ILLINOIS FINANCE AUTHORITY

June 10, 2014

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.	Monthly Procurement Report
VII.	Committee Reports
VIII.	Project Reports and Resolutions
IX.	Other Business
X.	Public Comment
XI.	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.	Approval of Project Reports and Resolutions
VI.	Other Business
VII.	Public Comment
VIII.	Adjournment

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Beginning Farmer Bonds ***Final*** *(One-Time Consideration)*						
1	Hamel, Colton R.	LaGrange Township (Bond County)	$75,000	-	-	LK
TOTAL AGRICULTURE PROJECTS			**$75,000**	-	-	

BUSINESS AND INDUSTRY PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Industrial Revenue Bonds ***Preliminary***						
2	Peddinghaus Corporation	Bradley (Kankakee County)	$4,000,000	6	20	RF/BF
TOTAL BUSINESS AND INDUSTRY PROJECTS			**$4,000,000**	**6**	**20**	

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds ***Final (One-Time Consideration)***						
3	Southern Illinois Healthcare Enterprises, Inc.	Carbondale (Jackson County), Herrin and Murphysboro (Williamson County)	$135,000,000	57	640	PL/NO
TOTAL HEALTHCARE PROJECTS			**$135,000,000**	**57**	**640**	
GRAND TOTAL			**$139,075,000**	**63**	**660**	

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
4	Request by Forreston State Bank and Gerald A. Brechon to Release a Second Mortgage on Grain Elevator, Farm Buildings and 50 acres of Farmland Pledged as Collateral for Illinois Finance Authority Agri-Debt Guarantee Loan No. 2011-DR-0601	RF/LK
5	Resolution Consenting to and Authorizing the Execution and Delivery by the Illinois Finance Authority of a First Amendment to the Bond and Loan Agreement Among the Authority, Practice Velocity Holdings, LLC and Riverside Community Bank Relating to the $4,400,000 Aggregate Principal Amount of Midwestern Disaster Area Revenue Bonds, Series 2012 (Practice Velocity Holdings, LLC Project); and Concerning Related Matters	RF/BF
6	Resolution Authorizing the Execution and Delivery of a First Supplemental Bond Indenture and First Supplemental Loan Agreement relating to Illinois Finance Authority Revenue Bonds, Series 2011(Swedish Covenant Hospital); and Related Matters	PL/NO
7	Resolution Amending Resolution 2014-0513-HC04 of the Illinois Finance Authority for the Purpose of Authorizing Drawdown Bonds to be Issued by the Illinois Finance Authority for the benefit of Freeport Regional Health Care Foundation and Freeport Memorial Hospital	PL/NO
8	Clean Water Initiative - Resolution Authorizing and Approving an Amendment to the Memorandum of Agreement between the Illinois Finance Authority and the Illinois Environmental Protection Agency and the Execution and Delivery of Certain Documents Related Thereto	MG/NO
9	Resolution Providing for the Defeasance of Certain Outstanding Bonds; Authorizing the Execution and Delivery of Related Documents; and Related Matters	CM
10	Resolution Approving the Schedule of Regular Meetings for Fiscal Year 2015	PL/NO

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June 10, 2014

TO:	William A. Brandt, Jr., Chairman	Michael W. Goetz, Vice-Chairman
	Gila J. Bronner	Heather D. Parish
	James J. Fuentes	Mayor Barrett F. Pedersen
	Norman M. Gold	Roger Poole
	Lerry Knox	Mordecai Tessler
	Edward H. Leonard, Sr.	David Vaught
	Carmen Lonstein	Bradley A. Zeller
	Terrence M. O'Brien	

RE: Message from the Executive Director

Dear Members of the Authority:

As Fiscal Year 2014 draws to a close, I want to highlight three exciting Authority projects.

Sterling Lumber Company and SLC-Phoenix, LLC

The Authority is proud to have helped this third-generation family business that builds temporary wood platforms and crane matting used at building and highway construction sites with a $10 million federally tax-exempt industrial revenue bond that was a direct purchase by First Midwest Bank, N.A. Sterling Lumber Company and SLC-Phoenix, LLC ("Sterling Lumber") will use bond proceeds to purchase, renovate, and equip a vacant industrial building, with room to accommodate future growth. Sterling Lumbers' new project is located within a State-designated Enterprise Zone in economically challenged Phoenix, Illinois. This project is expected to help retain Sterling Lumber's current 112 jobs and is estimated to create another 50 permanent jobs at this Cook County facility.

On June 4, 2014, Crain's Chicago Business celebrated Sterling Lumber as one of its "Fast Fifty – Chicago's fastest growing companies." In early 2012, Sterling Lumber, led by President Carter Sterling, and his three brothers, Cooper, Christian and Carson, increased the company's competitiveness by integrating lighter weight woods into their product offerings. The addition of lighter products has enabled Sterling Lumber to expand their markets into areas of oil and natural gas development such as the Baaken shale formation in North Dakota. *Crain's Chicago Business*, 39-Sterling Lumber Co., by S.A. Swanson, June 2, 2014 (p. 31). The Authority is happy to have assisted this fast-growing and innovative Illinois company.

Centegra Health System

Tomorrow, Centegra, a non-profit health system whose origins date to 1914, will close on a series of bonds totaling over $190 million. Centegra will use a portion of the bond proceeds to construct and equip Centegra Hosptial – Huntley, an approximately 384,000-square foot, 128-bed acute care hospital facility located in the far northwest Chicago community of Huntley. Preparation for groundbreaking commenced in February 2014 and it is anticipated that the first patient will be treated in late summer 2016. The Centegra construction project is anticipated to create up to 800 construction jobs and over 1,000 permanent jobs.

Southern Illinois Healthcare

On today's agenda, you will consider a final resolution not-to-exceed $135 million on behalf of Southern Illinois Healthcare, a non-profit healthcare system with hospitals located in Carbondale, Herrin and Murphysboro. With roots in Southern Illinois dating to the 1930's, Southern Illinois Healthcare has over 2,700 full-time equivalent jobs. The bond proceeds are expected to fund the construction of a new cancer center in Carbondale, a four-story addition to Memorial Hospital of Carbondale that will include expanded surgical and intensive care facilities, an energy center adjacent to the hospital, expand outpatient facilities at St. Joseph Hospital in Murphysboro, and to fund capital improvements across Southern Illinois Healthcare's facilities, including Herrin Hospital. The Southern Illinois Healthcare projects funded by the bond issue are estimated to create over 50 full-time equivalent permanent jobs and over 600 full-time equivalent construction jobs.

Reaching out across Illinois

In recent weeks, Authority Vice President Rich Frampton has spoken at DCEO-hosted economic development forums in Rockford, the Quad Cities, Dixon, and most recently in Harrisburg, Ullin, and Mt. Vernon. At the end of April, Authority Member David Vaught and I also partnered with DCEO at events in Flora and Carmi. In the very near future, we expect to announce an expanded Authority presence in the Agricultural sector.

Watching Developing Regulatory Environment

Last week, Authority Vice President and Acting General Counsel, Pam Lenane, on behalf of the National Association of Health and Education Facilities Finance Authorities (NAHEFFA), attended a Municipal Securities Rulemaking Board (MSRB) Industry Roundtable in Washington, D.C. to discuss critical issues such as municipal advisor regulation, the Security and Exchange Commission's (SEC) Municipalities Continuing Disclosure Cooperation (MCDC) Initiative and continuing disclosure regarding bank direct-purchases of municipal bonds.

I look forward to continuing to work with you in support of jobs and financing capital expansion projects throughout our great state.

Respectfully,

Christopher B. Meister
Executive Director
Attachments:

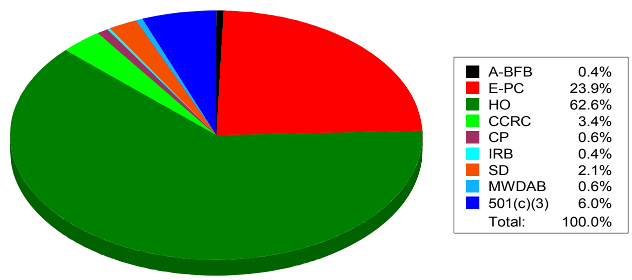
- Attachment 1 – Bonds Issued – Fiscal Year Comparison for the Period Ending May 30 30, 2014
- Attachment 2 – Bonds Issued and Outstanding as of May 30, 2014
- Attachment 3 – Schedule of Debt as of May 30, 2014

Bonds Issued - Fiscal Year Comparison
for the Period Ending May 31, 2014

Fiscal Year 2012

#	Market Sector	Principal Issued
41	Agriculture - Beginner Farmer	8,784,789
3	Education	474,685,000
14	Healthcare - Hospital	1,242,038,200
2	Healthcare - CCRC	66,765,000
1	Healthcare-Community Provider	12,700,000
2	Industrial Revenue	7,295,000
1	Local Government Schools	42,010,000
1	Midwest Disaster Area Bonds	11,066,000
13	501(c)(3) Not-for-Profit	118,256,846
78		$ 1,983,600,835

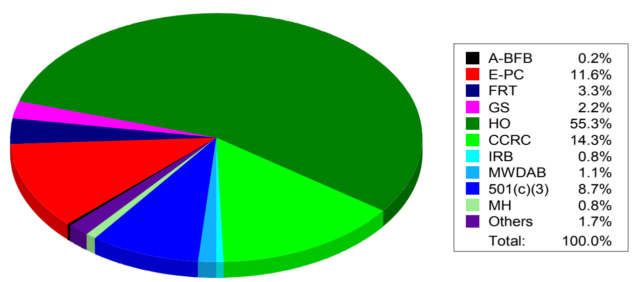
Bonds Issued in Fiscal Year 2012



Fiscal Year 2013

#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	4,461,655
8	Education	264,865,000
1	Gas Supply	50,000,000
10	Healthcare - Hospital	1,262,625,000
5	Healthcare - CCRC	326,840,068
3	Industrial Revenue	18,112,280
3	Midwest Disaster Area Bonds	25,700,000
11	501(c)(3) Not-for-Profit	198,592,750
1	MultiFamily/Senior Housing	18,630,000
1	Freight Transfer Facilities Bonds	75,000,000
2	Local Government	15,025,000
1	Environmental issued under 20 ILCS 3515/9	10,935,000
60		2,270,786,753

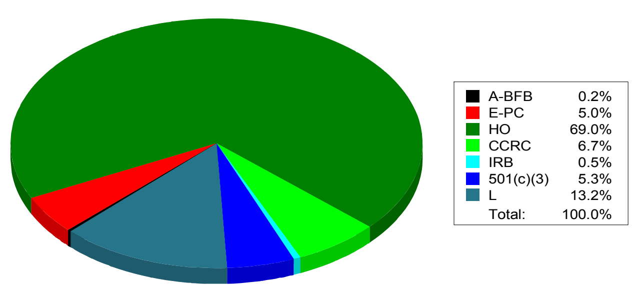
Bonds Issued in Fiscal Year 2013



Fiscal Year 2014

#	Market Sector	Principal Issued
18	Agriculture - Beginner Farmer	3,368,182
4	Education	93,895,000
7	Healthcare - Hospital	1,290,795,000
5	Healthcare - CCRC	125,660,000
1	Industrial Revenue	10,000,000
9	501(c)(3) Not-for-Profit	114,882,000
6	Local Government	247,360,000
50		$1,885,960,182

Bonds Issued in Fiscal Year 2014



Bonds Issued and Outstanding
as of May 31, 2014

Bonds Issued between July 01, 2013 and May 31, 2014

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
E-PC	Concordia University	07/01/2013	Variable	17,000,000	17,000,000
L	Township High School District Number 113, Series 2013A	07/01/2013	Fixed at Schedule	41,530,000	0
HO	Rehabilitation Institute of Chicago	07/01/2013	Fixed at Schedule	398,000,000	90,000,000
A-BFB	Beginner Farmer Bonds	07/01/2014	various	1,893,683	0
501(c)(3)	Lake Forest Country Day School	08/01/2013	Variable	23,000,000	23,000,000
HO	Advocate Health Care Network	08/08/2013	Fixed at Schedule	96,905,000	0
CCRC	Illinois College of Optometry	08/15/2013	Variable	40,665,000	40,152,503
L	Township High School District Number 113, Series 2013 B	08/21/2013	Fixed at Schedule	8,470,000	0
L	East Richland C.U.S.D. #1	08/29/2013	Fixed at Schedule	20,140,000	20,280,291
501(c)(3)	YMCA of Rock River Valley	09/24/2013	Variable	6,750,000	0
HO	Presence Health Network	09/17/2013	Variable	366,865,000	366,865,000
L	Community College District No. 532	09/27/2013	Fixed at Schedule	26,790,000	0
CCRC	Westminster Village	10/31/2013	Variable	7,000,000	0
501(c)(3)	Noble Network of Charter School	10/24/2013	Fixed at Schedule	20,000,000	0
CCRC	Peace Village	10/29/2013	Fixed at Schedule	22,495,000	16,225,000
E-PC	Columbia College Chicago	10/30/2013	Variable	7,850,000	7,695,000
501(c)(3)	Elim Christian Services	11/01/2013	Variable	14,577,000	14,400,000
HO	Elmhurst Memorial Healthcare	10/31/2013	Fixed at Schedule	109,025,000	126,760,629
CCRC	Smith Crossing	11/08/2013	Variable	40,000,000	0
E-PC	Benedictine University	11/20/2013	Variable	58,645,000	0
501(c)(3)	Lincoln Park Zoo	11/27/2013	Variable	15,000,000	0
L	Flora Connumity Unit School District	12/05/2013	Fixed at Schedule	8,730,000	0
L	Clean Water Initiative Revolving Fund	12/05/2013	Fixed at Schedule	141,700,000	99,120,000
CCRC	The Lodge of Northbrook	12/30/2013	Fixed at Schedule	15,500,000	0
HO	Elmhurst Memorial Healthcare	12/17/2013	Variable	200,000,000	0
A-BFB	Begining Farmer Bond	01/01/2014	Various	1,474,499	0
HO	Memorial Health System	01/30/2014	Fixed at Constant	60,000,000	0
E-PC	IIT Research Institute	02/28/2014	Variable	10,400,000	10,400,000
501(c)(3)	North American Spine Society	02/26/2014	Variable	8,860,000	8,860,000
501(c)(3)	New Hope Center	02/28/2014	Fixed at Schedule	5,325,000	5,325,000
501(c)(3)	Little City Foundation	03/18/2014	Variable	5,370,000	2,595,000
501(c)(3)	SOS Children's Village	04/16/2014	Variable	16,000,000	7,900,000
HO	Memorial Health System	05/15/2014	Variable	60,000,000	0
IRB	Sterling Lumber Company	05/27/2014	Variable	10,000,000	0
		Total Bonds Issued as of May 31, 2014		$ 1,885,960,182	$ 856,578,423

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 Funded between July 01, 2013 and May 31, 2014

Borrower	Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
Scrivner, Wade David Hugh	07/10/2013	3.80%	440,000	164.63	Jefferson
Haile, Joshua R	10/07/2013	3.00%	195,000	123.00	Jefferson
Lynch, Derek C. and Lynch, Jonna \	10/25/2013	3.50%	249,100	55.00	Edwards
Curt & Stacey Robbins	12/03/2013	4.99%	250,000	1,250.00	Wayne
Tyler Ethan Ory Vaughn	12/06/2013	4.25%	120,000	80.00	Wayne
Mason T. Muchow	12/06/2013	3.25%	246,783	41.15	Effingham
Cody D. Heiden	12/06/2013	3.25%	285,000	40.00	Fayette
Gregory S. & Shyannon R.	12/13/2013	3.25%	107,800	98.00	Hamilton
Daniel & Bobbi Ochs	02/14/2014	3.25%	138,245	75.95	Jasper
Levi M. Spurlock	02/28/2014	3.99%	95,000	40.00	Jefferson
Jabob Grapphaus	02/28/2014	2.76%	136,410	39.30	Madison
Derek P. Ifft	03/06/2014	3.10%	100,000	10.00	Ford
Phillip Ochs	03/20/2014	3.25	237,344	75.95	Jasper
Mark Quade	03/20/2014	3.25	167,500	49.75	Effingham
Braden Short	03/26/2014	3.75	152,000	85.50	Hamilton
Austin Ferguson	04/17/2014	3.25	153,000	51.00	Jasper
Landon Withrow	04/29/2014	3.25	157,500	113.00	Wayne
Mitchell R. Myers	05/05/2014	3.25	137,500	40.00	Effingham
Total Beginner Farmer Bonds Issued			$ 3,368,182	2,432.23	

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 June 30, 2013	Principal Outstanding May 31, 2014	Program Limitations	Remaining Capacity
Illinois Finance Authority "IFA" [b]				
Agriculture	$ 50,122,850	$ 53,491,032		
Education	4,299,747,133	4,016,166,051		
Healthcare	13,167,246,739	13,501,829,086		
Industrial Development [includes Recovery Zone/Midwest Disaster]	727,007,782	738,615,652		
Local Government	220,095,000	378,735,000		
Multifamily/Senior Housing	173,925,220	171,592,185		
501(c)(3) Not-for Profits	1,360,842,375	1,389,978,871		
Exempt Facilities Bonds	330,020,000	299,970,000		
Total IFA Principal Outstanding	**$ 20,329,007,099**	**$ 20,550,377,877**		
Illinois Development Finance Authority "IDFA" [b]				
Education	12,911,388	12,126,388		
Healthcare	180,475,000	169,440,000		
Industrial Development	181,388,219	371,571,320		
Local Government	395,170,898	313,291,906		
Multifamily/Senior Housing	91,743,171	84,973,648		
501(c)(3) Not-for Profits	804,882,190	784,129,247		
Exempt Facilities Bonds	75,000,000	75,000,000		
Total IDFA Principal Outstanding	**$ 1,741,570,867**	**$ 1,810,532,509**		
Illinois Rural Bond Bank "IRBB" [b]				
Bond Bank Revenue Bonds	13,365,000	11,855,000		
Total IRBB Principal Outstanding	**$ 13,365,000**	**$ 11,855,000**		
Illinois Health Facilities Authority "IHFA"	**$ 1,270,303,000**	**$ 962,233,000**		
Illinois Educational Facilities Authority "IEFA"	**$ 1,030,201,000**	**$ 692,057,000**		
Illinois Farm Development Authority "IFDA" [f]	**$ 21,609,864**	**$ 21,609,864**		
Total Illinois Finance Authority Debt	**$ 24,406,056,830**	**$ 24,048,665,250**	**$ 28,150,000,000**	**$ 4,101,334,750**

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

Section I (b)

	Principal Outstanding June 30, 2013	Principal Outstanding May 31, 2014	Program Limitations	Remaining Capacity
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
Issued through IRBB - Local Government Pools	13,365,000	$ 11,855,000		
Issued through IFA - Local Government Pools	23,875,000	21,370,000		
Issued through IFA - Illinois Medical District Commission	38,440,000	37,600,000		
Total General Moral Obligations	**$ 75,680,000**	**$ 70,825,000**	**$ 150,000,000**	**$ 79,175,000**
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	$ 2,630,000	$ -		
Issued through IDFA	1,250,000	-		
Total Financially Distressed Cities	**$ 3,880,000**	**$ -**	**$ 50,000,000**	**$ 50,000,000**
State Component Unit Bonds [c]				
Issued through IDFA [i]	58,665,000	11,630,000		
Issued through IFA [i]	69,679,739	147,930,666		
Total State Component Unit Bonds	**$ 128,344,739**	**$ 159,560,666**		

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 June 30, 2013	Principal Outstanding May 31, 2014	Program Limitations	Remaining Capacity
Midwest Disaster Bonds [Flood Relief]	**$ 66,883,240**	**$ 66,114,335**	**$ -**	**$ 41,530,000**

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 January 31, 2013	Available "Ceded" Volume Cap
Recovery Zone Economic Development Bonds;	**$ 666,972,000**	**$ 16,940,000**	**$ 12,900,000**	**$ 4,040,000**
Recovery Zone Facilities Bonds	**$ 1,000,457,000**	**$ 205,811,522**	**$ 214,849,804**	**$ (9,038,282)**
Qualified Energy Conservation Bonds	**$ 133,846,000**	**$ -**	**$ 44,370,000**	**$ -**

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section II	Principal Outstanding June 30, 2013	Principal Outstanding May 31, 2014	Program Limitations	Remaining Capacity
Illinois Power Agency	**$ -**	**$ -**	**$ 4,000,000,000**	**$ 4,000,000,000**

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 June 30, 2013	Principal Outstanding May 31, 2014	Program Limitations	Remaining Capacity
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 June 30, 2013	Principal Outstanding May 31, 2014	Program Limitations	Remaining Capacity	State Exposure
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance $10,106,948	**$ 13,029,800**	**$ 9,287,761**	**$ 160,000,000**	**$ 150,712,239**	**$ 7,886,107**
AG Loan Guarantee Program					
Fund # 205 - Fund Balance $7,805,489	**$ 13,107,200**	**$ 10,116,390**	**$ 225,000,000** [e]	**$ 214,883,610**	**$ 8,598,931**
Agri Industry Loan Guarantee Program	$ 7,256,577	$ 5,367,562			4,562,428
Farm Purchase Guarantee Program	944,285	937,143			890,740
Specialized Livestock Guarantee Program	3,333,728	2,763,756			2,349,192
Young Farmer Loan Guarantee Program	1,572,606	1,047,929			796,571
Total State Guarantees	**$ 26,137,000**	**$ 19,404,151**	**$ 385,000,000**	**$ 365,595,849**	**$ 16,485,038**

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

Section V			Principal Outstanding June 30, 2013	Principal Outstanding May 31, 2014	Appropriation Fiscal Year 2014	Fund Balance
132	Fire Truck Revolving Loan Program	**Fund # 572**	**$ 18,532,024**	**$ 17,052,813**	**$ 2,383,342**	**$ 4,401,741**
8	Ambulance Revolving Loan Program	**Fund # 334**	**$ 510,240**	**$ 415,920**	**$ 7,006,800**	**$ 3,768,384**

Note: Due to deposits in transit, the Fund Balance at the IOC may differ from the IFA General Ledger. In May, 2014 the OSF transferred the Fund Balance to a Locally Held Fund by the IFA.

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

Section VI	Principal Outstanding June 30, 2013	Principal Outstanding May 31, 2014	Program Limitations	Remaining Capacity
Environmental [Large Business]				
Issued through IFA	$ 78,235,000	$ 26,315,000		
Issued through IDFA	289,745,000	219,880,000		
Total Environmental [Large Business]	**$ 367,980,000**	**$ 246,195,000**	**$ 2,425,000,000**	**$ 2,178,805,000**
Environmental [Small Business]	$ -	$ -	**$ 75,000,000**	**$ 75,000,000**
Total Environment Bonds Issued under Act	**$ 367,980,000**	**$ 246,195,000**	**$ 2,500,000,000**	**$ 2,253,805,000**

Illinois Finance Authority Funds at Risk

Section VII		Original Amount	Principal Outstanding June 30, 2013	Principal Outstanding May 31, 2014
	Participation Loans			
9	Business & Industry	23,020,158	3,079,599	1,629,374
6	Agriculture	6,079,859	1,362,183	114,269
15	**Participation Loans exluding Defaults & Allowances**	**29,100,017**	**4,441,782**	**1,743,643**
	Plus: Legacy IDFA Loans in Default		**858,458**	**858,458**
	Less: Allowance for Doubtful Accounts		**1,162,656**	**1,003,316**
	Total Participation Loans		**4,137,584**	**1,598,785**
4	**Local Government Direct Loans**	**1,289,750**	**188,821**	**157,689**
3	**FmHA Loans**	**963,250**	**246,142**	**227,410**
2	**Renewable Energy [RED Fund]**	**2,000,000**	**1,489,068**	**1,404,407**
24	**Total Loans Outstanding**	**34,353,017**	**6,061,622**	**3,388,291**

[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] Includes EPA Clean Water Revolving Fund

COMMITTEE MINUTES

ILLINOIS FINANCE AUTHORITY
COMMITTEE OF THE WHOLE
REGULAR MEETING
TUESDAY, MAY 13, 2014
9:35 A.M.

I. Call to Order & Roll Call

At the regular meeting of the Committee of the Whole of the Illinois Finance Authority (the "Committee" or "COW"), begun and held at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, on the second Tuesday of May in the year 2014, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the "Act"), William A. Brandt, Jr., Chairman of the Committee, called the Committee to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 11 Present.

On the question of a quorum of Members physically present at the location of this open meeting, the Assistant Secretary of the Board declared that a quorum had been constituted.

ILLINOIS FINANCE AUTHORITY
COMMITTEE OF THE WHOLE
COMMITTEE ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE

May 13, 2014

0 YEAS		0 NAYS		11 PRESENT	
P	Bronner	E	Leonard	P	Poole
E	Fuentes	P	Lonstein (VIA AUDIO CONFERENCE)	E	Tessler
P	Goetz	P	O'Brien	P	Vaught
P	Gold	E	Parish	P	Zeller
P	Knox	P	Pedersen	P	Mr. Chairman

E – Denotes Excused Absence

II. Chairman's Remarks

Chairman Brandt welcomed Members of the Committee, Authority staff and all guests present.

III. Message from the Executive Director

Executive Director Meister presented the following message:

Rating Agencies Favorably Receive Governor's Recommended Budget and Revenue Plan

On April 10, 2014, after the last Board meeting, the State of Illinois announced the first winning bid for State General Obligation Bonds at a true interest cost of 4.08% since Governor Quinn's Budget Address on March 26, 2014. The rate is the third-lowest secured by the State of Illinois since Governor Pat Quinn took office five years ago. Much of the improvement is owed to the favorable views of Governor's Quinn's recommended budget and revenue plan which includes maintaining the current state tax rates to provide long-term stability and properly fund education by the three rating agencies:

> ***Standard & Poor's:***
>
> "The recommended budget could contribute to enhanced structural alignment due to less severe spending reductions needed to achieve balance . . .
>
> * * * *
>
> If pension reform moves forward and Illinois takes credible action to achieve structural budget balance beginning in fiscal year 2015, we believe that a higher rating would be warranted."
>
> ***Fitch:***
>
> "The governor's recommended budget for the coming fiscal year would . . . provide a basis for the state to achieve fiscal balance."
>
> ***Moody's:***
>
> "Legislative leaders have indicated support for the governor's tax-extension proposals, suggesting lawmakers may reach consensus by the regular session's May 31 end date. We would view timely resolution – whether as suggested by the Governor or in an equally effective way – as a positive development.
>
> * * * *
>
> We believe that State legislators have drafted (pension) reforms that judges could approve . . . Illinois's status as an outlier based on such measures as pension liability to revenue probably would end with the law's implementation."

In short, the Authority, shares the unanimous view of the rating agencies that the people of Illinois as well as the Authority's borrowers would benefit from Governor Quinn's recommended budget being enacted into law.

Welcome Melinda Gildart – Authority Chief Financial Officer

Executive Director Meister officially welcomed Melinda Gildart to the Authority's senior management team. As the Authority's Chief Financial Officer, Melinda brings deep and broad experience from her prior public service at the Chicago Public Schools, the City of Chicago, the Chicago Park District and the federal General Services Administration. She is also active in professional leadership roles with the Government Finance Officers Association ("GFOA"). Since joining the Authority's staff at the end of March, Melinda has rolled up her sleeves and gotten to work in the Authority's accounting, investment, audit and procurement functions. Melinda's public sector auditing and accounting skill has already brought material efficiencies to the transparent and accountable administration of the Authority's operations.

IV. Consideration of the Minutes

Chairman Brandt asked if the Members wished to direct the Assistant Secretary of the Board to correct any errors in the Minutes of the regular meeting of the Committee held on April 8, 2014 or any errors in the Minutes of the regular meeting of the Board held on April 8, 2014.

Member Bronner moved for the adoption of the Minutes of the regular meeting of the Committee held on April 8, 2014.

Member Pedersen seconded the motion.

The motion prevailed and the Minutes were adopted.

V. Presentation and Consideration of the Financial Statements and the Monthly Procurement Report

Ms. Gildart presented the following analysis of Financial Statements for the Month Ended April 30, 2014:

1. <u>GENERAL FUND REVENUES, EXPENSES AND NET INCOME</u>

a. Annual Operating Revenues totaled $2.9 million, while annual Non-Operating Revenues totaled $92 thousand. Total annual combined revenues of $3 million are $618 thousand or 17% below budget; due primarily to lower than anticipated administration and closing fees.[1]

b. In April, admin/closing fees from ***SOS Children's*** and ***Memorial Health System*** combined for $118 thousand in revenue. Net investment income totaled $86 thousand (including prior period adjustments), while unrealized losses totaled only -$13 thousand, up from -$76 and -$85 thousand in February and March, respectively.

c. Annual Operating Expenses before depreciation totaled $3.1 million and annual Depreciation totaled $37 thousand. Annual combined expenses of $3.1 million are 8.5% below budget primarily due to lower employee related expenses and professional services for the year so far.

d. In April, total expenses increased from March, primarily due to higher legal fees of $67 thousand and invoices received for IFA's new records management software of $40 thousand.

e. The General Fund showed an Annual Net Income/(Loss) of -$88 thousand, while in April, the net income/(loss) totaled -$108 thousand. This is up from the losses of -$232 and -$186 thousand in February and March, respectively.

f. On May 12, 2014 IFA received State Treasurer funds in the amount of $8.2 million for the Ambulance and Fire Truck Loan program. The monies will now be invested along with IFAs other Locally Held Funds.

2. ALL FUNDS REVENUES, EXPENSES AND NET INCOME

a. Annual Operating Revenues for all funds totaled $5.4 million, while Annual Operating Expenses totaled $3.2 million and Annual Non-Operating Revenues/(Expenses) resulted in a negative -$3.5 million.

b. In summary, the annual loss in overall non-operating revenues/(expenses) is mostly driven by the return of $2.3 million dollars in unused grant funds to DCEO in April and total interest paid for debt service.

c. The Annual Net Income/(Loss) for all funds totaled -$1.3 million.

3. ALL FUNDS ASSETS, LIABILITIES AND NET POSITION

a. IFA continues to maintain a strong balance sheet. In the General Fund, total assets of $50 million (consisting of cash, investments, receivables) are over 52 times the total liabilities of $960 thousand. Available cash on hand of $5.8 million is currently 11.7% of total assets in the General Fund and after reserves for current expenses and the DACA Loan Program (direct loans from the General Fund), that figure is reduced to 8.8%. The remaining $41.2 million of total assets in the General Fund are investments currently held by the investment managers, Clear Arc and Ziegler Capital.

b. Total assets in all funds are $364 million, which is nearly 1 and ½ times total liabilities of $271 million[2].

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[1]***Operating Revenues and Expenses*** are direct results of our basic business operations. ***Non-Operating Revenues and Expenses*** are netted against each other and include interest and investment income and expenses, bad debt adjustments, transfers to the State of Illinois and realized/unrealized gains and losses on investments. ***Net Income/(Loss)*** is our bottom line.

[2]Per ***GASB Interpretation No. 2*, I**FA reports activity for specific component units (Clean Water, Northern Illinois University Foundation, Moral Obligation-Backed Local Gov't Bonds, etc.) and adjustments for this activity are performed on a quarterly basis. Estimates have been made as of April 30th for presentation purposes. The Consolidated Debt Fund includes both IFA Bond Debt and Component Unit Debt Activity.

c. In the presentation for the FY14 audited annual financial statements, the ***Metro East Police District Commission*** will be shown as a separate fiduciary fund and will have its own separate financials.

d. Per ***GASB Statement No. 65***, total deferred costs of issuance on debt are ***"costs that the debt issuer pays directly to financial and legal advisors, the trustee (if any), paying agents, auditors, rating agencies and other providers of services to the issuer"***. Current balances for all funds on IFA's books originate from the Bond Bank transactions and total $236 thousand (including $179 thousand in the General Fund). These costs were previously amortized (as assets) on IFAs books over the life of the bond, but per the new accounting standard, they must be expensed immediately in the current period. IFA will be expensing this entire amount on its FY14 audited annual financial statements. This should also be noted for similar transactions in the future.

In connection with General Fund Revenues, Expenses and Net Income, Chairman Brandt, Executive Director Meister and Ms. Gildart engaged in a discussion about closing the gap between General Fund Revenues and Expenses over the final two months of Fiscal Year 2014. Executive Director Meister stated that he was cautiously optimistic the current Net Loss of $88 thousand could be eliminated.

In connection with All Funds, Revenues, Expenses and Net Income, Member Knox inquired if the $2.3 million dollars in unused grant funds returned to DCEO originally was categorized as non-operating revenue in a prior year. Ms. Gildart confirmed that to be true, and thus, this was categorized as a non-operating expense.

In connection with All Funds Assets, Liabilities and Net Position, Chairman Brandt, Executive Director Meister and Ms. Gildart engaged in a discussion concerning the requirement that IFA report activity for specific component units (Clean Water, Northern Illinois University Foundation, Moral Obligation-Backed Local Gov't Bonds, etc.).

Member Poole inquired as to when the Authority would receive an investment earnings report from the $41.2 million of total assets in the General Fund which are investments currently held by the investment managers, Clear Arc and Ziegler Capital. Ms. Gildart informed the Committee that an investment earnings report would be made available upon audit completion, i.e. as of June 30, 2014.

Vice Chairman Goetz and Member Vaught recommended that a benchmark be set for investment earnings. The Committee agreed. However, Chairman Brandt reminded the Committee that the Authority's investment policy as currently contemplated is fairly restrictive, and thus, would need to be revisited at perhaps some future time.

Ms. Gildart presented a flash report which illustrates historical data for the Authority. Member Gold requested comparable financial statements from other statewide issuers. Executive Director Meister informed the Committee that comparables would be provided at next month's Regular Meeting of the Committee of the Whole.

Next, Ms. Gildart presented the Monthly Procurement Report.

Member Bronner expressed her satisfaction with the presentation of the Monthly Procurement Report, and requested that the values of all contracts be listed consistently, i.e. per annum or per term.

VI. Committee Reports

Healthcare and Education Committee

Member Knox reported that the Healthcare and Education Committee reviewed and recommended approval of the following project reports: Items 4, 5 and 6.

Member Knox noted that all three transactions will not be publically offered. That is, Freeport Regional Health Care Foundation, Rosecrance, Inc. and the Series 2014B and Series 2014C Bonds for Centegra Health System will each be direct bank purchase structures.

Agriculture Committee

Member Zeller reported that the Agriculture Committee reviewed and recommended approval of the following project reports: Items 1(A) and 1(B).

Audit Committee

Member Bronner and Executive Director Meister informed the Committee that the publishing date for the Fiscal Year 2013 Compliance Audit is expected in the upcoming weeks. Moreover, the Office of the Illinois Auditor General has made a determination that compliance audits of the Authority will hereafter be on a two-year cycle – rather than a one-year cycle. Therefore, the Authority will only have an annual financial audit conducted and completed in October or November of 2014, but the Authority will have an annual financial audit and it's biennial compliance audit conducted in 2015. Executive Director Meister expressed his hope that this change will bring about savings for the Authority.

Member Bronner informed the Committee that this change in policy for compliance audits will give the Authority more time to demonstrate progress and likewise correct past findings.

Finally, with respect to the internal audit plan, Member Bronner expressed her desire to see the Chief Internal Auditor proactively address questions that may arise at a later date with the Office of the Auditor General, thereby helping to facilitate a fewer amount of findings on the biennial compliance audit.

VII. Project Reports and Resolutions

Mr. Frampton presented the following projects:

Agriculture Projects

Item 1(A): Item 1(A) is a request for Beginning Farmer Revenue Bond financing.

Clinton R. and Sara B. Bergbower are requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Fifty-Two Thousand Five Hundred and Sixty-Nine Dollars** ($52,569). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 19.47 acres of farmland located in Fox Township in Jasper County.

Item 1(B): Item 1(B) is a request for Beginning Farmer Revenue Bond financing.

Austin L. Chandler is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Two Hundred Thirty-Four Thousand Dollars** ($234,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 90.22 acres of farmland located in Rozetta Township in Henderson County.

Business and Industry Projects

Item 2: Item 2 is a request for Industrial Revenue Bond financing.

Sterling Lumber Company and SLC – Phoenix, LLC are requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Ten Million Dollars** ($10,000,000).

Bond proceeds will be used by **Sterling Lumber Company**, an Illinois corporation ("**Sterling**"), and its affiliate, **SLC-Phoenix, LLC**, an Illinois limited liability company ("**SLC**" and together with Sterling, the "**Borrower**"), to finance a portion of the costs of acquisition of land and a 514,000 square feet building located at 501 East 151st Street, Phoenix, Illinois, the renovation of such building and the acquisition of machinery and equipment to be installed therein, all to be used as a wood products manufacturing facility to be owned and operated by the Borrower (the "**Project**").

Item 3: Item 3 is a request for Industrial Revenue Bond financing.

Freedman Seating Company, Inc. and its affiliates are requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Five Million Dollars** ($5,000,000).

Bond proceeds will be used for the purpose of providing **Freedman Seating Company, Inc. and its Affiliates** (collectively, the **"Borrowers**") all or a portion of the funds for the purpose of (i) assisting in the substantial rehabilitation and equipping of all or a portion of its existing manufacturing building located at 4501 W. Augusta Blvd., in Chicago (Cook County), Illinois, 60651 for use in expanding the Company's seat manufacturing production facilities, (ii) paying capitalized interest, if deemed necessary or desirable by the Borrower, and (iii) paying bond issuance costs, all as permitted by the Act (collectively, the "**Project**").

The combined aggregate principal amount of the Company's outstanding IFA Series 2012 Bonds and the proposed IFA Series 2014 Bonds will not exceed $10 million as of the issuance date of the Series 2014 Bonds, as applicable to Small Issue Industrial Development Revenue Bond project borrowers under existing Internal Revenue Code provisions.

Member Zeller and Mr. Frampton engaged in a discussion about the Company's overall growth plan and concurrent build-out.

Ms. Lenane presented the following projects:

Healthcare Projects

Item 4: Item 4 is a request for 501(c)(3) Revenue Bond financing.

Freeport Regional Health Care Foundation is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Forty-Five Million Dollars** ($45,000,000) of revenue bonds consisting of (i) Revenue Bonds, Series 2014A (the "Series 2014A Bonds") and (ii) Revenue Bonds, Series 2014B (the "Series 2014B Bonds" and, together with the Series 2014A Bonds, the "Series 2014 Bonds"). This financing is being presented for one-time consideration.

Bond proceeds will be used by **Freeport Regional Health Care Foundation** ("**FHN**", the "**Corporation**" or the "**Borrower**") to provide Freeport Memorial Hospital (the "**Hospital**" and together with the Corporation, the "Users") and the Corporation, with all or a portion of the funds necessary to (i) pay or reimburse the Users for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Users, including renovating the emergency department and outpatient services facilities; (ii) refund all or a portion of the $10,000,000 original principal amount County of Stephenson, Illinois Health Care Facilities Revenue Bonds (Freeport Regional Health Care Foundation) Series 2008 (the "**2008 County Bonds**"); (iii) refund all or a portion of the $8,000,000 original principal amount City of Freeport, Illinois Health Care Facilities Revenue Bonds (Freeport Regional Health Care Foundation) Series 2008 (the **"2008 City Bonds"**); (iv) refund all or a portion of the $13,330,000 original principal amount City of Freeport, Illinois Variable Rate Demand Revenue Bonds, Series 2001A (Freeport Regional Health Care Foundation) (**the "2001 City Bonds"** and, together with the 2008 County Bonds and the 2008 City Bonds, the **"Prior Bonds"**); (v) provide working capital to the Users, if deemed necessary or advisable by the Corporation; (vi) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by the Corporation; and (vii) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the *"***Financing Purposes***")*.

Item 5: Item 5 is a request for 501(c)(3) Revenue Bond financing.

Rosecrance, Inc. is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Fifteen Million Dollars** ($15,000,000) of revenue bonds consisting of (i) Revenue Bonds, Series 2014A (the "**Series 2014A Bonds**") and (ii) Revenue Bonds, Series 2014B (the "**Series 2014B Bonds**" and, together with the Series 2014A Bonds, the "**Series 2014 Bonds**"). This financing is being presented for one-time consideration.

Bond proceeds will be used by **Rosecrance, Inc.** ("**Rosecrance**" or the "**Corporation**") and **Rosecrance Health Network** (the "**User**") to (i) pay or reimburse the Corporation and the User for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Corporation and the User; (ii) provide working capital to the Corporation and/or the User, if deemed necessary or advisable by the Corporation; (iii) pay a portion of the interest on the Bonds if deemed necessary or advisable by the Corporation; and (iv) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

Ms. O'Brien presented the following project:

Item 6: Item 6 is a request for 501(c)(3) Revenue Bond financing.

Centegra Health System is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Sixty Million Dollars** ($60,000,000).

The Authority adopted Resolution 2014-0311-HC03 on March 11, 2014 (the "**Fixed Rate Bond Resolution**") to authorize the issuance of the Fixed Rate Bonds to loan the proceeds thereof to Centegra for the purpose of financing a portion of the Fixed Rate Bonds Financing Purposes. The Fixed Rate Bond Resolution limits the principal amount of the Series 2014 Bonds to a maximum aggregate principal amount not in excess of $193,000,000 (the "**Authorized Maximum Principal Amount**"). Centegra, on behalf of itself and Northern Illinois Medical Center (d/b/a Centegra Hospital – McHenry) ("**NIMC**"), Memorial Medical Center – Woodstock (d/b/a Centegra Hospital – Woodstock) ("**MMC**"), NIMED Corp. ("**NIMED**") and Centegra Hospital – Huntley ("**CHH**" and, collectively with NIMC, MMC and NIMED, the "**Users**"), has requested that the Authority issue not to exceed $60,000,000 in aggregate principal amount of Series 2014 Bonds consisting of one or more series of Variable Rate Revenue Bonds, Series 2014 (Centegra Health System) (the "**Variable Rate Bonds**"), the aggregate principal amount of which, when combined with the principal amount of the Fixed Rate Bonds, will not exceed the Authorized Maximum Principal Amount, and loan the proceeds thereof to Centegra in order to assist Centegra in providing a portion of the funds necessary to do any or all of the following: (i) pay or reimburse Centegra and one or more of the Users for the payment of certain costs related to the Project; (ii) provide working capital to Centegra or one or more of the Users, if deemed necessary or advisable by Centegra; (iii) pay a portion of the interest on the Variable Rate Bonds, if deemed necessary or advisable by Centegra; (iv) fund a debt service reserve fund, if deemed necessary or advisable by Centegra; and (v) pay certain expenses incurred in connection with the issuance of the Variable Rate Bonds, all as permitted by the Act (collectively, the "**Variable Rate Bonds Financing Purposes**").

Mr. Frampton presented the following resolutions:

Resolutions

Item 7: Item 7 is a Resolution Authorizing the Issuance of an Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Catholic Charities Housing Corporation) in an Aggregate Principal Amount Not to Exceed $10,906,197, the Proceeds of which are to be Loaned to Catholic Charities Housing Development Corporation and Catholic Charities of the Archdiocese of Chicago.

Item 8: Item 8 is a Resolution Authorizing the Execution and Delivery of a First Supplemental Loan Agreement in Connection with Illinois Finance Authority Midwestern Disaster Area Revenue Bonds, Series 2012 (P.O.B. Development, LLC Project); and Related Matters.

Mr. Frampton advised the Committee that the Resolution they will be approving also removes the covenant requiring P.O.B. Development, LLC to provide unaudited quarterly financial statements to the Authority, the Trustee (as defined in the Loan Agreement) and the owner of the Bond. This is in addition to the covenant changes previously sought on behalf of P.O.B. Development, LLC in a previous draft of this Resolution. An updated Resolution was distributed, accordingly.

Executive Director Meister presented the following resolution:

Item 9: Item 9 is a Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer a Loan Program for Deferred Action for Childhood Arrivals ("DACA") Applicants to Medical and Dental Schools in Illinois, (the "DACA Loan Program") in an Amount Not to Exceed $2,900,000 and Ratifying Certain Matters Related Thereto.

Ms. O'Brien informed the Committee that the Authority previously approved a Resolution in July 2013 that authorized staff to begin working on a program for students of DACA status to attend medical and dental schools in Illinois. At this time, the Authority is prepared to lend money to cover tuition and fees to students of DACA status that have been accepted into Loyola University's Stritch School of Medicine ("Stritch") for the 2014-2015 school year. Currently, Loyola is the only medical school accepting students of DACA status in Illinois.

Chairman Brandt informed the Committee that it is his understanding that the 12 applications Loyola has accepted originate from at least 10 different countries.

Chairman Brandt and Member O'Brien engaged in a discussion as to the responsibility of repayment for the respective loans. Chairman Brandt informed the Committee that because the Illinois Department of Professional Regulation will ultimately be the agency licensing these individuals and because these individuals will be motivated to provide service within underserved areas in Illinois in order to receive a zero-percent interest rate on their DACA loans, it is highly likely these individuals will remain in Illinois and responsibly repay their DACA loans. Moreover, this program is intended to be a stop-gap measure until federal immigration reform is comprehensively dealt with.

Chairman Brandt and Member Bronner engaged in a discussion as to the popularity of the program within the immigrant community and the lack of marketing tools needed as a result.

Chairman Brandt informed the Committee that private schools will still retain the ability to offer scholarships to students of DACA status, should they choose to do so, without being in violation of federal law.

Finally, Chairman Brandt reminded the Committee that this program is also available for students of DACA status seeking financing assistance for dental schools at the request of U.S. Senator Dick Durbin (D-IL).

Item 10: Item 10 is a Resolution Approving the Terms of Financial Advisory Contracts.

Ms. Gildart informed the Committee that the successful vendor(s) are Acacia Financial Group, Inc. and Sycamore Advisors, LLC.

Executive Director Meister informed the Committee that in addition to being the two highest scoring firms as a result of the procurement process, both firms are women-owned enterprises.

Item 11: Item 11 is a Resolution Authorizing the Executive Director to Appoint the Chief Internal Auditor for IFA and the Terms of the Internal Auditing Services Contract.

Ms. Gildart informed the Committee that the successful vendor is CliftonLarsonAllen LLP. Per statute, the Chief Internal Auditor will serve for a five-year term.

Item 12: Item 12 is a Resolution Approving the Award of a Sole Source Contract with ADP TotalSource, Inc.

Item 13: Item 13 is a Resolution Authorizing the Executive Director to Renew Existing Contracts with MABSCO Capital, Inc., Mesirow Insurance Services, Inc., and Howard Kenner Government Consulting.

VIII. Other Business

None.

IX. Public Comment

None.

X. Adjournment

At the time of 10:32 a.m., Member Pedersen moved that the Committee do now adjourn until June 10, 2014, at 9:30 a.m.

Member O'Brien seconded the motion.

The motion prevailed.

And the Committee stood adjourned.

Minutes published by:
Brad R. Fletcher
Assistant Secretary of the Board

BOARD MINUTES

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
TUESDAY, MAY 13, 2014
10:44 A.M.

I. Call to Order & Roll Call

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the "Board"), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Tuesday of May in the year 2014, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the "Act"), William A. Brandt, Jr., Chairman of the Board, called the Board to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 10 Present.

On the question of a quorum of Members physically present at the location of this open meeting, the Assistant Secretary of the Board declared that a quorum had been constituted.

Having been absent when the Quorum Roll Call for Attendance was taken, Member Lonstein was recorded as present at the time of 10:56 a.m.

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE

May 13, 2014

0 YEAS		0 NAYS		11 PRESENT	
P	Bronner	E	Leonard	P	Poole
E	Fuentes	P	Lonstein (Via Audio Conference) (Added)	E	Tessler
P	Goetz	P	O'Brien	P	Vaught
P	Gold	E	Parish	P	Zeller
P	Knox	P	Pedersen	P	Mr. Chairman

E – Denotes Excused Absence

II. Chairman's Remarks

Chairman Brandt welcomed Members of the Board, Authority staff and all guests present.

Chairman Brandt, Chairman, from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on May 13, 2014, reported the same back and that all items were thoroughly reviewed.

III. Adoption of the Minutes

Minutes of the regular meeting of the Board held on April 8, 2014 and the Financial Statements for the Month Ended April 30, 2014 were taken up for consideration.

Vice Chairman Goetz moved for the adoption of the Minutes and the Financial Statements.

Member Pedersen seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

The motion prevailed and the Minutes and the Financial Statements were adopted and accepted, respectively.

IV. Acceptance of the Financial Statements

See Agenda Item III.

V. Approval of Project Reports and Resolutions

Chairman Brandt directed Mr. Frampton to present the projects and resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following project:

Agriculture Projects

Item 1(A): Item 1(A) is a request for Beginning Farmer Revenue Bond financing.

Clinton R. and Sara B. Bergbower are requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Fifty-Two Thousand Five Hundred and Sixty-Nine Dollars** ($52,569). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 19.47 acres of farmland located in Fox Township in Jasper County.

Member Zeller moved for the adoption of the following project: Item 1(A).

Member Poole seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 0 Answering Present.

This project, having received the votes of a quorum of the Members of the Board, was declared passed.

Chairman Brandt directed Mr. Frampton to present the remaining projects and resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following projects and resolutions:

Item 1(B): Item 1(B) is a request for Beginning Farmer Revenue Bond financing.

Austin L. Chandler is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Two Hundred Thirty-Four Thousand Dollars** ($234,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 90.22 acres of farmland located in Rozetta Township in Henderson County.

Business and Industry Projects

Item 2: Item 2 is a request for Industrial Revenue Bond financing.

Sterling Lumber Company and SLC – Phoenix, LLC are requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Ten Million Dollars** ($10,000,000).

Bond proceeds will be used by **Sterling Lumber Company**, an Illinois corporation ("**Sterling**"), and its affiliate, **SLC-Phoenix, LLC**, an Illinois limited liability company ("**SLC**" and together with Sterling, the "**Borrower**"), to finance a portion of the costs of acquisition of land and a 514,000 square feet building located at 501 East 151st Street, Phoenix, Illinois, the renovation of such building and the acquisition of machinery and equipment to be installed therein, all to be used as a wood products manufacturing facility to be owned and operated by the Borrower (the "**Project**").

Item 3: Item 3 is a request for Industrial Revenue Bond financing.

Freedman Seating Company, Inc. and its affiliates are requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Five Million Dollars** ($5,000,000).

Bond proceeds will be used for the purpose of providing **Freedman Seating Company, Inc. and its Affiliates** (collectively, the **"Borrowers**") all or a portion of the funds for the purpose of (i) assisting in the substantial rehabilitation and equipping of all or a portion of its existing manufacturing building located at 4501 W. Augusta Blvd., in Chicago (Cook County), Illinois, 60651 for use in expanding the Company's seat manufacturing production facilities, (ii) paying capitalized interest, if deemed necessary or desirable by the Borrower, and (iii) paying bond issuance costs, all as permitted by the Act (collectively, the "**Project**").

Mr. Frampton noted that the combined aggregate principal amount of the Company's outstanding IFA Series 2012 Bonds and the proposed IFA Series 2014 Bonds will not exceed $10 million as of the issuance date of the Series 2014 Bonds, as applicable to Small Issue Industrial Development Revenue Bond project borrowers under existing Internal Revenue Code provisions.

Healthcare Projects

Item 4: Item 4 is a request for 501(c)(3) Revenue Bond financing.

Freeport Regional Health Care Foundation is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Forty-Five Million Dollars** ($45,000,000) of revenue bonds consisting of (i) Revenue Bonds, Series 2014A (the "Series 2014A Bonds") and (ii) Revenue Bonds, Series 2014B (the "Series 2014B Bonds" and, together with the Series 2014A Bonds, the "Series 2014 Bonds"). This financing is being presented for one-time consideration.

Bond proceeds will be used by **Freeport Regional Health Care Foundation** ("**FHN**", the "**Corporation**" or the "**Borrower**") to provide Freeport Memorial Hospital (the "**Hospital**" and together with the Corporation, the "Users") and the Corporation, with all or a portion of the funds necessary to (i) pay or reimburse the Users for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Users, including renovating the emergency department and outpatient services facilities; (ii) refund all or a portion of the $10,000,000 original principal amount County of Stephenson, Illinois Health Care Facilities Revenue Bonds (Freeport Regional Health Care Foundation) Series 2008 (the "**2008 County Bonds**"); (iii) refund all or a portion of the $8,000,000 original principal amount City of Freeport, Illinois Health Care Facilities Revenue Bonds (Freeport Regional Health Care Foundation) Series 2008 (the **"2008 City Bonds"**); (iv) refund all or a portion of the $13,330,000 original principal amount City of Freeport, Illinois Variable Rate Demand Revenue Bonds, Series 2001A (Freeport Regional Health Care Foundation) (**the "2001 City Bonds"** and, together with the 2008 County Bonds and the 2008 City Bonds, the **"Prior Bonds"**); (v) provide working capital to the Users, if deemed necessary or advisable by the Corporation; (vi) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by the Corporation; and (vii) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the *"***Financing Purposes***")*.

Item 5: Item 5 is a request for 501(c)(3) Revenue Bond financing.

Rosecrance, Inc. is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Fifteen Million Dollars** ($15,000,000) of revenue bonds consisting of (i) Revenue Bonds, Series 2014A (the "**Series 2014A Bonds**") and (ii) Revenue Bonds, Series 2014B (the "**Series 2014B Bonds**" and, together with the Series 2014A Bonds, the "**Series 2014 Bonds**"). This financing is being presented for one-time consideration.

Bond proceeds will be used by **Rosecrance, Inc.** ("**Rosecrance**" or the "**Corporation**") and **Rosecrance Health Network** (the "**User**") to (i) pay or reimburse the Corporation and the User for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Corporation and the User; (ii) provide working capital to the Corporation and/or the User, if deemed necessary or advisable by the Corporation; (iii) pay a portion of the interest on the Bonds if deemed necessary or advisable by the Corporation; and (iv) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

Resolutions

Item 8: Item 8 is a Resolution Authorizing the Execution and Delivery of a First Supplemental Loan Agreement in Connection with Illinois Finance Authority Midwestern Disaster Area Revenue Bonds, Series 2012 (P.O.B. Development, LLC Project); and Related Matters.

Item 10: Item 10 is a Resolution Approving the Terms of Financial Advisory Contracts.

Item 11: Item 11 is a Resolution Authorizing the Executive Director to Appoint the Chief Internal Auditor for IFA and the Terms of the Internal Auditing Services Contract.

Item 12: Item 12 is a Resolution Approving the Award of a Sole Source Contract with ADP TotalSource, Inc.

Item 13: Item 13 is a Resolution Authorizing the Executive Director to Renew Existing Contracts with MABSCO Capital, Inc., Mesirow Insurance Services, Inc., and Howard Kenner Government Consulting.

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1(A) to the following projects and resolutions: Items 1(B), 2, 3, 4, 5, 8, 10, 11, 12 and 13.

These projects and resolutions, having received the votes of a quorum of the Members of the Board, were declared passed and adopted, respectively.

Chairman Brandt directed Mr. Frampton to present the project and resolutions which may have an abstention to the Board.

Mr. Frampton will present the following project:

Healthcare Projects

Item 6: Item 6 is a request for 501(c)(3) Revenue Bond financing.

Centegra Health System is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Sixty Million Dollars** ($60,000,000).

The Authority adopted Resolution 2014-0311-HC03 on March 11, 2014 (the "**Fixed Rate Bond Resolution**") to authorize the issuance of the Fixed Rate Bonds to loan the proceeds thereof to Centegra for the purpose of financing a portion of the Fixed Rate Bonds Financing Purposes. The Fixed Rate Bond Resolution limits the principal amount of the Series 2014 Bonds to a maximum aggregate principal amount not in excess of $193,000,000 (the "**Authorized Maximum Principal Amount**"). Centegra, on behalf of itself and Northern Illinois Medical Center (d/b/a Centegra Hospital – McHenry) ("**NIMC**"), Memorial Medical Center – Woodstock (d/b/a Centegra Hospital – Woodstock) ("**MMC**"), NIMED Corp. ("**NIMED**") and Centegra Hospital – Huntley ("**CHH**" and, collectively with NIMC, MMC and NIMED, the "**Users**"), has requested that the Authority issue not to exceed $60,000,000 in aggregate principal amount of Series 2014 Bonds consisting of one or more series of Variable Rate Revenue Bonds, Series 2014 (Centegra Health System) (the "**Variable Rate Bonds**"), the aggregate principal amount of which, when combined with the principal amount of the Fixed Rate Bonds, will not exceed the Authorized Maximum Principal Amount, and loan the proceeds thereof to Centegra in order to assist Centegra in providing a portion of the funds necessary to do any or all of the following: (i) pay or reimburse Centegra and one or more of the Users for the payment of certain costs related to the Project; (ii) provide working capital to Centegra or one or more of the Users, if deemed necessary or advisable by Centegra; (iii) pay a portion of the interest on the Variable Rate Bonds, if deemed necessary or advisable by Centegra; (iv) fund a debt service reserve fund, if deemed necessary or advisable by Centegra; and (v) pay certain expenses incurred in connection with the issuance of the Variable Rate Bonds, all as permitted by the Act (collectively, the "**Variable Rate Bonds Financing Purposes**").

Member Pedersen moved for the adoption of the following project: Item 6.

Member Zeller seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 1 Abstention (Goetz); 0 Answering Present.

Vice Chairman Goetz desired to be recorded as abstaining from the vote due to a family member's contractual relationship with the Borrower.

This project, having received the votes of a quorum of the Members of the Board, was declared passed.

Mr. Frampton presented the following resolutions:

Resolutions

Item 7: Item 7 is a Resolution Authorizing the Issuance of an Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Catholic Charities Housing Corporation) in an Aggregate Principal Amount Not to Exceed $10,906,197, the Proceeds of which are to be Loaned to Catholic Charities Housing Development Corporation and Catholic Charities of the Archdiocese of Chicago.

The Assistant Secretary of the Board advised that an abstention was not expected.

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1(A) to the following resolution: Item 7.

This resolution, having received the votes of a quorum of the Members of the Board, was declared adopted.

Item 9: Item 9 is a Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer a Loan Program for Deferred Action for Childhood Arrivals ("DACA") Applicants to Medical and Dental Schools in Illinois, (the "DACA Loan Program") in an Amount Not to Exceed $2,900,000 and Ratifying Certain Matters Related Thereto.

Member O'Brien moved for the adoption of the following project: Item 9.

Member Pedersen seconded the motion.

And on that motion, a vote was taken resulting as follows: 10 Yeas; 0 Nays; 1 Abstention (Brandt); 0 Answering Present.

Chairman Brandt desired to be recorded as abstaining from the vote due to his service as a member of the Board of Trustees of Loyola University of Chicago.

This resolution, having received the votes of a quorum of the Members of the Board, was declared adopted.

VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the regular meeting of the Board in May will be held on June 10, 2014.

At the time of 11:00 a.m., Member Pedersen moved that the Board do now adjourn until June 10, 2014, at 10:30 a.m.

Vice Chairman Goetz seconded the motion.

The motion prevailed.

And the Board stood adjourned.

Minutes published by:
Brad R. Fletcher
Assistant Secretary of the Board

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FINANCIAL ANALYSIS
June 10, 2014

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS MONTHLY AND ANNUAL SUMMARY AS OF MAY 31, 2014

1. <u>GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME</u>

a. Annual Operating Revenues totaled $3.2 million, while annual Non-Operating Revenues totaled $300 thousand. Total annual combined revenues of $3.5 million are $351 thousand or 9% below budget; due primarily to overall lower than anticipated administration and closing fees and lower interest income on loans, which was averaging $13 thousand per month in the early part of the fiscal year. The interest income amount in May was $3 thousand. [1]

b. In May, the Authority received a $167 thousand dollar settlement in regards to Clare. Admin/closing fees from ***Sterling Lumber and Lutheran General*** combined for $87 thousand in revenue. Net investment income totaled $38 thousand, while unrealized losses totaled only -$14 thousand, which is favorable to an average loss of -$37 thousand for this calendar year.

c. Annual Operating Expenses before depreciation totaled $3.5 million and annual Depreciation totaled $42 thousand. Annual combined expenses of $3.5 million are 6% below budget primarily due to lower employee related expenses, including retirement and travel for the year so far.

d. In May, total expenses increased from April, primarily due to higher legal fees of $95 thousand and invoices received for investment management fees for IEPA funds of $22 thousand.

e. The General Fund showed an Annual Net Income/(Loss) of -$132 thousand, while in May, the net income/(loss) totaled -$44 thousand. This is much favorable to losses of -$186 thousand and -$108 thousand in March and April, respectively.

f. On May 12, 2014 IFA received State Treasurer funds in the amount of $8.2 million for the Ambulance and Fire Truck Loan program. The monies will now be invested along with IFAs other Locally Held Funds.

[1] ***<u>Operating Revenues and Expenses</u>*** are direct results of our basic business operations. ***<u>Non-Operating Revenues and Expenses</u>*** are netted against each other and include interest and investment income and expenses, bad debt adjustments, transfers to the State of Illinois and realized/unrealized gains and losses on investments. ***<u>Net Income/(Loss)</u>*** is our bottom line.

2. GENERAL OPERATING FUND ASSETS, LIABILITIES AND NET POSITION

a. IFA continues to maintain a strong balance sheet. In the General Fund, total assets of just under $50 million (consisting of cash, investments, and receivables) are 52 times the total liabilities of $806 thousand. Available cash on hand of $5.8 million is currently 12% of total assets in the General Fund and after reserves for current expenses and the DACA Loan Program (direct loans from the General Fund), that figure is reduced to 9%. The remaining $43 million of total assets in the General Fund are investments currently held by the investment managers, Clear Arc and Ziegler Capital.

3. FY14 FINANCIAL STATEMENT AUDIT and GASB UPDATE

a. The FY14 financial audit kicks off with the entrance conference scheduled for June 16, 2014.

b. In the presentation for the FY14 audited annual financial statements, the ***Metro East Police District Commission*** will be shown as a separate fiduciary fund and will have its own separate financials.

c. Per ***GASB Statement No. 65***, total deferred costs of issuance on debt are ***"costs that the debt issuer pays directly to financial and legal advisors, the trustee (if any), paying agents, auditors, rating agencies and other providers of services to the issuer"***. Current balances for all funds on IFA's books originate from the Bond Bank transactions and total $236 thousand (including $176 thousand in the General Fund). These costs were previously amortized (as assets) on IFAs books over the life of the bond, but per the new accounting standard, they must be expensed immediately in the current period. IFA will be expensing this entire amount on its FY14 audited annual financial statements. This should also be noted for similar transactions in the future.

Also, per ***GASB Statement No. 65,*** some balances previously reported as assets and liabilities will now be categorized as deferred outflows (similar to assets) and deferred inflows (similar to liabilities). For IFA, the biggest change would be the reporting for gains and losses attributable to refundings. These amounts will now be shown separately as a deferred outflow or inflow on the FY14 audited financial statements and going forward.

[2] Per ***GASB Interpretation No. 2*, I**FA reports activity for specific component units (Clean Water, Northern Illinois University Foundation, Moral Obligation-Backed Local Gov't Bonds, etc.) and adjustments for this activity are performed on a quarterly basis. Estimates have been made as of April 30th for presentation purposes. The Consolidated Debt Fund includes both IFA Bond Debt and Component Unit Debt Activity.

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL FUND
FOR THE YEAR AS OF MAY 31, 2014
(UNAUDITED)

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VS ACTUAL
Operating revenues:														
Interest on loans	13,138	13,012	11,444	10,262	9,746	13,572	9,848	7,530	3,830	3,196	3,262	98,840	147,719	(48,879)
Application fees	2,000	3,900	10,250	2,900	1,300	10,600	2,700	1,100	1,200	1,200	4,400	41,550	6,424	35,126
Annual fees	16,408	16,691	82,716	23,370	20,055	40,625	42,494	58,410	46,042	51,105	43,319	441,234	71,819	369,415
Administrative service fees	292,974	280,030	304,935	269,865	345,613	438,739	79,000	65,984	49,574	130,195	91,225	2,348,133	3,414,894	(1,066,761)
Miscellaneous	40	4,483	4,483	23,581	4,818	4,483	75,353	4,483	4,483	4,483	171,772	302,462	58,300	244,162
Total operating revenues	**$ 324,560**	**$ 318,115**	**$ 413,828**	**$ 329,978**	**$ 381,532**	**$ 508,018**	**$ 209,395**	**$ 137,506**	**$ 105,128**	**$ 190,179**	**$ 313,978**	**$ 3,232,218**	**$ 3,699,156**	**(466,938)**
Operating expenses:														
Employee related expenses	148,641	162,492	146,273	140,293	141,625	141,237	154,491	158,227	156,641	162,867	159,570	1,672,358	1,874,125	(201,767)
Professional services	40,121	70,589	89,680	129,904	135,515	96,344	64,463	148,470	80,319	158,055	178,882	1,192,342	1,187,098	5,244
Occupancy costs	26,273	25,601	26,152	27,637	21,934	26,660	26,750	26,631	26,782	29,390	26,353	290,164	318,087	(27,924)
General & Administrative	23,225	28,092	26,238	30,662	26,938	30,193	23,397	24,934	26,978	29,899	26,411	296,966	301,851	(4,885)
Total operating expenses before depreciation and amortization	**$ 238,259**	**$ 286,775**	**$ 288,343**	**$ 328,496**	**$ 326,012**	**$ 294,434**	**$ 269,102**	**$ 358,262**	**$ 290,720**	**$ 380,212**	**$ 391,216**	**$ 3,451,830**	**$ 3,681,161**	**$ (229,331)**
Operating income (loss) before depreciation and amortization	86,300	31,341	125,486	1,483	55,520	213,584	(59,707)	(220,756)	(185,592)	(190,032)	(77,238)	(219,612)	17,995	(237,607)
Depreciation and Amortization	3,737	3,737	3,737	3,737	3,845	3,845	3,845	3,846	3,428	3,428	4,745	41,932	41,712	220
Operating income (loss)	**$ 82,563**	**$ 27,604**	**$ 121,748**	**$ (2,254)**	**$ 51,675**	**$ 209,739**	**$ (63,552)**	**$ (224,602)**	**$ (189,020)**	**$ (193,460)**	**$ (81,984)**	**$ (261,544)**	**$ (23,717)**	**$ (237,827)**
Nonoperating revenues (expenses):														
Bad Debt Adjustment	-	-	10,761	-	-	-	-	-	39,333	-	-	50,094	-	50,094
Interest and investment income	1,440	1,338	1,192	2,172	1,181	(2,386)	6,369	70,173	49,137	63,377	55,446	249,438	183,337	66,101
Realized Gain(loss) on sale of investments	-	-	-	-	-	-	-	(1,342)	(363)	(2,113)	(3,314)	(7,131)	-	(7,131)
Net appreciation (depreciation) in fair value of investments	-	-	-	-	-	-	(12,106)	(75,829)	(85,264)	24,509	(13,794)	(162,484)	-	(162,484)
Total nonoperating revenues (expenses), net	**$ 1,440**	**$ 1,338**	**$ 11,954**	**$ 2,172**	**$ 1,181**	**$ (2,386)**	**$ (5,736)**	**$ (6,998)**	**$ 2,843**	**$ 85,773**	**$ 38,338**	**$ 129,917**	**$ 183,337**	**(53,420)**
Net Income/(Loss)	**$ 84,003**	**$ 28,941**	**$ 133,702**	**$ (83)**	**$ 52,856**	**$ 207,353**	**$ (69,288)**	**$ (231,600)**	**$ (186,177)**	**$ (107,687)**	**$ (43,646)**	**$ (131,627)**	**$ 159,620**	**(291,247)**

Note: The sum of some amounts may not equal the total due to rounding

Prepared By:
Department of Finance

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
GENERAL FUND

For the Eleven Months Ended May 31, 2014
(UNAUDITED)

		FY 2014 AS OF MAY 31, 2014
ASSETS:		
CASH & INVESTMENTS, UNRESTRICTED		47,279,106
ACCOUNTS RECEIVABLES, NET		178,660
LOANS RECEIVABLES, NET		1,573,996
NOTES AND INTEREST RECEIVABLES		583,804
PREPAID EXPENSES		73,987
TOTAL CURRENT ASSETS	**$**	**49,689,554**
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION		120,515
DEFERRED COST OF ISSUANCE[1]		175,718
TOTAL NON-CURRENT ASSETS	**$**	**296,233**
TOTAL ASSETS	**$**	**49,985,787**
LIABILITIES:		
CURRENT LIABILITIES		548,314
LONG-TERM LIABILITIES		257,432
TOTAL LIABILITIES	**$**	**805,745**
NET POSITION:		
NET INVESTMENT IN CAPITAL ASSETS		120,515
UNRESTRICTED		49,191,152
CHANGE IN NET POSITION[2]		(131,627)
TOTAL NET POSITION	**$**	**49,180,042**
TOTAL LIABILITIES & NET POSITION	**$**	**49,985,787**

Note: The sum of some amounts may not equal the total due to rounding

[1] Per GASB Statement No. 65, deferred issuance costs will no longer be considered assets and will b

[2] The Change in Net Position is equal to Net Income for the period presented.

Prepared By:
Department of Finance

ILLINOIS FINANCE AUTHORITY QUICK DATA
For the Year As of May 31, 2014
(GENERAL FUND)[1]

FINANCIAL CATEGORIES	MONTHLY COMPARISON APRIL 2014	MONTHLY COMPARISON MAY 2014	ANNUAL COMPARISON FISCAL YTD 2013	ANNUAL COMPARISON FISCAL YTD 2014
PROFITABILITY ANALYSIS[2]				
Total Operating Revenues	190,179	310,664	4,614,732	3,225,087
Total Operating Expenses	383,190	395,962	3,343,344	3,443,668
Operating income (loss)	(193,011)	(85,298)	1,271,388	(218,581)
Total nonoperating revenues (expenses), net	85,773	41,652	429,339	86,954
Net Income/(Loss)	**(107,238)**	**(43,646)**	**1,700,727**	**(131,627)**
Operating Profit Margin	-101.5%	-27.5%	27.6%	-6.8%
Net Profit Margin	-56.4%	-14.0%	36.9%	-4.1%
DEBT RATIOS AND LIQUIDITY ANALYSIS[2]				
Total Assets	50,183,263	49,985,788	50,746,502	49,985,788
Total Liabilities	959,124	805,745	1,322,180	805,745
Total Equity	49,224,139	49,180,043	49,424,322	49,180,043
Debt to Assets	1.9%	1.6%	2.6%	1.6%
Debt to Equity	2%	2%	3%	2%
Net Income	(107,238)	(43,646)	1,700,727	(131,627)
Total Assets	50,183,263	49,985,788	50,746,502	49,985,788
Return on Assets (ROA)	-0.21%	-0.09%	3.35%	-0.26%
Current Assets			49,482,949	49,615,568
Prepaid Expenses			66,902	73,987
Current Liabilities			1,014,804	548,314
Net Working Capital			48,468,145	49,067,254
Current Ratio			48.76	90.49
Quick Ratio			48.70	90.35

DEBT AND INVESTMENTS	MONTHLY COMPARISON APRIL 2014	MONTHLY COMPARISON MAY 2014	ANNUAL COMPARISON FISCAL YTD 2013	ANNUAL COMPARISON FISCAL YTD 2014
INVESTMENT SUMMARY AND RETURNS[3]				
Total $ Held-Clear Arc	**32,640,970**	**32,677,765**	**-**	**32,677,765**
Additional $ Deposited	-	-	-	-
Unrealized Gain/(Loss)	(1,791)	(2,584)	-	(2,584)
Realized Gain/(Loss)	(1,585)	(2,442)	-	(2,442)
Accrued Interest Income	142,227	151,510	-	151,510
Estimated Annual Income	**561,065**	**529,338**	**-**	**529,338**
Total $ Held-Ziegler	**8,910,452**	**8,762,085**	**-**	**8,762,085**
Additional $ Deposited	276,884	-	-	-
Unrealized Gain/(Loss)	(12,115)	(11,431)	-	(11,431)
Realized Gain/(Loss)	(528)	(872)	-	(872)
Accrued Interest Income	59,767	64,742	-	64,742
Estimated Annual Income	**165,142**	**179,270**	-	**179,270**
BOND METRICS				
Conduit Debt Issued and Outstanding	24,126,945,742	24,048,665,250	24,698,517,697	24,048,665,250
Bonds Issued and Outstanding	1,815,666,182	1,885,960,182	2,192,894,653	1,885,960,182
Bonds Refunded	856,578,423	856,578,423	1,019,490,132	856,578,423
Beginning Farmer Bonds	3,073,182	3,368,182	4,090,055	3,368,182
Total General Moral Obligation Bonds	70,825,000	70,825,000	79,560,000	70,825,000
Total State Component Unit Bonds	159,549,666	159,560,666	135,731,739	159,560,666
LOAN METRICS				
# of Participation & "At Risk" Loans	19	19	29	19
$ of Outstanding Participation Loans	3,581,503	3,533,148	6,394,357	3,533,148
Net Adj of $ IFDA Defaults-$ Bad Debt	(144,858)	0	0	0
Principal Reduction	21,581	48,355	371,062	48,355
Accrued Interest Due	11,149	5,390	33,590	5,390
Bad Debt Write-Offs	0	0	-	0
$ 30+ Days Delinquent	111,337	111,337	N/A	111,337
# of Guaranteed Loans, Debt Restr. etc.	82	79	103	79
$ of Guaranteed Loans, Debt Restr. etc.	19,730,897	19,404,151	26,241,888	19,404,151
Total $ Guaranteed (85%)	16,762,772	16,485,038	22,293,960	16,485,038
Pay Certs/Invoices Not Paid	2,188	8,172	N/A	8,172

Notes:

[1]**The financial data on this sheet is from the General Fund (01) only.**

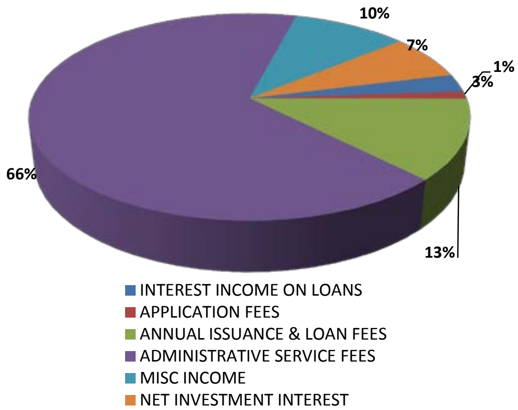
[2]**Financial Statement Ratios:**

- [a]**The operating profit margin is obtained by subtracting the sum of the company's operating expenses from net revenues.**
- [b]**The current ratio is a popular financial ratio used to measure the proportion of short term (<1 yr) assets available to cover short term liabilities. The higher the ratio, the better.**
- [c]**The quick ratio - aka the acid-test ratio - further refines the current ratio by measuring only the most liquid current assets against current liabilities.**
- [d]**The return on assets (ROA) ratio illustrates how efficient management is in utilizing its asset base. Rule of thumb is no less than 5% or 1.5% for banks.**
- [e]**This debt to assets ratio compares a company's total debt to its total assets. As a reminder, the majority of IFA's debt is in the Bond Fund. The lower the percentage, the stronger the equity position.**
- [f]**This debt to equity ratio compares a company's total debt to its total equity. As a reminder, the majority of IFA's debt is in the Bond Fund. The lower the percentage, the stronger the equity position.**

[3]**The investment data source(s) are the monthly account statements from Amalgamated Bank. General Ledger entries may differ slightly due to timing and previous book values.**

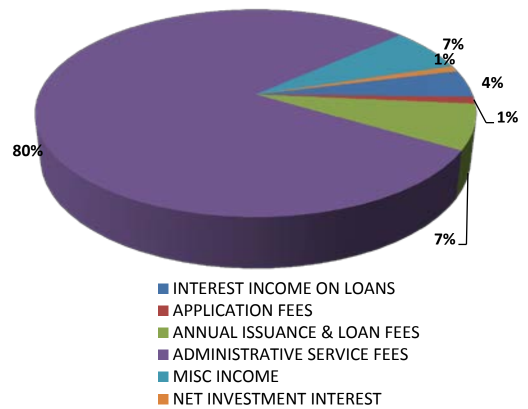
FY 14 Revenue Distribution Chart
For the Eleven Months
Ending May 31, 2014

REVENUE DESCRIPTION	*$ AMT*
INTEREST INCOME ON LOANS	98,840
APPLICATION FEES	41,550
ANNUAL ISSUANCE & LOAN FEES	441,234
ADMINISTRATIVE SERVICE FEES	2,348,133
MISC INCOME	352,556
NET INVESTMENT INTEREST	249,438
TOTAL REVENUES	3,531,751



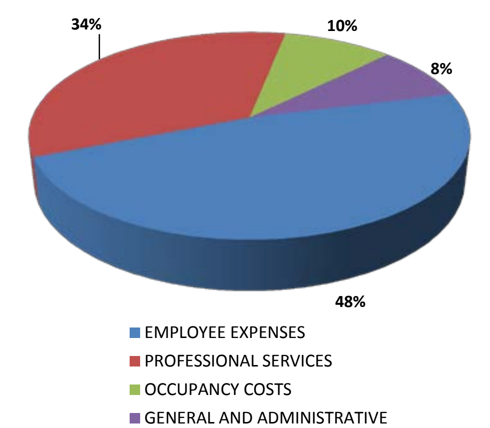
FY 13 Revenue Distribution Chart
For the Eleven Months
Ending May 31, 2013

REVENUE DESCRIPTION	*$ AMT*
INTEREST INCOME ON LOANS	198,203
APPLICATION FEES	50,300
ANNUAL ISSUANCE & LOAN FEES	327,633
ADMINISTRATIVE SERVICE FEES	3,723,469
MISC INCOME	315,127
NET INVESTMENT INTEREST	42,565
TOTAL REVENUES	4,657,297



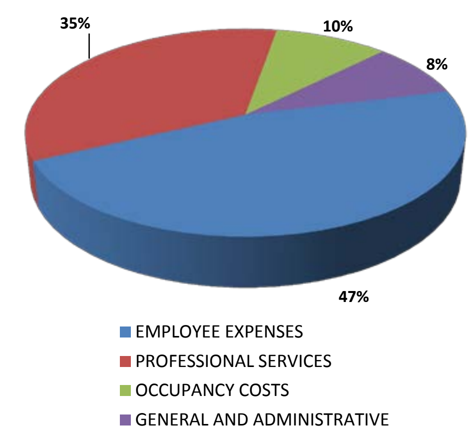
FY 14 Expense Distribution Chart
For the Eleven Months
Ending May 31, 2014

EXPENSE DESCRIPTION	*$ AMT*
EMPLOYEE EXPENSES	1,672,358
PROFESSIONAL SERVICES	1,192,342
OCCUPANCY COSTS	332,095
GENERAL AND ADMINISTRATIVE	296,966
TOTAL EXPENSES	3,493,761



FY 13 Expense Distribution Chart
For the Eleven Months
Ending May 31, 2013

EXPENSE DESCRIPTION	*$ AMT*
EMPLOYEE EXPENSES	1,615,583
PROFESSIONAL SERVICES	1,195,190
OCCUPANCY COSTS	339,104
GENERAL AND ADMINISTRATIVE	294,479
TOTAL EXPENSES	3,444,356

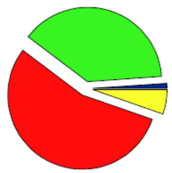


Ziegler as of April 30, 2014

Investment Review - Summary Of General Investments
Investment Allocation

0.6-%	CASH	51,289.48-
75.5%	FIXED INCOME SECURITIES	6,722,387.54
23.8%	MISCELLANEOUS ASSETS	2,124,873.72
1.3%	MONEY MARKETS	114,479.77
100.0%	Total	8,910,451.55

Schedule Of Market To Market Unrealized Gain/loss
Unrealized Gains & Losses Allocation



1.1-%	COMMERCIAL PAPER	127.72
39.6%	CORPORATE BONDS	4,789.50-
56.2%	MUNICIPAL OBLIGATIONS	6,810.90-
5.3%	U S GOVERNMENT AGENCY	642.38-
100.0%	Total	12,115.06-

Adj. Beginning Balance[1]		8,909,450
Unrealized Gain/(Loss)		(12,115)
Realized Gain/(Loss)		(528)
Net Interest Received *(after accruals)*		13,645
Ending Balance	$	8,910,452

[1] Includes funds transferred in of $276,883.60 minus disbursements of $445,000

Ziegler as of May 31, 2014

Investment Review - Summary Of General Investments
Investment Allocation

1.7-%	CASH	153,271.38-
73.9%	FIXED INCOME SECURITIES	6,474,787.48
24.2%	MISCELLANEOUS ASSETS	2,124,873.72
3.6%	MONEY MARKETS	315,695.37
100.0%	Total	8,762,085.19

Preliminary Schedule Of Market To Market Unrealized Gain/loss
Unrealized Gains & Losses Allocation

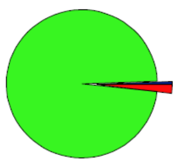
0.4-%	COMMERCIAL PAPER	48.22
48.8%	CORPORATE BONDS	5,578.20-
40.2%	MUNICIPAL OBLIGATIONS	4,597.15-
11.4%	U S GOVERNMENT AGENCY	1,303.95-
100.0%	Total	11,431.08-

Adj. Beginning Balance[2]		8,760,076
Unrealized Gain/(Loss)		(11,431)
Realized Gain/(Loss)		(872)
Net Interest Received *(after accruals)*		14,311
Ending Balance	$	8,762,085

[2] Includes fees of $375 and disbursements of $150,000

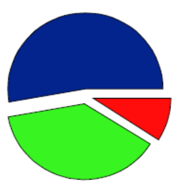
Clear Arc as of April 30, 2014

Investment Review - Summary Of General Investments
Investment Allocation



0.4%	CASH	142,227.12
97.8%	FIXED INCOME SECURITIES	31,899,938.91
1.8%	MONEY MARKETS	598,803.91
100.0%	Total	32,640,969.94

Schedule Of Market To Market Unrealized Gain/loss
Unrealized Gains & Losses Allocation

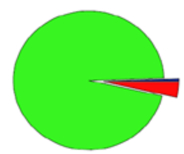


976.3%	CORPORATE BONDS	17,483.54-
708.8-%	U S GOVERNMENT AGENCY	12,693.54
167.5-%	U S GOVERNMENT OBLIGATIONS	2,999.20
100.0%	Total	1,790.80-

Beginning Balance		32,594,662
Unrealized Gain/(Loss)		(1,791)
Realized Gain/(Loss)		(1,585)
Net Interest Received *(after accruals)*		49,683
Ending Balance	**$**	**32,640,969**

Clear Arc as of May 31, 2014

Investment Review - Summary Of General Investments
Investment Allocation



0.5%	CASH	151,509.60
95.9%	FIXED INCOME SECURITIES	31,335,938.52
3.6%	MONEY MARKETS	1,190,317.24
100.0%	Total	32,677,765.36

Preliminary Schedule Of Market To Market Unrealized Gain/loss
Unrealized Gains & Losses Allocation

480.2%	CORPORATE BONDS	12,408.49-
119.8-%	U S GOVERNMENT AGENCY	3,096.81
260.4-%	U S GOVERNMENT OBLIGATIONS	6,727.92
100.0%	Total	2,583.76-

Adj. Beginning Balance[3]		32,637,263
Unrealized Gain/(Loss)		(2,584)
Realized Gain/(Loss)		(2,442)
Net Interest Received *(after accruals)*		45,528
Ending Balance	**$**	**32,677,765**

[3] Includes fees of $375 and disbursements of $3,333.81

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date: June 10, 2014
Re: Monthly Procurement Report

CONTRACTS PENDING EXECUTION

Services Provided	Vendor	Term	Start/End	NTE Value
Financial Advisory Services	Acacia Financial Group, Inc. and Sycamore Advisors, LLP-***Bd Approved/Pending PPB Approval***	24	07/14-06/16	$ 1,777,450
Internal Auditing Services	Clifton Larson Allen, LLP-***Bd Approved/Pending PPB Approval***	60	07/14-06/19	300,000

CONTRACT RENEWALS

Services Provided	Vendor	Term	Start/End	NTE Value
Marketing Services	Marj Halpern-***IFA Mgmt Currently Reviewing***	12	09/14-08/15	$ 150,000
Marketing Services	Hill Knowlton-***IFA Mgmt Currently Reviewing***	12	09/14-08/15	$ 150,000
Loan Management and Servicing	Mabsco Capital Inc.-***Bd Approved/Renewal In Process***	12	07/14-06/15	$ 100,000
Insurance Broker	Mesirow Insurance Services, Inc.-***Bd Approved-Renewal In Process***	12	06/14-06/15	$ 22,900
Legislative Services	Howard Kenner Gov't Consulting-***Bd Approved-Renewal In Process***	12	07/14-06/15	$ 60,000

NEW CONTRACTS

Services Provided	Vendor	Term	Start/End	NTE Value
Payroll and Benefit Services	ADP Total Source **(Existing Vendor/Sole Source)**-***Bd Approved/Pending PPB Approval***	12	07/14-06/15	$ 233,000
Assist with Annual Audits/GAAP Package	Anthes, Pruyn & Associates, LTD. ***(Existing Vendor/Small Purchase under $20,000)***	12	07/14-06/15	$ 9,000

UPCOMING SOLICITATIONS

Services Provided	Vendor	Term	Start/End	NTE Value
Energy Lease Financing Opportunity	To be provided on July 2014 Board Day	NTE 120	07/14-06/24	-
Accounting and Auditing Pool	To be provided on July 2014 Board Day	24	08/14-07/16	-
Debt Management Software Application	To be provided on July 2014 Board Day	36	08/14-07/17	-

Verification Agent/CPA Services	***Exempt-Small Purchase under $20,000***	3	06/14-09/14	-

PROPOSED CHANGES TO IFA PROCUREMENT POLICY

Per discussion with the Procurement Policy Board, Chief Procurement Officer, and the Authority, an intergovernmental agreement will be drafted and submitted to the Board for approval to further clarify specific compliance, procedures and responsiblities needed for Authority management to fulfill its obligation under the Illinois Procurement Code and IFA's own Procurement Policy.

ILLINOIS PROCUREMENT CODE ACTIVITIES (NO BOARD ACTION NEEDED)

Services Provided	Vendor	Term	Start/End	NTE Value
Equipment repair services	AMC Mechanical, Inc.-***Related to IFA Move to Bilandic/Mgmt Currently Reviewing***	1 year	07/13-06/14	$ 4,900
Preparation of financial statements/GAAP	Anthes, Pruyn & Associates-***IFA Mgmt Approved/Execution in Process***	1 year	07/13-06/14	$ 19,900
Data Network Consultant/Licensing Services	Catalyst Consulting Group-***CPO & PPB Approved/Execution in Process***	1 year	07/13-06/14	$ 30,000
Maintenance service for RICOH color printer	Imagetec LP-***Related to IFA Move to Bilandic/Mgmt Currently Reviewing***	1 year	07/13-06/14	$ 2,855
Digital Postage Machine	Neopost-***Related to IFA Move to Bilandic/Mgmt Currently Reviewing***	3 years	07/11-06/14	$ 1,508
Board Book Printing	Swift Impressions, Inc.-***IFA Mgmt Approved/Execution in Process***	1 year	07/13-06/14	$ 8,280
Office Lease - Mt. Vernon	Ten Oaks Properties-***IFA Mgmt & CMS Approved/Execution in Process***	4 years	07/10-06/14	$ 22,660
Shredding of confidential documents	Paper Tiger Document Solutions-***Related to IFA Move to Bilandic/Mgmt Currently Reviewing***	1 year	11/13-10/14	$ 4,500
Office Lease - Chicago	Jones Lang LaSalle-***IFA Mgmt Currently Reviewing***		Predecessor Agency	

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher

Date: June 10, 2014

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 $509,600 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $75,000**
- **Calendar Year Summary:** (as of June 10, 2014)
  - Volume Cap: $12,000,000
  - Volume Cap Committed: $1,734,663
  - Volume Cap Remaining: $10,265,337
  - Average Farm Acreage: 56
  - Number of Farms Financed: 10
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds –** no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2014 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-8686**
Borrower(s):	**Hamel, Colton R.**
Borrower Benefit:	First Time Land Buyer
Town:	Greenville, IL
IFA Bond Amount:	**$75,000**
Use of Funds:	Farmland – 40 acres of farmland
Purchase Price:	$150,000 / ($100,000 for farmland (amount net of personal residence /$2,500 per ac)
%Borrower Equity	5%
% USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
Township:	LaGrange
Counties/Regions:	Bond / Southwestern
Lender/Bond Purchaser	Bradford National Bank / Southwestern
Legislative Districts:	Congressional: 13 State Senate: 54 State House: 107

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule calculated at the initial interest rate, 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.

CONDUIT

June 10, 2014	**$4,000,000 (not-to-exceed amount)** **Peddinghaus Corporation**
REQUEST	**Purpose:** Bond proceeds will be loaned to **Peddinghaus Corporation**, a Delaware corporation (the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in financing all or a portion of the costs of (i) acquisition and installation of equipment at its existing manufacturing buildings located at 300 N. Washington Ave. and 301 N. Washington Ave., in Bradley (Kankakee County), Illinois, 60915, including necessary site work or improvements therein, all for use in expanding the Borrower's manufacturing capabilities to produce proprietary drilling, sawing, punching, and thermal cutting CNC equipment for the metal working and fabricating industries, (ii) paying capitalized interest, if deemed necessary or desirable by the Borrower, and (iii) paying bond issuance costs, all as permitted by the Act (collectively, the "**Project**"). **Program:** Industrial Revenue Bond **Volume Cap required:** This Project is expected to require an anticipated $4.0MM of IFA 2014 Volume Cap. No IFA Funds at risk. No State Funds at risk.
BOARD ACTION	None. This is the first time this project has been presented to the IFA Board of Directors.
JOB DATA	286 Current jobs; 6 New jobs projected N/A Retained jobs; 18-20 Peak Construction jobs projected (4-6 months)
BORROWER DESCRIPTION	● Type of entity: Manufacturer of heavy pieces of machinery and equipment designed for cutting, drilling and punching heavy structural steel and plate steel. ● Location: Bradley/Kankakee/Northeast ● A key element of the Company's strategy is to expand its market share in the Heavy Computerized Numerical Control ("CNC") Machine Tools for the Structural Steel and Heavy Plate Steel industries, both domestically and worldwide. ● IFA issued $3,570,000 of Industrial Development Revenue Bonds on behalf of the Borrower in 2007. Bond proceeds were loaned to the Borrower to finance all or a portion of the costs of (i) the construction and equipping of a new, approximately 45,500 square foot manufacturing facility on a vacant parcel of land owned by the Borrower and located at 300 N. Washington Ave. in Bradley, Illinois, for use by the Borrower in the manufacturing of the Borrower's proprietary cutting, slitting, and punch press industrial machines (the "**2007 Project**").
CREDIT INDICATORS	● The Series 2014 Bond will be purchased directly by First American Bank Corporation ("First American") a direct investment. First American will be the secured lender and direct bond investor.
STRUCTURE	● Term: Not-to-exceed 10 years (anticipated maximum term of 7 years, (i.e., 84 months) on equipment). ● Rate: The Series 2014 Bond will be purchased directly by First American Corp. as a direct investment and is expected to bear a floating interest rate until maturity, currently estimated at between 3.0% and 4.0%.
SOURCES AND USES	**Sources:** IFA Bond $4,000,000 Equity 160,000 **Total $4,160,000** **Uses:** Equipment $3,890,000 Site Work 200,000 Costs of Issuance 70,000 **Total $4,160,000**
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 10, 2014

Project: Peddinghaus Corporation

STATISTICS

IFA Project:	I-ID-TE-CD-8687	Amount:	$4,000,000 *(not-to-exceed amount)*
Type:	Industrial Revenue Bond	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Bradley	County/ Region:	Kankakee / Northeast

BOARD ACTION

Preliminary Bond Resolution	
Conduit Industrial Revenue Bond	No IFA funds at risk
Credit committee recommends approval	No extraordinary conditions

VOTING RECORD

This is the first time this project is being presented to the IFA Board of Directors.

PURPOSE

Bond proceeds will be loaned to **Peddinghaus Corporation**, a Delaware corporation (the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in financing all or a portion of the costs of (i) acquisition and installation of equipment at its existing manufacturing buildings located at 300 N. Washington Ave. and 301 N. Washington Ave., in Bradley (Kankakee County), Illinois, 60915, including necessary site work or improvements therein, all for use in expanding the Borrower's manufacturing capabilities to produce proprietary drilling, sawing, punching, and thermal cutting CNC equipment for the metal working and fabricating industries, (ii) paying capitalized interest, if deemed necessary or desirable by the Borrower, and (iii) paying bond issuance costs, all as permitted by the Act (collectively, the "**Project**")..

IFA PROGRAM AND CONTRIBUTION

The Authority's Industrial Revenue Program provides tax-exempt financing for qualifying manufacturing projects.

VOLUME CAP

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying manufacturing projects. IFA's issuance of the Industrial Revenue Bond will enable the Borrower to obtain a lower interest rate on this capital project. It is anticipated that IFA will provide 100% of the Volume Cap allocation required to finance the Project (i.e., anticipated amount of $4.0MM).

SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bond	$4,000,000	Equipment:	$3,890,000
Equity	160,000	Site Work:	200,000
		Costs of Issuance:	70,000
Total	**$4,160,000**	**Total**	**$4,160,000**

JOBS

Current employment:	286	New jobs projected:	6
Jobs retained:	N/A	Construction jobs projected:	18-20 Peak (4-6 months)

FINANCING SUMMARY

Structure/Credit Enhancement: The conduit Industrial Revenue Bond will be purchased directly by First American Bank Corporation as the Direct Investor/Lender.

Interest Rate: The Bond will be purchased directly by First American Bank Corp. as a direct investment and is expected to bear a floating interest rate until maturity, currently estimated at between 3.0% and 4.0%.

Bank Collateral: First American Bank Corp. will be secured by a first lien on the financed equipment, and a blanket first security interest on real estate, and all other corporate assets.

Maturity: Not-to-exceed 10 years (anticipated maximum of 7 years (i.e., 84 months) on equipment)

Closing: August 2014

BUSINESS SUMMARY

Description: **Peddinghaus Corporation** (“**Peddinghaus**” or the “**Borrower**”) was founded in 1903 by Paul Peddinghaus in Gevelsberg, Germany. Peddinghaus is in its fourth generation of family ownership and is currently managed by Carl “Anton” Peddinghaus. Peddinghaus was incorporated under Delaware law on May 4, 1977.

Owners of 7.5% or more of Peddinghaus are identified in the Economic Disclosure Statement section of this report (see p. 4).

Background: Since inception, Peddinghaus has served the steel construction, plate fabrication and metal working industries by providing heavy machinery used for cutting, drilling, and punching heavy metals. Peddinghaus machines are used worldwide to process structural steel used in the construction of steel bridges, stadiums, high-rise buildings, and general steel-framed buildings worldwide.

Peddinghaus is headquartered in Bradley, Illinois and employs approximately 286 FTEs, with engineering facilities in Andrews, South Carolina and Vitoria, Spain. International sales and service affiliates are located in Gevelsberg, Germany, the UK, Netherlands, Hong Kong, and Mexico. The shares of the Company are held in the Peddinghaus Family Trust.

IFA issued approximately $3.57MM of Industrial Development Revenue Bonds in 2007 that financed the construction and equipping of a new, approximately 45,500 square foot manufacturing facility on a vacant parcel of land owned by the Borrower that expanded the

Company's operations in Bradley. All payments on the IFA Series 2007 Bonds have been paid as scheduled and are current.

Peddinghaus' Bradley, IL facility is located in the *Kankakee River Valley Enterprise Zone*.

Rationale: The proposed project will enable Peddinghaus Corporation to increase production capacity in connection with its manufacture of heavy pieces of machinery and equipment designed for cutting, drilling and punching heavy structural steel and metals.

Tax-Exempt Industrial Revenue Bond financing will help the Borrower finance its capital intensive growth at a significantly lower interest rate and enable the Company to maintain more competitive pricing against worldwide competition.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will be loaned to **Peddinghaus Corporation**, a Delaware corporation (the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in financing all or a portion of the costs of (i) acquisition and installation of equipment at its existing manufacturing buildings located at 300 N. Washington Ave. and 301 N. Washington Ave., in Bradley (Kankakee County), Illinois, 60915, including necessary site work or improvements therein, all for use in expanding the Borrower's manufacturing capabilities to produce proprietary drilling, sawing, punching, and thermal cutting CNC equipment for the metal working and fabricating industries, (ii) paying capitalized interest, if deemed necessary or desirable by the Borrower, and (iii) paying bond issuance costs, all as permitted by the Act (collectively, the "**Project**").

Estimated Project costs consist of the following:

Equipment	$3,890,000
Site Work	200,000
Total New Money Project Costs	**$4,090,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: Peddinghaus Corporation, c/o Greg Kubick, Chief Financial Officer, 300 North Washington Avenue, Bradley (Kankakee County), Illinois 60915; Ph.: 815-937-3800

Website: www.peddinghaus.com

Project name: IFA Industrial Revenue Bond (Peddinghaus Corporation Project), Series 2014

Location: 300 N. Washington Ave., Bradley, Kankakee County, IL 60915

Ownership Information: All management employees or individuals holding *a 7.5% or greater ownership interest* (i.e., IFA private company disclosure threshold) in Peddinghaus Corporation are listed below:

- Carl U. Peddinghaus Trust (Bradley, IL) 65.8%*
- Verena Peddinghaus (Germany) 11.4%
- Barbara Peddinghaus (Germany) 11.4%
- Alexandra Peddinghaus (Germany) 11.4%

* Note: Carl G. Peddinghaus, CEO/President, owns a 26% pro rata share of common stock of Peddinghaus Corporation through the Carl U. Peddinghaus Trust.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Peddinghaus Corporation (in-house)	Bradley, IL	David D. Zeglis
Accounting:	Smith, Koelling, Dykstra & Ohm, P.C.	Bourbonnais, IL	
Bank (Direct Purchaser/ Lender):	First American Bank Corp.	Elk Grove Village, IL	Steve Eikenberry Mark Kroencke
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder Enzo Incandela
Bank Counsel:	First American Bank Corp. (in-house)	Elk Grove Village, IL	James Benton
IFA Counsel:	To be engaged		
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	2
State Senate:	40
State House:	79

CONDUIT

IFA ILLINOIS FINANCE AUTHORITY

May 27, 2014

$135,000,000
Southern Illinois Healthcare

REQUEST	**Purpose**: Bond proceeds will be used by **Southern Illinois Healthcare Enterprises, Inc.** ("**SIHE**", "**SIH**" or the "**Corporation**") and Southern Illinois Hospital Services (the "**Hospital**" and, together with the Corporation, the "**Users**") to (i) pay or reimburse the Users for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Users, including (a) an Energy Center and certain related facilities adjacent to Memorial Hospital of Carbondale ("**MHC**"), (b) an approximately four-story addition to MHC, including an expansion of surgical and intensive care facilities, (c) expansion of the outpatient facilities at St. Joseph Memorial Hospital ("**SJMH**"), (d) the construction of an approximately 46,000 square foot Cancer Center, and (e) various other capital improvements to and routine capital equipment purchases for MHC, SJMH, Herrin Hospital and the Users' healthcare and corporate facilities; (ii) refund all or a portion of the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008 (Southern Illinois Healthcare Enterprises, Inc.) (the "**Prior Bonds**"); (iii) provide working capital to the Users, if deemed necessary or advisable by the Corporation or the Authority; (iv) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by the Corporation or the Authority; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**"). **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution (*One-time consideration*)
MATERIAL CHANGES	None. This is the first time this project has been presented to the IFA Board of Directors.
JOB DATA	2,744 FTEs Current jobs; 57.5 FTEs New jobs projected 2,744 FTEs Retained jobs; 640 FTEs Construction jobs projected
DESCRIPTION	● Southern Illinois Healthcare Enterprises ("**SIH**") is a 285-bed three-hospital system located in the Carbondale area (Jackson County and Williamson County), Illinois and consisting of: – Memorial Hospital of Carbondale (146 beds) – Herrin Hospital (114 beds) – St. Joseph Memorial Hospital (25-bed CAH located in Murphysboro, Illinois)
SECURITY	● The Bonds will be secured by the Borrower's Direct Note Obligations issued pursuant to its Master Trust Indenture ("**MTI**"). To secure the prompt payment of the principal of and interest on and any premium on each Obligation, each Member pledges, assigns and grants to the Master Trustee, an assignment of and security interest in the Gross Revenues of each Member.
CREDIT INDICATORS	● The Bonds will not be rated. SIHE maintains an "A+/Stable" rating from both S&P and Fitch.
STRUCTURE	● Variable rate direct purchase by JPMorgan Chase and BMO Harris (ten year term)
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		**Uses**:	
IFA Bonds	$135,000,000	Project Fund	$81,565,000
		Refunded Bonds	$51,235,000
		Cost of Issuance	$2,200,000
Total	**$135,000,000**	**Total**	**$135,000,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 10, 2014

Project: Southern Illinois Healthcare

STATISTICS

Project Number:	H-HO-TE-CD-8688	Amount:	$135,000,000 (Not-to-Exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Cities:	Carbondale, Herrin, Murphysboro	Counties/Region:	Jackson County and Williamson County/Southern

BOARD ACTION

Final Bond Resolution (one-time consideration)	No IFA Funds at Risk
Conduit 501(c)(3) Bonds	No Extraordinary Conditions
Credit Review Committee recommends approval	

VOTING RECORD

This is the first time this project is being presented to the IFA Board of Directors.

PURPOSE

Bond proceeds will be used by **Southern Illinois Healthcare Enterprises, Inc.** ("**SIHE**", "**SIH**" or the "**Corporation**") and Southern Illinois Hospital Services (the "**Hospital**" and, together with the Corporation, the "**Users**") to (i) pay or reimburse the Users for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Users, including (a) an Energy Center and certain related facilities adjacent to Memorial Hospital of Carbondale ("**MHC**"), (b) an approximately four-story addition to MHC, including an expansion of surgical and intensive care facilities, (c) expansion of the outpatient facilities at St. Joseph Memorial Hospital ("**SJMH**"), (d) the construction of an approximately 46,000 square foot Cancer Center, and (e) various other capital improvements to and routine capital equipment purchases for MHC, SJMH, Herrin Hospital and the Users' healthcare and corporate facilities; (ii) refund all or a portion of the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008 (Southern Illinois Healthcare Enterprises, Inc.) (the "**Prior Bonds**"); (iii) provide working capital to the Users, if deemed necessary or advisable by the Corporation or the Authority; (iv) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by the Corporation or the Authority; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 2,744 FTEs	Projected new jobs: 57.5 FTEs
	Construction jobs: 640 FTEs

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bonds	$135,000,000	Project Fund	$81,565,000
		Refunded Bonds	$51,235,000
		Cost of Issuance	$2,200,000
Total	**$135,000,000**	**Total**	**$135,000,000**

FINANCING SUMMARY

Security: The Bonds will be secured by the Borrower's Direct Note Obligations issued pursuant to its Master Trust Indenture ("MTI"). To secure the prompt payment of the principal of and interest on and any premium on each Obligation, each Member pledges, assigns and grants to the Master Trustee, an assignment of and security interest in the Gross Revenues of each Member.

Structure: The plan of finance contemplates a bank direct purchase by JPMorgan Chase Bank, N.A. and BMO Harris Bank, N.A. Each bank holding period will have an initial term of 10 years.

Interest Rate: To be determined based on market conditions.

Interest Mode: Variable Rate

Maturity: 2044

Rating: The Bonds will not be rated. Southern Illinois Healthcare Enterprises maintains "A+/Stable" ratings by Standard & Poor's and Fitch.

Estimated Closing Date: Week of June 16, 2014

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Southern Illinois Healthcare Enterprises, Inc., an Illinois not for profit corporation (the "**Corporation**"), has requested that the Authority issue in an aggregate principal amount not to exceed $135,000,000 of revenue bonds consisting of (i) Revenue Bonds, Series 2014A (Southern Illinois Healthcare Enterprises, Inc.) (the "**Series 2014A Bonds**") and (ii) Revenue Bonds, Series 2014B (Southern Illinois Healthcare Enterprises, Inc.) (the "**Series 2014B Bonds**" and, together with the Series 2014A Bonds, the "**Series 2014 Bonds**") and loan the proceeds from the sale thereof to the Corporation in order to provide Southern Illinois Hospital Services, an Illinois not for profit corporation (the "**Hospital**" and, together with the Corporation, the "**Users**") and the Corporation, with all or a portion of the funds necessary to (i) pay or reimburse the Users for the costs of acquiring, constructing, remodeling, renovating and equipping certain health care facilities owned by the Users, including (a) an Energy Center and certain related facilities adjacent to Memorial Hospital of Carbondale ("**MHC**"), (b) an approximately four-story addition to MHC, including an expansion of surgical and intensive care facilities, (c) expansion of the outpatient facilities at St. Joseph Memorial Hospital ("**SJMH**"), (d) the construction of an approximately 46,000 square foot Cancer Center, and (e) various other capital improvements to and routine capital equipment purchases for MHC, SJMH, Herrin Hospital and the Users' healthcare and corporate facilities; (ii) refund all or a portion of the Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008 (Southern Illinois Healthcare Enterprises, Inc.) (the "**Prior Bonds**"); (iii) provide working capital to the Users, if deemed necessary or advisable by the Corporation or the Authority; (iv) pay a portion of the interest on the Series 2014 Bonds, if deemed necessary or advisable by the Corporation or the Authority; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

BUSINESS SUMMARY

Southern Illinois Healthcare Enterprises ("SIH") is a 285-bed three-hospital system located in and around Carbondale, Illinois, consisting of:

- Memorial Hospital of Carbondale (146 beds)
- Herrin Hospital (114 beds)
- St. Joseph Memorial Hospital (25-bed CAH located in Murphysboro, Illinois)

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Southern Illinois Healthcare
Location:	Carbondale, Illinois
Project name:	Southern Illinois Healthcare (Series 2014)
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Contact:	Michael Kasser, Vice President, Chief Financial Officer, Treasurer mike.kasser@sih.net 618.457.5200

Board of Directors:	Steven Sabens, Chair	W. Eugene Basanta (Vice Chair)	Marlene Simpson (Secretary)
	Michael W. Absher	Harold Bardo	Rex Budde
	Kathleen Fralish	Terrence Glennon, M.D.	Morton Levine
	Debra McMorrow	Bob Mees	George O'Neil
	Marsha Ryan, M.D.		

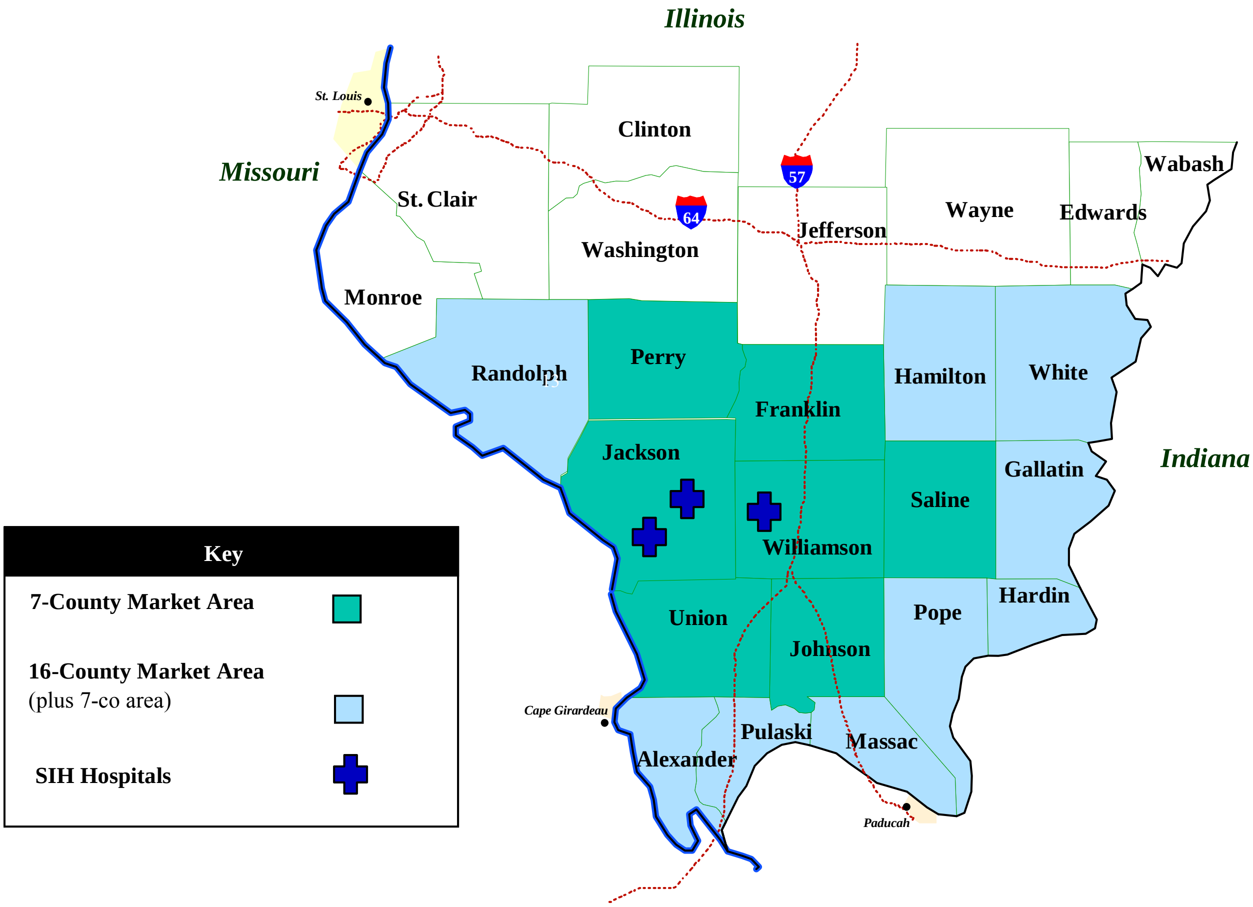
PROFESSIONAL & FINANCIAL

Financial Advisor:	Hammond Hanlon Camp LLC	Chicago	Victoria Poindexter
Borrower's Counsel:	Armstrong Teasdale	St. Louis	Kirby Colson
Bond Counsel:	Chapman and Cutler	Chicago	Rich Tomei
Issuer's Counsel:	Hinshaw Culbertson	Chicago	Leslie Richards-Yellen
Purchaser:	JPMorgan Chase	Chicago	Sara May
Purchaser's Counsel:	Chapman and Cutler	Chicago	David Field
Purchaser:	BMO Harris	Chicago	Deborah Capozzi
Purchaser's Counsel:	Chapman and Cutler	Chicago	Carol Thompson
Issuer's Counsel:	Hinshaw Culbertson	Chicago	Leslie Richards-Yellen
Issuer's Financial Advisor:	Public Financial Management	Chicago	Shannon Jacobson

LEGISLATIVE DISTRICTS

Congressional:	12
State Senate:	58
State House:	115

SERVICE AREA



ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: IFA Board of Directors

From: Rich Frampton

Date: June 10, 2014

Re: Request by **Forreston State Bank** and **Gerald A. Brechon** to release an existing first mortgage on grain elevator, farm buildings and 50 acres of farmland in the currently outstanding amount of $698,691, and to replace with a new FSA Guaranteed First Mortgage Loan in the initial amount of $500,000

(IFA Loan number 2011-DR-0601)	Original Balance:	$500,000.00
(Agri-Debt Restructuring Guarantee-	Current Balance:	$484,047.28 (as of 5/27/2014)
2nd Mortgage Loan)	IFA/State Treasury 85% Exposure:	$411,441.04

	Senior Bank Loan Balance	**IFA 85% Guar. Balance**	**IFA/State Guar. Exposure Balance**
Original 2011 Structure:	$811,236	$500,000	$425,000
Current Loan Balances as of 5/27/2014:	$698,691	$484,047	$411,441
Proposed 2014 Structure (New Senior Loan – FSA Guar. Grain Storage Prog.):	$500,000	$484,047	$411,441
Current Senior Loan Pmt.:	$76,634		
Proposed Senior Loan Pmt.:	$49,683		

New – Bank Subordination of its existing $698,691 1st Mortgage Loan to IFA's 2nd Mortgage Agri-Debt Restructuring Guaranteed Loan: Forreston State Bank will subordinate its existing $698,691 1st Mortgage Loan to IFA's Agri-Debt Restructuring Guaranteed 2nd Mortgage Loan (*accordingly, the Bank's existing $698,601 loan will become a 3rd Mortgage Loan*)

Key– Bank Commitment to Borrower: The existing $698,691 (Senior) 1st Mortgage Loan will become subordinate to IFA's existing $484,047 2nd Mortgage Loan (and will become a 3rd Mortgage Loan, as a result). This subordination (i) increases net risk to Forreston State Bank, and (ii) substantiates the Bank's belief in the underlying value of the pledged collateral (with an appraised Fair Market Value of $1.8 million as of March 23, 2010).

Change in Pledged Collateral to IFA from 2011 Loan: None (the pledged collateral consists of approximately 58.39 acres of land (comprised of approximately 50 acres of tillable farm land and 8 acres containing improvements), and improvements located on a portion of the property, including a 10,500 SF machine shed/shop, 840,000 bu. of grain storage/grain elevator facilities, and a fertilizer/chemical facility, among other improvements.

The Request:

Forreston State Bank (the "**Bank**") and **Mr. Gerald A. Brechon** (the "**Borrower**") are seeking to replace an existing $698,691 1st Mortgage Loan with a new $500,000 FSA Guaranteed 1st Mortgage Loan, the proceeds of which would be used to upgrade the Borrower's existing grain storage facilities.

Concurrently with this request, the Bank is also proposing to subordinate the Bank's existing $698,691 1st Mortgage Loan to a 3rd Mortgage position, behind both (i) the new $500,000 FSA Guaranteed Loan to be originated by the Bank (which requires a 1st Mortgage pursuant to FSA regulations), and (ii) the existing IFA Agri-Debt Guaranteed 2nd Mortgage Loan (original amount: $500,000; outstanding balance as of 5/27/2014: $484,047; outstanding IFA/State Treasury exposure as of 5/27/2014: $411,441).

Because the FSA's Storage Facility Loan Program requires a 1st Mortgage on the subject assets, the Bank has agreed to subordinate its existing $698,691 1st Mortgage Loan to a 3rd Mortgage position in order to avoid impairing IFA's security position. *Accordingly, as proposed, Forreston State Bank would be subordinating its existing 1st Mortgage Loan in the amount of $698,691 to both:*

(i) the new $500,000 FSA Guaranteed (1st Mortgage) Farm Storage Facility Loan; and,
(ii) the IFA Agri-Debt Guaranteed (2nd Mortgage) Loan (with an outstanding balance of $484,047 as of 5/27/2014).

As a technical matter, in order to accomplish these changes, IFA would release its existing 2nd Mortgage and record a new 2nd Mortgage in its place concurrently upon closing the new $500,000 FSA Guaranteed 1st Mortgage Loan.

Background: Original 2011 Agri-Debt Restructuring Guaranteed Loan

On 6/24/2011, the Forreston State Bank closed on an $811,236 1st Mortgage Loan with Mr. Brechon that was secured by a 1st Mortgage on collateral consisting of a grain elevator, farm buildings, and approximately 50 acres of tillable farmland located in South Dixon Township, Lee County, Illinois (near Dixon, Illinois).

Concurrently, IFA closed a $500,000 Agri-Debt Restructuring Guaranteed 2nd Mortgage Loan secured by the same assets. The proceeds of these 2011 loans were used to refinance the Borrower's existing 2011 debts.

The outstanding balance of the Bank's existing 1st Mortgage Loan has been this reduced from $811,236 in 2011 to $698,691 currently, while the outstanding balance of the IFA 85% Agri-Debt Restructuring Guaranteed Loan has been reduced from $500,000 to $484,047 (while the IFA/State Treasury guarantee exposure has been reduced from $425,000 to approximately $411,441.

Original Fair Market Value Appraisal – March 23, 2010: The estimated Fair Market Value of pledged real estate and improvements securing both the original Forreston State Bank 1st Mortgage Loan of $811,236 (with $698,691 outstanding as of 5/27/2014) and IFA's Agri-Debt Guarantee 2nd Mortgage Loan of $500,000 (with $484,047 outstanding as of 5/27/2014) was $1,800,000 dated as of March 23, 2010 pursuant to an appraisal report prepared by Mr. Donald D. Beswick, Certified General Real Estate Appraiser, Morrison, Illinois.

Business Rationale - Purpose of Request: The Borrower is seeking to repair and upgrade grain storage and handling facilities under the **Farm Service Agency's ("FSA's")** Storage Facility Loan Program in the amount of $500,000. According to the Bank, the proposed improvements would upgrade the Borrower's existing grain facilities (which also include grain legs and conveyors) and improve operating efficiencies while reducing future repairs.

Impact of Request on IFA's Collateral Position: According to the Bank, because FSA requires a first mortgage loan on real estate and in consideration of the original structure of Mr. Brechon's financing agreement, Forreston State Bank will consent to releasing its first mortgage loan with an outstanding principal balance of approximately $689,691, and subordinating this existing loan to IFA's existing 2nd Mortgage Loan (i.e., with the existing 1st Mortgage Loan becoming a 3rd Mortgage Loan).

As a result of this "replacement" of the $698,691 1st Mortgage loan with a new $500,000 FSA Guaranteed 1st Mortgage Loan, the Authority's net collateral position would improve by $198,691 (since IFA would be subordinate to $198,691 less 1st Mortgage debt).

Additionally, as a result of the reduction in the First Mortgage Amount, annual scheduled 1st Mortgage loan payments would be reduced from $76,674 to $49,863, thereby also reducing the Authority's risk.

Finally, amortization of the new $500,000 1st Mortgage Loan would be over 12 years (compared to 13 years on the Bank's existing 1st Mortgage Loan of $698,691). Consequently, in addition to reduced payments, the new senior loan of $500,000 is scheduled to amortize more rapidly than the existing loan.

Conclusions:

As a result of the subordination of the Bank's existing 1st Mortgage Loan of $698,691 to a 3rd Mortgage Position (behind the IFA's Agri-Debt Guarantee 2nd Mortgage Loan of approximately $484,047) and replacement with a new FSA Guaranteed 1st Mortgage Loan in the initial amount of $500,000, the Authority would benefit from:

1. a net reduction in the effective 1st Mortgage Balance to which IFA would be subordinating from $698,691 to $500,000 (i.e., a reduction of $198,691), and
2. a reduction in the annual 1st Mortgage payments from $76,674 presently to $49,683 (reflecting both a reduction in the 1st Mortgage balance and a reduction in interest rate attributable to the FSA's Farm Storage Facility Loan to 2.875%).

Additional Comments:

- IFA would be secured with the same collateral that secures its existing approximately $484,047 loan balance. According to the March 23, 2010 Fair Market Value appraisal report considered in connection with the 2011 Agri-Debt Guarantee request presented by the Bank, the appraised value of the pledged assets was $1,800,000.
- As a result of the proposed 1st Mortgage Loan substitution as proposed by the Bank, the Authority would be behind only $500,000 of debt upon closing (compared to an original 1st Mortgage Balance of $811,236 at the time the original IFA Agri-Debt Guarantee 2nd Mortgage closed in 2011).
- By agreeing to subordinate its existing 1st Mortgage Loan of $698,691 to a 3rd Mortgage position, Forreston State Bank is (i) undertaking additional risk relative to IFA, and (ii) is demonstrating its confidence in the validity of the 2010 real estate appraisal valuation.
    - The pledged collateral consists of approximately 50 acres of tillable (row crop) farmland and a grain elevator, and farm buildings (with all improvements located on approximately 8 acres of additional contiguous property) with a fair market appraised value of $1,800,000 as of March 23, 2010.

Notably, by agreeing to subordinate its outstanding First Mortgage Loan to a Third Mortgage position, Forreston State Bank is demonstrating its belief in the liquidation value of the pledged collateral by assuming more risk as a result of subordination of its $698,691 1st Mortgage Loan to a 3rd Mortgage position (i.e., behind IFA's Agri-Debt Restructuring Guaranteed 2nd Mortgage Loan with an outstanding balance of approximately $484,047).

Recommendation:

Because (i) the proposed amendments strengthen IFA's net collateral position and (ii) given the Bank's demonstrated commitment to the Borrower evidenced by subordination of an existing loan to all other debt, the Credit Review Committee recommends approval of the changes in structure proposed herein.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: June 10, 2014

Re: Resolution Consenting to and Authorizing the Execution and Delivery by the Illinois Finance Authority of a First Amendment to the Bond and Loan Agreement Among the Authority, Practice Velocity Holdings, LLC and Riverside Community Bank Relating to the $4,400,000 Aggregate Principal Amount of Midwestern Disaster Area Revenue Bonds, Series 2012 (Practice Velocity Holdings, LLC Project); and Concerning Related Matters

IFA Series 2012 File Number: I-MDAB-TE-CD-8591

Request:

The **Illinois Finance Authority** (the "**Authority**") issued its Midwestern Disaster Area Revenue Bonds, Series 2012 (Practice Velocity Holdings, LLC Project) in the aggregate principal amount of $4,400,000 (the "**Series 2012 Bond**") pursuant to and in accordance with the provisions of that certain Bond and Loan Agreement dated as of December 1, 2012 (the "**Original Loan Agreement**") among the Authority, **Practice Velocity Holdings, LLC** (the "**Borrower**") and **Riverside Community Bank** (the "**Bond Purchaser**" or "**Bank**").

The Borrower and Bond Purchaser are requesting approval of a Resolution to authorize execution and delivery of a First Amendment to the Bond and Loan Agreement (the "**First Amendment**") to effectuate changes including (i) a shorter length of the first interest rate period from December 12, 2027 to December 12, 2024, (ii) providing that the Bonds will bear at a fixed rate of interest per year from June 12, 2014 to December 12, 2024 instead of at a variable rate, and (c) making related technical changes of the Series 2012 Bond. Approval of this Resolution will extend the weighted average maturity of the Series 2012 Bond and result in a reissuance for tax purposes. Consideration and execution of this amendment will result in a $5,000 fee to the Borrower, consistent with historical practice.

Background:

Series 2012 Bond proceeds were used to pay a portion of the costs of or to reimburse the Company for a portion of the costs of the acquisition, construction, remodeling, renovating and equipping of an office building of approximately 63,000 square feet located on parcels of real estate aggregating approximately 8.77 acres (the "**Project**"), all located in the Village of Machesney Park (Winnebago County), Illinois

All payments relating to the IFA Series 2012 Bond are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Bond Counsel:	Schiff Hardin LLP	Chicago, IL	Paul Marengo
Bond Purchaser:	Riverside Community Bank	Rockford, IL	Amy Brewer
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago, IL	Shannon Williams

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RESOLUTION NO. 2014-0610-AD__

RESOLUTION CONSENTING TO AND AUTHORIZING THE EXECUTION AND DELIVERY BY THE ILLINOIS FINANCE AUTHORITY OF A FIRST AMENDMENT TO THE BOND AND LOAN AGREEMENT AMONG THE AUTHORITY, PRACTICE VELOCITY HOLDINGS, LLC AND RIVERSIDE COMMUNITY BANK RELATING TO THE $4,400,000 AGGREGATE PRINCIPAL AMOUNT OF MIDWESTERN DISASTER AREA REVENUE BONDS, SERIES 2012 (PRACTICE VELOCITY HOLDINGS, LLC PROJECT); AND CONCERNING RELATED MATTERS.

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly the Illinois Finance Authority Act, 20 *Illinois Compiled Statutes* 2010, 3501/801-1 *et seq*., as supplemented and amended (the "*Act*"), on December 28, 2012, the Illinois Finance Authority (the "*Authority*") issued and Riverside Community Bank (the "*Purchaser*") purchased its Midwestern Disaster Area Revenue Bonds, Series 2012 (Practice Velocity Holdings, LLC Project) in the principal amount of $4,400,000 (the "*Bonds*"), in order (a) to loan the proceeds of the Bonds to Practice Velocity Holdings, LLC (the "*Company*") to pay a portion of the costs of or to reimburse the Company for a portion of the costs of the acquisition, construction, remodeling, renovating and equipping of an office building of approximately 63,000 square feet located on parcels of real estate aggregating approximately 8.77 acres (the "*Project*"), all located in the Village of Machesney Park, Winnebago County, Illinois, which Project constitutes an "industrial project" within the meaning of the Act, and (b) to pay certain costs of issuing the Bonds; and

WHEREAS, the Bonds were issued under and pursuant to that certain Bond and Loan Agreement, dated as of December 1, 2012 (the "*Loan Agreement*") among the Authority, the Purchaser and the Company; and

WHEREAS, the Company and the Purchaser wish to amend the Loan Agreement to (a) shorten the length of the first interest rate period from December 12, 2027 to December 12, 2024, (b) provide that the Bonds will bear at a fixed rate of interest per year from June 12, 2014 to December 12, 2024 instead of at a variable rate, and (c) make related technical changes; and

WHEREAS, pursuant to Section 3.3 of the Loan Agreement, principal of the Bonds is payable in monthly installments on the 12th day of each month, commencing July 12, 2013 through and including a final payment of principal on December 12, 2032, in the amounts set forth in Schedule I to the Loan Agreement; and

WHEREAS, the Company and the Purchaser agree that Schedule I to the Loan Agreement should be modified as provided in the attached First Amendment dated as of June 1, 2014 (the "*First Amendment*") to the Loan Agreement; and

WHEREAS, Section 9.5 of the Loan Agreement provides that after the issuance of the Bonds, the Loan Agreement may not be amended without the consent of the Company, the Purchaser and the Authority; and

WHEREAS, the Purchaser and the Company have requested that the Authority consent to and execute and deliver the First Amendment, and the Authority is willing to do so;

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

Section 1. The foregoing recitals are incorporated in and made a part of this Resolution by this reference.

Section 2. Pursuant to the Act and the Loan Agreement, the Authority consents to and authorizes the execution and delivery of the First Amendment.

Section 3. The First Amendment, in substantially the form presented at this meeting and containing substantially the terms and provisions set forth in such form, is authorized, approved and confirmed, and the form, terms and provisions of the First Amendment are approved, with such changes and revisions as shall be approved by the officers of the Authority executing and attesting the same, their signatures to constitute conclusive evidence of such approval.

Section 4. The Chairperson, the Executive Director and any Assistant Secretary of the Authority (or any person appointed to such office on an interim basis) are authorized and directed to execute, attest, seal and deliver this Resolution and the First Amendment and to carry out the intent and purposes of this Resolution.

Section 5. The Executive Director of the Authority caused a notice to be published on May 22, 2014 for a public hearing to provide notice to the public of the reissuance of the Bonds which public hearing was held on June 6, 2014 as required by Section 147(f) of the Internal Revenue Code of 1986. The notice was published on May 22, 2014 in (i) the *Rockford Register-Star*, a newspaper of general circulation in Machesney Park, Illinois, the location of the Project, and (ii) the *State Journal Register*, a newspaper of general circulation in Springfield, Illinois. The publication of such notice and the public hearing held at the direction of the Executive Director or a designee of the Authority is ratified, approved and confirmed. The officers of the Authority are authorized and directed to submit the Bonds for approval by the Governor of the State of Illinois pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended.

Section 6. All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution are, in all respects, ratified, approved and confirmed.

Section 7. The provisions of this Resolution are 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 8. All resolutions and parts of Resolutions in conflict with this Resolution are repealed to the extent of such conflict.

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane & Nora O'Brien

Date: June 10, 2014

Re: Resolution Authorizing the Execution and Delivery of a First Supplemental Bond Indenture and First Supplemental Loan Agreement relating to Illinois Finance Authority Revenue Bonds, Series 2011(Swedish Covenant Hospital); and Related Matters

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On June 28, 2011, the Illinois Finance Authority (the "**Authority**") issued its Illinois Finance Authority Revenue Bonds, Series 2011 (**Swedish Covenant Hospital**) (the "**Series 2011 Bonds**") with an authorized principal amount of $20,000,000.

The Bonds were issued and loaned to Swedish Covenant Hospital (the "**Borrower**") pursuant to a Loan Agreement dated as of June 1, 2011 (the "**Loan Agreement**") between the Authority and the Borrower and a Bond Trust Indenture dated as of June 1, 2011 (the "**Bond Indenture**") between the Authority and U.S. Bank National Association, as bond trustee (the "**Bond Trustee**").

The proceeds of the Series 2011 Bonds were expected to be used to finance a portion of the cost of acquisition and construction of the Project descripted in Exhibit A to the Loan Agreement (the "**Series 2011 Project**"). Due to changes in the Borrower's plans for its hospital campus and facilities, they have decided not to undertake certain portions of the Series 2011 Project and to replace other portions of the Series 2011 Project with new capital expenditures being made on the Borrower's main hospital campus (the "**Project Amendments**") pursuant to Section 3.3 of the Loan Agreement.

The Borrower has requested that the Authority and U.S. Bank National Association ("**USBNA**"), the original purchaser of and the current owner of the Series 2011 Bonds, consent to (i) the Project Amendments, (ii) the use of excess funds in the Project Fund after taking into account the Project Amendments to optionally redeem a portion of the Series 2011 Bonds (the "**Optional Redemption**") and (iii) an amendment to the terms of the Series 2011 Bonds to extend the initial Flex Rate Private Placement Period applicable to the Series 2011 Bonds (the "**Flex Rate Period Extension**").

IFA RESOLUTION NO. __________

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

WHEREAS, on June 28, 2011, the Authority issued its Illinois Finance Authority Revenue Bonds, Series 2011 (Swedish Covenant Hospital) (the *"Series 2011 Bonds"*) with an authorized principal amount of $20,000,000; and

WHEREAS, the proceeds of the Series 2011 Bonds were loaned to Swedish Covenant Hospital, a not for profit corporation incorporated under the laws of the State of Illinois (the *"Borrower"*), pursuant to a Loan Agreement dated as of June 1, 2011 (the *"Loan Agreement"*), between the Authority and the Borrower; and

WHEREAS, the proceeds of the Series 2011 Bonds were expected to be used to (i) finance a portion of the cost of the acquisition and construction of the Project described in Exhibit A to the Loan Agreement (the *"Series 2011 Project"*) and (ii) pay certain expenses; and

WHEREAS, due to changes in the Borrower's plans for its hospital campus and facilities, the Borrower has decided not to undertake certain portions of the Series 2011 Project and to replace other portions of the Series 2011 Project with new capital expenditures being made on the Borrower's main hospital campus (the "*Project Amendments*") pursuant to Section 3.3 of the Loan Agreement; and

WHEREAS, the Borrower has requested that the Authority and U.S. Bank National Association ("*USBNA*"), the original purchaser of and the current owner of the Series 2011 Bonds, consent to (i) the Project Amendments, (ii) the use of excess funds in the Project Fund created under the Bond Trust Indenture dated as of June 1, 2011 (the "*Bond Indenture*") between the Authority and U.S. Bank National Association, as bond trustee (the "*Bond Trustee*"), after taking into account the Project Amendments, to optionally redeem a portion of the Series 2011 Bonds (the "*Optional Redemption*") and (iii) an amendment to the terms of the Series 2011 Bonds to extend the initial Flex Rate Private Placement Period applicable to the Series 2011 Bonds (the "*Flex Rate Period Extension*"); and

WHEREAS, drafts of a First Supplemental Bond Trust Indenture and a First Supplemental Loan Agreement (the *"2011 Supplements"*) supplementing the Bond Indenture and the Loan Agreement, respectively, in connection with the Project Amendments, the Optional Redemption and the Flex Rate Period Extension have been previously provided to the Authority and are on file with the Authority;

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

Section 1. 2011 Supplements. The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Treasurer or any officer or employee designated by the Executive Director or the Members (each an "*Authorized Officer*") and the delivery of the 2011 Supplements. The 2011 Supplements shall be substantially in the forms on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such form of the 2011 Supplements, and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval thereof.

Section 2. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of a document setting forth the agreements and certifications of the parties thereto relating to certain federal tax matters) as may be necessary to carry out and comply with the provisions of these resolutions, the 2011 Supplements, the Project Amendments, the Optional Redemption and the Flex Rate Period Extension, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

Section 3. Separability. 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.

Section 4. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 5. Immediate Effect. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane & Nora O'Brien

Date: June 10, 2014

Re: Resolution Amending Resolution 2014-0513-HC04 of the Illinois Finance Authority for the Purpose of Authorizing Drawdown Bonds to be Issued by the Illinois Finance Authority for the benefit of Freeport Regional Health Care Foundation and Freeport Memorial Hospital

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On May 13, 2014, the Illinois Finance Authority (the "**Authority**") adopted its Resolution 2014-0513-HC04 authorizing the issuance of an aggregate principal amount not to exceed $45,000,000 of revenue bonds (the "Series 2014 Bonds) for the benefit of Freeport Regional Health Care Foundation (the "Corporation") and Freeport Memorial Hospital (the "Hospital").

The Corporation and its financial advisors have determined it is in the best interest of the Corporation and the Hospital that the Series 20014 Bonds be structured as drawdown bonds to minimize any negative arbitrage on amounts on deposit in the project funds. This Amendatory Resolution will approve the delivery and use of the Drawdown Documents.

IFA RESOLUTION NO. 2014-0610-AD

RESOLUTION amending Resolution 2014-0513-HC04 of the Illinois Finance Authority for the purpose of authorizing drawdown bonds to be issued by the Illinois Finance Authority for the benefit of Freeport Regional Health Care Foundation and Freeport Memorial Hospital

WHEREAS, the ILLINOIS FINANCE AUTHORITY (the *"Authority"*) has been created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1, *et seq.*, as amended (the *"Act"*); and

WHEREAS, the Authority has previously adopted its Resolution 2014-0513-HC04 (the *"Resolution"*) authorizing the issuance of an aggregate principal amount not to exceed $45,000,000 of revenue bonds (the *"Series 2014 Bonds"*) for the benefit of Freeport Regional Health Care Foundation (the *"Corporation"*) and Freeport Memorial Hospital, each an Illinois not for profit corporation (the *"Hospital"*); and

WHEREAS, drafts of the various financing documents (the *"Financing Documents"*) were provided to and were on file with the Authority prior to the adoption of the Resolution; and

WHEREAS, the Corporation and its financial advisors have determined it is in the best interest of the Corporation and the Hospital that the Series 2014 Bonds be structured as drawdown bonds in order to minimize any negative arbitrage on amounts on deposit in the project funds; and

WHEREAS, it is necessary and desirable that the forms of certain of the Financing Documents be revised to provide for draw down bonds;

WHEREAS, revised drafts of the following documents (the *"Drawdown Documents"*) have been provided and are on file with the Authority:

(a) a revised draft of the Series 2014A Bond Indenture (as defined in the Resolution);

(b) a revised draft of the Series 2014B Bond Indenture (as defined in the Resolution);

(c) a revised draft of the Series 2014A Loan Agreement (as defined in the Resolution); and

(d) a revised draft of the Series 2014B Loan Agreement (as defined in the Resolution);

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

1. The Authority approves the issuance of the Series 2014 Bonds as draw down bonds, if deemed advisable by the Corporation and its financial advisor.

2. *Authority Documents*. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by the Chairperson, Vice Chairperson, Executive Director, General Counsel or any Assistant Executive Director, or any person duly appointed by the Members to serve in such offices on an interim basis (each an *"Authorized Officer"*) and the delivery and use of the Drawdown Documents. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the

Authority to any Drawdown Document. The Drawdown Documents shall be substantially in the forms previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such forms of the Drawdown Documents.

3. Severability. 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.

4. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict. The foregoing notwithstanding, except as amended pursuant to the terms hereof, the provisions of the Resolution are hereby ratified and affirmed.

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Melinda Gildart, Chief Financial Officer and Nora O'Brien, Associate General Counsel

Date: June 10, 2014

Re: Clean Water Initiative - Resolution Authorizing and Approving an Amendment to the Memorandum of Agreement between the Illinois Finance Authority and the Illinois Environmental Protection Agency and the Execution and Delivery of Certain Documents Related Thereto

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On December 5, 2013, the Illinois Finance Authority (the "Authority") and the Illinois Environmental Protection Agency (the "Agency" or "IEPA"), working in close partnership, closed the financing of $141.7 million State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013 ("Clean Water Initiative Bonds"). This represented an important step towards realizing Governor Quinn's $1 billion goal for the Illinois Clean Water Initiative. The Clean Water Initiative Bonds will roughly double IEPA's program capacity from $400 million to just under $800 million by freeing reserve funds through refinancing of 2002 and 2004 bonds and accessing federal grants through bond proceeds rather than scarce State appropriations. The Authority and IEPA anticipate that this will be the first of many future bond issuances under the Clean Water Initiative.

On November 1, 2013, the IEPA and the Authority entered into a Memorandum of Agreement (Clean Water Initiative) (the "Agreement) in connection with the Clean Water Initiative Bonds. The Agreement was entered into further the objectives of the State by working in a cooperative manner and to identify the duties and powers of the Agency and the Authority (collectively, the "Parties").

The IEPA and the Authority hold weekly meetings to review outstanding issues, current events and compliance with the Agreement. Upon review and practical implementation of the Agreement, it has become apparent that certain duties and language need clarification to enhance the efficiency of the administration of the Clean Water Initiative. The Parties now believe it is appropriate and necessary to amend the Agreement to further clarify the duties and powers of each of them to further the objectives of the State. The Agreement is the foundation document governing future Clean Water Initiative bond issuances.

IFA RESOLUTION NO. 2014-0610-AD

RESOLUTION AUTHORIZING AND APPROVING AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT (CLEAN WATER INITIATIVE) BETWEEN THE ILLINOIS FINANCE AUTHORITY AND THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS RELATED THERETO

WHEREAS, the Illinois Finance Authority, a body politic and corporate of the State of Illinois (the "Authority") has been created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq.; and

WHEREAS, the Illinois Environmental Protection Agency, an agency of the State of Illinois (the "Agency") has been created by the Environmental Protection Act, 415 ILCS 5/1 et seq.; and

WHEREAS, the Title VI of the Clean Water Act, as amended (the "CWA"), and Section 1452 of the Safe Drinking Water Act, as amended (the "SDWA"), authorize the Administrator of the United States Environmental Protection Agency (the "USEPA") to make capitalization grants to states to fund state water pollution control and public water supply revolving loan programs; and

WHEREAS, the State of Illinois (the "State"), pursuant to the Illinois Environmental Protection Act (the "Act") 415 ILCS 5/1 et seq., has created the Water Revolving Fund (the "Fund"), which consists of three programs: Water Pollution Control Loan Program, Public Water Supply Loan Program, and Loan Support Program; and

WHEREAS, the State has designated the Agency as the responsible agency for the administration of the Fund; and

WHEREAS, it is the desire of the State, acting through the Agency, to assure the continuing availability of funds to finance the construction of necessary and USEPA-eligible facilities); and

WHEREAS, the Agency and the Authority entered into a Memorandum of Agreement (Clean Water Initiative) dated as of November 1, 2013 (the "Original Memorandum of Agreement") to further the objectives of the State by working in a cooperative manner and to identify the duties and powers of each of them; and

WHEREAS, the Agency and the Authority (collectively, the "Parties") believe it is appropriate and necessary to amend the Agreement to further clarify the duties and powers of each of them to further the objectives of the State (the "Amendment"); and

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

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

Section 2. Approval and Implementation. The Authority hereby approves the First Amendment to the Memorandum of Agreement (Clean Water Initiative) (the "Amendment") and the implementation thereof in a manner satisfactory to the Executive Director. The Executive Director also shall have the power and authority to make any modifications or changes to the terms of the Agreement as he believes, in his sole discretion, are consistent with the goals of the Authority.

Section 3. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of these resolutions and the instruments hereby approved; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purpose of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Agreement shall be and the same hereby are in all respects approved and confirmed.

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

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

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ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Christopher B. Meister

Date: June 10, 2014

Re: Resolution Providing for the Defeasance of Certain Outstanding Bonds; Authorizing the Execution and Delivery of Related Documents; and Related Matters

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Benefits of Defeasance:

Approval of the Resolution will, among other related matters, provide for the defeasance of certain **Illinois Rural Bond Bank** ("**IRBB**") and **Illinois Finance Authority** (the "**Authority**") bonds issued in multiple series and currently outstanding in the aggregate principal amount of approximately $32,690,000 (the "**Bond Bank Revenue Bonds**"), which were originally issued for the purposes of providing funds for the purchase of securities of certain local governmental units located in the State of Illinois (the "**Local Government Securities**"), funding certain reserves and paying costs of issuance, all as part of the Local Government Financing Assistance Program (the "**Bond Bank Program**" or "**Program**").

Benefits of adopting the Resolution include:

- Removing a contingent liability to State of Illinois taxpayers in the approximate aggregate amount of $32,690,000 which is manifested by the State's Moral Obligation that secures the principal on Bond Bank Revenue Bonds;
- Eliminating certain public disclosure requirements related to the Bond Bank Revenue Bonds;
- Reducing audit exposure and related administrative costs to the Authority; and
- Producing predictable, ongoing annual revenue in the form of interest income (see page 8 of Exhibit A) on the Authority's income statement as it relates to the Local Government Securities that will be assigned by the Trustee to the Authority as a result of the full defeasance.

Request:

Given the benefits of full defeasance, staff is requesting approval of the Resolution to authorize (i) use of its own funds and legally available funds (including certain reserves) to redeem or defease all currently outstanding Bond Bank Revenue Bonds, (ii) the execution and delivery of related documents and (iii) related matters.

It is currently estimated that this transaction will cost approximately $35,079,608. Less available reserve funds (which include the Reserve Fund, Surplus Fund and Special Reserve Fund), it is expected that the Authority will be required to provide approximately $23,447,545 of equity (see page 7 of Exhibit A).

As a result of redeeming or defeasing all currently outstanding Bond Bank Revenue Bonds, the Local Government Securities will be held as part of the ongoing Program within the Authority's own investment portfolio as a direct investment. This use of the Authority's unrestricted General Fund balances to support program initiatives has precedent. In particular, Participation Loans were funded from allocations of the Authority's unrestricted General Fund balances for many years.

For further background on IRBB and the Bond Bank Program, see pp. 3-5 of Exhibit A.

Security of the Local Government Securities:

The underlying Local Government Securities of all Bond Bank Revenue Bonds are secured by:

(i) the full faith and credit of the local government borrowers in a respective pool accomplished either through a standard and ordinary levy on taxable property or a special assessment on taxable property as mandated by law (the "**General Obligation Pledge**"); or

(ii) revenues (project or otherwise) which must attain a minimum 1.25 debt service coverage covenant (the "**Minimum Rate Covenant**") that may be additionally secured by a levy on taxable property (the "**Alternate Revenue Pledge**").

Additionally, most of the local government borrowers have agreed to compel the State to (iii) intercept any revenues payable by the State to the local government borrowers as necessary to pay the Authority scheduled debt service payments, and premium, if any, to the extent that such payments have not been paid and the local government borrower is in default (the "**State Intercept Pledge**").

Redemption or defeasance of all currently outstanding Bond Bank Revenue Bonds will have no effect on the underlying security of all currently outstanding Local Government Securities. Upon completion of the planned redemption or defeasance, the underlying Local Government Securities would be assigned by the Trustee to the Authority (see page 4 of Exhibit A).

Security of Bond Bank Revenue Bonds:

Local Government Securities

U.S. Bank, N.A., as bond trustee (the "**Trustee**") collects and aggregates principal and interest payments of all underlying Local Government Securities from the local governmental borrowers and services payments to bondholders.

Reserve Fund

Bondholders are further secured by a Reserve Fund that is capitalized at an amount equivalent to the maximum annual debt service on all currently outstanding Bond Bank Revenue Bonds that comprise the Bond Bank Program at any given time. The Reserve Fund was financed by issuing additional Bond Bank Revenue Bonds, sometimes referred to as "non-asset bonds". Proceeds from these non-asset bonds were deposited into the Reserve Fund and then subsequently invested in Guaranteed Investment Contracts ("**GICs**") with various providers of sufficient credit quality or invested in State and Local Government Series ("**SLGS**") securities or money market funds (see page 6 of Exhibit A). As of May 30, 2014, the estimated balance of the Reserve Fund was $7,939,697.

Surplus Fund

Excess interest earnings of the Reserve Fund that are greater than needed to capitalize an amount equivalent to the maximum annual debt service on all currently outstanding Bond Bank Revenue Bonds flow to the Surplus Fund, which are available to fund any deficiency in scheduled Bond Bank Revenue Bond debt service payments, and thus, further secure bondholders as a result. As of May 30, 2014, the estimated balance of the Surplus Fund was $947,484.

Special Reserve Fund

Next, bondholders are further secured by a Special Reserve Fund that was initially appropriated by the 86th Illinois General Assembly to the Illinois Rural Bond Bank, a predecessor to the Illinois Finance Authority. While $4,840,000 was initially appropriated, the Illinois Rural Bond Bank returned $2,500,000 from the Special Reserve Fund in February 1992, pursuant to the State's request.

The Special Reserve Fund is currently managed by the Authority's investment managers, with the following balances under management as of May 30, 2014:

$2,196,146.19	ClearArc Capital, Inc.
548,735.25	Ziegler Lotsoff Capital Management; LLC
$2,744,881.44	**Total Market Value of Special Reserve Fund**

Moral Obligation

Finally, bondholders are secured by the Moral Obligation of the State of Illinois. Currently, this is an approximately $32,690,000 contingent liability to State taxpayers.

Next Steps:

Upon approval of the Resolution, the Authority will seek to (i) engage a custodial and paying agent (the "**Paying Agent**") to provide certain administrative services to the Authority in connection with the Local Government Securities, (ii) engage a Certified Public Accountant to prepare a verification report, (iii) instruct Ziegler Lotsoff Capital Management, LLC and ClearArc Capital, Inc. to liquidate sufficient Authority investments (including those tied to the Special Reserve Fund) and (iv) undertake negotiations to liquidate all GICs and other Reserve Fund instruments with the various providers. Collectively, undertaking these actions will enable the Authority to accomplish the proposed redemption or defeasance while conforming to the purposes and intent set forth in the Resolution.

Less available reserve funds (which include the Reserve Fund, Surplus Fund and Special Reserve Fund), it is expected that the Authority will be required to provide approximately $23,447,545 of equity (see page 7 of Exhibit A). (Use of moneys in the Special Reserve Fund will require approval from the Governor's Office of Management and Budget).

Final Result:

Upon successful redemption or defeasance of all currently outstanding Bond Bank Revenue Bonds, the Program will continue but Authority will be the direct investor and secured lender of the Local Government Securities. The Authority's security against local government borrower default will include the General Obligation Pledge or Minimum Rate Covenant (which is often additionally secured by an Alternate Revenue Pledge). Furthermore, the Authority will retain the State Intercept Pledge of applicable local government borrowers.

As the direct lender/secured investor of the underlying Local Government Securities (after the Bond Bank Revenue Bonds are redeemed or defeased), the Authority would earn predictable, ongoing annual revenue in the form of interest income (see page 8 of Exhibit A) directly benefitting the Authority's income statement.

A comprehensive list of local government borrowers is provided on page 9 of Exhibit A.

PROFESSIONAL & FINANCIAL

Defeasance Counsel:	Chapman & Cutler LLP	Chicago, IL	Chuck Jarik
Paying Agent:	To be engaged		
Verification Agent:	To be engaged		
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

IFA Resolution No. 2014-0610-AD__

[Resolution to be distributed separately]

Illinois Finance Authority

Exhibit A
Bond Bank Program Restructuring Overview

June 10, 2014

*Analysis is preliminary and subject to change

Rooted in Trust

Acacia
Financial Group, Inc.

Table of Contents

I. The Illinois Rural Bond Bank Program

II. Defeasance Plan

**Preliminary and subject to change*

I. The Illinois Rural Bond Bank Program

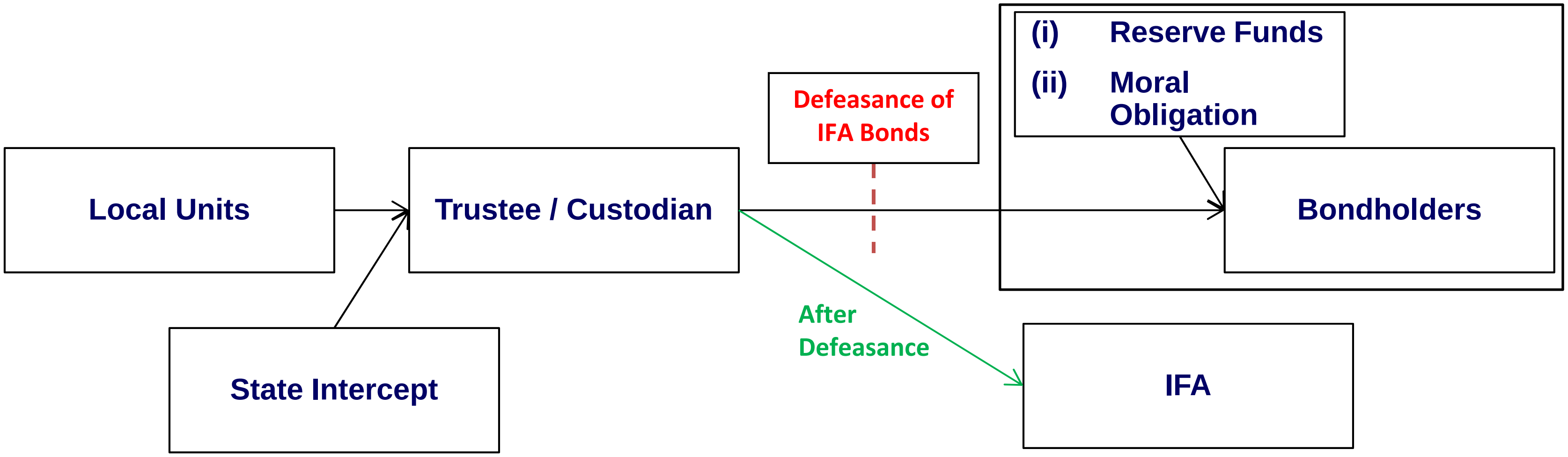
Brief History

- The Illinois Rural Bond Bank was founded in 1989 as an independent agency with bond issuing authority for the purpose of funding the Bond Bank program by 30 ILCS 360/1-1 et seq., as supplemented and amended
  - Established in order to provide access to capital markets for rural municipalities
- Operations were initially funded with a one-time appropriation from the State Assembly, with ongoing appropriations for operating expenses thereafter
- First bond issuance in 1990
- Structure
  - Bonds to bonds – the Illinois Finance Authority ("IFA") issued bonds in order to fund the purchase of local government bonds
  - No rating requirements for local issuers
  - Moral obligation of the State of Illinois (the "State")
- IRBB administrative and issuing authority was transferred to the IFA in 2004
  - First IFA series: 2004A
  - Most recent IFA series: 2009A (December 2009)

**Preliminary and subject to change*

I. The Illinois Rural Bond Bank Program

Flow of Funds



- Local units pledge their general obligation ("G.O.") or specific project revenues (alternate revenue pledge) to the local government securities
  - Required to raise taxes/rates in order to pay debt service
  - Local governments also agree to have the State intercept any revenues payable by the State to the local governmental unit to correct any deficiencies of the underlying Local Government Securities debt service
- IFA transfers aggregated revenues to Trustee for Bond Bank bond debt service
- Bond Bank bonds are additionally secured by reserve funds and the moral obligation of the State

*Preliminary and subject to change

I. The Illinois Rural Bond Bank Program

Local Government Participants

- Currently 81 local government participants
- Local units range in population size from a few hundred to tens of thousands
- Median par outstanding: $150,000
- Local government securities purchased with bond bank bonds financed a wide variety of projects including:
  - General Improvement
  - Clean Water
  - Waste Water
  - School Facilities

I. The Illinois Rural Bond Bank Program

Reserve Fund Mechanisms

- Reserve fund requirement equal to maximum annual debt service within the Bond Bank program as a whole
  - Section 2.06 of the master trust indenture
- Upon the issuance of each series, sufficient additional reserve funds would be contributed to satisfy reserve requirement
- Bond bank reserve fund moneys are mostly invested in 24 Guaranteed Investment Contracts ("GICs") among 12 different providers
  - Originally funded with bond proceeds
  - Series with GICs: 1992B, 1993B, 1997B, 1998A, 1998B, 1999A, 2000A, 2000B, 2001A, 2001B, 2002A, 2007A
  - Series with other investment types: 2007B (SLGs), 2008A (SLGs), 2009A (SLGs, money market funds)
- Additional program-wide special reserve fund, currently approximately $2.7 million
- Total reserve fund value (all series, including special reserve): approximately $10.5 million

II. Defeasance Plan

Overview and Benefits

- Economic and legal defeasance of all Bond Bank bonds by funding an irrevocable escrow with SLGs or other permissible escrow instruments
- All existing reserve funds and program surplus fund will be applied to defeasance
- The underlying bonds (loans) to local governments remain undisturbed, retaining the same security structure approved by Ordinance by each local government unit
- Benefits of restructuring
  - Expunge current master indenture and remove moral obligation of the State associated with the Bond Bank program
  - Acquire a quality pool of local government bonds
  - Minimize audit exposure and reduce administrative costs
  - Achieve a higher rate of return on investments when compared to prevailing investment rates
  - Produce predictable ongoing annual revenue in the form of interest income

Series	Call Date	Par	Defeasance Cost (Approximate)
1992B	Current	$ 55,000	$ 55,000
1997B	Current	215,000	215,000
1998A	Current	300,000	300,000
1998B	Current	780,000	780,000
1999A	Current	605,000	605,000
2000A	Current	60,000	60,000
2000B	Current	380,000	380,000
2001A	Current	120,000	120,000
2001B	Current	1,230,000	1,230,000
2002A	Current	275,000	275,000
2003A	Current	3,570,000	3,570,000
2003B	Current	3,730,000	3,730,000
2004A	Current	225,000	225,000
2006A	42401	7,800,000	8,461,334
2006B	42401	1,530,000	1,665,868
2007A	42767	5,040,000	5,643,870
2007B	42767	1,370,000	1,493,985
2008A	43132	1,560,000	1,801,053
2009A	43497	3,845,000	4,468,499

TOTAL: $ 35,079,608

Less Reserve Funds: 11,632,063

Net Defeasance Cost: $ 23,447,545

**Preliminary and subject to change*

II. Defeasance Plan

Local Government Securities Portfolio

- A legal and economic defeasance of all IFA bonds would result in approximate cash flows found in table to the right
  - Repayments of Local Government Securities that can now be retained by the IFA rather than paid to bondholders
- Assuming the returns laid out above, The IFA's capital outlay of approximately $23.5 million leads to a 5-6% rate of return.
  - These funds would otherwise be invested in instruments yielding less than 1%.
- Over 70% of principal is repaid within 10 fiscal years

Projected Cash Flows from Local Government Bonds

Fiscal Year	Principal	Interest	Total	% Principal Repaid
2015	$ 2,203,000	$ 604,101	$ 2,807,101	8.6%
2016	2,177,800	1,113,953	3,291,753	17.2%
2017	2,097,400	1,018,507	3,115,907	25.4%
2018	2,162,000	925,027	3,087,027	33.8%
2019	1,771,700	825,284	2,596,984	40.8%
2020	1,635,300	741,279	2,376,579	47.2%
2021	1,520,100	662,957	2,183,057	53.1%
2022	1,524,900	589,832	2,114,732	59.1%
2023	1,519,600	515,948	2,035,548	65.1%
2024	1,316,900	440,954	1,757,854	70.2%
2025	981,600	375,451	1,357,051	74.1%
2026	897,100	327,582	1,224,682	77.6%
2027	897,100	283,579	1,180,679	81.1%
2028	828,400	239,409	1,067,809	84.3%
2029	793,300	198,381	991,681	87.4%
2030	593,300	159,016	752,316	89.8%
2031	320,000	129,803	449,803	91.0%
2032	285,000	113,819	398,819	92.1%
2033	295,000	99,768	394,768	93.3%
2034	315,000	85,156	400,156	94.5%
2035	320,000	69,561	389,561	95.8%
2036	335,000	53,724	388,724	97.1%
2037	340,000	37,133	377,133	98.4%
2038	350,000	20,300	370,300	99.8%
2039	55,000	2,956	57,956	100.0%
TOTALS:	**$ 25,534,500**	**$ 9,633,479**	**$ 35,167,979**	

*Note: only one interest payment will be realized in FY 2015

II. Defeasance Plan

Local Government Borrower Detail

Local Unit	Series	New Money / Refunding	Par Amount	Purpose
Adams County Water Dist #1	2008A	R	165,000	Sewer
Aledo	2007B	NM	910,000	Water
Annawan	2006A	R	270,000	General Improvement
Ashley	1999A	R	375,000	Water and Sewer
Atkinson	2006A	R	104,500	Water and Sewer
Avoca Drainage District	2009A	NM	625,000	Sewer
Avon	2003B	NM	235,000	Water
Benton	2007A	NM	270,000	General Improvement
Blue Mound	1992B	NM	55,000	Sewer
Blue Mound	2000A	NM/R	60,000	Water
Brownstown	1998A	NM	55,000	Sewer
Brownstown	2006A	R	115,800	Sewer
Bunker Hill	2008A	NM	365,000	Water
Bunker Hill	2009A	NM	180,000	Land Purchase
Campus	1999A	NM	50,000	Water
Carbon Hill	2000B	NM	125,000	Water
Central Macoupin Water Dist	2008A	NM	245,000	Water
Christopher	2001B	NM	70,000	General Improvement
Cissna Park	2003B	NM	380,000	Water
Cooksville	2008A	NM	325,000	Water
Cowden	2009A	NM	270,000	Water
Creal Springs	2006A	R	79,800	General Improvement
Curran Gardner Water Dist	2007A	NM	2,543,000	Water
East Dubuque	2006A	R	24,700	General Improvement
Farmersville	2009A	NM	580,000	Water
Frankfort Comm Park Dist	2002A	NM	255,000	General Improvement
Girard	2009A	NM/R	710,000	Water
Green Valley	2003B	NM	100,000	Water
Hamilton County	2006A	R	187,000	Water
Harmon	2008A	NM	275,000	Water
Herrin	2009A	NM	315,000	Water and Sewer
Hopkins Park	1999A	NM	60,000	Water and Sewer
Iuka	1998B	R	160,000	Sewer
Junction City	2003A	R	55,000	Sewer
Kane	2009A	NM	590,000	Water
Kinderhook	2006A	R	126,600	General Improvement
Kingston Mines	2008A	NM	135,000	Water
Long Creek	2003B	R	1,830,000	Water
Long Creek	2006B	R	1,165,000	Water
Maeystown	2006B	NM	145,000	Water

Local Unit	Series	New Money / Refunding	Par Amount	Purpose
Magnolia	2006B	NM	220,000	Water
Malden	2006A	R	69,900	Water and Sewer
Malta	2006A	R	44,800	Water and Sewer
Martinsville	2001B	NM	645,000	Sewer
Matherville	2006A	R	170,000	General Improvement
Momence Park Dist	2007A	NM	97,000	General Improvement
Mt Zion FPD	2007A	NM	690,000	General Improvement
Nebo	1998A	NM/R	40,000	Water
Nebo Sewer	1998A	R	40,000	Sewer
Niantic	2003B	R	25,000	General Improvement
Niantic	2006A	R	60,100	Water
Norris City	2004A	R	55,000	Sewer
Palmyra	2006A	R	24,800	Sewer
Palmyra	2007A	R	200,000	General Improvement
Panama	2001B	NM	40,000	Water
Pecatonica	2006A	R	854,600	Water and Sewer
Petersburg	2007A	NM	150,000	General Improvement
Piasa Twp Sewer Dist	1999A	R	60,000	Sewer
Pierron	2006A	R	252,500	Sewer
Pike County Water Dist	1998B	R	245,000	Water
Pittsfield	2006A	R	112,000	Sewer
Riverton FPD	2007A	NM	820,000	General Improvement
Roscoe	1998A	NM	75,000	Water and Sewer
Rutland	1998A	NM	40,000	Water
Shawneetown	2006A	R	95,900	General Improvement
Sheffield	2006A	R	161,900	General Improvement
Steward	2006A	R	60,000	General Improvement
Stockton	2006A	R	120,000	General Improvement
Strasburg	2006A	R	193,200	General Improvement
Sumner	2000B	NM	65,000	Sewer
Sumner	2006A	R	60,000	Sewer
Taylor Springs	1998B	R	85,000	Sewer
Thomson	2006A	R	2,771,400	Water and Sewer
Toledo	2001B	NM	50,000	Sewer
Warsaw	2009A	NM	320,000	Sewer
Waynesville	2007B	NM	440,000	Water
West Salem	2001B	NM	30,000	Water
Williamsville	2004A	NM	170,000	Sewer
Winthrop Harbor SD #1	2000B	NM	135,000	School Facilities
Yorkville	2003B	NM	1,160,000	Sewer

*Preliminary and subject to change

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Pam Lenane & Nora O'Brien

Date: June 10, 2014

Re: Resolution Approving the Schedule of Regular Meetings for Fiscal Year 2015

Pursuant to 5 ILCS 120/2.02 (the "**Open Meetings Act**"), every public body shall give public notice of the schedule of regular meetings at the beginning of each calendar or fiscal year and shall state the regular dates, times, and places of such meetings.

IFA RESOLUTION No. 2014-0610-AD10

RESOLUTION APPROVING THE SCHEDULE OF REGULAR MEETINGS FOR FISCAL YEAR 2015

WHEREAS, the Illinois Finance Authority (the "Authority") was created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as amended (the "IFA Act"), as a body politic and corporate of the State of Illinois and is authorized by the laws of the State of Illinois;

WHEREAS, it is the public policy of the State of Illinois that public bodies exist to aid in the conduct of the people's business and that the people have a right to be informed as to the conduct of their business;

WHEREAS, in order that the people shall be informed, it is the public policy of the State of Illinois that its citizens shall be given advance notice of and the right to attend all meetings at which any business of a public body is discussed or acted upon in any way;

WHEREAS, the Illinois Open Meetings Act, 20 ILCS 120/ et seq. as amended (the "Open Meetings Act") was created to implement these public policies;

WHEREAS, pursuant to the Illinois Open Meetings Act, the Authority is a public body;

WHEREAS, pursuant to the Illinois Open Meetings Act, every public body shall give public notice of the schedule of regular meetings at the beginning of each calendar or fiscal year and shall state the regular dates, times, and places of such meetings.

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

Section 1. Authority. This Resolution is adopted pursuant to Section 801-15 and Section 801-25 of the IFA Act. The preambles to this resolution are incorporated by reference as part of this resolution.

Section 2. Approval of Regular Meeting Dates, Times, and Places. The Authority approves the dates, times, and places of regular meetings attached as Exhibit A, provided that the Authority reserves the right to cancel or reschedule regular meetings in accordance with the notice and posting requirements of the Open Meetings Act.

Section 3. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 4. Enactment. This Resolution shall take effect immediately.

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Fiscal Year 2015

PUBLIC NOTICE OF REGULARLY SCHEDULED MEETINGS

During Fiscal Year 2015, the Illinois Finance Authority (the "IFA") will hold its public meetings on the dates and at the locations listed below.

Each Meeting of the IFA Committee of the Whole ("COW Meeting") will begin at 9:30 a.m. and each Meeting of the IFA Board of Directors ("Board Meeting") will begin shortly thereafter at 10:30 a.m., unless noted otherwise. Meetings will be held at one of the following addresses:

- IFA Chicago Office, 180 N. Stetson, Suite 2555, Chicago, Illinois 60601 ("IFA Chicago Office"), until August 30th, then Bilandic Building Conference Room, 160 N. LaSalle, Chicago, Illinois 60601
- Prudential Plaza Conference Center, 130 E. Randolph Street, 7th Floor, Chicago, Illinois 60601 ("PP Conference Center")
- Illinois State Library, 300 S. Second Street, Springfield, Illinois ("State Library"); or
- Other locations to be announced.

Please note that the Chairman of the IFA Board of Directors or a Committee Chairperson reserves the right to call a Special Meeting of the IFA Board of Directors or a Special Meeting of an IFA Committee, respectively.

COMMITTEE OF THE WHOLE AND BOARD OF DIRECTORS MEETINGS

Tuesday, July 8, 2014
COW Meeting– IFA Chicago Office
Board Meeting- PP Conference Center

Tuesday, August 12, 2014
COW & Board Meeting – IFA Chicago Office

Tuesday, September 9, 2014
COW & Board Meeting – IFA Chicago Office

Thursday, October 16, 2014
COW & Board Meeting – IFA Chicago Office

Thursday, November 13, 2014
COW & Board Meeting – IFA Chicago Office

Tuesday, December 9th, 2014
COW & Board Meeting – IFA Chicago Office

Tuesday, January 13, 2015
COW & Board Meeting – IFA Chicago Office

Tuesday, February 10, 2015
COW & Board Meeting – IFA Chicago Office

Tuesday, March 10, 2015
COW & Board Meeting – IFA Chicago Office

Tuesday, April 14, 2015
COW & Board Meeting – IFA Chicago Office

Tuesday, May 12, 2015
COW & Board Meeting – IFA Chicago Office

Tuesday, June 9, 2015
COW & Board Meeting – IFA Chicago Office

All meetings will be accessible to handicapped individuals in compliance with Executive Order #5 (1979) as well as pertinent State and Federal laws upon notification of anticipated attendance. Handicapped persons planning to attend any meeting and needing special accommodations should contact Mari Money, at 312-651-1319 or email mmoney@il-fa.com