

MINUTES OF THE APRIL 4, 2011, MEETING OF THE HEALTHCARE COMMITTEE OF THE BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held an Healthcare Committee Teleconference Meeting at 2:00 p.m. on April 4, 2011, at the Chicago Office of the Illinois Finance Authority, 180 North Stetson, Suite 2555, Chicago, IL 60601.

Board Members Participating:

Dr. William J. Barclay, Chairman
Michael W. Goetz
Heather D. Parish
Bradley A. Zeller

IFA Staff Participants:

Christopher B. Meister, Executive Director
Pam A. Lenane, VP Healthcare
Nora O'Brien, Financial/Legal Analyst
Ahad F. Syed, Administrative Assistant

Others Participating:

Renee M. Friedman, Partner, Katten Muchin
Courtney Shea, Senior Vice President, Acacia
Lois Scott, President, Scott Balice
Fiona McCarthy, Associate, Acacia

GENERAL BUSINESS

I. Call to Order and Roll Call

Dr. Barclay called the Committee meeting to order at 2:05 p.m. with the above Board Members, IFA staff and other participants present. Dr. Barclay asked Mr. Syed to call the roll. There being four members present, Mr. Syed declared the quorum met.

II. Review and Approval of the January 31, 2011 Minutes

The Minutes from the Healthcare Committee meeting held on January 31, 2011, were reviewed. Mr. Goetz motioned to approve the minutes and Ms. Parish seconded the motion. The Committee unanimously agreed to approve the Minutes without objection.

III. Review and Approval of the February 28, 2011 Minutes

The Minutes from the Healthcare Committee meeting held on February 28, 2011, were reviewed. Mr. Goetz motioned to approve the Minutes subject to changes recommended by the Healthcare Committee Members and Mr. Zeller seconded the motion. The Committee unanimously agreed to approve the Minutes, subject to the approved changes, without objection.

IV. Project Approvals

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

A. Methodist Medical Center of Illinois - \$133,000,000 – Final

The proceeds will be used to (i) currently call Methodist Medical Center of Illinois Series 1998 fixed rate bonds; (ii) refinance a taxable bank line of credit used for hospital renovations at its campus in Peoria; (iii) fund a portion of the swap termination costs associated with an outstanding fixed payor swap with a current notional value of \$150,000,000; (iv) fund a debt service reserve fund, if applicable; and (v) pay costs of issuance.

Ms. Lenane stated that she had spoken with the Chief Financial Officer from Methodist and that they were receptive to receiving calls and presentations from minority and women-owned underwriting firms.

Dr. Barclay asked for a motion to approve the above project. Ms. Parish motioned to approve the above project and the motion was seconded by Mr. Goetz. The Committee concurred that this project be recommended for Board approval.

Ms. Lenane presented the following project for approval:

B. University of Chicago Medical Center - \$200,000,000 – Final

The proceeds will be used by the **University of Chicago Medical Center** (“UCMC”) to (i) establish a project fund to pay for acquisition costs, construction and equipping of the New Hospital Pavilion (“NHP”) consisting of ten floors and a lower level, with a two-level mechanical penthouse, and a helipad on the roof at its medical campus in Chicago; (ii) reimburse UCMC for previously incurred capital expenditures; (iii) pay capitalized interest costs; (iv) fund any original issue discount or premium, if applicable; and (v) pay costs of issuance.

There is limited discussion regarding UCMC and its on-going engagement with community groups to address local concerns.

Dr. Barclay asked for a motion to approve the above project. Mr. Goetz motioned to approve the above project and the motion was seconded by Ms. Parish. The Committee concurred that this project be recommended for Board approval.

V. Review and Approval of Medicaid Vendor Payment Program

Ms. Lenane explained the Medicaid Vendor Payment Program to the Healthcare Committee Board Members, IFA staff and others participating. Director Meister and Ms. Lenane stressed that the IFA would be playing the role of an intermediary by assigning claims to investors chosen by the Governor’s Office of Management and Budget. Request for Proposals for the role of Custodian within the program are due on April 19, 2011. There was limited discussion regarding the program.

Dr. Barclay asked the Healthcare Committee Members if they had any questions or comments regarding the Medicaid Vendor Payment Program. Mr. Goetz explained to the Committee that he must abstain due to the fact that the organization he works for owns a supported living facility which could potentially be eligible to participate in the program. Mr. Zeller motioned to approve the above program and the motion was seconded by Ms. Parish.

IV. Adjournment

Dr. Barclay asked if any other business was to come before the Committee. Hearing none he asked for a motion to adjourn. Mr. Goetz moved to adjourn and Mr. Zeller seconded the motion.

The meeting adjourned at 2:51 p.m.

Minutes submitted by:
Ahad Syed
Administrative Assistant
Assistant Board Secretary

May 10, 2011

\$120,000,000
Methodist Medical Center of Illinois

REQUEST	<p>Purpose: The proceeds will be used to (i) current refund Methodist Medical Center of Illinois (“Methodist”) Series 1998 fixed rate bonds; (ii) refinance a taxable bank line of credit used for hospital renovations at its campus in Peoria; (iii) fund a portion of the swap termination costs associated with an outstanding fixed payor swap with a current notional value of \$150,000,000; and (iv) pay certain Bond issuance costs.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																								
BOARD ACTIONS	Final Bond Resolution																								
MATERIAL CHANGES	Voting Record for March 8, 2011: 10 ayes, 0 nays, 0 abstentions, 5 absent (Brandt, DeNard, Fuentes, Herrin, McInerney), 0 vacancies.																								
JOB DATA	<table border="0"> <tr> <td>2,168</td> <td>Current jobs</td> <td>0</td> <td>New jobs projected</td> </tr> <tr> <td>2,168</td> <td>Retained jobs</td> <td>0</td> <td>Construction jobs projected</td> </tr> </table>	2,168	Current jobs	0	New jobs projected	2,168	Retained jobs	0	Construction jobs projected																
2,168	Current jobs	0	New jobs projected																						
2,168	Retained jobs	0	Construction jobs projected																						
DESCRIPTION	<ul style="list-style-type: none"> • Location: Peoria, Illinois (Peoria County) • Methodist, headquartered in Peoria, Illinois, is an Illinois not-for-profit corporation engaged in providing healthcare services to residents of Central Illinois. Methodist operates a hospital with 318 staffed beds, a large medical group operating at 39 different locations, and a College of Nursing with over 500 students. 																								
CREDIT INDICATORS	<ul style="list-style-type: none"> • Underlying rating is “A2” (Moody’s); Methodist is likely to obtain an additional rating from Fitch. • Directly Purchased Fixed Rate Bonds with PNC Bank and Variable Rate Demand Bonds (VRDB’s) backed by a bank letter of credit from PNC Bank (a portion of this exposure will be syndicated to US Bank). 																								
SECURITY	<ul style="list-style-type: none"> • Secured by pledge of unrestricted receivables. 																								
MATURITY	<ul style="list-style-type: none"> • No later than 2041 																								
SOURCES AND USES (ALLOCATION OF FIXED VS VARIABLE SUBJECT TO CHANGE)	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>Directly Purchased Fixed Rate Bonds</td> <td>\$61,000,000</td> <td>Redeem Series 1998 Bonds¹</td> <td>\$54,135,000</td> </tr> <tr> <td>IFA VRDBs</td> <td><u>\$55,000,000</u></td> <td>Cost of Issuance</td> <td>1,865,000</td> </tr> <tr> <td></td> <td></td> <td>Swap Termination²</td> <td>12,000,000</td> </tr> <tr> <td></td> <td></td> <td>Refinance Line of Credit¹</td> <td><u>48,000,000</u></td> </tr> <tr> <td>Total</td> <td>\$116,000,000</td> <td>Total</td> <td>\$116,000,000</td> </tr> </table>	Sources:		Uses:		Directly Purchased Fixed Rate Bonds	\$61,000,000	Redeem Series 1998 Bonds ¹	\$54,135,000	IFA VRDBs	<u>\$55,000,000</u>	Cost of Issuance	1,865,000			Swap Termination ²	12,000,000			Refinance Line of Credit ¹	<u>48,000,000</u>	Total	\$116,000,000	Total	\$116,000,000
Sources:		Uses:																							
Directly Purchased Fixed Rate Bonds	\$61,000,000	Redeem Series 1998 Bonds ¹	\$54,135,000																						
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Total	\$116,000,000	Total	\$116,000,000																						
RECOMMENDATION	Credit Committee recommends approval.																								

¹ Remaining accrued interest on Series 1998 Bonds and Line of Credit likely to be paid from Methodist’s cash on hand.

² Remaining swap termination payment will be funded from Methodist’s cash on hand.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 10, 2011**

Project: Methodist Medical Center of Illinois

STATISTICS

Project Number: H-HO-TE-CD-8456	Amount: \$120,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane and Nora O'Brien
Location: Peoria	County/Region: Peoria County/ North Central

BOARD ACTION

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

VOTING RECORD

Voting Record for March 8, 2011: 10 ayes, 0 nays, 0 abstentions, 5 absent (Brandt, DeNard, Fuentes, Herrin, McInerney), 0 vacancies.

PURPOSE

Bond proceeds will be used to (i) current refund Methodist Medical Center of Illinois Series 1998 Fixed Rate Bonds; (ii) refinance a taxable bank line of credit used for hospital renovations at its Peoria campus; (iii) fund a portion of the swap termination costs associated with an outstanding fixed payor swap with a current notional value of \$150,000,000; and (iv) pay certain 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

Sources:		Uses:	
Directly Purchased Fixed Rate Bonds	\$61,000,000	Redeem Series 1998 Bonds ¹	\$54,135,000
IFA VRDBs	<u>\$55,000,000</u>	Cost of Issuance	1,865,000
		Swap Termination ²	12,000,000
		Refinance Line of Credit ¹	<u>48,000,000</u>
Total	\$116,000,000	Total	\$116,000,000

¹ Remaining accrued interest on Series 1998 Bonds and Line of Credit likely to be paid from Methodist's cash on hand.

² Remaining swap termination payment will be funded from Methodist's cash on hand.

JOBS

Current employment:	2,168	Projected new jobs:	0
Jobs retained:	2,168	Construction jobs:	0

FINANCING SUMMARY/STRUCTURE

Security: The Bonds are expected to be secured by Master Trust Indenture that includes a pledge of unrestricted receivables.

Structure: The plan of finance contemplates the issuance of (i) Directly Purchased Fixed Rate Bonds by PNC Bank (non-rated) and (ii) Variable Rate Demand Bonds secured by a letter of credit from PNC Bank (rated).

Interest Rate: To be determined a few days before closing for the Fixed Rate Direct Purchase and by prevailing market rates at reset for Variable Rate Bonds.

Interest Modes: Fixed for 11 years to match final maturity of Series 1998 Bonds and LOC-backed VRDB's likely in weekly mode.

Current Rating: The Fixed Rate bonds will not be rated (due to the direct bank purchase structure). The Borrower currently has a direct underlying rating of "A2" by Moody's. The Borrower is likely to obtain an additional rating from Fitch.

Maturity: No later than 2041 (30 Years)

Estimated Closing Date: May 12, 2011

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used to (i) current refund Methodist Medical Center of Illinois ("Methodist") Series 1998 Fixed Rate Bonds; (ii) refinance a taxable bank line of credit used for hospital renovations; (iii) fund a portion of the swap termination costs associated with an outstanding fixed payor swap with a current national value of \$150,000,000; (iv) pay certain Bond issuance costs.

BUSINESS SUMMARY

Methodist Medical Center of Illinois is a tax-exempt 501(c)(3) Illinois corporation that provides inpatient, outpatient, ambulatory, emergency care, non-acute and professional services for residents of Peoria and 22 surrounding counties.

Methodist Medical Center of Illinois consists of three primary operating units:

- **Hospital:** The hospital division consists of the traditional acute and sub-acute care services. The Hospital's total bed complement as of December 31, 2010 is 318 staffed beds (including nursery).
- **Methodist Medical Group:** Methodist Medical Group ("MMG") provides primary and specialty care professional services to residents of Peoria and the surrounding area. MMG consists of 34 primary and specialty care physician practices; two in-school health programs, which serve multiple schools in both Peoria and Pekin; and a family practice residency program.

- **Methodist College of Nursing:** The College of Nursing offers an accredited baccalaureate degree program in nursing. The College currently has over 500 full-time and part-time students enrolled.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Methodist Medical Center of Illinois
221 Northeast Glen Oak Avenue
Peoria, IL 61636-0002

Website: www.mymethodist.net

Project name: Methodist Medical Center (IFA Series 2011 Bonds)

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

State: Illinois

Board Members: Methodist Health Services Corporation (Parent) Board Members:

Karen Stumpe, Chairperson
Michael Bryant
Steve Graham
Lee Graves
Peter Johnsen
Joseph O'Neill
Michael Landwirth
Mark Petersen
Michael Stone
Donald White
Karl Kuppler

PROFESSIONAL & FINANCIAL

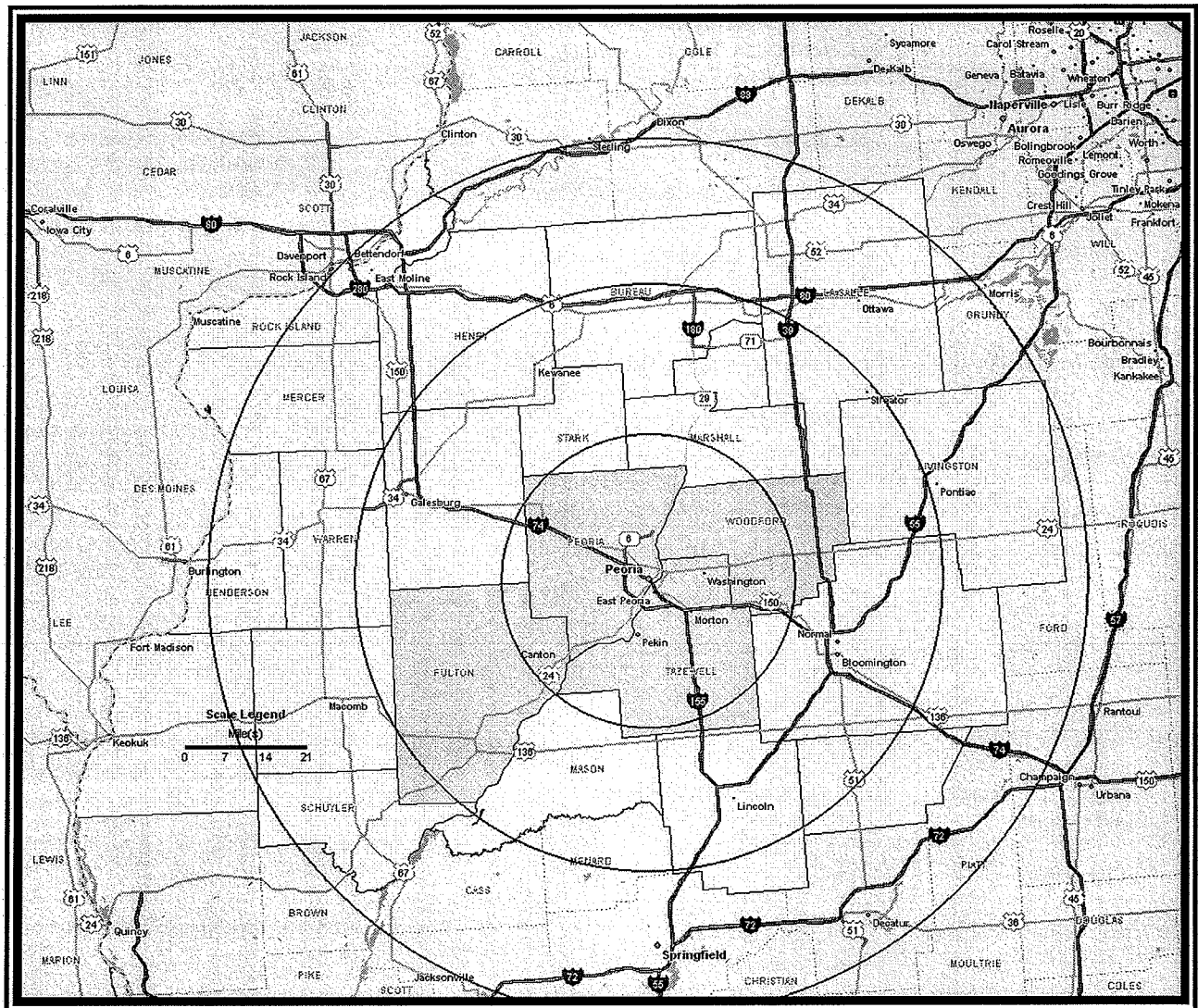
Borrower's Counsel:	McDermott, Will & Emery	Chicago	Dean Kant
Bond Counsel:	Jones Day	Chicago	Richard Tomei
		San Francisco	Mary Kimura
Underwriter:	Morgan Stanley	New York	David Ertel
		New York	David Gallin
Underwriter's Counsel:	Foley & Lardner	Chicago	Heidi Jeffery
Financial Advisor:	Kaufman Hall	Chicago	Glenn Wagner
LOC Bank/Purchaser:	PNC Bank	Peoria	Michael Zeller
Bank's Counsel:	Thompson Coburn	St. Louis	Deborah Rush
IFA Counsel:	Charity & Associates, P.C.	Chicago	Alan Bell
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	18	Aaron Schock
State Senate:	16	David Koehler
State House:	73	David Leitch

SERVICE AREA

The primary service area includes Peoria, and three surrounding counties. The secondary service area includes an additional 19 counties.



CONFIDENTIAL INFORMATION

Estimated Fee: \$138,000 (based on \$120,000,000 Par)

FINANCIALS

Methodist Medical Center of Illinois

Financials: Audited Financial Statements for fiscal years ended 12/31/2007 through 12/31/2010

Fiscal Years Ended December 31

(Dollars in Thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Unaudited 2010</u>
Income Statement:				
Net patient revenue	\$304,191	\$311,804	\$313,333	\$326,112
Total operating revenue	\$329,576	\$341,451	\$345,768	\$366,691
Net operating income	\$17,317	\$19,720	\$10,477	\$9,305
EBIDA	\$48,953	\$48,629	\$48,528	\$47,831
Balance Sheet:				
Cash and unrestricted investments	\$151,369	\$97,470	\$160,019	\$166,248
Net plant, property & equipment	182,588	212,108	242,208	258,384
Other Assets	<u>93,535</u>	<u>135,355</u>	<u>81,489</u>	<u>106,190</u>
Total Assets	\$427,492	\$444,933	\$483,716	\$530,822
Current Liabilities	\$59,197	\$76,168	\$79,305	\$89,436
Long-Term Debt	73,435	91,841	94,360	104,166
Other Liabilities	39,737	117,388	81,675	101,894
Net Assets	<u>255,123</u>	<u>159,536</u>	<u>228,376</u>	<u>235,326</u>
Total Liabilities and Net Assets	\$427,492	\$444,933	\$483,716	\$530,822
Ratios:				
Maximum annual debt service coverage (x)	7.41	7.37	7.35	7.24
Cash to debt	198.0%	106.1%	169.6%	159.6%
Debt to capitalization	24.2%	38.3%	30.5%	31.9%
Days cash on hand	187.6	117.7	185.0	180.9

Discussion: The financial markets meltdown in late 2008 negatively impacted several balance sheet line items and performance metrics including: Cash and unrestricted investments, Net Assets, Cash to Debt ratio and Days Cash on Hand ratio. These metrics have since rebounded. The observed increases in current liabilities and long-term debt posted in 2008 reflected the financing of various campus renovation projects and construction of a new parking facility.

Operating income in 2008 and 2009 was adversely affected by (i) an approximate \$5-6 million increase in annual pension expense and (ii) increased interest expense reflecting an increase in long-term borrowings. EBIDA (a proxy for operating cash flow) has remained consistent over the last four years.

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

Use of Bond

Proceeds: Bond proceeds will only be used for tax-exempt purposes. As part of the Series 2011 financing, Methodist will be terminating an integrated fixed payor swap in the amount of \$150 million. Methodist entered into the swap in 2008 as a hedge against what was expected to be a \$150 million to \$200 million bond issue in 2011 to refinance Methodist's Series 1998 Bonds and provide approximately \$100 million to finance new money projects. Portions of the anticipated projects have been deferred indefinitely. The swap will be terminated in its entirety and a portion of the swap termination payment will be financed with Bond proceeds.

Property Taxes: The Borrower is of the opinion, based upon their analysis, that the project financed with Bond proceeds will be exempt from local real estate taxation.

MBE/WBE

Participation: The IFA has spoken with Methodist and informed them of the Board policy for including minorities and women in their underwriting group. They were receptive to receiving calls and presentations from MBE/WBE underwriters.

\$20,000,000

Swedish Covenant Hospital

May 10, 2011

REQUEST	<p>Purpose: Proceeds will be used to (i) pay or reimburse Swedish Covenant Hospital (the "Hospital") or (the "Borrower") for the cost of renovation and remodeling of Hospital buildings and the acquisition of medical and information systems equipment; (ii) to pay certain 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 presented to the Board.																
JOB DATA	<table border="0"> <tr> <td>1,712</td> <td>Current jobs</td> <td>0</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>0</td> <td>Construction jobs projected</td> </tr> </table>	1,712	Current jobs	0	New jobs projected	N/A	Retained jobs	0	Construction jobs projected								
1,712	Current jobs	0	New jobs projected														
N/A	Retained jobs	0	Construction jobs projected														
DESCRIPTION	<ul style="list-style-type: none"> • Location: Chicago, Illinois (Cook County) • Swedish Covenant Hospital (the "Hospital") is an Illinois not-for-profit corporation which operates an acute care, community and teaching hospital on the northwest side of Chicago. The Hospital was founded in 1886 by The Evangelical Covenant Church (the "Church") and was known as the Swedish Home of Mercy. The Hospital is licensed by the State of Illinois for 313 beds, of which 300 were in service as of March 31, 2011. The Hospital has received a determination letter from the Internal Revenue Service ("IRS") that it is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986 (the "Code") as an organization described in Section 501(c)(3) of the Internal Revenue Code. • The Hospital offers a wide range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Hospital's inpatient services include all major categories of medicine and surgery. The outpatient programs and services provide a continuum of care for patients in the Hospital's service area. The Hospital operates several satellite primary care facilities in various sections of its service area. 																
CREDIT INDICATORS	<ul style="list-style-type: none"> • Fixed Rate Bonds or Variable Rate Bonds to be purchased by US Bank. • BBB+/A- (S&P/Fitch). 																
SECURITY	<ul style="list-style-type: none"> • Collateral is expected to include a parity interest in the mortgaged property and the pledge of the Hospital's unrestricted receivables that secure all Obligations the Hospital issues under its Master Trust Indenture. 																
MATURITY	<ul style="list-style-type: none"> • No later than 2036 																
SOURCES AND USES	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$20,000,000</u></td> <td>Project Fund</td> <td>\$19,600,000</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance</td> <td><u>400,000</u></td> </tr> <tr> <td>Total</td> <td>\$20,000,000</td> <td>Total</td> <td>\$20,000,000</td> </tr> </table>	Sources:		Uses:		IFA Bonds	<u>\$20,000,000</u>	Project Fund	\$19,600,000			Cost of Issuance	<u>400,000</u>	Total	\$20,000,000	Total	\$20,000,000
Sources:		Uses:															
IFA Bonds	<u>\$20,000,000</u>	Project Fund	\$19,600,000														
		Cost of Issuance	<u>400,000</u>														
Total	\$20,000,000	Total	\$20,000,000														
RECOMMENDATION	Credit Committee recommends approval.																

FINANCING SUMMARY/STRUCTURE

Security: Collateral is expected to include a parity interest in the mortgaged property and the pledge of the Hospital's unrestricted receivables that secure all Obligations the Hospital issues under its Master Trust Indenture.

Structure: Fixed or Variable Rate Bonds to be purchased by US Bank.

Interest Rate: To be determined the day of pricing depending on market conditions through a variable rate offering.

Interest Modes: The Bond documents will allow for a fixed, variable or adjustable rate mode that will be jointly determined by US Bank and the Borrower based on market conditions prior to closing.

Current Rating: BBB+/A- (S&P/Fitch)

Maturity: 2031-2036

Estimated Closing Date: June 28, 2011

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Proceeds will be used to (i) pay or reimburse Hospital for the cost of renovation and remodeling of Hospital buildings and the acquisition of medical and information systems equipment; (ii) to pay certain Bond issuance costs.

BUSINESS SUMMARY

Swedish Covenant Hospital (the "Hospital") is an Illinois not for profit corporation which operates an acute care, community and teaching hospital on the northwest side of Chicago. The Hospital was founded in 1886 by The Evangelical Covenant Church (the "Church") and was known as the Swedish Home of Mercy. The Hospital is licensed by the State of Illinois for 313 beds, of which 300 were in service as of March 31, 2011. The Hospital has received a determination letter from the Internal Revenue Service ("IRS") that it is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986 (the "Code") as an organization described in Section 501(c)(3) of the Internal Revenue Code.

The Hospital offers a wide range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Hospital's inpatient services include all major categories of medicine and surgery. The outpatient programs and services provide a continuum of care for patients in the Hospital's service area. The Hospital operates several satellite primary care facilities in various sections of its service area.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Swedish Covenant Hospital
5145 North California Avenue
Chicago, IL 60625

Website: www.swedishcovenant.org

Project name: Swedish Covenant Hospital (IFA Series 2011 Bonds)

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

State: Illinois

Board Members:

BOARD OF DIRECTORS

ADAIR, Charles L.
ANDERSON, Kurt D.
BANKS, Lyle
BOFFA, James F., M.D.
BORKOWSKI, Renee
DABERTIN, Judith E.
FEDERER, CLARK, M.D.
HAWKINSON, Paul A., *Chair*
KEE, W.J. Wesley
KOO, David J.
MERRYWEATHER, Patricia
MEYER, Donald L.
MILLER, Rev. Mary C.D. Min.
PETERSON, James B.
PINS, Judith A.
PUTMAN, David R. *Secretary*
PYRA, Thomas M.
SCARBOROUGH, Sydney P.
VANCAUWELAERT, Tony R., M.D.

EX-OFFICIO

ANDERSON, Lawrence P.
DWIGHT, David A.
NEWTON, Mark
SZANTO, Martin J., M.D.
WALTER, Rev. Gary B.

PROFESSIONAL & FINANCIAL

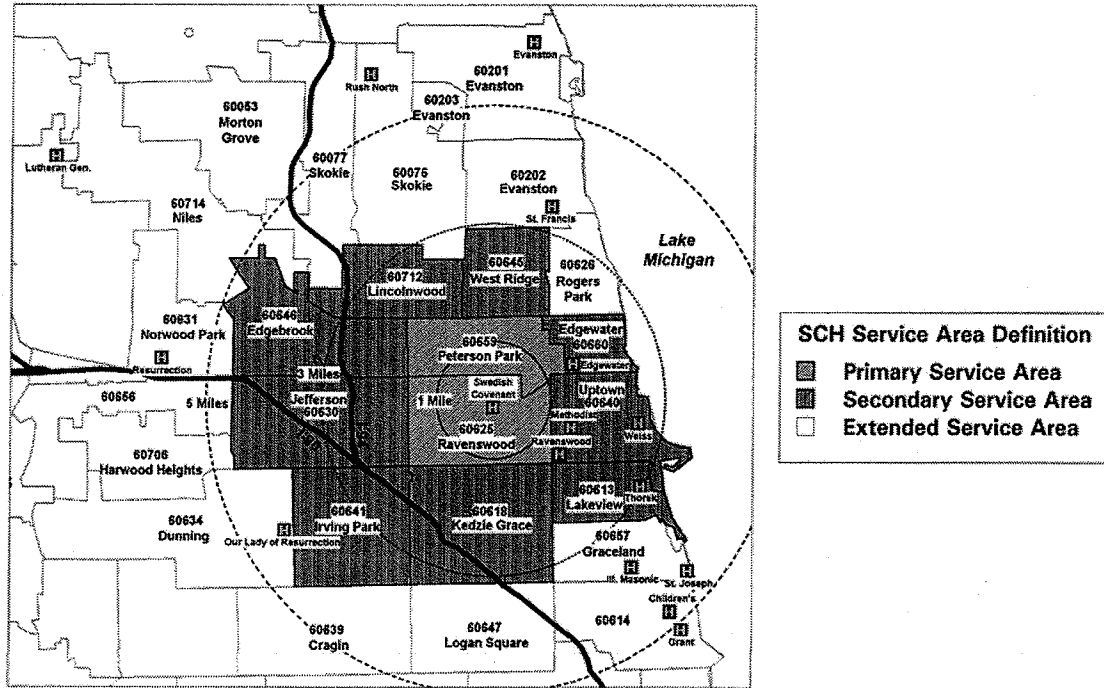
Borrower's Counsel:	Katten Muchin Rosenman, LLP	Chicago	Janet Hoffman
Bond Counsel:	Jones Day	Chicago	Richard Tomei
Financial Advisor:	Ponder & Co.	Chicago	Jennifer Brown
Bond Purchaser:	US Bank	Chicago	Deborah Cappozi
Bank's Counsel:	Ungaretti & Harris	Chicago	Julie Seymour
IFA Counsel:	TBD	Chicago	
IFA Financial Advisor:	Scott Balice	Chicago	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	5	Mike Quigley
State Senate:	7, 8	Heather Steans; Ira I. Silverstein
State House:	13, 15	Greg Harris; John D'Amico

SERVICE AREA

Swedish Covenant Hospital Service Area



CONFIDENTIAL INFORMATION

Estimated Fee: \$35,000 (based on \$20,000,000 Par)

FINANCIALS

Swedish Covenant Hospital

Financials: Audited Financial Statements for fiscal years ended 9/30/2007 through 9/30/2010

Fiscal Years Ended September 30

	Audit 2007	Audit 2008	Audit 2009	Audited 2010	Unaudited March YTD 2011
Net Patient Revenues	\$232,856	\$231,573	\$246,417	\$238,664	\$133,132
Change in Unrestricted Net Assets	\$38,189	(\$33,825)	(\$1,778)	(\$1,147)	\$13,038
Change in Net Assets	\$37,670	(\$33,710)	(\$1,658)	(\$687)	\$17,584
EBIDA	\$60,906	(\$10,539)	\$20,910	\$20,707	\$14,225
Current Assets	\$36,328	\$38,023	\$32,503	\$39,819	\$34,881
Net PPE	\$154,040	\$157,633	\$161,854	\$164,852	\$166,434
Investments	\$125,871	\$104,532	\$116,696	\$132,959	\$129,578
Other	\$37,582	\$28,963	\$21,220	\$31,254	\$59,572
Total Assets	\$353,821	\$329,151	\$332,273	\$368,884	\$390,465
Current Liabilities	\$52,227	\$64,673	\$94,074	\$60,513	\$52,881
Long Term Debt	\$124,304	\$124,489	\$93,310	\$150,521	\$170,085
Other LT Liabilities	\$14,391	\$10,800	\$17,358	\$31,006	\$23,071
Net Assets	\$162,899	\$129,189	\$127,531	\$126,844	\$144,428
Total Liabilities and Net Assets	\$353,821	\$329,151	\$332,273	\$368,884	\$390,465
*Debt Service Coverage	4.07	3.35	2.78	2.96	2.31
Days Cash on Hand	214	179	205	194	199
Debt to Capitalization	49.8%	57.8%	57.7%	59.2%	59.7%
Cash to Debt	91.0%	73.2%	85.7%	85.7%	75.7%

* Maximum Annual Debt Service Payments of \$10,736 excludes the contingent current portion of long term debt. The numerator or the Debt Service Coverage Ratio excludes certain items, per the Master Trust Indenture, including loss on swap terminations and unrealized gains/losses on investments. \$11,691 is the Maximum Annual Debt Service Payment for unaudited FY2011.

Discussion: Investments increased in FY2010 from the prior year by 13.9% to \$132,959. Days cash on hand decreased by 5.3% to 204 days due to start-up costs for new programs expensed during the year. EBIDA and changes in unrestricted and total net assets in FY2010 reflects certain extraordinary items, including \$9,245 in change in Fair Market Value of swaps. (Note to HC Committee - waiting on clarification from Borrower on this)

Property Taxes: The Borrower is of the opinion, based upon their analysis, that the project financed with Bond proceeds will be exempt from local real estate taxation.

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