000	\$ 671,702,000	\$ 2,500,000,000	\$ 1,828,298,000

Illinois Finance Authority Funds at Risk

Section VII

#	Original Amount	Principal Outstanding	
		June 30, 2011	September 30, 2011
Participation Loans			
39 Business & Industry	23,020,157.95	12,718,990.12	11,435,616.54
11 Agriculture	6,079,859.01	3,308,196.84	2,146,495.31
50 Participation Loans exluding Defaults & Allowances	\$ 29,100,016.96	\$ 16,027,186.96	\$ 13,582,111.85
Plus: Legacy IDFA Loans in Default		1,139,934.62	910,632.28
Less: Allowance for Doubtful Accounts		3,957,841.93	3,604,232.13
Total Participation Loans		\$ 13,209,279.65	\$ 10,888,512.00
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	\$ 246,526.74	246,526.74
4 FmHA Loans	\$ 963,250.00	\$ 303,781.68	279,423.67
2 Renewable Energy [RED Fund]	\$ 2,000,000.00	\$ 1,668,554.37	1,646,576.36
61 Total Loans Outstanding	\$ 34,353,016.96	\$ 16,428,142.44	\$ 14,061,038.77

[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%	-100.0%
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	195,053,000
	Sum of % of Change		310.5%	31.2%	66.9%	-84.1%	247.9%	-55.1%	13.3%
September	Sum of Principal	195,595,000	199,800,000	34,525,000	65,406,650	186,705,000	-	72,000,000	225,430,000
	Sum of % of Change		2.1%	-82.7%	89.4%	185.5%	-100.0%	100%	213%
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	1,486,943,000

*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	420,483,000
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	1,486,943,000
% Change over Prior Calendar Year		-1.2%	-19.0%	83.8%	11.5%	5.9%	-36.0%	-26.7%

Bonds Issued by Quarter - Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012
1st Quarter		382,035,000	887,850,000	635,366,100	910,171,650	353,262,400	766,243,653	528,845,000	420,483,000
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	0
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	0
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	0
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	420,483,000
% Change over Prior Fiscal Year		71.5%	1.0%	29.0%	94.7%	-35.2%	-12.3%	-23.3%	-20.5%

Bonds Issued by Quarter - New Money - Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012
1st Quarter		332,815,000	324,575,000	374,952,100	747,011,650	288,012,400	730,989,121	308,265,000	211,898,000
2nd Quarter		648,355,000	693,465,000	448,835,000	979,927,183	541,539,000	713,342,687	887,857,184	0
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	0
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	0
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	211,898,000
% Change over Prior Fiscal Year		96.8%	-10.2%	29.3%	50.9%	-7.7%	-13.2%	-8.0%	-31.3%

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	195,053,000	Principal
	43,000,000	239,225,000	255,665,000	123,830,000	65,250,000	35,254,532	9,185,000	192,190,000	Refunded
September	195,595,000	199,800,000	34,525,000	65,406,650	186,705,000	-	72,000,000	225,430,000	Principal
	6,220,000	92,955,000	-	4,500,000	-	-	-	16,395,000	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	1,486,943,000	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	369,030,000	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	1,117,913,000	Issued

Bonds Issued includes the value of the Bonds Refunded.

**Illinois Finance Authority
 FY10 Audit Finding: Material
 Update as of September 30, 2011**

Number of Material Findings - 8

Item Number	Description	Completed by	Comments	Percentage Completed									
				10	20	30	40	50	60	70	80	90	100
Government Auditing Standards:													
10-1	Non Compliance with the investment requirements of the Bond Indenture	12/31/2010											
10-2	Noncompliance with the program loan agreement	6/30/2011											
10-3	Inaccurate State Property records	5/31/2011											
10-4	Administrative reports not filed timely	3/31/2011											
10-5	Untimely signing of written contracts	3/31/2011											
10-6	Delinquent reporting of bond activity												
10-7	Unsupported and incomplete travel expense reimbursements reports	on going											
10-8	Failure to develop and maintain a list of manufacturing firms that are available for purchase, merger or acquisition in compliance with the state												

**Illinois Finance Authority
FY10 Audit Finding: Immaterial
Update as of September 30, 2011**

Item Number	Description	Percentage Completed
10 20 30 40 50 60 70 80 95 100		
Total Number of 2		
FY 10 Immaterial Findings		
IM10-01	Inadequate policy over telephone and cellular phone usage	
IM10-02	Cost of Federal Audit Not Paid Out of Federal Funds	

**MINUTES OF THE SEPTEMBER 13, 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 (“IFA”), pursuant to notice duly given, held a Committee of the Whole meeting on September 13, 2011, at 9:30 a.m. in the Chicago Office of the IFA, Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601.

IFA Board Members Present:

1. William A. Brandt, Jr., Chairman
2. Dr. William Barclay
3. Gila J. Bronner
4. John E. Durburg
5. Norman M. Gold
6. Terrence M. O’Brien
7. Mayor Barrett F. Pedersen
8. Roger E. Poole

IFA Board Members Absent:

1. Michael W. Goetz, Vice Chairman
2. James J. Fuentes
3. Edward H. Leonard, Sr.
4. Heather D. Parish
5. Bradley A. Zeller

IFA Staff Present:

Christopher B. Meister, Executive Director
Brendan M. Cournane, General Counsel
Rich Frampton, Vice President
Pamela A. Lenane, Vice President
Ximena Granda, Acting CFO
Brad Fletcher, Financial/Legal Analyst
Nora O’Brien, Financial/Legal Analyst
Sohair Omar, Policy/Operations Analyst
Terrell Gholston, Intern
Robert Carzoli, Intern

IFA Financial Advisors Present:

Courtney Shea, Acacia Financial Group, Inc.
Fiona A. McCarthy, Acacia Financial Group, Inc.
Shannon Williams, Public Financial Management Group, Inc.

I. Call to Order & Roll Call

Chairman Brandt called the meeting to order at 9:35 a.m.. He welcomed members of the Board, the IFA staff and IFA's financial advisors present at the meeting. Chairman Brandt asked the Board Secretary, Mr. Cournane, to call the roll. There being seven members present, a quorum was not present.

Dr. William Barkley arrived in person at 9:45 a.m. and was added to the roll call by Mr. Cournane. There being eight members present at 9:45 a.m., a quorum was present.

II. Chairman's Remarks

Chairman Brandt congratulated Vice Chairman Goetz, Ms. Bronner and Mr. O'Brien on their reappointments to the Board.

Chairman Brandt recommended that the Board establish a Legislative Affairs subcommittee to manage the large volume of requests from the Governor's Office. Chairman Brandt requested Mr. O'Brien to chair the subcommittee and volunteered to serve as the Vice Chairman on it. The Legislative Affairs subcommittee will, among other matters, review the credentials of lobbying firms awarded contracts pursuant to the State Procurement Process and recommend the best lobbying firm to the Board. Mr. Meister stated that two to three firms will receive an award via procurement process in the next day or two. Mr. O'Brien inquired about the number of members on the subcommittee. Mr. Meister stated that five members would be sufficient. Chairman Brandt recommended that Ms. Bronner, Mr. Durburg, Mayor Pedersen, and Mr. Zeller or Mr. Leonard serve on the subcommittee so that a wide geography is represented. Mayor Pedersen moved to establish a Legislative Affairs subcommittee. Ms. Bronner seconded the motion. The motion carried unanimously. As this matter was not on the Board agenda for the September meeting, formal Board action will be taken at a subsequent Board meeting.

III. Message from the Executive Director

Mr. Meister thanked Chairman Brandt.

Mr. Meister reported that fiscal year 2012 was off to a slow start, but he anticipates stronger outcomes in September. He stated that Mr. Frampton and Mr. Fletcher have been developing a market for the Midwestern Disaster Area Bonds. Mr. Meister mentioned the trends towards hospital consolidation and refinancing of debt in the healthcare industry (instead of new construction projects). He noted that within the past ten to twenty years there had been substantial new hospital construction in Illinois, with a vast majority of hospitals having been financed through the IFA. As the expected useful life of these facilities is several decades, fewer new construction projects are expected for the next few years, adding another market condition to the slowdown in healthcare financings.

Mr. Meister provided an update on the strategic planning process. He has had positive conversations with Ms. Parish and will convene a strategic planning meeting in the next seven to

ten days. Mr. Meister stated that the Civic Consulting Alliance, a not-for-profit group, may conduct a market analysis for the IFA on a pro bono basis. He will hear back from them by the end of this week.

Mr. Meister presented three policy initiatives that the IFA is involved in on behalf of the Governor's Office: (i) The IFA is working with the Illinois Department of Central Management Services ("CMS") to implement the Medicaid Vendor Receivable Financing Program; and noted that Wells Fargo Bank has been selected as trustee/intermediary for the program; (ii) The IFA is working with CMS, the Governor's Office of Management and Budget, the Illinois Department of Commerce and Economic Opportunity and the Illinois Capital Development Board to develop an energy efficiency program utilizing energy service companies ("ESCO") already under contract with the IFA; and (iii) The IFA is working with the Governor's Broadband Deployment Council, under Chairman Brandt's leadership, to finance broadband improvements by utilizing IFA's local government statute. Mr. Meister noted that these initiatives align with the IFA's public mission.

Mr. Meister reported that the IFA may have four potential audit findings in the course of its regular annual audit by the Office of the Auditor General ("OAG"). With respect to a special OAG management audit of all State boards and commissions, the IFA identified and worked with the OAG to correct a scrivener's error.

Chairman Brandt noted that the IFA income to date is half of what it was a year ago and that expenses also have dropped dramatically.

Mr. Meister reported that Pere Marquette Hotel, which has close to \$1 million in a participation loan with the IFA, is under foreclosure proceedings. The City of Peoria has withdrawn its support of the project. The Peoria City Council will meet tonight (September 13, 2011) to make a decision. The \$7 million loan made to the current owners is in default. Mr. Durburg volunteered his company's services to assess the value of the project by looking at the underwriting and analyzing the debt and downside risk. Chairman Brandt suggested that the IFA contact the City of Peoria regarding this project.

Chairman Brandt expressed deep concerns regarding REG. He cautioned that REG may request an extension, a renewal or a new guarantee when the current guarantee expires in November 2011. Chairman Brandt advised the Board to be prepared to discuss this issue next month. IFA has a \$14 million loan guarantee backed by the full faith and credit of the State of Illinois in support of the REG loan. Chairman Brandt noted the IFA would not look favorably upon a call on the guarantee unless REG is in default under the bank loan documents. REG is running a thin operation, but continues to pay its debt service to Fifth Third Bank on a \$22 million loan. Chairman Brandt noted that Congress's decision regarding the ethanol industry will have an impact. Mr. Meister noted that the expiration of the State biodiesel tax exemption, scheduled for 2014, could also have an impact.

Mr. Meister introduced Ms. Omar as a new member of the IFA staff.

IV. Consideration of the Minutes

Chairman Brandt asked members of the Board to consider the draft minutes. The members of the Board made no corrections or comments.

V. Presentation and Consideration of the Financial Statements

Ms. Granda reported that in the month of August there were five closings – two in the healthcare sector, one in the industry and business sector, and two in the agriculture sector – for a total amount of \$208,000 in closing fees. The IFA’s gross revenue Year-To-Date (“YTD”) is \$444,526 or \$378,601 below the fiscal year 2012 budget. The IFA’s operating expenses YTD is \$614,543 or \$62,619 below the fiscal year 2012 budget. The month of August resulted in a net income of \$9,893 which reduced the IFA’s YTD net loss to \$170,016. Also, in the month of August, there were two participation loans that paid off for a total amount of \$196,000, which brings the IFA’s loan payoff to a total of seven loans for a total amount of \$1.7 million.

Ms. Granda reported that the IFA received a little over \$1 million from the JPMorgan settlement on August 2, 2011, and August 4, 2011. It is undetermined at this time whether or not the funds will remain with the IFA. Chairman Brandt asked if the deferred revenue was taken into income. Ms. Granda responded no.

Ms. Granda stated that the OAG auditors continue their fieldwork in the IFA offices. The IFA has engaged an internal auditor and anticipates the receipt of a work plan in the near future. Ms. Granda reported four audit findings relating to: (1) initial ethics training; (2) incomplete Statement of Economic Interests; (3) required information on printed material; and (4) inaccurate workforce report. Ms. Bronner noted that these were compliance findings, not financial findings; however, any noncompliance is considered material under the auditing guidelines. The IFA is taking steps to remedy these findings.

VI. Committee Reports

None.

VII. Project Reports

Agriculture – Beginning Farmer Bonds

Item No. 1A: Philip P. and Spring M. Ettner – \$264,000 – 58 acres

Philip P. and Spring M. Ettner are requesting approval of a Final Bond Resolution in an amount not-to-exceed \$264,000. Bond proceeds will finance the purchase of approximately 58 acres of farmland with buildings located in Spring Township, Boone County. This project is being presented for one-time consideration.

Item No. 1B: Ronald Lee Beals – \$47,500 – 24 acres

Ronald Lee Beals is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$47,500. Bond proceeds will finance the purchase of approximately 24 acres of farmland located in Wade Township, Jasper County. This project is being presented for one-time consideration.

Business and Industry – Midwestern Disaster Area Revenue Bonds

Item No. 2: Cargill, Inc. – \$18,700,000

Cargill, Inc. is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$18,700,000. Bond proceeds, together with other available monies, will be used by Cargill to (i) acquire, construct, equip, upgrade and improve its facilities in Paris, IL, and in Tuscola, Illinois; and (ii) pay costs of issuance in connection with the Bonds.

Healthcare – 501(c)(3) Revenue Bonds

Item No. 3: Bethany North Suburban Group (d/b/a Chestnut Square at The Glen Association) – 10,600,000

Bethany North Suburban Group (d/b/a Chestnut Square at The Glen Association) is requesting approval of a One-time Final Bond Resolution in an amount not-to-exceed \$10,600,000. Bond proceeds, together with other available funds, will be used by Chestnut Square at The Glen to (i) refund certain outstanding Bonds and (ii) pay costs of issuance in connection with the Bonds.

Item No. 4: Southern Illinois Healthcare Enterprises, Inc. – \$15,530,000

Southern Illinois Healthcare Enterprises, Inc. is requesting approval of a One-time Final Bond Resolution in an amount not-to-exceed \$15,530,000. Bond proceeds, together with other available funds, will be used by Southern Illinois Healthcare Enterprises, Inc. to (i) refund certain outstanding Bonds and (ii) pay cost of issuance in connection with the Bonds. Southern Illinois Healthcare Enterprise, Inc. is substituting the provider of credit enhancement in connection with the refunding.

Item No. 5: Trinity Health Corporation – \$600,000,000

Trinity Health Corporation is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$600,000,000. Bond proceeds, together with other available funds, will be used to (i) refinance certain outstanding obligations; (ii) reimburse certain prior expenditures; (iii) provide working capital; and (iv) pay costs of issuance in connection with the Bonds.

Resolutions

- Item No. 6: Resolution authorizing the execution and delivery of a Bond and Loan Agreement in connection with the Illinois Development Finance Authority Series 1992 Revenue Bonds to enable conversion to a Bank Direct Purchase Structure (St. Anne Place Project)
- Item No. 7: Resolution Approving the Transfer of Allocation for Bonding Authority of Qualified Energy Conservation Bonds by the Illinois Finance Authority to the Village of Deerfield, Illinois in an Aggregate Principal Amount not-to-exceed \$13,000,000 and Related Matters
- Item No. 8: Resolution authorizing the Sale of the GNMA Mortgage-Backed Securities Securing the \$11,205,000 Illinois Development Finance Authority Revenue Bonds Series 2000A (Greek American Nursing Home Project) and the Application of the Sale Proceeds to the Redemption of the Bonds and Related Matters
- Item No. 9: Resolution authorizing IFA participation with various State Agencies in connection with a State Energy Program, including, but not limited to, delegation to Executive Director to negotiate an Intergovernmental Agreement and various other documents in furtherance of said Program

VIII. Other Business

None.

IX. Public Comment

None.

X. Adjournment

A motion to adjourn was made by Ms. Bronner and seconded by Mayor Pedersen. The motion passed unanimously.

The Committee of the Whole meeting adjourned at 10:43 a.m..

Minutes submitted by:
Brendan M. Cournane
Board Secretary

**MINUTES OF THE SEPTEMBER 13, 2011, MEETING OF THE BOARD OF
DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (“IFA”), pursuant to notice duly given, held a Board meeting on September 13, 2011, at 10:30 a.m. in the Conference Center, One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601.

IFA Board Members Present:

1. William A. Brandt, Jr., Chairman
2. Dr. William Barclay
3. Gila J. Bronner
4. John E. Durburg
5. Norman M. Gold
6. Terrence M. O’Brien
7. Mayor Barrett F. Pedersen
8. Roger E. Poole

IFA Board Members Absent:

1. Michael W. Goetz, Vice Chairman
2. James J. Fuentes
3. Edward H. Leonard, Sr.
4. Heather D. Parish
5. Bradley A. Zeller

IFA Staff Present:

Christopher B. Meister, Executive Director
Brendan M. Cournane, General Counsel
Rich Frampton, Vice President
Pamela A. Lenane, Vice President
Ximena Granda, Acting CFO
Brad Fletcher, Financial/Legal Analyst
Nora O’Brien, Financial/Legal Analyst
Sohair Omar, Policy/Operations Analyst
Terrell Gholston, Intern
Robert Carzoli, Intern

IFA Financial Advisors Present:

Courtney Shea, Acacia Financial Group, Inc.
Fiona A. McCarthy, Acacia Financial Group, Inc.
Shannon Williams, Public Financial Management Group, Inc.

Others Present:

Allan R. Ambrose, Northern Trust
Kevin L. Barney, Kutak Rock LLP
Santino Bibbo, Cabrera Capital Markets, LLC
Scott A. Bremer, Quarles & Brady LLP
Steven R. Cade, Foley & Lardner LLP
Kim Copp, Shefsky & Froelich
Paul Gakhal, Chicago Community Loan Fund
Charles L. Jarik, Chapman and Cutler LLP
Heidi Jeffery, Foley & Lardner LLP
Mayor Harriet E. Rosenthal, Village of Deerfield
George J. Schaefer, III, Foley & Lardner LLP
Chris Shih, Northern Trust
Kent Street, Village of Deerfield
Todd Wiessing, Cargill, Inc.

I. Call to Order

Chairman Brandt called the meeting to order at 10:48 a.m..

II. Chairman's Remarks

Chairman Brandt welcomed members of the Board, the IFA staff, IFA's guests and others present.

III. Roll Call

Chairman Brandt asked the Board Secretary, Mr. Cournane, to call the roll. There being eight members present, a quorum was present.

IV. Acceptance of Financial Statements

Chairman Brandt stated that the financial statements for the period ending August 31, 2011, and draft minutes of the Committee of the Whole and Board meetings on August 16, 2011, were reviewed at the Committee of the Whole meeting held earlier in the morning. Chairman Brandt requested a motion to accept the financial statements for the period ending August 31, 2011, and adopt the minutes of the Committee of the Whole and Board meetings on August 16, 2011. Mr. O'Brien made the motion and Ms. Bronner seconded the motion. A roll call vote was taken and the motion carried unanimously.

V. Adoption of Minutes

See above.

VI. Project Approvals

Chairman Brandt asked Mr. Frampton to present the projects and resolutions for consideration to the Board.

Mr. Frampton presented the following projects and resolutions:

Agriculture – Beginning Farmer Bonds

Item No. 1A: Philip P. and Spring M. Ettner – \$264,000 – 58 acres

Philip P. and Spring M. Ettner are requesting approval of a Final Bond Resolution in an amount not-to-exceed \$264,000. Bond proceeds will finance the purchase of approximately 58 acres of farmland with buildings located in Spring Township, Boone County. This project is being presented for one-time consideration.

Item No. 1B: Ronald Lee Beals – \$47,500 – 24 acres

Ronald Lee Beals is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$47,500. Bond proceeds will finance the purchase of approximately 24 acres of farmland located in Wade Township, Jasper County. This project is being presented for one-time consideration.

Healthcare – 501(c)(3) Revenue Bonds

Item No. 3: Bethany North Suburban Group (d/b/a Chestnut Square at The Glen Association) – 10,600,000

Bethany North Suburban Group (d/b/a Chestnut Square at The Glen Association) is requesting approval of a One-time Final Bond Resolution in an amount not-to-exceed \$10,600,000. Bond proceeds, together with other available funds, will be used by Chestnut Square at The Glen to (i) refund certain outstanding Bonds and (ii) pay costs of issuance in connection with the Bonds.

Item No. 4: Southern Illinois Healthcare Enterprises, Inc. – \$15,530,000

Southern Illinois Healthcare Enterprises, Inc. is requesting approval of a One-time Final Bond Resolution in an amount not-to-exceed \$15,530,000. Bond proceeds, together with other available funds, will be used by Southern Illinois Healthcare Enterprises, Inc. to (i) refund certain outstanding Bonds and (ii) pay cost of issuance in connection with the Bonds. Southern Illinois Healthcare Enterprise, Inc. is substituting the provider of credit enhancement in connection with the refunding.

Item No. 5: Trinity Health Corporation – \$600,000,000

Trinity Health Corporation is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$600,000,000. Bond proceeds, together with other available funds, will be used to (i) refinance certain outstanding obligations; (ii) reimburse certain prior expenditures; (iii) provide working capital; and (iv) pay costs of issuance in connection with the Bonds.

Resolutions

Item No. 6: Resolution authorizing the execution and delivery of a Bond and Loan Agreement in connection with the Illinois Development Finance Authority Series 1992 Revenue Bonds to enable conversion to a Bank Direct Purchase Structure (St. Anne Place Project)

Item No. 8: Resolution authorizing the Sale of the GNMA Mortgage-Backed Securities Securing the \$11,205,000 Illinois Development Finance Authority Revenue Bonds Series 2000A (Greek American Nursing Home Project) and the Application of the Sale Proceeds to the Redemption of the Bonds and Related Matters

Item No. 9: Resolution authorizing IFA participation with various State Agencies in connection with a State Energy Program, including, but not limited to, delegation to Executive Director to negotiate an Intergovernmental Agreement and various other documents in furtherance of said Program

No guests attended to represent item numbers 1A-B, 3-6 or 8-9. Chairman Brandt asked if the members of the Board had any questions related to these items. There being none, Chairman Brandt requested leave to apply the previous roll call vote in favor of item numbers 1A-B, 3-6 and 8-9. The leave was approved unanimously.

Mr. Frampton introduced Mr. Wiessing of Cargill, Inc. and presented the following project:

Business and Industry – Midwestern Disaster Area Revenue Bonds

Item No. 2: Cargill, Inc. – \$18,700,000

Cargill, Inc. is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed \$18,700,000. Bond proceeds, together with other available monies, will be used by Cargill to (i) acquire, construct, equip, upgrade and improve its facilities in Paris, IL, and in Tuscola, Illinois; and (ii) pay costs of issuance in connection with the Bonds.

Mr. Wiessing expressed his appreciation on behalf of Cargill, Inc. Chairman Brandt thanked Cargill, Inc. for considering the IFA. Mr. Meister thanked Cargill on behalf of Governor Quinn for creating jobs in Illinois.

Chairman Brandt asked if the members of the Board had any questions related to item number 2. There being none, Chairman Brandt requested leave to apply the previous roll call vote in favor of item number 2. The leave was approved unanimously.

Mr. Frampton introduced Mayor Rosenthal and Mr. Street of the Village of Deerfield and presented the following resolution:

Item No. 7: Resolution Approving the Transfer of Allocation for Bonding Authority of Qualified Energy Conservation Bonds by the Illinois Finance Authority to the Village of Deerfield, Illinois in an Aggregate Principal Amount not-to-exceed \$13,000,000 and Related Matters

Mayor Rosenthal thanked the members of the Board and said the Village of Deerfield is delighted to have a high energy efficient project. Chairman Brandt thanked Mayor Rosenthal and commended Senator Susan Garrett for her efforts on this project.

Chairman Brandt asked if the members of the Board had any questions related to item number 7. There being none, Chairman Brandt requested leave to apply the previous roll call vote in favor of item number 7. The leave was approved unanimously.

VII. Resolutions

See above.

VIII. Other Business

None.

IX. Public Comment

None.

X. Adjournment

Chairman Brandt stated that the next Board meeting is scheduled for October 11, 2011.

A motion to adjourn was made by Ms. Bronner and seconded by Mayor Pedersen. The motion passed unanimously.

The Board meeting adjourned at 11.25 a.m..

Minutes submitted by:
Brendan M. Courmane
Board Secretary

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

	Actual September 2011	Budget September 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
REVENUE										
INTEREST ON LOANS	32,623	39,076	(6,453)	-16.51%	242,141	124,353	117,788	94.72%	538,836	44.94%
INVESTMENT INTEREST & GAIN(LOSS)	2,636	2,083	553	26.55%	6,480	6,249	231	3.70%	25,000	25.92%
ADMINISTRATIONS & APPLICATION FEES	292,056	382,775	(90,719)	-23.70%	549,468	1,020,175	(470,707)	-46.14%	4,194,325	13.10%
ANNUAL ISSUANCE & LOAN FEES	53,269	31,598	21,671	68.58%	113,651	100,672	12,979	12.89%	425,670	26.70%
OTHER INCOME	128,830	13,605	115,225	846.93%	142,425	40,815	101,610	248.95%	163,250	87.24%
TOTAL REVENUE	509,414	469,137	40,277	8.59%	1,054,165	1,292,264	(238,099)	-18.42%	5,347,081	19.71%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	123,446	145,429	(21,983)	-15.12%	392,142	436,287	(44,145)	-10.12%	1,730,791	22.66%
BENEFITS	17,657	22,060	(4,403)	-19.96%	60,705	66,180	(5,475)	-8.27%	265,728	22.84%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
EDUCATION & DEVELOPMENT	150	833	(683)	-81.99%	150	2,499	(2,349)	-94.00%	10,000	1.50%
TRAVEL & AUTO	2,337	5,833	(3,496)	-59.93%	8,861	17,499	(8,638)	-49.36%	70,000	12.66%
TOTAL EMPLOYEE RELATED EXPENSES	143,590	174,155	(30,565)	-17.55%	461,858	522,465	(60,607)	-11.60%	2,076,519	22.24%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	29,312	41,667	(12,355)	-29.65%	89,216	125,001	(35,785)	-28.63%	500,000	17.84%
LOAN EXPENSE & BANK FEE	8,949	9,250	(301)	-3.25%	27,062	27,750	(688)	-2.48%	111,000	24.38%
ACCOUNTING & AUDITING	24,205	21,962	2,243	10.21%	65,615	65,886	(271)	-0.41%	263,536	24.90%
MARKETING GENERAL	1,065	1,250	(185)	-14.80%	1,584	3,750	(2,166)	-57.76%	15,000	10.56%
FINANCIAL ADVISORY	16,667	16,667	-	0.00%	50,001	50,001	-	0.00%	200,000	25.00%
CONFERENCE/TRAINING	2,884	2,500	384	15.36%	5,664	7,500	(1,836)	-24.48%	30,000	18.88%
MISC. PROFESSIONAL SERVICES	9,167	9,167	-	0.00%	27,501	27,501	-	0.00%	110,000	25.00%
DATA PROCESSING	1,928	4,583	(2,655)	-57.93%	7,223	13,749	(6,526)	-47.47%	55,000	13.13%
TOTAL PROFESSIONAL SERVICES	94,177	107,046	(12,869)	-12.02%	273,866	321,138	(47,272)	-14.72%	1,284,536	21.32%
OCCUPANCY COSTS										
OFFICE RENT	21,132	22,357	(1,225)	-5.48%	65,587	67,071	(1,484)	-2.21%	268,284	24.45%
EQUIPMENT RENTAL AND PURCHASES	1,523	1,300	223	17.15%	5,824	3,900	1,924	49.33%	15,600	37.33%
TELECOMMUNICATIONS	1,929	3,500	(1,571)	-44.89%	7,752	10,500	(2,748)	-26.17%	42,000	18.46%
UTILITIES	1,135	1,000	135	13.50%	3,524	3,000	524	17.47%	12,000	29.37%
DEPRECIATION	4,075	2,162	1,913	88.48%	8,641	6,486	2,155	33.23%	52,649	16.41%
INSURANCE	1,945	1,950	(5)	-0.26%	5,835	5,850	(15)	-0.26%	23,400	24.94%
TOTAL OCCUPANCY COSTS	31,739	32,269	(530)	-1.64%	97,163	96,807	356	0.37%	413,933	23.47%

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

	Actual September 2011	Budget September 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	2,315	2,900	(585)	-20.17%	7,883	8,700	(817)	-9.39%	34,800	22.65%
BOARD MEETING - EXPENSES	2,338	2,666	(328)	-12.30%	7,222	7,998	(776)	-9.70%	32,000	22.57%
PRINTING	812	875	(63)	-7.20%	2,701	2,625	76	2.90%	10,500	25.72%
POSTAGE & FREIGHT	732	1,250	(518)	-41.44%	6,213	3,750	2,463	65.68%	15,000	41.42%
MEMBERSHIP, DUES & CONTRIBUTIONS	4,487	1,909	2,578	135.04%	6,851	5,727	1,124	19.63%	32,000	21.41%
PUBLICATIONS	184	250	(66)	-26.40%	637	750	(113)	-15.07%	3,000	21.23%
OFFICERS & DIRECTORS INSURANCE	15,507	15,261	246	1.61%	46,030	45,783	247	0.54%	183,132	25.13%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	26,375	25,111	1,264	5.03%	77,537	75,333	2,204	2.93%	310,432	24.98%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	-	-	-	-	0.00%	-	0.00%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	295,881	338,581	(42,700)	-12.61%	910,424	1,015,743	(105,319)	-10.37%	4,085,420	22.28%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	213,533	130,556	82,977	63.56%	143,741	276,521	(132,780)	-48.02%	1,261,661	11.39%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	8,008	-	8,008	0.00%	8,008	-	8,008	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	221,541	130,556	90,985	69.69%	151,749	276,521	(124,772)	-45.12%	1,261,661	12.03%

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

	Actual September 2011	Actual September 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance
REVENUE								
INTEREST ON LOANS	32,623	84,424	(51,801)	-61.36%	242,141	307,057	(64,916)	-21.14%
INVESTMENT INTEREST & GAIN(LOSS)	2,636	5,505	(2,869)	-52.12%	6,480	16,860	(10,380)	-61.57%
ADMINISTRATIONS & APPLICATION FEES	292,056	336,285	(44,229)	-13.15%	549,468	1,468,984	(919,516)	-62.60%
ANNUAL ISSUANCE & LOAN FEES	53,269	110,081	(56,812)	-51.61%	113,651	189,415	(75,764)	-40.00%
OTHER INCOME	128,830	71,116	57,714	81.15%	142,425	85,249	57,176	67.07%
TOTAL REVENUE	509,414	607,411	(97,997)	-16.13%	1,054,165	2,067,565	(1,013,400)	-49.01%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	123,446	147,354	(23,908)	-16.22%	392,142	537,116	(144,974)	-26.99%
BENEFITS	17,657	19,165	(1,508)	-7.87%	60,705	62,335	(1,630)	-2.61%
TEMPORARY HELP	-	-	-	0.00%	-	967	(967)	0.00%
EDUCATION & DEVELOPMENT	150	-	150	#DIV/0!	150	150	-	0.00%
TRAVEL & AUTO	2,337	1,019	1,318	129.34%	8,861	7,656	1,205	15.74%
TOTAL EMPLOYEE RELATED EXPENSES	143,590	167,538	(23,948)	-14.29%	461,858	608,224	(146,366)	-24.06%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	29,312	20,990	8,322	39.65%	89,216	62,872	26,344	41.90%
LOAN EXPENSE & BANK FEE	8,949	9,483	(534)	-5.63%	27,062	28,883	(1,821)	-6.30%
ACCOUNTING & AUDITING	24,205	29,918	(5,713)	-19.10%	65,615	84,754	(19,139)	-22.58%
MARKETING GENERAL	1,065	682	383	56.16%	1,584	12,097	(10,513)	-86.91%
FINANCIAL ADVISORY	16,667	23,750	(7,083)	-29.82%	50,001	71,250	(21,249)	-29.82%
CONFERENCE/TRAINING	2,884	(1,206)	4,090	-339.14%	5,664	(772)	6,436	-833.68%
MISC. PROFESSIONAL SERVICES	9,167	17,142	(7,975)	-46.52%	27,501	49,659	(22,158)	-44.62%
DATA PROCESSING	1,928	2,916	(988)	-33.88%	7,223	8,873	(1,650)	-18.60%
TOTAL PROFESSIONAL SERVICES	94,177	103,675	(9,498)	-9.16%	273,866	317,616	(43,750)	-13.77%
OCCUPANCY COSTS								
OFFICE RENT	21,132	22,420	(1,288)	-5.74%	65,587	66,802	(1,215)	-1.82%
EQUIPMENT RENTAL AND PURCHASES	1,523	1,656	(133)	-8.03%	5,824	5,956	(132)	-2.22%
TELECOMMUNICATIONS	1,929	3,912	(1,983)	-50.69%	7,752	11,265	(3,513)	-31.19%
UTILITIES	1,135	1,500	(365)	-24.33%	3,524	3,371	153	4.54%
DEPRECIATION	4,075	2,448	1,627	66.46%	8,641	7,645	996	13.03%
INSURANCE	1,945	1,929	16	0.83%	5,835	5,788	47	0.81%
TOTAL OCCUPANCY COSTS	31,739	33,865	(2,126)	-6.28%	97,163	100,827	(3,664)	-3.63%

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

	Actual September 2011	Actual September 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	2,315	2,668	(353)	-13.23%	7,883	9,704	(1,821)	-18.77%
BOARD MEETING - EXPENSES	2,338	2,278	60	2.63%	7,222	8,138	(916)	-11.26%
PRINTING	812	500	312	62.40%	2,701	1,634	1,067	65.30%
POSTAGE & FREIGHT	732	1,178	(446)	-37.86%	6,213	3,566	2,647	74.23%
MEMBERSHIP, DUES & CONTRIBUTIONS	4,487	1,048	3,439	328.15%	6,851	2,702	4,149	153.55%
PUBLICATIONS	184	155	29	18.71%	637	314	323	102.87%
OFFICERS & DIRECTORS INSURANCE	15,507	15,619	(112)	-0.72%	46,030	53,365	(7,335)	-13.74%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%
TOTAL GENL & ADMIN EXPENSES	26,375	23,446	2,929	12.49%	77,537	79,423	(1,886)	-2.37%
LOAN LOSS PROVISION/BAD DEBT	-	350,568	(350,568)	-	-	400,568	(400,568)	0.00%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	295,881	679,092	(383,211)	-56.43%	910,424	1,506,658	(596,234)	-39.57%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	213,533	(71,681)	285,214	-397.89%	143,741	560,907	(417,166)	-74.37%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	8,008	-	8,008	0.00%	8,008	-	8,008	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	221,541	(71,681)	293,222	-409.07%	151,749	560,907	(409,158)	-72.95%

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

	Actual September 2011
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	\$ 33,313,363
RECEIVABLES, NET	247,837
LOAN RECEIVABLE, NET	10,888,512
OTHER RECEIVABLES	267,323
PREPAID EXPENSES	<u>175,280</u>
 TOTAL CURRENT ASSETS	 44,892,315
 FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	 144,161
 DEFERRED ISSUANCE COSTS	 284,659
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	874,380
VENTURE CAPITAL INVESTMENTS	578
OTHER	<u>-</u>
 TOTAL OTHER ASSETS	 874,958
 TOTAL ASSETS	 <u><u>\$ 46,196,093</u></u>
 LIABILITIES	
CURRENT LIABILITIES	\$ 1,963,668
LONG-TERM LIABILITIES	<u>417,181</u>
 TOTAL LIABILITIES	 2,380,849
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	27,580,718
NET INCOME / (LOSS)	151,749
RESERVED/RESTRICTED FUND BALANCE	1,732,164
UNRESERVED FUND BALANCE	<u>10,239,134</u>
 TOTAL EQUITY	 43,815,244
 TOTAL LIABILITIES & EQUITY	 <u><u>\$ 46,196,093</u></u>

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

	Actual September 2011	Budget September 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
REVENUE										
INTEREST ON LOANS	186,665	190,297	(3,632)	-1.91%	707,210	583,295	123,915	21.24%	2,377,527	29.75%
INVESTMENT INTEREST & GAIN(LOSS)	55,008	50,693	4,315	8.51%	152,535	152,079	456	0.30%	608,320	25.07%
ADMINISTRATIONS & APPLICATION FEES	292,056	382,775	(90,719)	-23.70%	549,468	1,020,175	(470,707)	-46.14%	4,194,325	13.10%
ANNUAL ISSUANCE & LOAN FEES	53,269	31,598	21,671	68.58%	113,651	100,672	12,979	12.89%	425,670	26.70%
OTHER INCOME	161,963	38,605	123,358	319.54%	226,490	115,815	110,675	95.56%	463,250	48.89%
TOTAL REVENUE	748,961	693,968	54,993	7.92%	1,749,354	1,972,036	(222,682)	-11.29%	8,069,092	21.68%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	123,446	145,429	(21,983)	-15.12%	392,142	436,287	(44,145)	-10.12%	1,730,791	22.66%
BENEFITS	17,657	22,060	(4,403)	-19.96%	60,705	66,180	(5,475)	-8.27%	265,728	22.84%
TEMPORARY HELP	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
EDUCATION & DEVELOPMENT	150	833	(683)	-81.99%	150	2,499	(2,349)	-94.00%	10,000	1.50%
TRAVEL & AUTO	2,337	5,833	(3,496)	-59.93%	8,861	17,499	(8,638)	-49.36%	70,000	12.66%
TOTAL EMPLOYEE RELATED EXPENSES	143,590	174,155	(30,565)	-17.55%	461,858	522,465	(60,607)	-11.60%	2,076,519	22.24%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	31,395	43,750	(12,355)	-28.24%	95,465	131,250	(35,785)	-27.26%	525,000	18.18%
LOAN EXPENSE & BANK FEE	162,157	162,458	(301)	-0.19%	486,686	487,374	(688)	-0.14%	2,254,446	21.59%
ACCOUNTING & AUDITING	25,753	24,344	1,409	5.79%	70,262	73,032	(2,770)	-3.79%	292,120	24.05%
MARKETING GENERAL	1,066	1,250	(184)	-14.72%	1,584	3,750	(2,166)	-57.76%	15,000	10.56%
FINANCIAL ADVISORY	16,667	16,667	-	0.00%	50,001	50,001	-	0.00%	200,000	25.00%
CONFERENCE/TRAINING	2,884	2,500	384	15.36%	5,664	7,500	(1,836)	-24.48%	30,000	18.88%
MISC. PROFESSIONAL SERVICES	12,500	12,500	-	0.00%	37,500	37,500	-	0.00%	150,000	25.00%
DATA PROCESSING	1,928	4,583	(2,655)	-57.93%	7,223	13,749	(6,526)	-47.47%	55,000	13.13%
TOTAL PROFESSIONAL SERVICES	254,350	268,052	(13,702)	-5.11%	754,385	804,156	(49,771)	-6.19%	3,521,566	21.42%
OCCUPANCY COSTS										
OFFICE RENT	21,132	22,357	(1,225)	-5.48%	65,587	67,071	(1,484)	-2.21%	268,284	24.45%
EQUIPMENT RENTAL AND PURCHASES	1,523	1,300	223	17.15%	5,824	3,900	1,924	49.33%	15,600	37.33%
TELECOMMUNICATIONS	1,929	3,500	(1,571)	-44.89%	7,752	10,500	(2,748)	-26.17%	42,000	18.46%
UTILITIES	1,135	1,000	135	13.50%	3,524	3,000	524	17.47%	12,000	29.37%
DEPRECIATION	4,075	2,162	1,913	88.48%	8,641	6,486	2,155	33.23%	52,649	16.41%
INSURANCE	1,945	1,950	(5)	-0.26%	5,835	5,850	(15)	-0.26%	23,400	24.94%
TOTAL OCCUPANCY COSTS	31,739	32,269	(530)	-1.64%	97,163	96,807	356	0.37%	413,933	23.47%

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

	Actual September 2011	Budget September 2011	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Budget YTD FY 2012	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2012	% of Budget Expended
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	2,315	2,900	(585)	-20.17%	7,883	8,700	(817)	-9.39%	34,800	22.65%
BOARD MEETING - EXPENSES	2,338	2,666	(328)	-12.30%	7,222	7,998	(776)	-9.70%	32,000	22.57%
PRINTING	812	875	(63)	-7.20%	2,701	2,625	76	2.90%	10,500	25.72%
POSTAGE & FREIGHT	732	1,250	(518)	-41.44%	6,213	3,750	2,463	65.68%	15,000	41.42%
MEMBERSHIP, DUES & CONTRIBUTIONS	4,487	1,909	2,578	135.04%	6,851	5,727	1,124	19.63%	32,000	21.41%
PUBLICATIONS	184	250	(66)	-26.40%	637	750	(113)	-15.07%	3,000	21.23%
OFFICERS & DIRECTORS INSURANCE	15,507	15,261	246	1.61%	46,030	45,783	247	0.54%	183,132	25.13%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	26,375	25,111	1,264	5.03%	77,537	75,333	2,204	2.93%	310,432	24.98%
LOAN LOSS PROVISION/BAD DEBT	-	-	-	-	-	-	-	0.00%	-	0.00%
OTHER										
INTEREST EXPENSE	503	503	-	0.00%	1,508	1,509	(1)	-0.07%	5,748	26.24%
TOTAL OTHER	503	503	-	0.00%	1,508	1,509	(1)	0.00%	5,748	0.00%
TOTAL EXPENSES	456,557	500,090	(43,533)	-8.71%	1,392,451	1,500,270	(107,819)	-7.19%	6,328,198	22.00%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	292,404	193,878	98,526	50.82%	356,903	471,766	(114,863)	-24.35%	1,740,894	20.50%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	292,404	193,878	98,526	50.82%	356,903	471,766	(114,863)	-24.35%	1,740,894	20.50%

Illinois Finance Authority
Consolidated Statement of Activities
Comparison
for Period Ending
September 30, 2011

	Actual September 2011	Actual September 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance
REVENUE								
INTEREST ON LOANS	186,665	(239,522)	426,187	-177.93%	707,210	971,366	(264,156)	-27.19%
INVESTMENT INTEREST & GAIN(LOSS)	55,008	(97,569)	152,577	-156.38%	152,535	177,328	(24,793)	-13.98%
ADMINISTRATIONS & APPLICATION FEES	292,056	336,285	(44,229)	-13.15%	549,468	1,468,984	(919,516)	-62.60%
ANNUAL ISSUANCE & LOAN FEES	53,269	110,081	(56,812)	-51.61%	113,651	189,415	(75,764)	-40.00%
OTHER INCOME	161,963	93,881	68,082	72.52%	226,490	160,884	65,606	40.78%
TOTAL REVENUE	748,961	203,156	545,805	268.66%	1,749,354	2,967,977	(1,218,623)	-41.06%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	123,446	147,354	(23,908)	-16.22%	392,142	537,116	(144,974)	-26.99%
BENEFITS	17,657	19,165	(1,508)	-7.87%	60,705	62,335	(1,630)	-2.61%
TEMPORARY HELP	-	-	-	0.00%	-	967	(967)	0.00%
EDUCATION & DEVELOPMENT	150	-	150	#DIV/0!	150	150	-	0.00%
TRAVEL & AUTO	2,337	1,019	1,318	129.34%	8,861	7,656	1,205	15.74%
TOTAL EMPLOYEE RELATED EXPENSES	143,590	167,538	(23,948)	-14.29%	461,858	608,224	(146,366)	-24.06%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	31,395	23,073	8,322	36.07%	95,465	69,121	26,344	38.11%
LOAN EXPENSE & BANK FEE	162,157	(633,724)	795,881	-125.59%	486,686	1,276,041	(789,355)	-61.86%
ACCOUNTING & AUDITING	25,753	35,456	(9,703)	-27.37%	70,262	90,291	(20,029)	-22.18%
MARKETING GENERAL	1,066	682	384	56.30%	1,584	12,097	(10,513)	-86.91%
FINANCIAL ADVISORY	16,667	23,750	(7,083)	-29.82%	50,001	71,250	(21,249)	-29.82%
CONFERENCE/TRAINING	2,884	(1,206)	4,090	-339.14%	5,664	(772)	6,436	-833.68%
MISC. PROFESSIONAL SERVICES	12,500	20,475	(7,975)	-38.95%	37,500	59,658	(22,158)	-37.14%
DATA PROCESSING	1,928	2,916	(988)	-33.88%	7,223	8,873	(1,650)	-18.60%
TOTAL PROFESSIONAL SERVICES	254,350	(528,578)	782,928	-148.12%	754,385	1,586,559	(832,174)	-52.45%
OCCUPANCY COSTS								
OFFICE RENT	21,132	22,420	(1,288)	-5.74%	65,587	66,802	(1,215)	-1.82%
EQUIPMENT RENTAL AND PURCHASES	1,523	1,656	(133)	-8.03%	5,824	5,956	(132)	-2.22%
TELECOMMUNICATIONS	1,929	3,912	(1,983)	-50.69%	7,752	11,265	(3,513)	-31.19%
UTILITIES	1,135	1,500	(365)	-24.33%	3,524	3,371	153	4.54%
DEPRECIATION	4,075	2,448	1,627	66.46%	8,641	7,645	996	13.03%
INSURANCE	1,945	1,929	16	0.83%	5,835	5,788	47	0.81%
TOTAL OCCUPANCY COSTS	31,739	33,865	(2,126)	-6.28%	97,163	100,827	(3,664)	-3.63%

**Illinois Finance Authority
Consolidated Statement of Activities
Comparison
for Period Ending
September 30, 2011**

	Actual September 2011	Actual September 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2012	Actual YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	2,315	2,668	(353)	-13.23%	7,883	9,705	(1,822)	-18.77%
BOARD MEETING - EXPENSES	2,338	2,278	60	2.63%	7,222	8,138	(916)	-11.26%
PRINTING	812	500	312	62.40%	2,701	1,634	1,067	65.30%
POSTAGE & FREIGHT	732	1,179	(447)	-37.91%	6,213	3,566	2,647	74.23%
MEMBERSHIP, DUES & CONTRIBUTIONS	4,487	1,048	3,439	328.15%	6,851	2,702	4,149	153.55%
PUBLICATIONS	184	155	29	18.71%	637	314	323	102.87%
OFFICERS & DIRECTORS INSURANCE	15,507	15,619	(112)	-0.72%	46,030	53,365	(7,335)	-13.74%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%
TOTAL GENL & ADMIN EXPENSES	26,375	23,447	2,928	12.49%	77,537	79,424	(1,887)	-2.38%
LOAN LOSS PROVISION/BAD DEBT	-	345,983	(345,983)	-	-	395,983	(395,983)	0.00%
OTHER								
INTEREST EXPENSE	503	550	(47)	-8.55%	1,508	1,651	(143)	-8.66%
TOTAL OTHER	503	550	(47)	0.00%	1,508	1,651	(143)	0.00%
TOTAL EXPENSES	456,557	42,805	413,752	966.60%	1,392,451	2,772,668	(1,380,217)	-49.78%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	292,404	160,351	132,053	82.35%	356,903	195,309	161,594	82.74%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	0.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	292,404	160,351	132,053	82.35%	356,903	195,309	161,594	82.74%

**Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Three Months Ending September 30, 2011**

	Actual September 2010	Actual September 2011
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	\$ 36,161,674	\$ 46,832,348
RECEIVABLES, NET	300,570	247,838
LOAN RECEIVABLE, NET	41,111,215	31,535,384
NOTES RECEIVABLE	45,134,874	38,659,874
OTHER RECEIVABLES	773,632	1,703,537
PREPAID EXPENSES	176,744	175,280
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	123,658,709	119,154,261
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	55,682	144,161
DEFERRED ISSUANCE COSTS	460,265	386,490
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	40,560,639	38,861,433
VENTURE CAPITAL INVESTMENTS	2,512,917	2,247,981
OTHER	3,000,000	3,000,000
	<hr/>	<hr/>
TOTAL OTHER ASSETS	46,073,556	44,109,414
TOTAL ASSETS	<u>\$ 170,248,212</u>	<u>\$ 163,794,326</u>
LIABILITIES		
CURRENT LIABILITIES	1,913,452	2,084,703
BONDS PAYABLE	54,345,000	46,900,000
OTHER LIABILITIES	1,515,228	2,346,867
	<hr/>	<hr/>
TOTAL LIABILITIES	57,773,680	51,331,570
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	26,144,175	28,734,850
NET INCOME / (LOSS)	195,309	356,903
RESERVED/RESTRICTED FUND BALANCE	37,878,185	35,114,140
UNRESERVED FUND BALANCE	12,648,171	12,648,171
	<hr/>	<hr/>
TOTAL EQUITY	112,474,532	112,462,756
TOTAL LIABILITIES & EQUITY	<u>\$ 170,248,212</u>	<u>\$ 163,794,326</u>

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Jim Senica and Lorrie Karcher
Date: October 11, 2011
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$477,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$280,925**
- **Calendar Year Summary:** (as of October 11, 2011)
 - Volume Cap: \$30,000,000
 - Volume Cap Committed: \$6,909,267
 - Volume Cap Remaining: \$23,090,733
 - Average Farm Acreage: 57.86
 - Number of Farms Financed: 37
- **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-8501
Borrower(s):	Ohnesorge, Jay W.
Borrower Benefit:	First Time Land Buyer
Town:	Dieterich, IL
IFA Bond Amount:	\$32,500
Use of Funds:	Farmland – 3.5 acres w/buildings
Purchase Price:	\$65,000 / (\$21,000/\$6,000 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% (<i>Subordinate Financing</i>)
% IFA	50%
Township:	Lucas
County/Region:	Effingham / Southeastern
Lender/Bond Purchaser	Peoples State Bank / Brian Bohnhoff
Legislative Districts:	Congressional: 19 th , John Shimkus State Senate: 54 th , John Jones State House: 108 th , David Reis

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 on February 1, 2013. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on February 1, 2013 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing. The note will have a 30-year amortization and maturity.

B.

Project Number:	A-FB-TE-CD-8502
Borrower(s):	Borkgren, Chad Randall
Borrower Benefit:	First Time Land Buyer
Town:	Cambridge, IL
IFA Bond Amount:	\$107,369
Use of Funds:	Farmland – 20 acres
Purchase Price:	\$143,000 / (\$7,150 per ac)
% Borrower Equity	25%
% Other	0%
% IFA	75%
Township:	Andover
County/Region:	Henry / Northwest
Lender/Bond Purchaser	BankORION / Mark Johnson
Legislative Districts:	Congressional: 17 th , Bobby Schilling State Senate: 37 th , Darin LaHood State House: 74 th , Donald Moffitt

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 one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing. The note will have a 30-year amortization and maturity.

C.

Project Number:	A-FB-TE-CD-8503
Borrower(s):	Schaffer, Matthew W. & Kayla J.
Borrower Benefit:	First Time Land Buyer
Town:	Pontiac, IL
IFA Bond Amount:	\$141,056
Use of Funds:	Refinance interim loan for 37.12 acres of farmland purchased within the last 60 days
Purchase Price:	\$282,112 / (\$7,600 per ac)
% Borrower Equity	5%
% USDA Farm Service Agency	45% (<i>Subordinate Financing</i>)
% IFA	50%
Township:	Eppards
County/Region:	Livingston / North Central
Lender/Bond Purchaser	Bluestem National Bank / Brad Brown
Legislative Districts:	Congressional: 15 th , Timothy Johnson
	State Senate: 53 rd , Shane Cultra
	State House: 106 th , Keith Sommer

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 on March 1, 2013. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on March 1, 2013 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing. The note will have a 30-year amortization and maturity.

\$20,500,000 (not-to-exceed amount)
Bravo Properties, LLC and its affiliates, successors and assigns
(St. Anthony of Lansing Supportive Living Project)

October 11, 2011

REQUEST	<p>Purpose: Bond proceeds, together with funds from other sources will enable Bravo Properties, LLC and its affiliates, successors and assigns (“Bravo”, the “Developer”, or the “Applicant”) to (i) finance the acquisition of land, and the construction and equipping of a new, 125-unit Supportive Living Facility (“SLF”) located at St. Anthony Planned Unit Development-Lot 1, Spring Lake Drive, Lansing (Cook County), Illinois (“St. Anthony SLF”), developed under the State of Illinois Supportive Living Facility Program; (ii) pay capitalized interest on the Bonds and fund certain reserves; and (iii) pay bond issuance costs (the “Project”).</p> <p>Program: Conduit Affordable Rental Housing Revenue Bonds</p> <p>Volume Cap Required: This Project is expected to require approximately \$18.55 MM of Volume Cap. IFA will use available prior year Carryforward Volume Cap designated for Affordable Rental Housing as necessary to finance the Project. This Project is located in the Village of Lansing, a Home Rule municipality.</p> <p>Extraordinary Conditions: None.</p>																																				
BOARD ACTIONS	Preliminary Bond Resolution																																				
MATERIAL CHANGES	None. This is the first time this Project has been considered by the IFA Board of Directors.																																				
JOB DATA	<table border="0"> <tr> <td align="center">0</td> <td align="center">Current jobs</td> <td align="center">31-47</td> <td align="center">New jobs projected</td> </tr> <tr> <td align="center">N/A</td> <td align="center">Retained jobs</td> <td align="center">200</td> <td align="center">Construction jobs projected (12 months)</td> </tr> </table>	0	Current jobs	31-47	New jobs projected	N/A	Retained jobs	200	Construction jobs projected (12 months)																												
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DESCRIPTION	<ul style="list-style-type: none"> Project Location: St. Anthony Planned Unit Development-Lot 1, Spring Lake Drive, Lansing (Cook County), Illinois Type of entity: Bravo will form a single purpose legal entity (St. Anthony, LLC) to develop and own this Project in conjunction with a Tax Credit Investor to be determined. Bravo will engage BMA Management, Ltd., of Bradley, IL, an independent, third party management company with expertise in planning and managing SLF and other senior living facilities in Illinois and Indiana. 																																				
CREDIT INDICATORS	<ul style="list-style-type: none"> The plan of finance contemplates the limited public offering of approximately \$18.55 million of tax-exempt debt to be sold to institutional investors in minimum denominations of \$100,000 consistent with IFA Bond Program Handbook requirements. William Blair & Co., LLC has been engaged by the Borrower as Underwriter. Term and Rate: the Bonds will bear an estimated fixed rate of 7.0% (preliminary, based on market conditions as of 9/19/2011). 																																				
SECURITY	<ul style="list-style-type: none"> The Bonds will be secured by a First Mortgage on the subject property and a collateral assignment of Leases and Rents, as well as a lien on and a perfected security interest in all of the contracts, agreements, commitments (including the SLF Agreement), licenses, permits and approvals issued to the Applicant pertaining to the Project. 																																				
MATURITY	<ul style="list-style-type: none"> Bonds will mature in no later than 40 years. It is anticipated that payments will be interest-only during construction and through the initial two years of operations. 																																				
SOURCES AND USES	<table border="0"> <thead> <tr> <th align="left" colspan="2">Sources:</th> <th align="left" colspan="2">Uses:</th> </tr> </thead> <tbody> <tr> <td>IFA Bonds</td> <td align="right">\$18,550,000</td> <td>Land Acquisition</td> <td align="right">\$1,500,000</td> </tr> <tr> <td>HOME Loan (Cook County –subordinated)</td> <td align="right">3,000,000</td> <td>Construction</td> <td align="right">17,252,813</td> </tr> <tr> <td>Illinois Energy Efficiency Grant (DCEO)</td> <td align="right">400,000</td> <td>Equipment</td> <td align="right">554,000</td> </tr> <tr> <td>4% LIHTCs</td> <td align="right">5,451,977</td> <td>Architectural, Engineering & Pre- Development Costs</td> <td align="right">689,800</td> </tr> <tr> <td>Equity Deferred</td> <td align="right">100</td> <td>Capitalized Interest</td> <td align="right">1,769,133</td> </tr> <tr> <td>Developer Fee</td> <td align="right"><u>1,706,342</u></td> <td>Reserves (see p. 2 for detail)</td> <td align="right">6,871,673</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td align="right"><u>371,000</u></td> </tr> <tr> <td>Total</td> <td align="right">\$29,108,419</td> <td>Total</td> <td align="right">\$29,108,419</td> </tr> </tbody> </table>	Sources:		Uses:		IFA Bonds	\$18,550,000	Land Acquisition	\$1,500,000	HOME Loan (Cook County –subordinated)	3,000,000	Construction	17,252,813	Illinois Energy Efficiency Grant (DCEO)	400,000	Equipment	554,000	4% LIHTCs	5,451,977	Architectural, Engineering & Pre- Development Costs	689,800	Equity Deferred	100	Capitalized Interest	1,769,133	Developer Fee	<u>1,706,342</u>	Reserves (see p. 2 for detail)	6,871,673			Costs of Issuance	<u>371,000</u>	Total	\$29,108,419	Total	\$29,108,419
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Total	\$29,108,419	Total	\$29,108,419																																		
RECOMMENDATION	Credit Review Committee recommends approval.																																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 11, 2011**

Project: St. Anthony of Lansing Supportive Living Project

STATISTICS

Project Number:	M-MH-TE-CD-8504	Amount:	\$20,500,000 (not-to-exceed amount) (anticipated issuance amount: \$18,550,000)
Type:	Multi-Family Housing Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Lansing	Counties/ Regions:	Cook County/Northeast

BOARD ACTION

Preliminary Bond Resolution	No IFA funds at risk
Affordable Rental Housing Revenue Bonds	No extraordinary conditions
Credit Review Committee recommends approval	

VOTING RECORD

This is the first time this Project has been considered by the IFA Board of Directors.

PURPOSE

Bond proceeds, together with funds from other sources will enable **Bravo Properties, LLC and its affiliates, successors and assigns** (“**Bravo**”, the “**Developer**”, or the “**Applicant**”) to (i) finance the acquisition of land, and the construction and equipping of a new, 125-unit Supportive Living Facility (“SLF”) located at St. Anthony Planned Unit Development-Lot 1, Spring Lake Drive, Lansing (Cook County), Illinois, developed under the State of Illinois Supportive Living Facility Program; (ii) pay capitalized interest on the Bonds and fund certain reserves; and (iii) pay bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

Affordable Rental Housing Revenue Bonds are a form of municipal bond financing that facilitates construction of multi-family housing projects where a specified proportion of the units will be rented to moderate- and low-income families, in some cases specifically targeted toward elderly residents. 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.

Additionally, because more than 50% of the Project’s qualified basis will be financed with tax-exempt bonds, this Project will automatically become eligible for 4% Low Income Housing Tax Credits (“LIHTCs”) which are expected to generate approximately \$5.45 million of cash equity for the Project.

VOLUME CAP

This Project is expected to require approximately \$18.55 MM of Volume Cap. IFA will use available prior year Carryforward Volume Cap designated for Affordable Rental Housing as necessary to finance the Project. This Project is located in the Village of Lansing, a Home Rule municipality.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$18,550,000	Uses:	Land Acquisition	\$1,500,000
	*HOME Funds (Cook Co.)	3,000,000		Construction (incl. arch., eng.)	17,886,813
	*Illinois Energy Effic. Grant	400,000		Equipment	554,000
	4% LIHTCs	5,451,977		Other Legal & Professional	155,800
	Developer Equity	100		Capitalized Interest Reserve	1,769,133
	***Deferred Developer Fee	<u>1,706,342</u>		Lease-up Reserve	435,000
				Cash Flow Reserve	520,000
				Debt Service Reserve	1,422,861
				Medicaid Budget Delay Reserve	1,626,312
				Initial Replacement Reserve	62,500
				Initial Tax & Insurance Escrows	105,000
				**Developer's Fee	2,700,000
				Bond Issuance Costs	<u>526,800</u>
Total:		<u>\$29,108,419</u>	Total:		<u>\$29,108,419</u>

*Note: Bravo has applied for (i) subordinate HOME funds from Cook County (\$3,000,000) and (ii) a \$400,000 grant from the *Illinois Department of Commerce and Economic Opportunity* (“DCEO”) under the Energy Efficiency Affordable Housing Construction Program.

**Approximately \$993,658 of the Developer’s Fee will be paid initially subject to a General Partnership Agreement to be negotiated between the Developer and the Tax Credit Investor(s). Payment of these Developer Fees will be contingent on attaining pre-determined benchmarks regarding (i) successful construction progress and timing, (ii) minimum threshold lease-up, and (iii) attaining minimum 1.25x debt service coverage for 3 years. These performance benchmarks will be updated and described more fully at the time this project returns to the IFA Board for consideration.

*** The remainder of the Developer’s Fee (i.e., \$1,706,342), represented by the Deferred Developer’s Fee reported above under Sources of Funds, will be paid out of residual project cash flows over time as permitted by the Internal Revenue Service. Because the owner of a Low Income Housing Tax Credit (“LIHTC”) property is prohibited from selling the property during the 15-year LIHTC compliance period under Department of the Treasury guidelines, the IRS allows Developer Fees up to a maximum of 15% of the project’s basis (i.e., construction cost plus certain other soft costs and pre-development costs specified under IRS guidelines) to be allocated for Developer Fees to induce development and operation of successful projects. Accordingly, Developer Fees represent an IRS-sanctioned performance-based success fee on LIHTC projects that provide the Developer with upside given the LIHTC-related prohibition on sale of the property during the 15-year LIHTC compliance period.

JOBS

Current employment:	0	Projected new jobs:	31-47
Jobs retained:	N/A	Construction jobs:	200 (12 months)

FINANCING SUMMARY

- Security:** The Bonds will be secured by a First Mortgage on the subject property and a collateral assignment of Leases and Rents, as well as a lien on and a perfected security interest in all of the contracts, agreements, commitments (including the SLF Agreement), licenses, permits and approvals issued to the Applicant pertaining to the Project.,
- Structure:** The plan of finance contemplates the limited public offering of approximately \$18.55 million to be sold to institutional investors in minimum denominations of \$100,000 consistent with IFA’s Bond Program Handbook requirements. William Blair & Co., LLC has been engaged by the Bravo as Underwriter.

Status of
Sources
of Subordinate
Financing and
Grants:

The Developer has submitted applications for its subordinate financing (i.e., Cook County HOME funds) and grant funding (i.e., Illinois DCEO's Energy Efficiency Affordable Housing Construction Program).

Interest Rate: Bonds will bear an estimated fixed rate of 7.0% (preliminary, based on market conditions as of 9/19/2011). It is anticipated that payments will be interest-only during construction and through the initial two years of operation (preliminary, subject to change).

Maturity: 2051 (i.e., not-to-exceed 40 years)

Estimated
Closing Date: December 2011

Rationale: The use of tax-exempt bond financing to finance a minimum of 50% of project basis will automatically qualify this project for 4% Low Income Housing Tax Credits that will generate an estimated \$5.45 million of equity for this project (i.e., sufficient to cover approximately 18.7% of the estimated \$29.1 million project development cost). Accordingly, the issuance of Tax-Exempt Bonds will help generate project equity that will facilitate development of this 125-unit Supportive Living Facility in Lansing approved for development by the Illinois Department of Healthcare and Family Services. (See p.6 for information on Illinois' Supportive Living Facility Program.)

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds, together with funds from other sources will enable **Bravo Properties, LLC and its affiliates, successors and assigns** ("**Bravo**", the "**Developer**", or the "**Applicant**") to (i) finance the acquisition of land, and the construction and equipping of a new, 125-unit Supportive Living Facility ("**SLF**") located at St. Anthony Planned Unit Development-Lot 1, Spring Lake Drive, Lansing (Cook County), Illinois ("**St. Anthony SLF**"), developed under the State of Illinois Supportive Living Facility Program; (ii) pay capitalized interest on the Bonds and fund certain reserves; and (iii) pay bond issuance costs (the "**Project**").

BUSINESS SUMMARY

Developer
Organization: **Bravo Properties, LLC and its affiliates, successors and assigns** ("**Bravo**", the "**Borrower**", or the "**Developer**") is a for-profit, privately held real estate development company based in Oak Brook, Illinois. See Economic Disclosure Statement for additional information (see p. 7).

Bravo was formed as a limited liability company on August 27, 2001, under the laws of the State of Illinois. For this Project, Bravo will form a single purpose legal entity (contemplated to be St. Anthony, LLC, an Illinois limited liability company) in conjunction with a Low Income Housing Tax Credit ("**LIHTC**") investor to own the proposed St. Anthony, LLC project.

It is anticipated that the principal owner of Bravo, will be the Manager of St. Anthony, LLC and hold a 0.01% ownership (i.e., membership) interest while the Limited Partner (i.e., the Tax Credit Investor(s)) will hold a 99.99% ownership (membership) interest in St. Anthony, LLC.

Bravo contemplates forming St. Anthony LLC as an Illinois limited liability company prior to acquiring control of the project site (anticipated prior to 12/31/2011).

(Note: Bravo will be engaging an independent a third party management company (BMA Management, Ltd. – see pp. 5-6) to manage day-to-day operations at the Project. The owners of BMA Management will not have any ownership interest in the Project.)

Developer

Background: Zach Leonard, the sole member (principal) of Bravo, is the son of Lew Leonard. From 1973 through 1989, Lew Leonard was a principal partner in the development of the following affordable senior and affordable multi-family including the following properties:

- Sangamon Towers, Springfield, IL 212 Units
 - Washington Plaza I and II, Springfield, IL 100 Units
 - Senior Apartments, Centralia, IL 150 Units
 - Senior Apartments, Marion, IL 150 Units
 - Senior Apartments, Kankakee, IL 150 Units
 - Senior Apartments, Arlington Heights, IL 200 Units
 - Marina Dunes, Miller Beach, IN 672 Units
- 1,634 Total Units

Third Party
Property
Management
Company:

The St. Anthony SLF will be managed by **BMA Management, Ltd.** (“BMA”) of Bradley, Illinois (see www.bma-mgmt.com).

Founded in 1999 to manage senior living communities, BMA Management, Ltd., is recognized as one of the 25 largest assisted living providers by Assisted Living Executive, a magazine published by the Assisted Living Federation of America.

BMA manages both affordable and market rate senior assisted living and independent living communities.

In addition to providing independent property management services for unrelated third party owners (as with this Bravo/St. Anthony SLF project), BMA undertakes projects as joint ventures in partnership with both 501(c)(3) and for-profit developers. BMA offers comprehensive services from pre-development, financing, pre-opening organization, to staffing, training, management development, and food service.

BMA currently manages the following 29 affordable senior properties in Illinois including 27 affordable SLF properties. BMA also manages one senior property in Batesville, Indiana.

1. Bowman Estates of Danville SLF, Danville, IL
2. Cambridge House of Maryville SLF, Maryville, IL
3. Cambridge House of O’Fallon, O’Fallon, IL
4. Cambridge House of Swansea SLF, Swansea, IL
5. Churchview Supportive Living SLF, Chicago, IL
6. Eagle Ridge of Decatur SLF, Decatur, IL
7. Heritage Woods of Aledo SLF, Aledo, IL
8. Heritage Woods of Batavia SLF, Batavia, IL
9. Heritage Woods of Benton SLF, Benton, IL
10. Heritage Woods of Bolingbrook SLF, Bolingbrook, IL
11. Heritage Woods of Centralia SLF, Centralia, IL
12. Heritage Woods of Chicago SLF, Chicago, IL
13. Heritage Woods of DeKalb SLF, DeKalb, IL (*financed with \$8.0 of IFA Tax-Exempt Bonds in 2008*)
14. Heritage Woods of Dwight, Dwight, IL
15. Heritage Woods of Flora SLF, Flora, IL
16. Heritage Woods of Manteno SLF, Manteno, IL
17. Heritage Woods of McHenry SLF, McHenry, IL
18. Heritage Woods of McLeansboro SLF, McLeansboro, IL

19. Heritage Woods of Moline SLF, Moline, IL
20. Heritage Woods of Mt. Vernon SLF, Mt. Vernon, IL
21. Heritage Woods of Ottawa SLF, Ottawa, IL
22. Heritage Woods of Rockford SLF, Rockford, IL
23. Heritage Woods of South Elgin SLF, South Elgin, IL
24. Heritage Woods of Sterling SLF, Sterling, IL
25. Heritage Woods of Watseka SLF, Watseka, IL
26. Heritage Woods of Yorkville SLF, Yorkville, IL
27. John M. Evans Supportive Living SLF, Pekin, IL
28. Prairie Living at Chatauqua SLF, Carbondale, IL
29. Prairie Winds of Urbana SLF, Urbana, IL

Note: IFA issued \$8.0 million of Affordable Rental Housing Bonds for the Heritage Woods of DeKalb SLF in 2008 (see project #13 on p. 5 above). These IFA Series 2008 Bonds were structured using the same non-rated structure as proposed for the Project. (The DeKalb project also engaged William Blair & Co., LLC to underwrite the IFA Series 2008 Bonds, which were also sold in a limited public offering in minimum denominations of \$100,000 pursuant to IFA's Bond Program Handbook requirements.)

BMA is an affiliate of Blair Minton & Associates, Inc. (see www.bma-mgmt.com), whose founder and President is Mr. Blair Minton. Mr. Minton has 30 years of experience in all phases of the health care industry, including 25 years of experience in the administration, planning and development of services for older adults and hospitals. Prior to founding Blair Minton & Associates, Mr. Minton served as Vice President of Riverside Medical Center, a 350-bed hospital in Kankakee, Illinois, and Vice President of Christopher Rural Health Corporation, a non-profit corporation that develops and manages clinical facilities in rural Illinois. (Profiles of BMA's other key professionals may be found at: <http://www.bma-mgmt.com/staff.aspx?category=2>.)

Project
Impact:

The St. Anthony SLF will generate over 31 new, permanent jobs in Lansing, Illinois ranging from highly skilled nursing and administrative positions to low skill housekeeping positions. According to the Developer, an estimated 200 construction jobs will be created during the 10-14 month construction of the facility. The St. Anthony SLF will provide an affordable assisted living facility to 125 senior residents eligible for Medicaid.

The *Illinois Department of Healthcare and Family Services* ("DHFS") approved this project located in the Village of Lansing as a market area in specific need of supportive living units and approved the development of the St. Anthony SLF to serve this need.

Accessibility:

As a new construction project, the St. Anthony of Lansing SLF will be subject to the requirements of the Americans with Disabilities Act ("ADA"). Accordingly, the facility and all public areas will comply with ADA.

The Illinois'
Supportive
Living Program:

The *Illinois Department of Healthcare and Family Services* manages the Supportive Living Facility Program and licenses individual projects pursuant developer applications. The objective of the SLF Program is to reduce the State's Medicaid expenditures. SLF Facilities can reduce daily Medicaid reimbursement rates that are currently over \$100/day at many nursing homes in Cook County to \$76.23/day at SLFs located in Cook County. Many SLF residents have relocated from a nursing home. Illinois currently has 130 open and operating SLF's, with approximately 52 additional facilities approved by DHFS as of 9/30/2011.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Bravo Properties, LLC, P.O. Box 4506, Oak Brook, IL 60522

Contact: Zach Leonard, Member (Manager)
Tel: (312) 343-8838; Email: zleonard@bravopropertiesllc.com

Website: bravopropertiesllc.com

Site Location: St. Anthony Planned Unit Development-Lot 1, Spring Lake Drive, Lansing (Cook County), IL

Project name: IFA Series 2011 Multi-Family Housing Revenue Bonds (St. Anthony of Lansing Supportive Living Community Project)

Ownership Information: St. Anthony, LLC, will be formed by Bravo Properties, LLC as a special purpose entity to develop and own the St. Anthony SLF Project (and will also be the Obligor on the proposed IFA Bonds). Bravo Properties, LLC (100% owned by Mr. Zach Leonard of Oak Brook, Illinois) will be Manager of St. Anthony, LLC and is expected to own a 0.01% membership (i.e., ownership interest) in St. Anthony, LLC.

The remaining 99.99% membership (i.e., ownership) interest in the St. Anthony, LLC, will be owned by Tax Credit Investors (by a syndicator of Low Income Housing Tax Credits to be determined).

PROFESSIONAL & FINANCIAL

Bond Counsel:	Ice Miller LLP	Chicago, IL	James Snyder
Borrower Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Stephen Welcome
Architect:	Gleason Architects, P.C.	Sugar Grove, IL	Thad Gleason
General Contractor:	Ledcor Construction, Inc.		
Auditor:	ELS Group, LLC	Skokie, IL	Bruce Schiff
Underwriter:	William Blair & Co., LLC	Chicago, IL	Chuck Freeburg
Underwriter's Counsel:	To be engaged by William Blair & Co., LLC		
Tax Credit Investor(s):	Bravo is in negotiation with several Tax Credit Syndicators/Investors		
General Partner's Tax Credit Partnership Counsel:	Applegate & Thorne-Thomsen	Chicago, IL	Ben Applegate
Management Agent (Third Party):	BMA Management, Ltd.	Bradley, IL	Blair Minton
Trustee:	TBD		
Market Study:	Valerie S. Kretchmer Assoc., Inc.	Evanston, IL	Valerie Sandler Kretchmer
IFA Counsel:	TBD		
IFA Financial Advisor:	Acacia Financial Group	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional: 2 Jesse Jackson, Jr.
State Senate: 17 Donne E. Trotter
State House: 34 Constance A. Howard

\$480,000,000
The University of Chicago

October 11, 2011

REQUEST	<p>Purpose: Bond proceeds will be combined with other funds to enable The University of Chicago (the “University” or the “Borrower”) to (i) plan, design, construct and equip a new, 265,000 SF building to be known as the William Eckhardt Research Center located at 5630-5650 S. Ellis Ave.; (ii) renovate and expand the University’s Laboratory Schools located in various buildings located at 1362 E. 59th Street and 5800 S. Stony Island Ave., (iii) renovate, construct, and equip educational facilities located at 5757 S. University Ave., and (iv) acquire, construct, renovate, equip, improve, and complete various other administrative, academic, research, infrastructure, and campus projects, including related landscaping and other improvements located at the University’s Hyde Park Campus and at 11030 S. Langley Ave., and 450 N. Cityfront Plaza Drive (<i>with items (i) – (iv) comprising the “New Projects”</i> and all located in Chicago, Illinois). Additionally, if deemed desirable, the University will also prospectively (v) refund or advance refund all or a portion of certain prior tax-exempt revenue bonds (the “Prior Bonds”), the proceeds of which were used on a wide range of improvements at the University’s Hyde Park Campus in Chicago, Illinois (and together with the New Projects, the “Projects”); and prospectively to: (vi) provide working capital, as permitted, (vii) fund one or more debt service reserve funds, and (viii) pay bond issuance costs.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																				
BOARD ACTIONS	Preliminary Bond Resolution																				
MATERIAL CHANGES	None. This is the first time this Project has been considered by the IFA Board of Directors.																				
JOB DATA	<table border="0"> <tr> <td style="text-align: center;">12,179</td> <td style="text-align: center;">Current jobs</td> <td style="text-align: center;">TBD</td> <td style="text-align: center;">New jobs projected</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">TBD</td> <td style="text-align: center;">Construction jobs projected</td> </tr> </table>	12,179	Current jobs	TBD	New jobs projected	N/A	Retained jobs	TBD	Construction jobs projected												
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N/A	Retained jobs	TBD	Construction jobs projected																		
DESCRIPTION	<ul style="list-style-type: none"> Project Location: City of Chicago (Cook County) Type of entity: The University, a 501(c)(3) organization incorporated under Illinois law, is a private, non-sectarian, co-educational institution of higher learning founded by John D. Rockefeller in 1890 that is governed by a fifty-member Board of Trustees. 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> The plan of finance contemplates Bonds to be sold in one or more series. Fixed Rate Bonds will be sold based on the University’s underlying long-term debt ratings of Aa1/AA (Moody’s/S&P). Any Variable Rate Bonds may be further secured by a liquidity facility. The University’s short-term ratings are P-1/A-1 + (Moody’s/S&P). Bank of America Merrill Lynch has been engaged by the Borrower as Underwriter/Senior Manager. Any Co-Manager(s) will be selected after the final structure is determined (and prior to this financing returning for consideration of a Final Bond Resolution). 																				
SECURITY	<ul style="list-style-type: none"> The Bonds will be a general unsecured corporate obligation of the University and as such will not be secured by a mortgage or security interest on any of the University’s assets, properties or funds. 																				
MATURITY	<ul style="list-style-type: none"> Bonds will mature no later than 40 years from the issue date. Interest Rate Modes to be determined based on evaluation of market conditions by the University and its financing team. 																				
SOURCES AND USES	<table border="0"> <thead> <tr> <th colspan="2" style="text-align: left;">Sources:</th> <th colspan="2" style="text-align: left;">Uses:</th> </tr> </thead> <tbody> <tr> <td style="width: 30%;">IFA New Money Bonds</td> <td style="width: 20%; text-align: right;">\$200,000,000</td> <td style="width: 30%;">New Money Project Fund</td> <td style="width: 20%; text-align: right;">\$373,040,000</td> </tr> <tr> <td>IFA Refunding Bonds</td> <td style="text-align: right;">280,000,000</td> <td>Refunding Bonds</td> <td style="text-align: right;">280,000,000</td> </tr> <tr> <td>Equity/Other Financing</td> <td style="text-align: right;"><u>174,000,000</u></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>960,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$654,000,000</td> <td>Total</td> <td style="text-align: right;">\$654,000,000</td> </tr> </tbody> </table>	Sources:		Uses:		IFA New Money Bonds	\$200,000,000	New Money Project Fund	\$373,040,000	IFA Refunding Bonds	280,000,000	Refunding Bonds	280,000,000	Equity/Other Financing	<u>174,000,000</u>	Costs of Issuance	<u>960,000</u>	Total	\$654,000,000	Total	\$654,000,000
Sources:		Uses:																			
IFA New Money Bonds	\$200,000,000	New Money Project Fund	\$373,040,000																		
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Equity/Other Financing	<u>174,000,000</u>	Costs of Issuance	<u>960,000</u>																		
Total	\$654,000,000	Total	\$654,000,000																		
RECOMMENDATION	Credit Review Committee recommends approval.																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 11, 2011**

Project: The University of Chicago

STATISTICS

Project Number:	E-PC-TE-CD-8506	Amount:	\$480,000,000 (not-to-exceed)
Type:	Conduit 501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	Counties/ Regions:	Cook County/Northeast

BOARD ACTION

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

VOTING RECORD

This is the first time this Project has been considered by the IFA Board of Directors.

PURPOSE

Bond proceeds will be combined with other funds to enable **The University of Chicago** (the “**University**” or the “**Borrower**”) to (i) plan, design, construct, renovate, and equip a series of New Money projects at its Hyde Park Campus (including but not limited to constructing and equipping the new William Eckhardt Research Center, renovating, expanding, and equipping the University’s Laboratory Schools located in various buildings, and renovating and equipping an educational facility located at 5757 S. University Ave.), and at 11030 S. Langley Avenue and 450 N. Cityfront Center, all in Chicago (and collectively, the “**New Projects**”).

Additionally, if deemed desirable, the University will also prospectively (ii) refund or advance refund all or a portion of certain prior tax-exempt revenue bonds (the “**Prior Bonds**”), the proceeds of which were used on a wide range of improvements at the University’s Hyde Park Campus in Chicago, Illinois (and together with the New Projects, the “**Projects**”); and prospectively to: (ii) provide working capital, as permitted, (iii) fund one or more debt service reserve funds, and (iv) pay bond issuance costs.

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 tax-exempt status on interest 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 New Money Bonds	\$200,000,000	Uses:	New Money Project Fund	\$373,040,000
	IFA Refunding Bonds	280,000,000		Refunding Bonds	280,000,000
	Equity/Other Financing	<u>174,000,000</u>		Costs of Issuance	<u>960,000</u>
Total		<u>\$654,000,000</u>	Total		<u>\$654,000,000</u>

JOBS

Current employment:	12,179	Projected new jobs:	To be determined
Jobs retained:	N/A	Construction jobs:	To be determined

The University will provide an estimate of the new jobs anticipated within 2 years of completion of these projects and a construction jobs estimate when this project returns for consideration of a Final Bond Resolution.

FINANCING SUMMARY

Security:	The Bonds will be a general unsecured corporate obligation of the University and as such will not be secured by a mortgage or security interest on any of the University's assets, properties or funds.
Structure:	The plan of finance contemplates the public issuance of approximately \$480 million of tax-exempt debt (preliminary, subject to change) to be issued in one or more series. Fixed Rate Bonds will be sold based on the University's underlying long-term debt ratings of Aa1/AA (Moody's/S&P). Bank of America Merrill Lynch has been engaged by the Borrower as Senior Manager. Variable Rate Bonds (to the extent issued) would be sold based on the University's P1/A-1+ (Moody's/S&P) short-term ratings (and likely further backed by a liquidity facility from a financial institution with P1/A-1+ short-term ratings).
Interest Rate:	The University and their financing team will determine interest rate modes and the mix of Fixed Rate Bonds and Variable Rate Bonds after evaluating market conditions in advance of pricing.
Underlying Debt Ratings:	The University's underlying ratings are: (1) long-term: Aa1/AA (Moody's/S&P) and (2) short-term: P1/A-1+ (Moody's/S&P).
Maturity:	No later than 2051 (40 years from issuance date)
Estimated Closing Date:	First Quarter 2012

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will be combined with other funds to enable The University of Chicago (the "**University**" or the "**Borrower**") to (i) plan, design, construct and equip a new, 265,000 SF building to be known as the William Eckhardt Research Center located at 5630-5650 S. Ellis Ave.; (ii) renovate and expand the University's Laboratory Schools located in various buildings located at 1362 E. 59th Street and 5800 S. Stony Island Ave., (iii) renovate, construct, and equip educational facilities located at 5757 S. University Ave., and (iv) acquire, construct, renovate, equip, improve, and complete various other administrative, academic, research, infrastructure, and campus projects, including related landscaping and other improvements located at the University's Hyde Park Campus and at 11030 S. Langley Ave., and 450 N. Cityfront Plaza Drive (with items (i) – (iv) comprising the "**New Projects**") and all located in Chicago, Illinois). Additionally, if deemed desirable, the University will also prospectively (v) refund or advance refund all or a portion of certain prior tax-exempt revenue bonds (the "**Prior Bonds**"), the proceeds of which were used on a wide range of improvements at the University's Hyde Park Campus in Chicago, Illinois (and together with the New Projects, the "**Projects**"); and prospectively to: (vi) pay working capital expenditures, as permitted, (vii) fund one or more debt service reserve funds, and (viii) pay bond issuance costs.

BUSINESS SUMMARY

Description: **The University of Chicago** (the “**University**” or the “**Borrower**”) is a 501(c)(3) organization incorporated under Illinois law. The University is a private, non-sectarian, co-educational institution of higher learning founded by John D. Rockefeller in 1890 that is governed by a fifty-member Board of Trustees (see p. 5 below for listing).

Description: The University has emphasized both research and teaching from its inception. It has had a major impact on American higher education—including devising the four-quarter academic year, developing extension courses and programs in the liberal arts for adults, establishing a general education program for undergraduates, initiating a full-time medical school teaching faculty, and establishing the first executive MBA program. The University is a highly respected education department and the University is a nationally recognized leader in the sciences and social sciences.

At the University, campus and community are interconnected in partnerships that serve both to support the community and to train future policymakers, social workers, artists, and social and political leaders. The University of Chicago Charter School, run by the Center for Urban School Improvement, serves students with four campuses for students in pre-kindergarten through high school. The Mandel Legal Aid Clinic teaches Law School students advocacy skills, professional ethics, and the effect of legal institutions on the poor, while assisting indigent clients.

The University of Chicago’s 211-acre Hyde Park Campus is located eight miles south of downtown Chicago. The Hyde Park Campus, designated a botanic garden in 1911, stretches along both sides of the Midway Plaisance, a broad parkway designed by Frederick Law Olmstead for the city’s South Park System which was used for the World’s Columbian Exposition in 1893. The campus is arranged in a series of quadrangles, with a blend of traditional English Gothic and award-winning modern buildings designed by renowned international architects.

Since 2005-2006, applications to the College have increased 50% which in turn has allowed the University to become more selective and reduce its admissions rate from 40% in 2005-2006 to 27% in 2009-2010. During this period the mean SAT scores for entering undergraduates has increased from 1428 in 2005-2006 to 1446 in 2009-2010 while undergraduate enrollment has increased from 4,642 students in 2005-2006 to 5,098 in 2009-2010, consistent with the University’s strategic plan.

ECONOMIC DISCLOSURE STATEMENT

Applicant: The University of Chicago, 5801 S. Ellis Avenue, Chicago, IL 60637

Contact: Lorraine J. Arvin, Associate VP for Finance & Administration and Treasurer
Tel: (773) 702-1940; E-mail:ljjarvin@uchicago.edu

Website: www.uchicago.edu

Site Locations

(New Projects): William Eckhardt Research Center
5630-5650 S. Ellis Avenue, Chicago, IL 60637

Laboratory Schools

1362 E. 59th Street and 5800 S. Stony Island Avenue, Chicago, IL 60637

5757 S. University Avenue (Renovation and equipping of former Chicago Theological Seminary)
5757 S. University, Chicago, IL 60637

General Improvements at Hyde Park Campus:

The general campus is bordered by 47th Street on the north; Lake Shore Drive on the east; 61st Street on the south; and Cottage Grove Ave. on the west.

11030 S. Langley Ave, Chicago, Illinois 60628

450 N. Cityfront Plaza, Chicago, IL 60611 (Gleacher Center)

Project name: IFA Series 2011 501(c)(3) Revenue Bonds (University of Chicago Project)

Board

Of Trustees:	Andrew M. Alper	Chairman, EQA Partners, LP
	Sekhar Bahadur	Vice Chairman – Global Banking, Deutsche Bank
	David G. Booth	CEO, Dimensional Fund Advisors, Inc.
	Thomas A. Cole	Chairman of the Executive Committee and Partner, Sidley Austin L.L.P.
	E. David Coolidge III	Vice Chairman, William Blair & Company, L.L.C.
	James S. Crown	President, Henry Crown and Company
	Katharine P. Darrow	Retired Senior Vice President, The New York Times Company
	Daniel L. Doctoroff	President, Bloomberg LP
	Craig J. Duchossois	Chief Executive Officer, The Duchossois Group, Inc.
	James S. Frank	President and CEO, Wheels, Inc.
	Jack W. Fuller	Retired President, Tribune Publishing Company
	Timothy M. George	Founding Partner, Greenhill & Company, LLC
	Rodney L. Goldstein	Chairman and Managing Director, Frontenac Company
	Mary Louise Gorno	Managing Director, Hudson Highland, Inc.
	Kathryn C. Gould	Founder and General Partner, Foundation Capital
	Sanford J. Grossman	Chairman and CEO, QFS Asset Management, L.P.
	King W. Harris	Chairman, Harris Holdings, Inc.
	Kenneth M. Jacobs	Chairman and Chief Executive Officer, Lazard LLC
	Karen L. Katen	Senior Advisor, Essex Woodlands Health Ventures
	Dennis J. Keller	Director Emeritus and Co-Founder, DeVry Inc.
	Steven A. Kersten	President, Water Saver Faucet Company
	James M. Kilts, Jr.	Founding Partner, Centerview Partners
	Michael J. Klingensmith	Publisher and CEO, Minneapolis Star Tribune
	Michael L. Klowden	President and CEO, Milken Institute
	Robert W. Lane	Chairman, Deere & Company
	Charles Ashby Lewis	Chairman, Lewis-Sebring Family Foundation
	John Liew	Co-Founder, AQR Capital Management
	Peter W. May	President and Founding Partner, Triam Partners
	Joseph Neubauer	Chairman & CEO, ARAMARK Corporation
	Emily Nicklin	Partner, Kirkland & Ellis LLP
	Harvey B. Plotnick	Former President and CEO, Paradigm Holdings Inc.
	Michael P. Polsky	Founder, President, and CEO, Invenergy, LLC
	Myrtle Stephens Potter	Chief Executive Officer, Myrtle Potter and Company LLC
	Thomas J. Pritzker	Chairman, Global Hyatt Corporation
	Thomas A. Reynolds III	Capital Partner, Winston & Strawn
	John W. Rogers, Jr.	Chairman and CEO, Ariel Capital Management, Inc., Ariel Mutual Funds
	Andrew M. Rosenfield	Managing Partner, Guggenheim Partners
	David M. Rubenstein	Co-Founder and Managing Director, The Carlyle Group
	Steve G. Stevanovich	Chairman and President, SGS Group of Companies
	Mary A. Tolan	Founder and CEO, Accretive Health
	Byron D. Trott	Managing Partner, BDT Capital Partners
	Marshall I. Wais, Jr.	Chief Executive Officer, Marwais International LLC
	Gregory Westin Wendt	Senior Vice President, Capital Research Company
	Paula Wolff	Senior Executive, Chicago Metropolis 2020
	Paul G. Yovovich	President, Lake Capital
	Francis T.F. Yuen	Deputy Chairman, Pacific Century Regional Developments Ltd.
	Robert J. Zimmer	President, The University of Chicago

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal
Auditor:	KPMG	Chicago, IL	David Seid
Borrower Financial Advisor:	Prager, Sealy & Co., LLC	San Francisco, CA	Susan Fitzgerald
Bond Counsel:	Chapman & Cutler, LLP	Chicago, IL	Nancy Burke
Underwriter/Senior Manager:	Bank of America Merrill Lynch	Chicago, IL	Michelle Salomon
Underwriter's Counsel:	TBD		
Trustee:	Wells Fargo Bank, N.A.	Chicago, IL	Gail Klewin
IFA Counsel:	TBD		
IFA Financial Advisor:	Scott Balice Strategies, LLC	Chicago, IL	Julia Harris

LEGISLATIVE DISTRICTS

	Hyde Park Campus	11030 S. Langley	450 N. Cityfront Plaza
Congressional:	1 Bobby Rush	2 Jesse L. Jackson, Jr.	7 Danny K. Davis
State Senate:	13 Kwame Raoul	17 Donne Trotter	13 Kwame Raoul
State House:	25 Barbara Flynn Currie	34 Constance A. Howard	26 Kimberly du Buclet

\$8,000,000

United Methodist Homes & Services

October 11, 2011

<p>REQUEST</p>	<p>Purpose: Bond proceeds will be combined with other funds and enable United Methodist Homes & Services (“UMH&S” or the “Borrower”) to (i) expand, renovate, rehabilitate and make improvements to The Methodist Home (a nursing and orthopedic rehabilitation facility) located at 1415 West Foster Avenue, Chicago, IL); (ii) purchasing, renovating and equipping a nearby building with a parking lot and other improvements (located at 1343-1351 West Foster Avenue, Chicago, IL); (iii) finance or refinance taxable debt or other funds used to acquire Covenant Home of Chicago (a supportive living facility located at 2720 West Foster Avenue, Chicago, IL); (iv) make various other minor improvements at these facilities and others owned by the Borrower elsewhere in Chicago, Illinois; and (v) pay bond issuance costs.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																
<p>BOARD ACTIONS</p>	<p>Preliminary Bond Resolution</p>																
<p>MATERIAL CHANGES</p>	<p>None. This is the first time this Project has been considered by the IFA Board of Directors.</p>																
<p>JOB DATA</p>	<table border="0"> <tr> <td style="padding-right: 20px;">304</td> <td style="padding-right: 20px;">Current jobs</td> <td style="padding-right: 20px;">16</td> <td>New jobs projected</td> </tr> <tr> <td>114</td> <td>Retained jobs</td> <td>30</td> <td>Construction jobs projected (4 to 6 months)</td> </tr> </table>	304	Current jobs	16	New jobs projected	114	Retained jobs	30	Construction jobs projected (4 to 6 months)								
304	Current jobs	16	New jobs projected														
114	Retained jobs	30	Construction jobs projected (4 to 6 months)														
<p>DESCRIPTION</p>	<ul style="list-style-type: none"> • Locations: 2720 West Foster Avenue, Chicago, IL 60625; 1343-1351 West Foster Avenue, Chicago, IL 60640; 1415 West Foster Avenue, Chicago, IL 60640 • Type of entity: UMH&S is a faith-based organization that provides services to persons regardless of individual faith. The UMH&S system is among the most extensive senior services networks on Chicago’s North Side and is comprised of: The Methodist Home, The Hartwell memory support assisted living facility, Covenant Home of Chicago supportive living facility, Methodist Senior Home Care, Methodist Senior Home Maintenance, and Winwood Apartments and Glenwood Apartments (which both provide affordable rental housing for seniors). 																
<p>CREDIT INDICATORS</p>	<ul style="list-style-type: none"> • UMH&S is a non-rated entity. • The Bonds will be credit enhanced with a Direct Pay Letter of Credit from BMO Harris Bank, N.A. and sold based on BMO Harris Bank, N.A.’s P1 (VMIG-1)/A-1+/F-1+ short term ratings (Moody’s/S&P/Fitch). • BMO Capital Markets GKST Inc., a direct, wholly-owned subsidiary of BMO Financial Corp., has been engaged by the Borrower as Underwriter. • The Bonds are expected to be sold as 7-day variable rate demand bonds (i.e., “7-Day Floaters”). As of September 19, 2011, the Securities Industry and Financial Markets Association (“SIFMA”) Municipal Swap Index was 0.16% (a proxy for the 7-day Floater rate). 																
<p>SECURITY</p>	<ul style="list-style-type: none"> • The Bonds will be secured by a Direct-Pay Letter of Credit from Harris Bank, N.A. 																
<p>MATURITY</p>	<ul style="list-style-type: none"> • Not more than 25 years from the issue date (preliminary, subject to change). 																
<p>SOURCES AND USES</p>	<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;">\$8,000,000</td> <td>Project costs</td> <td style="text-align: right;">\$9,940,000</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;"><u>2,100,000</u></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>160,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$10,100,000</td> <td>Total</td> <td style="text-align: right;">\$10,100,000</td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$8,000,000	Project costs	\$9,940,000	Equity	<u>2,100,000</u>	Costs of Issuance	<u>160,000</u>	Total	\$10,100,000	Total	\$10,100,000
Sources:		Uses:															
IFA Bonds	\$8,000,000	Project costs	\$9,940,000														
Equity	<u>2,100,000</u>	Costs of Issuance	<u>160,000</u>														
Total	\$10,100,000	Total	\$10,100,000														
<p>RECOMMENDATION</p>	<p>Credit Review Committee recommends approval.</p>																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 11, 2011**

Project: United Methodist Homes & Services

STATISTICS

Project Number:	N-NP-TE-CD-8505	Amount:	\$8,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago, Illinois	County/	
		Region:	Cook County/Northeast

BOARD ACTION

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

VOTING RECORD

This is the first time this Project has been considered by the IFA Board of Directors.

PURPOSE

To enable **United Methodist Homes & Services** (“**UMH&S**” or the “**Borrower**”) to (i) expand, renovate, rehabilitate and make improvements to The Methodist Home (a nursing and orthopedic rehabilitation facility) located at 1415 West Foster Avenue, Chicago, IL); (ii) purchasing, renovating and equipping a nearby building with a parking lot and other improvements (located at 1343-1351 West Foster Avenue, Chicago, IL); (iii) finance or refinance taxable debt or other funds used to acquire Covenant Home of Chicago (a supportive living facility located at 2720 West Foster Avenue, Chicago, IL); (iv) make various other minor improvements at these facilities and others owned by the Borrower elsewhere in Chicago, Illinois; and (v) pay bond issuance costs.

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 (Preliminary)

Sources:	IFA Bonds	\$8,000,000	Uses:	Project Costs	\$9,940,000
	Equity	<u>2,100,000</u>		Bond Issuance Costs	<u>160,000</u>
Total		<u>\$10,100,000</u>	Total		<u>\$10,100,000</u>

JOBS

Current employment:	304	Projected new jobs:	16
Jobs retained:	114	Construction jobs:	30 (4 to 6 months)

FINANCING SUMMARY

- Security:** The Variable Rate Demand Bonds (or “7-day Floaters”) will be secured by a Direct Pay Letter of Credit from BMO Harris Bank National Association (“BMO Harris Bank, N.A.”).
- Structure:** The plan of finance contemplates the public issuance of approximately \$8 million of municipal debt (preliminary, subject to change) as 7-day floaters, secured by a Direct-Pay Letter of Credit from Harris Bank and sold based on BMO Harris Bank, National Association’s (P1 [VMIG-1]/A-1+/F1+) short-term ratings (Moody’s/S&P/Fitch). BMO Capital Markets GKST Inc., a direct, wholly-owned subsidiary of BMO Financial Corp., has been engaged by the Borrower to serve as the Underwriter.
- Interest Rate:** The most current weekly SIFMA index rate was approximately 0.16% (this excludes ongoing Letter of Credit Fees; Remarketing Agent Fees; and Trustee Fees which when added to the underlying 7-day floater rate will determine the effective interest rate on the IFA Bonds). Assuming a typical Borrower, these fees would result in an effective interest rate ranging from approximately 1.90% to 2.40% based on current market conditions.
- Bank**
- Ratings:** BMO Harris Bank, N.A. A1/A+/AA- (Moody’s/S&P/Fitch) long-term and P1 (VMIG-1)/A-1/F1+ short-term (BMO Harris Bank, N.A.’s short-term rating will be pertinent for the prospective weekly floating rate mode bonds.)
- Maturity:** 25 years
- Estimated Closing Date:** Fourth Quarter 2011/First Quarter 2012
- Rationale:** The proposed renovations at The Methodist Home will satisfy State-mandated upgrades to life safety features as well as improve the amenities available to both long-term residents and short-term rehabilitation patients. Renovations also include exterior improvements to The Methodist Home and other UMH&S facilities.
- Bond proceeds will also be used to refinance taxable financing and enable UMH&S to refinance its late 2010 Covenant Home acquisition at a tax-exempt interest rate, thereby enabling UMH&S to redirect anticipated interest rate savings to provide more services to UMH&S clients.
- Finally, Bond proceeds will be used to finance the acquisition of the former building of Hiram Electric Company at 1343-1351 West Foster Avenue. This property is near UMH&S’ primary facility at 1415 W. Foster Ave. This building will provide much needed office and storage space and provide much needed off-street parking for UMH&S staff, visitors and for UMH&S buses.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

To enable **United Methodist Homes & Services** (“UMH&S” or the “**Borrower**”) to (i) expand, renovate, rehabilitate and make improvements to The Methodist Home (an orthopedic rehabilitation and skilled nursing facility located at 1415 West Foster Avenue, Chicago, IL); (ii) finance or refinance the acquisition of a neighboring property and improvements (located at 1343-1351 West Foster Avenue, Chicago, IL); (iii) finance or refinance existing taxable debt to provide permanent financing for its acquisition of Covenant Home of Chicago (a supportive living facility located at 2720 West Foster Avenue, Chicago, IL); (iv) make various other capital improvements at facilities located at Methodist Homes properties on the North Side of Chicago including but not limited to the facilities identified above and the following properties: 5520 N. Paulina (The Hartwell – memory assisted living); 2720 W. Foster (the Covenant Home of Chicago supportive living facility); 1406 W. Winona (Winwood Apartments); 5021-5027 N. Glenwood Ave. (Glenwood Apartments); and (v) pay bond issuance costs.

BUSINESS SUMMARY

Description: **United Methodist Homes & Services** (“UMH&S” or the “**Borrower**”) is a 501(c)(3) organization that provides services to seniors on the North Side of Chicago. UMH&S serves senior irrespective of individual faith. UMH&S was incorporated under Illinois law in 1988 (pursuant to an organizational restructuring). The Methodist Home, the flagship facility of UMH&S, was founded in 1898. See the Economic Disclosure Statement section of this report for a listing of UMH&S board (see p. 5).

The Methodist Home remains UMH&S’s flagship institution, providing rehabilitation services and nursing care based at its facility at 1415 W. Foster Ave. in Chicago.

Background: The UMH&S system, one of Chicago’s oldest and strongest nonprofit organizations dedicated to serving older adults, operates rehabilitative and sub-acute care, skilled memory support, memory support assisted living, supportive living, home care, home improvement and low-income housing services for seniors.

According to the Borrower, the UMH&S system is the most extensive senior services network on Chicago’s North Side. UMH&S’ key facilities are all located in Chicago and include: (1) The Methodist Home (a short-term orthopedic rehabilitation center and a 121-bed Medicare licensed nursing facility) located at 1415 W. Foster Ave.; (2) The Hartwell, a memory support assisted living center located at 5520 N. Paulina; (3) the Covenant Home of Chicago supportive living facility located at 2720 W. Foster Ave.; (4) Winwood Apartments, a 31-unit affordable senior apartment property located at 1406 W. Winona; and (5) Glenwood Apartments, a 13-unit affordable senior apartment property located at 5021-5027 N. Glenwood Ave.

Additionally, UMH&S operates Methodist Senior Home Care and Methodist Senior Home Maintenance, which both provide in-home care to seniors.

ECONOMIC DISCLOSURE STATEMENT

Applicant: United Methodist Homes & Services, 1415 W. Foster Ave., Chicago, Illinois 60640

Contact: William A. Lowe, President
Tel: (773) 769-5500; E-mail: lowe@cmsschicago.org

Website: www.cmsschicago.org/

Site Locations: Covenant Home of Chicago
2720 West Foster Avenue, Chicago, IL 60625-3510

1343-1351 West Foster (formerly Hiram Electric Company facility)
1343-1351 West Foster Avenue, Chicago, IL 60640-2214

The Methodist Home
1415 West Foster Avenue, Chicago, IL 60640-2228

The Hartwell
5520 N. Paulina Ave., Chicago, IL 60640-1183

Winwood Apartments
1406 W. Winona, Chicago, IL 60640-6831

Glenwood Apartments
5021-5027 N. Glenwood Ave., Chicago, IL 60640-2814

Project name: IFA Series 2011 501(c)(3) Revenue Bonds (UMH&S Project)

Ownership

Information: United Methodist Senior Services is the parent corporation of the following:

- (i) Chicagoland Methodist Senior Services, NFP
- (ii) United Methodist Homes & Services Foundation
- (iii) Winwood Apartments, Inc.
- (iv) Naper Valley Corporation (*inactive*)
- (v) United Nursing Services, Inc. (d/b/a United Methodist Healthcare Recruitment)

United Nursing Services, Inc. (d/b/a United Methodist Healthcare Recruitment) is a wholly-owned for-profit division of UMH&S. United Methodist Healthcare Recruitment helps registered nurses and physical & occupational therapists living outside the United States find employment with healthcare providers within the United States.

Board of

Trustees: Larry M. Loecker
William A. Lowe
Cletus J. Moll
Kathleen C. West
Samuel W. Witwer, Jr.
Dick Wright
Lawrence W. Zydowsky

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Kevin M. Cahill	Chicago, IL	Kevin M. Cahill
Auditor:	Frost, Ruttenberg & Rothblatt	Deerfield, IL	Kimberly Waite
Bond Counsel:	Ice Miller LLP	Chicago, IL	James Snyder
Letter of Credit Bank:	BMO Harris Bank, N.A.	Chicago, IL	
Underwriter:	BMO Capital Markets GKST	Chicago, IL	Lisa Conley
Underwriter's Counsel:	To be selected by BMO Capital Markets GKST		
Trustee:	U.S. Bank, N.A.	Milwaukee, WI	Peter Brennan
IFA Counsel:	TBD		
IFA Financial Advisor:	Acacia Financial Group	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

	UMH&S Facilities	2720 W. Foster Facility only
Congressional:	9 Jan Schakowsky	5 Mike Quigley
State Senate:	7 Heather A. Steans	7 Heather A. Steans
State House:	13 Kelly Cassidy	13 Gregory Harris

October 11, 2011

\$13,000,000
The Lodge of Northbrook

REQUEST	<p>Purpose: Bond proceeds will be used by The Lodge of Northbrook (the “Borrower”) to pay off a construction loan for a proposed 3-story brick, 57-unit senior living community to be located at Founders Drive and Kamp Drive in Northbrook, Illinois.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																																				
BOARD ACTIONS	Preliminary Bond Resolution																																				
MATERIAL CHANGES	This is the first time this project is being presented to the Board.																																				
JOB DATA	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">Current jobs</td> <td style="text-align: center;">5</td> <td style="text-align: center;">New jobs projected</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">80</td> <td style="text-align: center;">Construction jobs projected</td> </tr> </table>	2	Current jobs	5	New jobs projected	N/A	Retained jobs	80	Construction jobs projected																												
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N/A	Retained jobs	80	Construction jobs projected																																		
DESCRIPTION	<ul style="list-style-type: none"> • Location: Northbrook, Illinois (Cook County/Northeast Region) • The Lodge of Northbrook is a proposed three-story brick building containing 57 independent living units that will provide numerous common areas and services to be located on Kamp Drive and Founders Drive in Northbrook. The Lodge is designed around the needs and wants of seniors who want to take advantage of home ownership atmosphere without all the responsibility and liability that comes with home ownership. Essex Corporation, as developer of the community, brings substantial expertise to the The Lodge of Northbrook, having designed, built, and managed three similar projects in the Chicago area as well as 30+ senior residences throughout the Midwest. 																																				
CREDIT INDICATORS	<ul style="list-style-type: none"> • Direct Purchase by America First Tax Exempt Investors, LP. 																																				
SECURITY	<ul style="list-style-type: none"> • First deed of trust and assignment of rents and leases. 																																				
MATURITY	<ul style="list-style-type: none"> • Not later than 2053 (40 years after anticipated 2013 issuance date) 																																				
SOURCES AND USES	<table style="width: 100%; border: none;"> <tr> <td colspan="2" style="text-align: left;">Sources:</td> <td colspan="2" style="text-align: left;">Uses:</td> </tr> <tr> <td style="width: 30%;">IFA Bonds</td> <td style="width: 20%; text-align: right;">\$13,000,000</td> <td style="width: 30%;">Land Acquisition</td> <td style="width: 20%; text-align: right;">\$915,000</td> </tr> <tr> <td>Entrance Fees</td> <td style="text-align: right;"><u>10,110,434</u></td> <td>New Construction</td> <td style="text-align: right;">18,423,384</td> </tr> <tr> <td></td> <td></td> <td>Absorption/Lease Reserve</td> <td style="text-align: right;">120,000</td> </tr> <tr> <td></td> <td></td> <td>Machinery/Equipment</td> <td style="text-align: right;">399,000</td> </tr> <tr> <td></td> <td></td> <td>Architectural & Engineering</td> <td style="text-align: right;">353,500</td> </tr> <tr> <td></td> <td></td> <td>Legal & Professional</td> <td style="text-align: right;">2,695,100</td> </tr> <tr> <td></td> <td></td> <td>Capitalized Interest</td> <td style="text-align: right;"><u>204,450</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$23,110,434</u></td> <td>Total</td> <td style="text-align: right;"><u>\$23,110,434</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$13,000,000	Land Acquisition	\$915,000	Entrance Fees	<u>10,110,434</u>	New Construction	18,423,384			Absorption/Lease Reserve	120,000			Machinery/Equipment	399,000			Architectural & Engineering	353,500			Legal & Professional	2,695,100			Capitalized Interest	<u>204,450</u>	Total	<u>\$23,110,434</u>	Total	<u>\$23,110,434</u>
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Total	<u>\$23,110,434</u>	Total	<u>\$23,110,434</u>																																		
RECOMMENDATION	Credit Committee recommends approval.																																				

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 October 11, 2011**

Project: The Lodge of Northbrook

STATISTICS

Project Number:	H-SL-TE-CD-8500	Amount:	\$13,000,000 (not-to-exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Location:	Northbrook, Illinois	County/Region:	Cook County/ Northeast

BOARD ACTION

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

VOTING RECORD

This is the first time this Project is being presented to the Board.

PURPOSE

Bond proceeds will be used by **The Lodge of Northbrook** (the "**Borrower**") to pay off a construction loan of a 3-story brick, 57-unit senior living community to be located at Founders Drive and Kamp Drive in Northbrook, Illinois.

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:		Uses:	
IFA Bonds	\$13,000,000	Land Acquisition	\$915,000
Entrance Fees	<u>10,110,434</u>	New Construction	18,423,384
		Absorption/Lease Reserve	120,000
		Machinery/Equipment	399,000
		Architectural & Engineering	353,500
		Legal & Professional	2,695,100
		Capitalized Interest	<u>204,450</u>
Total	<u>\$23,110,434</u>	Total	<u>\$23,110,434</u>

JOBS

Current employment:	2	Projected new jobs:	5
Jobs retained:	N/A	Construction jobs:	80

FINANCING SUMMARY/STRUCTURE

Security:	First deed of trust and assignment of rents and leases.
Structure:	The plan of finance contemplates a Direct Purchase Bond by America First Tax Exempt Investors, LP. The Bonds will be issued to take-out a bank construction loan on this proposed project upon completion.
Interest Rate:	6.50%
Interest Modes:	Fixed rate
Current Rating:	N/A
Maturity:	40 years with a balloon payment option in year 12
Estimated Closing Date:	December, 2013

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will be used by **The Lodge of Northbrook** (the "Borrower") to pay off a construction loan for this proposed 3-story, 57-unit senior living community to be located at Founders Drive and Kamp Drive in Northbrook, Illinois.

BUSINESS SUMMARY

Background: **The Lodge of Northbrook** (the "**Borrower**") is an Illinois not-for-profit 501(c)(3) organization that was incorporated on August 16, 2011 to provide residential facilities for the aged. The facilities are designed to meet the needs of the aged, including suitable housing, physical and mental health care, civic, cultural and recreational activities, and an overall environment conducive to dignity and independence. The Lodge of Northbrook will be a three-story brick building designed around the needs and wants of seniors who want to take advantage of home ownership atmosphere without all the responsibility and liability that comes with home ownership.

According to US Census data, there are 5,878 households with people over 65 years of age and annual incomes over \$35,000 living within a 3-mile radius of the project site.

The units are now priced with entrance fees ranging from \$97,500 to \$303,665 and monthly fees ranging from \$1,632 to \$5,084. Prospective residents typically use equity generated from the sale of their homes to pay the entrance fee. Residents may enroll in a meal plan for an additional charge. Residents paying a supplemental fee equal to the entrance fee will receive a 35% discount in the standard monthly fee, which the developer believes provides a 7% after-tax return. The entrance and supplemental fees are returned to residents (or their estate) upon leaving the community from payments made by new incoming residents.

The site is zoned appropriately ("RS") and will not need for rezoning.

The Developer: **Essex Corporation (“Essex” or the “Developer”)**, a Nebraska corporation, is the project developer and administrator pursuant to a development and management agreement with The Lodge of Northbrook.

Essex Corporation has been active in designing, developing, constructing, marketing, financing and managing senior housing since its inception in 1976. The company offers its services to not-for-profit (or for-profit) sponsors on a bundled or unbundled basis and on a turn-key or joint venture format.

Essex has developed over 3,000 senior housing units in 11 states in the West and Midwest, in projects ranging in size from \$500,000 to \$25,000,000. Essex Corporation currently manages over 10 similar projects.

Essex Corporation was the developer for The Reserve of Geneva, a senior living facility financed with IFA Bonds in 2004 and 2008. All payments on The Reserve of Geneva project (owned by another entity, but pre-developed with the assistance of Essex) have been made as scheduled as of 10/1/2011.

The Investor: America First Tax Exempt Investors, L.P. was formed on April 2, 1998 under the Delaware Revised Uniform Limited Partnership Act for the initial purpose of acquiring, holding, selling and otherwise dealing with a portfolio of federally tax-exempt mortgage revenue bonds which have been issued to provide construction and/or permanent financing of multi-family residential properties.

America First Tax Exempt Investors, L.P. is part of the Burlington Capital Group family of companies and is managed by America First Real Estate Group, L.L.C. The Burlington Capital Group LLC is an employee-owned international investment management organization committed to successfully developing unique business opportunities for institutional, private, and public fund investors.

The Burlington Capital Group and the Fund are headquartered in Omaha, Nebraska in the historic Burlington Place building.

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Lodge of Northbrook
1400 Techny Road
Northbrook, IL 60065

Website: <http://www.lodgeofnorthbrook.com>

Project name: The Lodge of Northbrook (IFA Series 2011 Bonds)

Organization: 501(c)(3) Not-for-Profit Corporation

State: Illinois

Board Members: Brother Matthew C. Zemel
Virginia Anne Dunn-Mulligan
Samantha Kalamaras

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Kutak Rock LLP	Omaha	Howard Frederick Hahn
Bond Counsel:	Baird Holm	Omaha	Chuck Addy
Bond Purchaser:	America First Tax Exempt Investors	Omaha	
Market Feasibility Study Consultant:	Maxfield Research, Inc.	Minneapolis	Mary Bujold
Accountant:	Lutz & Company	Minneapolis	Amanda Janzen
Architect:	JSSH Architects, Inc.	Omaha	Shawn Wederquist
General Contractor:	Weis Builders, Inc.	Minnentonka	Roger Johnson
IFA Counsel:	TBD	Chicago	Mark Ericksen
IFA Financial Advisor:	Scott Balice Strategies, LLC	Chicago	Julia Harris

LEGISLATIVE DISTRICTS

Congressional:	10	Robert Dold
State Senate:	9	Jeffrey M. Schoenberg
State House:	17	Daniel K. Biss

SERVICE AREA

The Lodge of Northbrook's primary service area includes the city of Northbrook, IL and its surrounding community.



ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: October 11, 2011

Re: Resolution authorizing the execution and delivery of a Bond and Loan Agreement in connection with the IDFA Series 1994 Variable Rate Demand Revenue Bonds to enable conversion to a Bank Direct Purchase Structure (Aurora Central Catholic High School Project)
IDFA Series 1994 File Number: NP-1530
IFA Series 2011 File Number: N-NP-TE-CD-8496

Request:

Aurora Central Catholic High School (the “**Borrower**”), an Illinois not for profit corporation, and **Riverside Community Bank** (the “**Bank**” or “**Bond Purchaser**”) are requesting approval of a Resolution to authorize execution and delivery of a Bond and Loan Agreement to enable the Bank to purchase of the Illinois Development Finance Authority (the “IDFA”) Variable Rate Demand Revenue Bonds (Aurora Central Catholic High School Project), Series 1994 (the “**Bonds**”).

The Bonds are currently secured by a Direct Pay Letter of Credit from JPMorgan Chase Bank, N.A.. The attached Resolution will enable the Bonds to be purchased by the Bank in whole and held as an investment. The Bank will become the new relationship bank for the Borrower. The original Par amount of the IDFA Series 1994 Bonds was approximately \$13,740,000. Currently, the outstanding Par amount is \$12,740,000 (with \$1,200,000 held in a Debt Service Reserve Fund).

The attached Resolution would authorize the reissuance by the Illinois Finance Authority (the “IFA”), as successor to IDFA, of an amount not-to-exceed \$11,540,000 for this project. There will be no extension of the final maturity date, nor will the weighted average maturity of the Bonds be extended. As a result, no TEFRA Hearing will be required in connection with this transaction, which will be considered a refunding for tax purposes. IFA’s estimated administrative fee will be \$13,080.

Background:

IDFA Series 1994 Bond proceeds were used by the Borrower to (i) construct and equip nonsectarian portions of a new high school facility on an approximately 35 acre site owned by the Borrower at the northeast corner of the intersection of Edgelawn Drive and Indian Trail Road in Aurora, Illinois; (ii) pay a portion of interest on the Bond accruing during the estimated construction period; (iii) fund certain reserves for the Bonds; and (iv) pay bond issuance costs.

All payments relating to the IDFA Series 1994 Bonds are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower Counsel:	Hinshaw & Culbertson LLP	Rockford, IL	Thomas Lester
Borrower Financial Advisor:	William Blair & Company, LLC	Chicago, IL	Chuck Freeburg
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Bond Purchaser:	Riverside Community Bank	Rockford, IL	William Brenner
Bank Counsel:	Dorsey & Whitney LLP	Des Moines, IA	David Claypool
Exiting Trustee:	U.S. Bank, N.A.	Chicago, IL	Grace Gorka
IFA Counsel:	TBD	TBD	
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Courtney Shea

IFA RESOLUTION NO. 2011-1011-AD__

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED INDENTURE AND AGREEMENT BY THE ILLINOIS FINANCE AUTHORITY RELATING TO THE ILLINOIS DEVELOPMENT FINANCE AUTHORITY VARIABLE RATE DEMAND REVENUE BONDS (AURORA CENTRAL CATHOLIC HIGH SCHOOL) SERIES 1994; AUTHORIZING THE SALE OF THE AMENDED AND REISSUED BOND TO RIVERSIDE COMMUNITY BANK AND THE LOAN OF THE PROCEEDS OF THE BOND TO AURORA CENTRAL CATHOLIC HIGH SCHOOL; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ARBITRAGE CERTIFICATE PERTAINING TO THE TAX EXEMPTION OF THE BOND; AND APPROVING CERTAIN OTHER AGREEMENTS; 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 “**Authority**”), including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the “**Act**”), is successor to the Illinois Development Finance Authority which has previously issued its \$13,740,000 initial aggregate principal amount Variable Rate Demand Revenue Bonds (Aurora Central Catholic High School) Series 1994 which are outstanding as of the date hereof in the aggregate principal amount of \$12,740,000 (the “**Bonds**”); and

WHEREAS, in furtherance of the issuance of the Bonds, the Authority is a party to a Trust Indenture dated as of April 1, 1994 (the “**Indenture**”) with U.S. Bank, National Association (as successor to Continental Bank, National Association), as Trustee (the “**Trustee**”), and a Loan Agreement dated as of April 1, 1994 (the “**Loan Agreement**”) with Aurora Central Catholic High School, an Illinois not-for-profit corporation (the “**Borrower**”), pursuant to which the proceeds of the Bonds were lent by the Authority to the Borrower to finance costs of construction and equipping of the Aurora Central Catholic High School located in Aurora, Illinois (the “**Project**”); and

WHEREAS, the Borrower has represented to the Authority that the acquisition, construction, renovation and equipping of the Project has resulted in the creation or retention of jobs in the State of Illinois; and

WHEREAS, payment of the Bonds is currently supported by a Letter of Credit (the “**Letter of Credit**”) issued by JPMorgan Chase Bank, N.A. (the “**Bank**”), which Letter of Credit expires in November 2011; and

WHEREAS, the Borrower has arranged for the purchase of the Bonds, as amended as described herein (as amended, the “**Amended Bond**”) in whole by Riverside Community Bank (the “**Purchaser**”) upon the mandatory tender of the Bonds prior to the expiration of the Letter of Credit, and the Purchaser shall thereafter hold the Amended Bond without any credit enhancement for the Bonds; and

WHEREAS, the Authority and the Borrower desire to amend the Indenture and the Loan Agreement in their entirety to provide for the direct purchase of the Amended Bond by the Purchaser, without credit enhancement, upon terms agreed to by the Borrower and the Purchaser; and

WHEREAS, the Indenture and the Loan Agreement may be amended with the consent of the Purchaser, when it becomes the owner of 100% of the aggregate principal amount of the Amended Bond; and

WHEREAS, since the Amended Bond will be solely owned by the Purchaser or its successor, there is no longer a need for a Trustee to represent the Purchaser; and

WHEREAS, it is proposed that the Authority enter into an Amended and Restated Indenture and Agreement (the “**Agreement**”) with the Borrower and the Purchaser to provide for the direct purchase of the Amended Bond by the Purchaser, without credit enhancement, upon terms agreed to by the Borrower and the Purchaser and to make other changes to update such documents to conform to present market conditions;

WHEREAS, it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of (i) the Agreement, and (ii) the Amended Bond in substantially the form set forth in the Agreement, which shall be retitled Illinois Finance Authority Educational Facility Revenue Bond (Aurora Central Catholic High School Project), Series 2011 or such other similar designation specified in the Agreement; and

WHEREAS, it is necessary and desirable for the Authority to enter into an Arbitrage Certificate to be dated the date of issuance of the Bond (the “**Arbitrage Certificate**”) governing the investment of the gross proceeds of the Amended Bond and certain other matters relating to the federal tax exemption of interest on the Bond.

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

Section 1. Pursuant to the Act, the Authority does hereby authorize the amendment and reissuance of the Amended Bond in accordance with the terms of the Agreement and does hereby determine that the amendment and reissuance of the Bonds as the Amended Bond by the Authority under the Act is in the public interest and will promote the purposes of the Authority.

Section 2. The Agreement, in substantially the form on file with the Authority and containing substantially the terms and provisions (including repayment provisions) set forth therein, is hereby authorized, approved and confirmed, and the form, terms and provisions of the Agreement are hereby approved, with such changes and revisions therein as shall be approved by the officers of the Authority executing and attesting the same, their signatures thereon to constitute conclusive evidence of such approval, and the Chairman, the Vice Chairman, the Executive Director or any person authorized by Resolution of the Authority are hereby authorized and directed to execute and deliver the Agreement to the other parties thereto.

Section 3. The execution and delivery by the Authority of the Arbitrage Certificate containing terms and provisions consistent with this Resolution are hereby authorized and approved, the execution by such officers of the Authority referenced in Section 2 above to constitute conclusive evidence of such approval.

Section 4. The Authority is hereby authorized, empowered and directed to cause to be prepared an issue of not to exceed \$12,740,000 aggregate principal amount of the Amended Bond of the Authority, bearing interest from time to time at the interest rate or rates provided in the Agreement, not in any event to exceed 20% per annum.

The Amended Bond shall be designated "Illinois Finance Authority Educational Facility Revenue Bond (Aurora Central Catholic High School Project), Series 2011" or such other similar designation as shall be set forth in the Agreement. The Amended Bond shall be issued as a fully registered bond or bonds. The Amended Bond shall be dated the date of its initial issuance and delivery, shall mature no later than 30 years from its date of issuance, shall have principal payable, shall be in fully registered form and shall be subject to redemption, in accordance with the terms and provisions of the Agreement, and shall have such other terms and provisions as specified in the Agreement to be included therein. The Amended Bond shall be executed on behalf of the Authority with the manual or facsimile signature of the Chairman of the Authority and shall have impressed or imprinted thereon the official seal of the Authority attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority.

The Amended Bond and interest thereon shall be a limited obligation of the Authority, payable solely out of the receipts, revenues and income derived from the Borrower by the Authority pursuant thereto as described in the Agreement. The Amended Bond is a limited obligation of the Authority and it is not payable in any manner from funds raised by taxation. The Authority has no taxing power. No holder of

the Amended Bond shall have the right to compel any exercise of the taxing power of the State of Illinois or any political subdivision thereof to pay the Amended Bond, the interest or premium, if any, thereon. The Amended Bond shall not constitute in any respect a loan of credit thereof within the meaning of any constitutional or statutory limitation.

The form of Amended Bond on file with the Authority at this meeting, subject to appropriate insertion and revision in order to comply with the provisions of the Agreement, is approved, and when the Amended Bond in such form shall be executed on behalf of the Authority in the manner contemplated by the Agreement and this Resolution, it shall represent the approved definitive form of the Amended Bond of the Authority.

Section 5. The Authority is hereby authorized and empowered to issue and sell to the Purchaser the entire aggregate principal amount of the Amended Bond, at a price of 100% of the principal amount thereof, with no accrued interest or premium.

Section 6. The Chairman, the Vice Chairman, the Executive Director or any person authorized by Resolution of the Authority are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the amendment, reissuance and sale of the Amended Bond, the execution and delivery of the Agreement and the Arbitrage Certificate, and to carry out the intent and purposes of this Resolution, including the preambles hereto.

Section 7. Since the principal amount of the Amended Bond will not be in excess of the outstanding principal amount of the Bond and the weighted average maturity of the Amended Bond will not be in excess of the weighted average maturity of the Bond, no approval of the Amended Bond pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, is required.

Section 8. 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 amendment, reissuance and sale of the Amended Bond and the Project be, and the same hereby are, in all respects, approved and confirmed.

Section 9. 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 and provisions.

Section 10. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 11. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Passed and approved this 11th day of October, 2011.

Attest:

ILLINOIS FINANCE AUTHORITY

[SEAL]

By _____
Chairman

By _____
Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane and Nora O'Brien

Date: October 11, 2011

Re: Resolution approving the transfer of the remaining moneys on deposit in the Project Fund for the IEFA Commercial Paper Pool Program to a new escrow agreement among the IFA, The Bank of New York Mellon Trust Company and OSF Healthcare System and approving the projects for which that money will be used.

OSF Healthcare System (“OSF” or the “Borrower”) is one of the borrowers in the **IEFA Commercial Paper Pool Program** (the “Pool Program”). The Pool Program is secured by a letter of credit provided by The Northern Trust Company, which is subject to renewal at the end of November. The Northern Trust is renewing the letter of credit on the pool except with respect to OSF. As such OSF will need to pay down their borrowing under the Pool by the end of November. OSF intends to incur a taxable loan to pay down their portion of the Pool Program and ultimately refinance that tax loan through a new tax-exempt bond issue at a later date.

After giving effect to the project addition and project draw that was done last week, OSF still has approximately \$600,000 remaining on deposit in their Project Fund for the Pool Program. OSF prefers to use that money to pay for some additional projects to be incurred and completed in the near future instead of applying those moneys to pay down the Pool Program. Those moneys could be used for other project costs after the payment date for the Pool Program, however, those moneys would need to be moved out of the trust estate for the Pool Program and put into a separate Escrow Agreement. Currently, that Agreement is expected to be among the IFA, The Bank of New York Mellon Trust Company, as escrow agent, and OSF. The money would then be drawn down for new health care projects.

IFA RESOLUTION NO. 2011-1011-HC__

RESOLUTION authorizing and approving the execution and delivery of an Escrow Agreement dated as of November 1, 2011 (the "Escrow Agreement"), among the Illinois Finance Authority, as successor to the Illinois Educational Facilities Authority (the "Authority"), OSF Healthcare System, an Illinois not for profit corporation ("OSF"), and The Bank of New York Mellon Trust Company, N.A., as escrow agent, in connection with OSF's prepayment in full of the outstanding principal amount of its Direct Note Obligation, Series 2008K (Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program)) (the "Promissory Note"), in order to pay a corresponding aggregate principal amount of Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program) (the "Notes"); authorizing and approving the establishment of an Escrow Fund under the Escrow Agreement (the "Escrow Fund") and the transfer to the Escrow Fund of moneys on deposit in OSF's Subaccount of the Project Account of the Project Fund established under the Trust Indenture dated as of November 1, 1995, as supplemented and amended, between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee, pursuant to which Notes are issued from time to time; authorizing and approving the application of the moneys so transferred to the Escrow Fund to the costs of acquiring, constructing, renovating and equipping the New Project (as hereinafter defined); authorizing and approving the execution and delivery of any additional documentation necessary or appropriate to effect the foregoing; and authorizing and approving certain related matters.

WHEREAS, the Illinois Finance Authority, as successor to the Illinois Educational Facilities Authority (the "Authority"), has from time to time issued its Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program) (the "Notes") in accordance with the Illinois Finance Authority Act, as amended (the "Act"), and under and pursuant to the provisions of the Trust Indenture dated as of November 1, 1995, as supplemented and amended (the "Indenture"), between

the Authority and The Bank of New York Mellon Trust Company, N.A. (successor to American National Bank and Trust Company of Chicago and its successors), as trustee (the "Trustee"); and

WHEREAS, on September 10, 2008, the Authority issued Notes in the original aggregate principal amount of \$16,000,000 under and pursuant to the provisions of the Indenture and applied the proceeds of such Notes to the purchase from OSF Healthcare System, an Illinois not for profit corporation ("OSF"), of its Direct Note Obligation, Series 2008K (Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program)) (the "Promissory Note"), which was issued by OSF pursuant to the terms of the Security Agreement dated as of September 1, 2008 (the "Security Agreement"), between the Authority and OSF; and

WHEREAS, a portion of the proceeds of such Notes was deposited in OSF's Subaccount of the Project Account of the Project Fund established under the Indenture (the "Project Subaccount") for application by OSF to the costs of acquiring, constructing, renovating and equipping certain of its facilities described in Exhibit B to the Security Agreement (the "Original Project") constituting "educational facilities," as defined in the Act; and

WHEREAS, upon completion of the Original Project, a portion of the proceeds of such Notes (including investment earnings thereon) remaining on deposit in the Project Subaccount was applied by OSF to the costs of acquiring, constructing, renovating and equipping certain additional facilities of OSF constituting "educational facilities" (the "Additional Project"); and

WHEREAS, OSF has determined (i) to prepay the Promissory Note in full, with interest thereon to the prepayment date, and (ii) to apply the balance of the proceeds of such Notes (including investment earnings thereon) remaining on deposit in the Project

Subaccount following the completion of the Original Project and the Additional Project to the costs of acquiring, constructing, renovating and equipping certain other facilities of OSF constituting "educational facilities" (the "New Project"), as described in *Appendix I* to this Resolution; and

WHEREAS, OSF has requested that, concurrently with the prepayment of the Promissory Note, the Authority (i) enter into an Escrow Agreement dated as of November 1, 2011 (the "Escrow Agreement"), by and among the Authority, OSF and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent"), (ii) direct the Trustee to transfer the balance of the proceeds of such Notes (including investment earnings thereon) remaining on deposit in the Project Subaccount to the Escrow Agent for deposit into the Escrow Fund established under the Escrow Agreement (the "Escrow Fund"), (iii) approve the application by OSF of such moneys to be so deposited in the Escrow Fund to the costs of acquiring, constructing, renovating and equipping the New Project, and (iv) execute and deliver any and all documentation that may be necessary or appropriate to effect the provisions of this Resolution ; and

WHEREAS, the Authority has determined that it is desirable to approve the foregoing described matters;

NOW, THEREFORE, Be It Resolved by the Authority as follows:

Section I. Execution and Delivery of Escrow Agreement. The Authority authorizes and approves the execution and the delivery of the Escrow Agreement by its Chairman, Vice Chairman or Executive Director (each, an "Authorized Officer") . The Escrow Agreement shall be substantially in the form as on file with the Authority and is hereby approved, with such changes therein as shall be approved by the Authorized Officer executing the same, such execution to constitute conclusive evidence of his or her

approval, and of the Authority's approval, of any changes or revisions therein from the form of the Escrow Agreement now on file with the Authority.

Section 2. Transfer of Project Subaccount Moneys to Escrow Fund; Approval of New Project. In connection with the prepayment of the Promissory Note, the Authority authorizes and directs the Trustee to transfer all of the moneys on deposit in the Project Subaccount to the Escrow Agent for deposit in the Escrow Fund established under the Escrow Agreement. The Authority hereby approves the application of the moneys so transferred to the Escrow Fund, in accordance with the provisions of the Escrow Agreement, to the costs of acquiring, constructing, renovating and equipping the New Project.

Section 3. Additional Documentation. Each of the Authorized Officers, is hereby authorized, empowered and directed to enter into, execute and deliver and/or approve, for and on behalf of the Authority, such additional documents, certificates and undertakings (including, without limitation such documentation as is necessary to effect the prepayment by OSF of the Promissory Note, the transfer of moneys in the Project Subaccount to the Escrow Fund and the application of such moneys to finance costs relating to the New Project) and to take such other actions as may be required in connection with the execution, delivery and performance of the Escrow Agreement, as such Authorized Officer deems necessary or appropriate to accomplish the transactions contemplated by this Resolution, such documents, certificates and undertakings to be in the form approved by the Authorized Officer executing the Escrow Agreement, such Authorized Officer's execution thereof to constitute conclusive evidence of his or her approval, and of the Authority's approval, of the form thereof.

Section 4. Authorization and Ratification of Related Matters. The Authorized Officers are hereby authorized, empowered and directed to do all such acts and things

and to execute, deliver and/or approve all such documents and showings as may be necessary or appropriate to carry out and comply with the provisions of this Resolution, and all of the acts and doings of the Authorized Officers and the members, officials, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are ratified, confirmed and approved.

Section 5. Severability; No Conflict; Effective Date. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict. This Resolution shall be in full force and effect immediately upon its passage.

Attest:

ILLINOIS FINANCE AUTHORITY

[SEAL]

By _____
Chairman

By _____
Secretary

APPENDIX I

DESCRIPTION OF NEW PROJECT

The construction, expansion, renovation, improvement and equipping of certain space located in the Glen Park Place for use as a diabetes center.