



SPEER FINANCIAL, INC.

INDEPENDENT PUBLIC FINANCE CONSULTANTS SINCE 1954

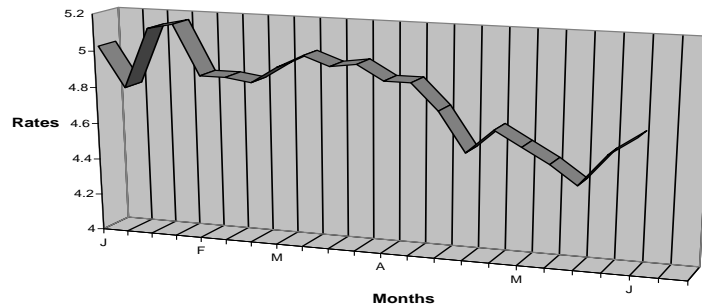
THE MARKET

The Bond Buyer Index for General Obligation Bonds (defined as the average tax-exempt market value, expressed in terms of yield, on general obligation bonds of twenty selected issuers with Moody's ratings ranging from Baa1 to Aaa, averaging A1, and maturing in twenty years) is shown below. The June 25th rate is 4.43%. The comparable revenue bond rate is 4.67%. The Index is used as a market barometer.

20-Bond G.O. Index

Monthly Rate Average	Jan	Feb	Mar	Apr	May	June
	5.02%	4.90%	4.92%	4.77%	4.55%	4.54%
Week 1	8...5.02%	5...4.96%	5...4.96%	2...4.92%	7...4.62%	4...4.71%
Week 2	15...4.80%	12...4.89%	12...5.03%	8...4.92%	14...4.54%	11... 4.86%
Week 3	22...5.13%	19...4.89%	19...4.98%	16...4.78%	21...4.44%	18... 4.86%
Week 4	29...5.16%	26...4.87%	26...5.00%	23...4.57%	28...4.61%	25... 4.43%
Week 5				30...4.70%		

20 G.O. Bond Buyer Index - 2009 Weekly Average



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Technology – Electronic Sale Platforms Progressing To Include Smaller Issues

Speer Financial Inc. has been utilizing technology to drive the continued evolution in how bids are received for more than a decade. SpeerAuction.com first went on-line and replaced bids received via facsimile or hand delivered in May of 1999. We have held over 440 electronic auctions totaling over \$4.1 billion through mid-2009.

Initially closed auctions (blind bids) were held for medium to larger sized issues, as bidders adjusted to the new technology of internet bidding. More recently, open auctions have been added for selected sales so that bidders can see their rank (1st place, 2nd place, etc) and can, should they choose, improve their bid until the lowest bid is stable for two minutes. This can create an exciting flurry of exchanges between bidders until one fails to respond to getting ousted from the best bid position.

A third platform is now in final testing and will be utilized for smaller official statement sales and for termsheet sales. This platform, SpeerBids.com, will enable bidders of previously “traditional” sales (facsimile) to transition to electronic technology for increased reliability and efficiency.

This new platform will be a data submission platform, similar to an on-line survey, that will aggregate bids and summarize results. We are looking forward to the unveiling of the new SpeerBids.com platform that will complete the next phase of electronic competitive sale platform progression.

Overall, the technological changes have enabled more and diverse bidders easier access to our sales. Easy to use and reliable access has a positive influence on the level of competition among bidders. Increasing competition among bidders is in our clients’ best interest.

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July 1, 2009 Deadline for Disclosure Conversion to EMMA System

The Electronic Municipal Market Access (“EMMA”) system will be the sole repository for continuing disclosure filings starting July 1, 2009. On that date, the current Nationally Recognized Municipal Securities Information Repositories will cease to exist.

Registration with EMMA is required before governmental issuers, obligors or their agents, can submit continuing disclosure documents. The registration process has already begun and it is recommended that governmental issuers register before July 1. Issuers will be able to go to the “EMMA Dataport”, located on the upper right portion of www.emma.msrb.org, to create an account. This is the same location where users will log into EMMA to submit documents.

Issuers that have contracted with Speer Financial to complete the issuer’s continuing disclosure and submit it on their behalf do not have to register with EMMA.

Is BAB Someone I Should Know?

BAB is not short for Barbara, nor does it refer to W.S. Gilbert (of Gilbert and Sullivan fame) whose pen name was BAB. BAB stands for "Build America Bond", a new security authorized in the recently enacted Stimulus Act. State and local governments can issue taxable BABs in lieu of certain traditional tax-exempt bonds through the end of 2010.

There are two types of BABs. One type is a tax-credit bond that provides the bondholder with a federal income tax credit equal to 35% of the interest paid on the bond. Because the tax credit is treated as income to the bondholder, Congress estimated that the after-tax benefit to the holder is actually closer to 25%. The more popular type of BAB, a direct payment BAB, is an interest-subsidy bond for which the issuer irrevocably elects to receive rebate payments directly from the U.S. Treasury equal to 35% of the interest paid on the BAB. Direct payment BAB issuers must file a form with the U.S. Treasury prior to each BAB interest payment date in order to receive a rebate payment.

Direct payment BABs are issued at taxable interest rates, but the Federal rebate has generally brought the effective interest rate on these BABs to below that available in the tax-exempt market. While the rebate amounts can be used to pay down debt service on the BAB, some bond counsel also believe that the rebate amounts can be used for other legally permitted purposes by the issuer.

The BAB program has allowed governmental issuers to tap the taxable bond market, bringing in buyers who typically would be interested in corporate, Treasury or agency debt. Some muni-bond fund managers have said that BABs have eased a problem of tax exempt oversupply and helped to stabilize the muni market. For taxable bond investors, the attraction of BABs is primarily diversification as muni bonds are an area that they rarely have exposure to.

While BABs have quickly gained attention from governmental issuers in the first few months of authorization, both the market for BABs and IRS guidance regarding these bonds are evolving. For the BABs issued to date, the BAB market's greatest interest rate savings over tax-exempt bonds has been in the longer end of the amortization schedule, with little benefit in the early years. Although the initial purchasers of BABs required that there be no optional redemption, some recent BABs have been issued with 10-year or less call provisions.

BABs are subject to the same requirements as tax-exempt bonds and failure to comply with such limitations could result in a suspension or termination of the interest rebate. Issuance limitations on BABs include: (1) BABs can only be issued with no more than a de minimis amount of premium, (2) costs of issuance are limited to 2% of BAB proceeds, and (3) BABs cannot generally be issued for refunding purposes.

BAB structuring questions remain with respect to certain rate covenant requirements, tax levy requirements, additional bonds tests and debt service reserve requirements. Moreover, there are the questions of whether BABs are eligible for refunding from the proceeds of tax-exempt bonds and whether the Federal government can discontinue the interest rebates in the future.

Lowering Rural Healthcare Debt Costs in Grundy County, Iowa

The Grundy County Memorial Hospital is a 25-bed critical access hospital located in Grundy Center, Iowa. The Hospital also has a 55-bed long-term care unit. This is the only hospital in Grundy County and serves a population base of over 12,000.

Residents of Grundy County have a history of support for the Hospital. In 1993, the Grundy County Board of Supervisors determined that maintaining a hospital in Grundy County was critical to the medical and economic health of the area and voted to provide a subsidy for the Hospital.

In 2009, the Hospital decided to address its necessary facility upgrades with a \$12 million borrowing and refinancing of \$4 million of outstanding hospital revenue bond principal coming due in 2011. Once again, Grundy County stepped up to help the Hospital by providing a lower cost debt solution.

With the assistance of Speer Financial, the County Board of Supervisors decided to lower the financing costs of the Hospital upgrades and the refinancing of its existing revenue bond debt through a County general obligation debt authority. The structure allowed the Hospital to obtain a strong bond rating, lower its annual debt service payments by approximately \$300,000 per year and eliminate the need for a \$1.4 million debt service reserve fund, decreasing the total amount of dollars borrowed.

The general obligation notes were sold competitively on a 20 year retirement schedule. Three bidders participated with the low bid of 4.5660% true interest cost (TIC).

Speer Financial would like to thank all of the participants in this process. We would especially like to thank the Grundy County Board of Supervisors, the County's administrative staff, the Grundy County Memorial Hospital Board of Directors and Administration for their vision in recognizing the vital role the Hospital plays in the economic health of Grundy County.

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