ILLINOIS FINANCE AUTHORITY

June 11, 2015

AGENDA

COMMITTEE OF THE WHOLE MEETING
9:30 a.m.
Michael A. Bilandic Building
160 North LaSalle Street
Hearing Room N - 808
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.
Michael A. Bilandic Building
160 North LaSalle Street
Hearing Room N - 808
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	Stephen J. and Morgan J. Fehrenbacher	Decker Township (Richland County)	$80,000	-	-	PE/LK
TOTAL AGRICULTURE PROJECTS			**$80,000**	-	-	

BUSINESS AND INDUSTRY PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Industrial Revenue Bonds ***Preliminary***						
2	Muirfield West LLC (Camcraft, Inc. Project)	Bartlett (DuPage County)	$9,500,000	42	30	RF/BF
TOTAL BUSINESS AND INDUSTRY PROJECTS			**$9,500,000**	**42**	**30**	

LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Local Government Revenue Bonds ***Final (One-Time Consideration)***						
3	Community Unit School District No. 3, Saline County (Harrisburg)	Harrisburg (Saline County)	$22,000,000	N/A	40	RF/BF
TOTAL LOCAL GOVERNMENT AND GOVERNMENT PURPOSE PROJECTS			**$22,000,000**	**N/A**	**40**	

PROJECT REPORTS AND RESOLUTIONS

EDUCATIONAL, CULTURAL AND NON-HEALTHCARE 501(c)(3) PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds *Final*						
4	North Central College	Naperville (DuPage County)	$30,500,000	23	200	RF/BF
501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
5	Intrinsic Schools	Chicago (Cook County)	$22,000,000	N/A	N/A	RF/BF
501(c)(3) Revenue Bonds *Preliminary*						
6	Field Museum of Natural History	Chicago (Cook County)	$93,000,000	N/A	N/A	RF/BF
501(c)(3) Direct Loan (Non-Conduit) *Preliminary*						
7	Chicagoland Entrepreneurial Center (d/b/a "1871")	Chicago (Cook County)	$2,000,000	-	-	CM/RF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			**$147,500,000**	**23**	**200**	

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
8	Little Company of Mary Hospital and Health Care Centers	Evergreen Park, Chicago and Oak Lawn (Cook County)	$102,000,000	N/A	N/A	PL
501(c)(3) Revenue Bonds *Preliminary*						
9	Villa St. Benedict	Lisle (DuPage County)	$45,000,000	N/A	N/A	PL
10	Palos Community Hospital	Lemont, Oak Lawn, Orland Park, and Palos Heights (Cook and Will Counties)	$135,000,000	N/A	N/A	PL
TOTAL HEALTHCARE PROJECTS			**$282,000,000**	**N/A**	**N/A**	
GRAND TOTAL			**$461,080,000**	**65**	**270**	

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
11	Resolution Authorizing and Approving a Loan of up to $1,400,000 to the Southwestern Illinois Development Authority and Delivery of Certain Documents Related Thereto	CM
12	Resolution Approving the Establishment of the Illinois Finance Authority Medium Term Capital Financing Program ("Med Cap"); Authorizing the Executive Director of the Illinois Finance Authority to Take Steps Related to the Implementation of the Program	PL
13	Resolution Amending the Bond Program Handbook of the Illinois Finance Authority	PL
14	Resolution Regarding Updated Procedures of the Illinois Finance Authority	CM
15	Resolution Regarding Procurement Matters (Small Purchases and Other Items, including Increasing Contractual Amounts)	CM
16	Resolution Regarding Extraordinary Procurement Actions	CM
17	Resolution Regarding the Status, Extension and/or Ratification of Intergovernmental Agreements with Illinois Commerce Commission, Illinois Department of Transportation, Central Management Services, Office of the State Fire Marshall and Metro East Police District Commission	CM
18	Resolution to Rename and Refocus the Venture Capital Committee to the Direct and Alternative Financing Committee	CM

Executive Director's message will be distributed separately.

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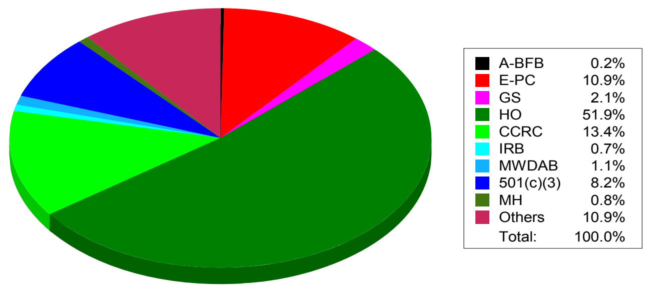
Bonds Issued - Fiscal Year Comparison
for the Period Ending May 31, 2015

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	75,000,000
2	Local Government	15,025,000
1	Enviromental issued under 20	10,935,000
60		$ 2,270,786,753

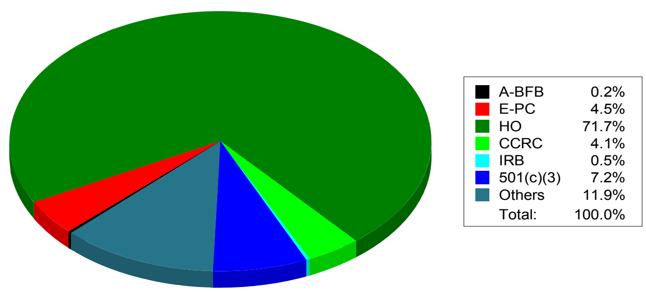
Bonds Issued in Fiscal Year 2013



Fiscal Year 2014

#	Market Sector	Principal Issued
21	Agriculture - Beginner Farmer	3,729,751
4	Education	93,895,000
9	Healthcare - Hospital	1,493,795,000
4	Healthcare - CCRC	84,995,000
1	Industrial Revenue	10,000,000
11	501(c)(3) Not-for-Profit	165,617,000
6	Local Government	247,360,000
56		$ 2,099,391,751

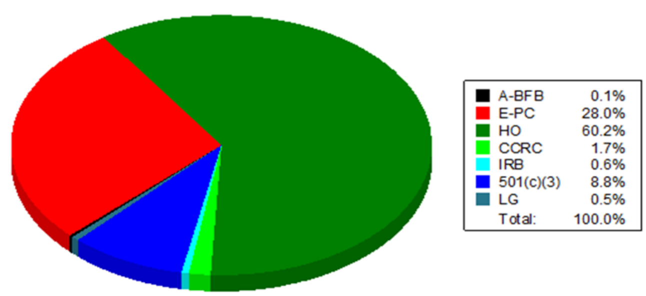
Bonds Issued in Fiscal Year 2014



Fiscal Year 2015

#	Market Sector	Principal Issued
10	Agriculture - Beginner Farmer	3,393,600
3	Education	659,604,000
11	Healthcare - Hospital	1,416,385,000
1	Healthcare - CCRC	39,640,000
2	Industrial Revenue	14,000,000
10	501(c)(3) Not-for-Profit	221,986,075
1	Local Government	12,000,000
38		$ 2,367,008,675

Bonds Issued in Fiscal Year 2015



Bonds Issued and Outstanding
as of
May 31, 2015

Bonds Issued between July 01, 2014 and May 31, 2015

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
HO	Southern Illinois Healthcare	07/01/2014	Variable	127,215,000	51,235,000
IRB	Peddinghaus Corporation	07/11/2014	Variable	4,000,000	0
A-BFB	Beginning Farmer Bonds	07/01/2014	Variable	773,050	0
501(c)(3)	Freeport Regional Heakth Care Foundation	07/22/2014	Variable	40,000,000	0
501(c)(3)	Lawrence Hall Youth Services	08/13/2014	Variable	12,100,000	0
HO	The Carle Foundation	08/08/2014	Variable	26,095,000	26,095,000
E-PC	University of Chicago	08/12/2014	Variable	573,645,000	500,000,000
E-PC	Dominican University	08/20/2014	Variable	19,800,000	19,800,000
IRB	Freedman Seating Company	09/25/2014	Variable	10,000,000	5,068,417
501(c)(3)	Rodgers Park Montessori School	09/26/2014	Fixed at Schedule	18,515,000	10,000,000
501(c)(3)	Lake Forest College	10/17/2014	Variable	18,275,000	17,870,000
501(c)(3)	Search, Inc.	10/31/2014	Variable	10,355,000	9,965,000
E-PC	North Central College	12/04/2014	Variable	66,159,000	46,500,000
501(c)(3)	Navy Pier, Inc.	12/16/2014	Variable	46,500,000	0
HO	Advocate Health Care	12/18/2014	Fixed at Schedule	304,770,000	324,780,000
501(c)(3)	Hispanic Housing Development Corporation	12/24/2014	Fixed at Schedule	1,931,075	1,931,075
HO	The Reserve of Geneva	12/23/2014	Variable	13,500,000	10,949,700
HO	Illinois Valley Community Hospital	12/23/2014	Variable	21,830,000	11,160,000
A-BFB	Beginner Farmer Bonds	01/01/2015	Variable	2,620,550	0
HO	Silver Cross Hospital	01/28/2015	Variable	17,965,000	17,965,000
HO	Rush University Medical Center	02/11/2015	Fixed at Schedule	484,380,000	484,380,000
LG	Pace Suburban Bus Service	02/24/2015	Variable	12,000,000	0
HO	KishHealth System	03/02/2015	Fixed at Schedule	12,300,000	0
HO	The University of Chicago Medical Center	03/12/2015	Fixed at Schedule	21,895,000	21,895,000
CCRC	Lifespace Communities, Inc.	03/25/2015	Fixed at Schedule	39,640,000	22,905,520
HO	Silver Cross Hospital	04/22/2015	Fixed at Schedule	286,435,000	259,725,000
501(c)(3)	Noble Network Charter Schools	04/02/2015	Fixed at Schedule	19,810,000	19,810,000
501(c)(3)	Lincoln Park Zoo	05/05/2015	Fixed at Schedule	15,000,000	0
501(c)(3)	CHF-Cook, L.L.C. Northeastern University	05/07/2015	Fixed at Schedule	39,500,000	0
HO	Palos Community Hospital	05/13/2015	Fixed at Schedule	100,000,000	100,000,000
		Total Bonds Issued as of May 31, 2015		$ 2,367,008,675	$ 1,962,034,712

Legend: Fixed Rate Bonds as shown
DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond
VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.
Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds Funded between July 01, 2014 and May 31, 2015

Borrower	Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
Gentry Storm	09/19/2014	3.125	485,550	138.61	Shelby
Adam E. Helregel	11/19/2014	4.35	150,000	10.00	Jasper
Rollin Wenger	12/03/2014	3.40	137,500	25.00	Livingston
Thomas Frederick Justison	01/05/2015	2.75	346,800	27.20	Macon
David T. Mulch	02/23/2015	2.85	509,600	80.00	Montgomery
Jacob A. Birch	02/25/2015	3.00	236,360	38.00	Livingston
Mitchell A. Rosenthal	02/25/2015	3.50	391,840	60.00	Montgomery
Michael Tyler Kessler	03/30/2015	2.75	504,950	60.00	Crawford
Jacob Cody Elliott	03/30/2015	4.45	441,000	197.00	Mercer
Dustin Clark	05/08/2015	2.50	190,000	48.00	Jasper and Richland
Total Beginner Farmer Bonds Issued			$ 3,393,600	683.81	

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, 2014	Principal Outstanding May 31, 2015	Program Limitations	Remaining Capacity
Illinois Finance Authority "IFA" [b]				
Agriculture	$ 48,343,519	$ 51,737,119		
Education	4,258,096,234	4,207,825,397		
Healthcare	13,448,248,546	13,388,159,074		
Industrial Development [includes Recovery Zone/Midwest Disaster]	699,148,562	716,509,177		
Local Government	357,530,000	332,965,000		
Multifamily/Senior Housing	171,092,016	168,798,024		
501(c)(3) Not-for Profits	1,398,527,100	1,413,772,818		
Exempt Facilities Bonds	299,970,000	249,915,000		
Total IFA Principal Outstanding	**$ 20,680,955,977**	**$ 20,529,681,608**		
Illinois Development Finance Authority "IDFA" [b]				
Education	496,388	496,388		
Healthcare	83,400,000	80,200,000		
Industrial Development	324,951,564	292,629,543		
Local Government	315,078,470	306,307,834		
Multifamily/Senior Housing	84,424,117	84,354,117		
501(c)(3) Not-for Profits	744,591,262	725,138,570		
Exempt Facilities Bonds	75,000,000	-		
Total IDFA Principal Outstanding	**$ 1,627,941,801**	**$ 1,489,126,451**		
Illinois Rural Bond Bank "IRBB" [b]				
Total IRBB Principal Outstanding	**$ -**	**$ -**		
Illinois Health Facilities Authority "IHFA"	**$ 807,134,980**	**$ 762,380,000**		
Illinois Educational Facilities Authority "IEFA"	**$ 703,216,992**	**$ 638,215,990**		
Illinois Farm Development Authority "IFDA" [f]	**$ 18,747,389**	**$ 18,747,389**		
Total Illinois Finance Authority Debt	**$ 23,837,997,139**	**$ 23,438,151,439**	**$ 28,150,000,000**	**$ 4,711,848,561**

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

Section I (b)

	Principal Outstanding June 30, 2014	Principal Outstanding May 31, 2015	Program Limitations	Remaining Capacity
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
* Issued through IRBB - Local Government Pools	$ 10,985,000			
*Issued through IFA - Local Government Pools	21,370,000			
Issued through IFA - Illinois Medical District Commission	37,600,000	36,280,000		
Total General Moral Obligations	**$ 69,955,000**	**$ 36,280,000**	**$ 150,000,000**	**$ 113,720,000**

* All the Local Government bonds were defeased as of August 1, 2014.

	Principal Outstanding June 30, 2014	Principal Outstanding May 31, 2015	Program Limitations	Remaining Capacity
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	$ -	$ -		
Issued through IDFA	-	-		
Total Financially Distressed Cities	**$ -**	**$ -**	**$ 50,000,000**	**$ 50,000,000**
State Component Unit Bonds [c]				
Issued through IDFA [i]	-	-		
Issued through IFA [i]	148,237,655	122,769,066		
Total State Component Unit Bonds	**$ 148,237,655**	**$ 122,769,066**		

Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwestern Disaster Area Bonds in Illinois. This Federal program expired as of December 31, 2012.

Section I (c)

	Principal Outstanding June 30, 2014	Principal Outstanding May 31, 2015	Remaining MDAB Volume Cap	Remaining Capacity
Midwestern Disaster Area Bonds [Flood Relief]	**$ 66,044,684**	**$ 65,340,705**	**N/A**	**$ 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/(by) IFA	Bonds issued as of December 31, 2014	Remaining ARRA Volume Cap for each Program as of December 31, 2014
Recovery Zone Economic Development Bonds**	$ 666,972,000	$ 16,940,000	$ 12,900,000	**N/A**
Recovery Zone Facilities Bonds**	$ 1,000,457,000	$ 204,058,967	$ 214,849,804	**N/A**
Qualified Energy Conservation Bonds***	$ 133,846,000	$ (17,865,000)	$ 82,795,000	**IFA Cap: $4,755,783 Cities/Counties Cap: $46,295,717**

** Programs expired as of 12/31/2010. There have been no new issues subsequent to the expiration date of these Federal programs.

*** The IFA manages the QECB allocation for the entire State of Illinois. All QECB's to date have been issued by local governments or state universities. The QECB program currently has no set expiration date under Federal law. *IFA's remaining QECB allocation of $4,755,783 has been reserved for use by state universities.*

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, 2014	Principal Outstanding May 31, 2015	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, 2014	Principal Outstanding May 31, 2015	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, 2014	Principal Outstanding May 31, 2015	Program Limitations	Remaining Capacity	State Exposure
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance $10,151,473	$ 9,243,360	$ 8,527,799	$ 160,000,000	$ 151,472,201	$ 7,243,396
AG Loan Guarantee Program					
Fund # 205 - Fund Balance $7,839,876	$ 9,837,616	$ 8,511,765	$ 225,000,000 [e]	$ 216,488,235	$ 7,235,000
Agri Industry Loan Guarantee Program	$ 5,108,251	$ 4,543,157			3,861,683
Farm Purchase Guarantee Program	917,680	909,887			773,404
Specialized Livestock Guarantee Program	2,763,756	2,163,574			1,839,038
Young Farmer Loan Guarantee Program	1,047,929	895,146			760,874
Total State Guarantees	$ 19,080,977	$ 17,039,564	$ 385,000,000	$ 367,960,436	$ 14,478,396

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

Section V

			Principal Outstanding June 30, 2014	Principal Outstanding May 31, 2015	Appropriation Fiscal Year 2015	Cash and Investment Balance
132	Fire Truck Revolving Loan Program	**Fund # 572**	$ 17,052,813	$ 15,548,078	$ 2,383,342	$ 6,501,729
8	Ambulance Revolving Loan Program	**Fund # 334**	$ 415,920	$ 321,600	$ 7,006,800	$ 3,874,624

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, 2014	Principal Outstanding May 31, 2015	Program Limitations	Remaining Capacity
Environmental [Large Business]				
Issued through IFA	$ 26,315,000	$ 25,595,000		
Issued through IDFA	177,380,000	153,645,000		
Total Environmental [Large Business]	$ 203,695,000	$ 179,240,000	$ 2,425,000,000	$ 2,245,760,000
Environmental [Small Business]	$ -	$ -	$ 75,000,000	$ 75,000,000
Total Environment Bonds Issued under Act	$ 203,695,000	$ 179,240,000	$ 2,500,000,000	$ 2,320,760,000

Illinois Finance Authority Funds at Risk

Section VII

	Original Amount	Principal Outstanding June 30, 2014	Principal Outstanding May 31, 2015
Participation Loans			
Business & Industry	23,020,158	1,616,353	1,113,132
Agriculture	6,079,859	114,269	103,578
Participation Loans exluding Defaults & Allowances	29,100,017	1,730,622	1,216,710
Plus: Legacy IDFA Loans in Default		858,458	843,173
Less: Allowance for Doubtful Accounts		1,002,182	977,042
Total Participation Loans		1,586,898	1,082,841
Local Government Direct Loans	1,289,750	157,689	126,000
Rural Bond Bank Local Government Note Receivable			20,462,037
FmHA Loans	963,250	227,046	208,042
Renewable Energy [RED Fund]	2,000,000	1,396,598	1,310,225
Total Loans Outstanding	34,353,017	3,368,231	23,189,145

IRBB funds were defeased and transferred into a note receivable with the IFA.

[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 14, 2015
9:38 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 the Michael A. Bilandic Building, 160 North LaSalle Street, Hearing Room N -808, Chicago, Illinois 60601, on the second Thursday of May in the year 2015, 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"), R. Robert Funderburg, 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: 7 Members physically present and 1 Member present by means of audio conference.

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

Having been absent when the Quorum Roll Call for Attendance was taken, Member Pedersen was recorded as present at the time of 9:50 a.m. Thereupon Member Pedersen's arrival, 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 14, 2015

0 YEAS		0 NAYS		9 PRESENT	
P	Bronner (VIA AUDIO CONFERENCE)	P	Leonard	P	Zeller
P	Fuentes	E	O'Brien	P	Mr. Chairman
P	Goetz	P	Pedersen (ADDED)		
P	Gold	E	Poole		
P	Knox	E	Tessler		

E – Denotes Excused Absence

II. Chairman's Remarks

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

Chairman Funderburg thanked Governor Rauner for the opportunity and honor to help lead the Authority in stimulating economic development throughout the state. Furthermore, Chairman Funderburg acknowledged the Office of the Governor for its ongoing commitment to the Authority's immediate needs and concerns.

Next, Chairman Funderburg praised Executive Director Meister and Authority staff for their hard work and commitment to working together as a team as State government continues its transition under new leadership.

Chairman Funderburg said he looks forward to building on the work that Members of the Board accomplished under former Chairman William A. Brandt, Jr. Chairman Funderburg stated the Authority has gone through its transition period without missing a beat and is on track and moving forward. Chairman Funderburg expressed his gratitude to Chairman Brandt and Members of the Board for doing a great job with Authority staff, leading the Authority through some not-so-easy times, e.g. through the Great Recession. Moving forward, Chairman Funderburg looks forward to continuing to promote the efforts of the Authority despite having a learning curve; moreover, Chairman Funderburg stated that he looks forward to learning as much as he can as quickly as he can.

III. Message from the Executive Director

Executive Director Meister thanked Chairman Funderburg and all Members of the Committee for their volunteer public service.

Executive Director Meister commended the Office of Governor Rauner for being responsive and considerate to the Authority's needs. Notably, Executive Director Meister expressed his sincere hope that the Authority's relocation to permanent office space in Suite S-1000 of the Michael A. Bilandic Building will be complete by July 1, 2015 and informed the Committee that work remains ongoing concerning a second, looming legacy issue that he will not discussion in open session.

IV. Consideration of the Minutes

Executive Director Meister recommended that consideration of the Minutes be postponed until the arrival of Member Pedersen.

The Members of the Committee agreed.

V. Presentation and Consideration of the Financial Statements

Ms. Gildart presented the following monthly and annual summary as of April 30, 2015:

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

a. **Annual Operating Revenues** totaled \$3.3 million, while annual Net Non-Operating Revenues totaled \$163 thousand. Total annual combined revenues of \$3.4 million are \$249 thousand or 7% below budget; due primarily to lower than expected closing and miscellaneous fees. Closing fees year to date of \$1.9 million, are \$185 thousand or 9% below budget. Included in Interest Income on Loans, the year to date revenue accrued for interest due from the former IRBB local governments totaled $880 thousand. Annual fees of $313 thousand are 11% or $31 thousand higher than budget. Administrative service fees are also 26% higher than budgeted, totaling $121 thousand for the year. Annual net investment income of $153 thousand is more than double the fiscal year 2014's ending total as of April.

b. In **April**, the Authority generated $212 thousand in closing fees, which exceeds the average monthly total of $186 thousand. Closing fees were received from: ***Silver Cross Hospital***, $145 thousand, ***Noble Network Charter Schools***, $70 thousand, and ***Agriculture-related closings*** of $7 thousand. Administrative service fees of $21 thousand were collectively booked for ***Lincoln Park Zoological Society*** and ***Council for Jewish Elderly***. April's net investment revenue totaled $4 thousand.

c. **Annual Operating Expenses** of $3 million are $684 thousand or 19% lower than budget, mostly driven by lower employee-related expenses and professional service costs. Year to date, employee expenses total $1.4 million, professional services total $1 million and each function is 20% below budget. Annual occupancy costs total $160 thousand and are $83 thousand or 34% under budget. General and administrative costs are $314 thousand for the year, which is 13% over budget. Other contributors to lower overall year to date operating costs include the delay in the implementation of the compliance driven debt management software application and reduced staff costs.

d. **In April**, total professional services of $203 thousand included payments for legal services ($43K), legislative services fees ($15K) and an accrual for potential rating agency fees ($113K). Salaries and benefits are down to $131K, with the reduction of full and part-time employees. General and administrative costs of $28 thousand include expenses for various insurance policies.

e. **April** activities resulted in a monthly Net Loss of **-**$23 thousand. On a year to date basis, the Authority currently shows Annual Net Income of $760 thousand. Major contributors to the positive bottom line include the level of overall spending at 19% below budget and the transfer of the remaining IRBB reserve funds earlier this fiscal year of nearly $300K. Budgeted net income at this point in the fiscal year is just $31 thousand.

2. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION

The Authority, as of April 2015, is a $119 million dollar agency which also currently accounts for nearly $300 million in total activity (including the Other State of Illinois Debt Fund) and maintains compliance for nearly $24 billion in outstanding debt.

[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.

3. GENERAL OPERATING FUND-ASSETS, LIABILITIES AND NET POSITION

In the General Fund, IFA continues to maintain a strong balance sheet with total net position of $52.7 million. The total assets in the General Fund are $53.2 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total $29.2 million, notes receivables for the former IRBB local governments total $20.5 million, other loans receivables are at $2 million and restricted cash in the DACA Loan Fund totals $1.3 million. Liabilities, current and non-current, total just $605 thousand.

4. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

a. In accordance with governmental accounting standards, the "Other State of Illinois Debt Fund" is comprised of bond activity for the Illinois Environmental Protection Agency (IEPA), the Illinois Medical District Commission (IMDC) and Northern Illinois University Foundation (NIUF). The majority of the activity in this fund derives from the Clean Water Initiative for IEPA. At the request of IEPA, since July 2014, funds consisting of bond proceeds, loan repayments and match funds totaling $257 million were transferred back to the custody of the State Treasurer. These funds may be reinvested by the Authority in the future. Authority staff anticipates working with the Board to update the investment policy, in order to increase all investment returns (in accordance with State of Illinois investments regulations).

b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year to date receipts of $362 thousand. Net investment income from both funds equals $63 thousand. Monies have been invested since July 2014. In April 2015, the Authority returned $8 million to the Office of the State Fire Marshal (OSFM) that was to be used for new loans per Public Act 97-901. Due to the State's fiscal crisis, these funds were returned at the formal request of OSFM and the Governor's Office of Management and Budget (GOMB). Net position of $22 million for Fire Truck and $4.2 million for Ambulance, are now shown on the Authority's books due to recent statutory changes.

c. Other Nonmajor Funds booked revenues of $200 thousand, of which, $166 thousand is derived from investment activity. Year to date, the nonmajor funds show a net loss of $108 thousand, driven by the transfer of funds out of the IRBB Reserve Fund to the General Operating Fund. All other activities result in positive net income of $186 thousand as of April. Total Net Position in the Nonmajor Funds is $39.5 million.

d. The Agency/Fiduciary Funds for IFA include both the Metro East Police District Commission and the Illinois Finance Authority NFP Development Fund, with combined current assets of $60 thousand.

5. FY14 AND FY15 COMPLIANCE AUDITS and GASB UPDATES

a. Fieldwork for the Fiscal Year ("FY")14 and FY15 compliance audits is ongoing.

b. Upcoming Governmental Accounting Standards Board (GASB) changes to Authority financial reporting, affect fair value measurements and application for investments, leases and fiduciary activities, with some changes taking effect July 1, 2015. The Authority will continue to monitor these developments to ensure proper implementation of these new standards to Authority financial reporting, as applicable.

In connection with General Operating Fund Revenues, Expenses and Net Income, Vice Chairperson Goetz requested clarification as to why annual net investment income is more than double the fiscal year 2014's ending total as of April. Ms. Gildart informed the Committee that the investment strategy changed with the current investment manager, ClearARC Capital, Inc.

VI. Monthly Procurement Report

Ms. Gildart presented the Monthly Procurement Report, which included contracts pending execution, contract renewals, new contracts, upcoming solicitations, and a list of vendors procured by the State of Illinois without action needed by Members of the Authority.

Specifically, Ms. Gildart noted resolutions are being presented for the approval of the terms of Information Technology Contracts-Debt Management Software Application, IPB#22034654 (Previously Procurement B in Exhibit A to IFA Resolution No. 2015-0414-AD04) and for the approval of the terms of Information Technology Contracts-Accounting Software Maintenance and Support, IPB#22035349 (Previously Procurement C in Exhibit A to IFA Resolution No. 2015-0414-AD04).

Executive Director Meister reiterated that he alone will be presenting the following resolutions: Items 4, 5 and 6. Ms. Gildart will not be presenting these resolutions because she is Agency Procurement Officer.

IV. Consideration of the Minutes (Continued…)

Noting the arrival of Member Pedersen, Chairman Funderburg 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 14, 2015.

Vice Chairperson Goetz moved for the adoption of the Minutes of the regular meeting of the Committee held on April 14, 2015.

Member Knox seconded the motion.

The motion prevailed and the Minutes were adopted.

VII. Committee Reports

Audit Committee

Member Bronner reported that the Audit Committee met and made recommendations earlier on May 14, 2015.

Member Bronner reported that the Audit Committee discussed the status of various audits, in addition to discussing in closed session resources to address existing and potential findings as well as procurement matters.

VIII. Project Reports and Resolutions

Mr. Evans presented the following projects:

Agriculture Projects

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

Amanda J. and Scott R. Doll are requesting approval of a **Final** Bond Resolution in an amount not to exceed **Two Hundred Sixteen Thousand Dollars** ($216,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 60 acres of farmland and orchard located in Burgess Township in Bond County.

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

Brandon Hilmes is requesting approval of a **Final** Bond Resolution in an amount not to exceed **One Hundred Ninety Thousand Dollars** ($190,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 40 acres of farmland located in Seminary Township in Fayette County.

Item 1C: Item 1C is a request for Beginning Farmer Revenue Bond financing.

Marvis & Angela Primus are requesting approval of a **Final** Bond Resolution in an amount not to exceed **Two Hundred Twenty-Four Thousand Two Hundred Seventy-One Dollars** ($224,271). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of an undivided one-half interest in approximately 140 acres of farmland located in Russell Township in Lawrence County.

Item 1D: Item 1D is a request for Beginning Farmer Revenue Bond financing.

Wayne Primus is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Two Hundred Twenty-Four Thousand Two Hundred Seventy-One Dollars** ($224,271). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of an undivided one-half interest in approximately 140 acres of farmland located in Russell Township in Lawrence County.

Member Leonard and Mr. Evans engaged in a conversation concerning agricultural guarantee programs offered by the USDA Farm Service Agency and the Authority. Mr. Evans informed the Committee that based on discussions he has had with rural bankers, the Authority may want to consider increasing the Authority’s maximum loan guarantee amount as USDA Farm Service Agency’s limit may not accommodate the average farmer’s needs.

Executive Director Meister reminded Members of the Committee that legislation passed in 2010 created the Working Capital Loan Guarantee Program (Public Act 96-0897) which authorizes the Authority to issue State Guarantees to lenders for working capital loans to finance planting and raising agricultural commodities, as well as authorizes the use of the Industrial Project Insurance Fund, the Illinois Agricultural Loan Fund, and the Illinois Farmer and Agribusiness Loan Guarantee Fund to satisfy State Guarantees for agricultural assistance. Therefore, Executive Director Meister stated his position that the Authority has been good stewards of the various agricultural guarantee products which should result in a positive response concerning proposing State legislation to raise the maximum agricultural guarantee threshold.

Vice Chairperson Goetz and Executive Director Meister engaged in a conversation about conduit Beginning Farmer Revenue Bonds, which beginning in 2015 can now be issued in a maximum amount of $517,700. Federal law sets the limits for Beginning Farmer Revenue Bonds.

Member Zeller and Mr. Evans engaged in a conversation in connection with Item 1C and Item 1D. Mr. Evans confirmed that collectively, Marvis & Angela Primus and Wayne Primus are financing $448,542 for 140 acres of farmland. As a result of this financing, each borrower will own an undivided 50% interest in the 140 acres. Peoples State bank of Newton financed the 140 acres in this fashion probably for accounting reasons.

Mr. Fletcher presented the following project and resolution:

Educational, Cultural and Non-Healthcare 501(c)(3) Projects

Item 2: Item 2 is a request for 501(c)(3) Revenue Bond financing.

Chicago Shakespeare Theater is requesting approval of a Preliminary Bond Resolution in an amount not to exceed **Fifteen Million Four Hundred Thousand Dollars** ($15,400,000).

Bond proceeds will be loaned to **Chicago Shakespeare Theater**, an Illinois not for profit corporation (the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds in connection with the development, design, site renovation, construction and equipping of a third theater on Navy Pier in conjunction with Navy Pier, Inc. (collectively, the "**Project**") and to refund the Authority's $4,100,000 Revenue Bonds (Chicago Shakespeare Theater Project) Series 2011.

Resolutions

Item 3: Item 3 is a Resolution Providing for the Issuance of Not To Exceed $22,000,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2015 (Loyola Academy Project); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters

Mr. Fletcher reminded Members of the Board that they received an updated Resolution in connection with Item 3. According to Mr. Fletcher, the updated Resolution provides authorization that the Executive Director may execute the Bond.

Members of the Board acknowledged receipt of the updated Resolution.

Executive Director Meister explained that in collaboration with bond counsel, the Authority has recently been examining its practices. In recognition of the Member's volunteer public service, the Authority will be making some procedural changes, including but not limited to, resolutions now being executed by the

Executive Director and bonds now being executed by either the Chairman, Vice Chairperson or Executive Director.

Mr. Fletcher informed the Committee that while this transaction is a refunding to federal tax law purposes, the Authority is offering a discounted fee as the outstanding debt that is currently secured by a Letter of Credit is now being converted to bank debt and the weighted average maturity is not being extended. However, any costs of issuance financed with proceeds of the Series 2015 Bonds will be charged in accordance with the Authority's regular fee schedule.

Mr. Frampton added that the administrative closing fee anticipated at this time is approximately $35,500.

Executive Director Meister presented the following resolutions:

Item 4: Item 4 is a Resolution Approving the Terms of Information Technology Contracts-Debt Management Software Application, IPB#22034654 (Previously Procurement B in Exhibit A to IFA Resolution No. 2015-0414-AD04)

In connection with Items 4, 5 and 6, Executive Director Meister stated that he is currently struggling with reconciling the Illinois Finance Authority Act, the Illinois Open Meetings Act, and the Illinois Procurement Code. Executive Director Meister's current solution includes convening the Audit Committee and entering into closed session pursuant to, but not limited to, 5 ILCS 120/2(c)(1) and 5 ILCS 120/2(c)(1)(29) to discuss procurement matters.

Item 5: Item 5 is a Resolution Approving the Terms of Information Technology Contracts-Accounting Software Maintenance and Support, IPB#22035349 (Previously Procurement C in Exhibit A to IFA Resolution No. 2015-0414-AD04)

Vice Chairperson Goetz inquired if the terms of contracts related to Items 4 and 5 can be terminated by the Authority. Ms. Gildart informed Vice Chairperson Goetz and Members of the Committee that both contracts may be terminated by the Authority with 30 days' notice.

Item 6: Item 6 is a Resolution Approving Changes to the Authority Procurement Policy, Adopted August 13, 2013 and Amended April 10, 2014, to Make "Small Purchase" Definition Consistent with the Procurement Code, Ratifying Certain Past Actions, and Authorizing the Executive Director to Take Certain Actions

Executive Director Meister explained that the Authority's definition of a "Small Purchase" was heretofore $20,000. However, this resolution allows for the definition to be updated to $50,000 or less – reflecting the maximum allowed for by the Illinois Procurement Code. Additionally, this resolution will mitigate potential audit risk.

IX. Other Business

None.

X. Public Comment

None.

XI. Adjournment

At the time of 10:16 a.m., Vice Chairperson Goetz moved that the Committee do now adjourn until June 11 2015, at 9:30 a.m.

Member Fuentes 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
THURSDAY, MAY 14, 2015
10:32 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 the Michael A. Bilandic Building, 160 North LaSalle Street, Hearing Room N - 808, Chicago, Illinois 60601, on the second Thursday of May in the year 2015, 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"), R. Robert Funderburg, 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: 9 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
BOARD OF DIRECTORS
BOARD ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE

May 14, 2015

0 YEAS		0 NAYS		9 PRESENT	
P	Bronner (VIA AUDIO CONFERENCE)	P	Leonard	P	Zeller
P	Fuentes	E	O'Brien	P	Mr. Chairman
P	Goetz	P	Pedersen		
P	Gold	E	Poole		
P	Knox	E	Tessler		

E – Denotes Excused Absence

II. Chairman Remarks

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

Chairman Funderburg thanked Governor Rauner for the opportunity and honor to help lead the Authority in stimulating economic development throughout the state. Furthermore, Chairman Funderburg acknowledged the Office of the Governor for its ongoing commitment to the Authority's immediate needs and concerns.

Next, Chairman Funderburg praised Executive Director Meister and Authority staff for their hard work and commitment to working together as a team as State government continues its transition under new leadership.

Chairman Funderburg said he looks forward to building on the work that Members of the Board accomplished under former Chairman William A. Brandt, Jr. Chairman Funderburg stated the Authority has gone through its transition period without missing a beat and is on track and moving forward. Chairman Funderburg expressed his gratitude to Chairman Brandt and Members of the Board for doing a great job with Authority staff, leading the Authority through some not-so-easy times, e.g. through the Great Recession. Moving forward, Chairman Funderburg looks forward to continuing to promote the efforts of the Authority despite having a learning curve; moreover, Chairman Funderburg stated that he looks forward to learning as much as he can as quickly as he can.

Chairman Funderburg, Chairman from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on May 14, 2015, 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 14, 2015 were taken up for consideration.

Member Pedersen moved for the adoption of the Minutes.

Vice Chairperson Goetz seconded the motion.

And on that motion, a roll call vote was taken resulting as follows: 9 Yeas; 0 Nays; 0 Answering Present.

The motion prevailed and the Minutes were adopted.

IV. Acceptance of the Financial Statements

Financial Statements for the Month Ended April 30, 2015 were taken up for consideration.

Vice Chairperson Goetz moved for the acceptance of the Financial Statements.

Member Fuentes seconded the motion.

And on that motion, a roll call vote was taken resulting as follows: 9 Yeas; 0 Nays; 0 Answering Present.

The motion prevailed and the Financial Statements were accepted.

V. Approval of Project Reports and Resolutions

Chairman Funderburg directed Mr. Frampton to present the projects and resolutions anticipated to have no guests or abstentions to the Board.

Mr. Frampton presented the following projects and resolutions:

Agriculture Projects

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

Amanda J. and Scott R. Doll are requesting approval of a **Final** Bond Resolution in an amount not to exceed **Two Hundred Sixteen Thousand Dollars** ($216,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 60 acres of farmland and orchard located in Burgess Township in Bond County.

Vice Chairperson Goetz moved for the adoption of the following project: Item 1A.

Member Leonard seconded the motion.

And on that motion, a roll call vote was taken resulting as follows: 9 Yeas; 0 Nays; 0 Answering Present.

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

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

Brandon Hilmes is requesting approval of a **Final** Bond Resolution in an amount not to exceed **One Hundred Ninety Thousand Dollars** ($190,000). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of approximately 40 acres of farmland located in Seminary Township in Fayette County.

Member Pedersen moved for the adoption of the following project: Item 1B.

Member Fuentes seconded the motion.

And on that motion, a roll call vote was taken resulting as follows: 9 Yeas; 0 Nays; 0 Answering Present.

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

Item 1C: Item 1C is a request for Beginning Farmer Revenue Bond financing.

Marvis & Angela Primus are requesting approval of a **Final** Bond Resolution in an amount not to exceed **Two Hundred Twenty-Four Thousand Two Hundred Seventy-One Dollars** ($224,271). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of an undivided one-half interest in approximately 140 acres of farmland located in Russell Township in Lawrence County.

Vice Chairperson Goetz moved for the adoption of the following project: Item 1C.

Member Pedersen seconded the motion.

And on that motion, a roll call vote was taken resulting as follows: 9 Yeas; 0 Nays; 0 Answering Present.

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

Item 1D: Item 1D is a request for Beginning Farmer Revenue Bond financing.

Wayne Primus is requesting approval of a **Final** Bond Resolution in an amount not to exceed **Two Hundred Twenty-Four Thousand Two Hundred Seventy-One Dollars** ($224,271). This financing is being presented for one-time consideration.

Bond proceeds will be used to finance the acquisition of an undivided one-half interest in approximately 140 acres of farmland located in Russell Township in Lawrence County.

Vice Chairperson Goetz moved for the adoption of the following project: Item 1D.

Member Pedersen seconded the motion.

And on that motion, a roll call vote was taken resulting as follows: 9 Yeas; 0 Nays; 0 Answering Present.

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

Educational, Cultural and Non-Healthcare 501(c)(3) Projects

Item 2: Item 2 is a request for 501(c)(3) Revenue Bond financing.

Chicago Shakespeare Theater is requesting approval of a Preliminary Bond Resolution in an amount not to exceed **Fifteen Million Four Hundred Thousand Dollars** ($15,400,000).

Bond proceeds will be loaned to **Chicago Shakespeare Theater**, an Illinois not for profit corporation (the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds in connection with the development, design, site renovation, construction and equipping of a third theater on Navy Pier in conjunction with Navy Pier, Inc. (collectively, the "**Project**") and to refund the Authority's $4,100,000 Revenue Bonds (Chicago Shakespeare Theater Project) Series 2011.

Executive Director Meister announced that Linda Orellana and E. Brooke Flanagan, Director of Finance and Director of Institutional Advancement for the Borrower, respectively, were present and ready to speak on behalf of the project.

Ms. Flanagan thanked the Members of the Board for their consideration of the financing.

Chairman Funderburg recognized and thanked Ms. Flanagan.

Vice Chairperson Goetz moved for the adoption of the following project: Item 2.

Member Pedersen seconded the motion.

And on that motion, a roll call vote was taken resulting as follows: 9 Yeas; 0 Nays; 0 Answering Present.

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

Resolutions

Item 3: Item 3 is a Resolution Providing for the Issuance of Not To Exceed $22,000,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2015 (Loyola Academy Project); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters

Mr. Fletcher reminded Members of the Board that they received an updated Resolution in connection with Item 3. According to Mr. Fletcher, the updated Resolution provides authorization that the Executive Director may execute the Bond.

Members of the Board acknowledged receipt of the updated Resolution.

Executive Director Meister announced that Jane Nagle, attorney at Chapman & Cutler LLP, was present and ready to speak on behalf of the Resolution.

Ms. Nagle thanked the Members of the Board for their consideration of the financing.

Chairman Funderburg recognized and thanked Ms. Nagle.

Vice Chairperson Goetz moved for the adoption of the following resolution: Item 3.

Member Pedersen seconded the motion.

And on that motion, a roll call vote was taken resulting as follows: 9 Yeas; 0 Nays; 0 Answering Present.

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

Item 4: Item 4 is a Resolution Approving the Terms of Information Technology Contracts-Debt Management Software Application, IPB#22034654 (Previously Procurement B in Exhibit A to IFA Resolution No. 2015-0414-AD04)

Vice Chairperson Goetz moved for the adoption of the following resolution: Item 4.

Member Fuentes seconded the motion.

And on that motion, a roll call vote was taken resulting as follows: 9 Yeas; 0 Nays; 0 Answering Present.

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

Item 5: Item 5 is a Resolution Approving the Terms of Information Technology Contracts-Accounting Software Maintenance and Support, IPB#22035349 (Previously Procurement C in Exhibit A to IFA Resolution No. 2015-0414-AD04)

Vice Chairperson Goetz moved for the adoption of the following resolution: Item 5.

Member Zeller seconded the motion.

And on that motion, a roll call vote was taken resulting as follows: 9 Yeas; 0 Nays; 0 Answering Present.

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

Item 6: Item 6 is a Resolution Approving Changes to the Authority Procurement Policy, Adopted August 13, 2013 and Amended April 10, 2014, to Make "Small Purchase" Definition Consistent with the Procurement Code, Ratifying Certain Past Actions, and Authorizing the Executive Director to Take Certain Actions

Vice Chairperson Goetz moved for the adoption of the following resolution: Item 5.

Member Leonard seconded the motion.

And on that motion, a roll call vote was taken resulting as follows: 9 Yeas; 0 Nays; 0 Answering Present.

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

At the time of 10:45 a.m., Vice Chairperson Goetz moved that the Board do now adjourn until June 11, 2015, at 10:30 a.m.

Member Knox 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 11, 2015

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS MONTHLY AND ANNUAL SUMMARY AS OF APRIL 30, AND MAY 31, 2015*

***Due to the timing/receipt of external information and the Authority's printing schedule, some financial information for May 2015 is projected.**

1. **GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME**

   a. **Projected Annual Operating Revenues** totaled $3.5 million, while annual Projected Net Non-Operating Revenues totaled $168 thousand. Total projected annual combined revenues of $3.7 million are $395 thousand or 24% below budget; due primarily to lower than expected closing and miscellaneous fees. Closing fees year to date of $2 million, are $295 thousand or 13% below budget. Included in Interest Income on Loans, the projected year to date revenue accrued for interest due from the former IRBB local governments totaled $961 thousand. Projected annual fees of $343 thousand are 11% or $34 thousand higher than budget. Administrative service fees are also 20% higher than budgeted, totaling $126 thousand for the year. Annual projected net investment income of $158 thousand is more than double the fiscal year 2014's ending total as of May.

   b. In **May**, the Authority generated $97 thousand in closing fees, which is below the average monthly total of $189 thousand. Closing fees were received from: ***CHF-Cook, LLC***, $94 thousand, and ***Agriculture-related closings*** of $3 thousand. Administrative service fees of $5 thousand were booked for ***Ockerlund Industries***. May's projected net investment revenue totaled $4 thousand.

   c. **Projected Annual Operating Expenses** of $3.2 million are $786 thousand or 20% lower than budget, mostly driven by lower employee-related expenses and professional service costs. Projected year to date employee expenses total $1.6 million and projected professional services total $1.1 million, with each function at 20.7% below budget. Projected annual occupancy costs total $176 thousand and are $90 thousand or 34% under budget. Projected general and administrative costs are $342 thousand for the year, which is 12% over budget. Other contributors to lower projected overall year to date operating costs include delays for the debt management software application, Chicago Office permanent move, execution of the contract for accounting software and maintenance, payment of internal audit fees and reduced staff costs.

   d. **Projected May Monthly Net Loss** -$49 thousand. On a year to date basis, the Authority currently shows Projected Annual Net Income of $711 thousand. Major contributors to the positive bottom line include the level of overall spending at 20% below budget and the transfer of the remaining IRBB reserve funds earlier this fiscal year of nearly $300K. Budgeted net income at this point in the fiscal year is just $34 thousand.

***All Balance Sheet information is as of April 30, 2015**

2. <u>ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION</u>

The Authority, as of April 2015, is a $119 million dollar agency which also currently accounts for nearly $300 million in total activity (including the Other State of Illinois Debt Fund) and maintains compliance for nearly $24 billion in outstanding debt.

3. <u>GENERAL OPERATING FUND-ASSETS, LIABILITIES AND NET POSITION</u>

In the General Fund, IFA continues to maintain a strong balance sheet with total net position of $52.7 million. The total assets in the General Fund are $53.2 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total $29.2 million, notes receivables for the former IRBB local governments total $20.5 million, other loans receivables are at $2 million and restricted cash in the DACA Loan Fund totals $1.3 million. Liabilities, current and non-current, total just $605 thousand.

4. <u>YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS</u>

a. In accordance with governmental accounting standards, the "Other State of Illinois Debt Fund" is comprised of bond activity for the Illinois Environmental Protection Agency (IEPA), the Illinois Medical District Commission (IMDC) and Northern Illinois University Foundation (NIUF). The majority of the activity in this fund derives from the Clean Water Initiative for IEPA. At the request of IEPA, since July 2014, funds consisting of bond proceeds, loan repayments and match funds totaling $257 million were transferred back to the custody of the State Treasurer. These funds may be reinvested by the Authority in the future. Authority staff anticipates working with the Board to update the investment policy, in order to increase all investment returns (in accordance with State of Illinois investments regulations).

b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year to date receipts of nearly $400 thousand. In April 2015, the Authority returned $8 million to the Office of the State Fire Marshal (OSFM) that was to be used for new loans per Public Act 97-901. Due to the State's fiscal crisis, these funds were returned at the formal request of OSFM and the Governor's Office of Management and Budget (GOMB). Net position of $22 million for Fire Truck and $4.2 million for Ambulance, are now shown on the Authority's books due to recent statutory changes.

c. Other Nonmajor Funds has a total net position of $39.5 million.

d. The Agency/Fiduciary Funds for IFA include both the Metro East Police District Commission and the Illinois Finance Authority NFP Development Fund, with combined current assets of $60 thousand.

5. <u>FY14 AND FY15 FINANC IAL/COMPLIANCE AUDITS and GASB UPDATES</u>

a. Fieldwork for the FY14 and FY15 compliance audits is ongoing.

b. Upcoming Governmental Accounting Standards Board (GASB) changes to Authority financial reporting, affect fair value measurements and application for investments, leases and fiduciary activities, with some changes taking effect July 1, 2015. The Authority will continue to monitor these developments to ensure proper implementation of these new standards to Authority financial reporting, as applicable.

c. The FY14/FY15 Financial and Compliance Audits will be the last Authority audits performed by Special Assistant Auditors for the Illinois Auditor General, EC Ortiz, LLP. The Authority will have new auditors beginning with the FY16 financial audit.

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[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.

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2015 AS OF MAY 31, 2015
(PROJECTED)*
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE ($)	BUDGET VARIANCE (%)
Operating Revenues:															
Closing Fees	66,825	295,753	138,542	78,500	2,150	510,496	68,431	330,444	184,278	212,164	97,250	1,984,833	2,279,750	(294,917)	-12.9%
Annual Fees	10,367	42,720	31,533	34,580	34,230	36,372	28,534	29,221	34,744	30,316	30,316	342,933	309,375	33,558	10.8%
Administrative Service Fees	-	10,000	15,000	-	20,000	-	-	10,000	45,000	21,000	5,000	126,000	105,417	20,583	19.5%
Application Fees	1,100	14,328	4,300	2,700	2,500	1,100	1,100	5,250	3,400	2,400	2,600	40,778	37,588	3,190	8.5%
Miscellaneous Fees	62	-	-	-	-	14	34	-	-	-	-	110	55,000	(54,890)	-99.8%
Interest Income-Loans	120,406	67,709	102,031	102,123	106,114	103,356	102,006	37,228	82,624	82,576	82,576	988,749	1,063,178	(74,429)	-7.0%
Other Revenue	272	291	-	269	287	2,942	249	-	118	242	116	4,786	4,400	386	8.8%
Total Operating Revenue:	**$199,032**	**$ 430,801**	**$291,406**	**$218,172**	**$ 165,281**	**$654,280**	**$200,354**	**$412,143**	**$350,164**	**$348,698**	**$217,858**	**$ 3,488,189**	**$ 3,854,708**	**$ (366,519)**	**-9.5%**
Operating Expenses:															
Employee Related Expense	158,165	155,946	152,957	148,571	148,404	142,070	142,279	134,876	133,423	130,895	130,895	1,578,481	1,990,152	(411,671)	-20.7%
Professional Services	2,882	179,754	97,492	49,885	84,877	111,758	71,839	119,195	82,810	203,116	90,616	1,094,224	1,379,565	(285,341)	-20.7%
Occupancy Costs	26,485	26,590	9,247	40,454	8,583	8,124	10,361	11,540	9,307	9,110	16,575	176,376	267,344	(90,968)	-34.0%
General & Administrative	28,707	28,568	26,718	28,656	26,890	28,029	28,210	48,906	40,953	28,012	28,012	341,661	306,442	35,219	11.5%
Depreciation and Amortization	3,847	3,847	3,847	3,876	3,876	4,794	4,794	4,794	4,794	4,794	4,794	48,057	73,333	(25,276)	-34.5%
Total Operating Expense	**$220,086**	**$ 394,705**	**$290,261**	**$271,442**	**$ 272,630**	**$294,775**	**$257,483**	**$319,311**	**$271,287**	**$375,927**	**$270,892**	**$ 3,238,799**	**$ 4,016,836**	**$ (778,037)**	**-19.4%**
Operating Income(Loss)	**$ (21,054)**	**$ 36,096**	**$ 1,145**	**$ (53,270)**	**$ (107,349)**	**$359,505**	**$ (57,129)**	**$ 92,832**	**$ 78,877**	**$ (27,229)**	**$ (53,034)**	**$ 249,390**	**$ (162,128)**	**$ 411,518**	**253.8%**
Nonoperating Revenues (Expenses															
Bad Debt Recoveries and Adjs	-	-	-	-	-	3,741	-	-	6,114	-	-	9,855	13,750	(3,895)	-28.3%
Miscellaneous Non-Opertg Rev/(Exp)	-	-	-	-	-	-	-	-	-	-	-	-	(1,833)	1,833	-100.0%
Interest and Investment Income	26,997	34,457	19,837	29,932	15,661	35,176	20,838	27,801	29,772	22,041	22,041	284,553	458,883	(174,330)	-38.0%
Realized Gain (Loss) on Sale of Inves	-	(445)	(19)	(31)	(5)	190	(364)	(3,452)	(532)	(1,994)	(1,994)	(8,646)	(45,833)	37,187	-81.1%
Net Appreciation (Depr) in FV of Inves	(38,575)	3,960	(17,901)	5,423	3,764	(54,607)	43,741	(37,439)	4,831	(15,690)	(15,690)	(118,183)	(229,167)	110,984	-48.4%
Total Nonoperating Rev (Exp)	**$ (11,578)**	**$ 37,972**	**$ 1,917**	**$ 35,324**	**$ 19,420**	**$ (15,500)**	**$ 64,215**	**$ (13,090)**	**$ 40,185**	**$ 4,357**	**$ 4,357**	**$ 167,579**	**$ 195,800**	**$ (28,221)**	**-14.4%**
Net Income (Loss) Before Transfers	**$ (32,632)**	**$ 74,068**	**$ 3,062**	**$ (17,946)**	**$ (87,929)**	**$344,005**	**$ 7,086**	**$ 79,742**	**$119,062**	**$ (22,872)**	**$ (48,677)**	**$ 416,969**	**$ 33,672**	**$ 383,297**	**1138.3%**
Transfers:															
Transfers in from other funds	-	2,263,041	116,837	10	177,108	-	-	-	-	-	-	2,556,996	-	-	0.0%
Transfers out to other funds	-	(2,263,041)	-	-	-	-	-	-	-	-	-	(2,263,041)	-	-	0.0%
Total Transfers In (Out)	**$ -**	**$ -**	**$116,837**	**$ 10**	**$ 177,108**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 293,955**	**$ -**	**$ -**	**0.0%**
Net Income (Loss)	**$ (32,632)**	**$ 74,068**	**$119,899**	**$ (17,936)**	**$ 89,179**	**$344,005**	**$ 7,086**	**$ 79,742**	**$119,062**	**$ (22,872)**	**$ (48,677)**	**$ 710,924**	**$ 33,672**	**$ 677,252**	**2011.3%**

All amounts in red are projected.

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND AGENCY FUND ACTIVITY
April 30, 2015
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF ILLINOIS DEBT FUNDS	TOTAL ALL FUNDS	AGENCY FUNDS
Assets and Deferred Outflows:								
Current Assets:								
Unrestricted:								
Cash & cash equivalents	5,941,178	-	-	1,070,778	7,011,956	-	7,011,956	-
Investments	6,187,883	-	-	3,264,522	9,452,405	-	9,452,405	-
Accounts receivable, Net	135,933	-	-	-	135,933	-	135,933	-
Loans receivables, Net	38,291	-	-	-	38,291	-	38,291	-
Accrued interest receivable	321,996	-	-	36,340	358,336	-	358,336	-
Bonds and notes receivable	1,942,800	-	-	-	1,942,800	-	1,942,800	-
Due from other funds	91,168	-	-	-	91,168	-	91,168	-
Due from other local government agencies	-	-	-	3,000,000	3,000,000	-	3,000,000	-
Prepaid Expenses	75,776	-	-	-	75,776	-	75,776	-
Total Current Unrestricted Assets	**$ 14,735,025**	**$ -**	**$ -**	**$ 7,371,640**	**$ 22,106,665**	**$ -**	**$ 22,106,665**	**$ -**
Restricted:								
Cash & Cash Equivalents	1,280,252	18,270	36,361	2,061,294	3,396,177	61,120,232	64,516,409	60,695
Investments	-	1,490,830	1,224,451	216,404	2,931,685	-	2,931,685	-
Accrued interest receivable	-	18,991	10,442	4,974	34,407	395	34,802	-
Bonds and notes receivable from State component units		-	-			713,629	713,629	-
Loans receivables, Net	-	1,374,194	74,320	16,590	1,465,104	-	1,465,104	-
Total Current Restricted Assets	**$ 1,280,252**	**$ 2,902,285**	**$ 1,345,574**	**$ 2,299,262**	**$ 7,827,373**	**$ 61,834,256**	**$ 69,661,629**	**$ 60,695**
Total Current Assets	**$ 16,015,277**	**$ 2,902,285**	**$ 1,345,574**	**$ 9,670,902**	**$ 29,934,038**	**$ 61,834,256**	**$ 91,768,294**	**$ 60,695**
Non-current Assets:								
Unrestricted:								
Investments	17,062,679	-	-	9,228,463	26,291,142	-	26,291,142	-
Accounts receivable, Net		-	-	-	-	-	-	-
Loans receivables, Net	1,586,970	-	-	-	1,586,970	-	1,586,970	-
Bonds and notes receivable	18,519,237	-	-	-	18,519,237	-	18,519,237	-
Total Noncurrent Unrestricted Assets	**$ 37,168,886**	**$ -**	**$ -**	**$ 9,228,463**	**$ 46,397,349**	**$ -**	**$ 46,397,349**	**$ -**
Restricted:								
Cash & Cash Equivalents	-	-	-	600,000	600,000	-	600,000	-
Investments	-	4,820,891	2,614,789	544,147	7,979,827	3,349,693	11,329,520	-
Funds in the custody of the Treasurer		122,234	42	17,984,107	18,106,383	-	18,106,383	-
Loans receivables, Net	-	14,173,884	247,280	1,497,048	15,918,212	-	15,918,212	-
Bonds and notes receivable from primary government	-	-	-	-	-	73,458,173	73,458,173	-
Bonds and notes receivable from State component units	-	-	-	-	-	33,079,259	33,079,259	-
Total Noncurrent Restricted Assets	**$ -**	**$ 19,117,009**	**$ 2,862,111**	**$ 20,625,302**	**$ 42,604,422**	**$ 109,887,125**	**$ 152,491,547**	**$ -**
Capital Assets								
Capital Assets	793,176	-	-	-	793,176	-	793,176	-
Accumulated Depreciation	(713,542)	-	-	-	(713,542)	-	(713,542)	-
Total Capital Assets	**$ 79,634**	**$ -**	**$ -**	**$ -**	**$ 79,634**	**$ -**	**$ 79,634**	**$ -**
Total Noncurrent Assets	**$ 37,248,520**	**$ 19,117,009**	**$ 2,862,111**	**$ 29,853,765**	**$ 89,081,405**	**$ 109,887,125**	**$ 198,968,530**	**$ -**
Total Assets	**$ 53,263,797**	**$ 22,019,294**	**$ 4,207,685**	**$ 39,524,667**	**$ 119,015,443**	**$ 171,721,381**	**$ 290,736,824**	**$ 60,695**
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred loss on debt refunding	-	-	-	-	-	883,574	883,574	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 883,574**	**$ 883,574**	**$ -**
Total Assets & Deferred Inflows of Resources	**$ 53,263,797**	**$ 22,019,294**	**$ 4,207,685**	**$ 39,524,667**	**$ 119,015,443**	**$ 172,604,955**	**$ 291,620,398**	**$ 60,695**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND AGENCY FUND ACTIVITY
April 30, 2015
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF ILLINOIS DEBT FUNDS	TOTAL ALL FUNDS	AGENCY FUNDS
Liabilities:								
Current Liabilities:								
Payable from unrestricted current assets:								
Accounts payable	78,261	-	-	3,379	81,640	-	81,640	-
Accrued liabilities	223,020	-	-	-	223,020	-	223,020	-
Due to employees	89,452	-	-	-	89,452	-	89,452	-
Due to primary government	1	-	-	-	1	-	1	-
Due to other funds	73,765	-	-	17,403	91,168	-	91,168	-
Other liabilities	-	-	-	-	-	-	-	60,695
Unearned revenue, net of accumulated amortization	117,929	-	-	-	117,929	-	117,929	-
Total Current Liabilities Payable from Unrestricted Current Assets	**$ 582,428**	**$ -**	**$ -**	**$ 20,782**	**$ 603,210**	**$ -**	**$ 603,210**	**$ 60,695**
Payable from restricted current assets:								
Accounts payable	-	589	962	116	1,667	-	1,667	-
Accrued interest payable	-	-	-	1,587	1,587	1,555,668	1,557,255	-
Bonds and notes payable from primary government	-	-	-	-	-	21,475,000	21,475,000	-
Bonds and notes payable from State component units	-	-	-	-	-	2,232,796	2,232,796	-
Unamortized bond premium	-	-	-	-	-	942,335	942,335	-
Total Current Liabilities Payable from Restricted Current Assets	**$ -**	**$ 589**	**$ 962**	**$ 1,703**	**$ 3,254**	**$ 26,205,799**	**$ 26,209,053**	**$ -**
Total Current Liabilties	**$ 582,428**	**$ 589**	**$ 962**	**$ 22,485**	**$ 606,464**	**$ 26,205,799**	**$ 26,812,263**	**$ 60,695**
Noncurrent Liabilities								
Payable from unrestricted noncurrent assets:								
Accrued liabilities	22,222	-	-	-	22,222	-	22,222	-
Bonds and notes payable from primary government	-	-	-	-	-	-	-	-
Bonds and notes payable from State component units	-	-	-	-	-	-	-	-
Assets	**$ 22,222**	**$ -**	**$ -**	**$ -**	**$ 22,222**	**$ -**	**$ 22,222**	**$ -**
Payable from restricted noncurrent assets:								
Bonds and notes payable from primary government	-	-	-	-	-	97,675,000	97,675,000	-
Bonds and notes payable from State component units	-	-	-	-	-	37,666,270	37,666,270	-
Noncurrent portion of long term debt	-	-	-	369,080	369,080	-	369,080	-
Unamortized bond premium	-	-	-	-	-	11,057,886	11,057,886	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	**$ -**	**$ -**	**$ -**	**$ 369,080**	**$ 369,080**	**$ 146,399,156**	**$ 146,768,236**	**$ -**
Total Noncurrent Liabilities	**$ 22,222**	**$ -**	**$ -**	**$ 369,080**	**$ 391,302**	**$ 146,399,156**	**$ 146,790,458**	**$ -**
Total Liabilities	**$ 604,650**	**$ 589**	**$ 962**	**$ 391,565**	**$ 997,766**	**$ 172,604,955**	**$ 173,602,721**	**$ 60,695**
Net Position:								
Net Investment in Capital Assets	79,634	-	-	-	79,634	-	79,634	-
Restricted	-	21,620,266	4,186,016	22,418,033	48,224,315	-	48,224,315	-
Unrestricted	51,819,912	-	-	16,822,684	68,642,596	-	68,642,596	-
Current Change in Net Position	759,601	398,439	20,707	(107,615)	1,071,132	-	1,071,132	-
Total Net Position	**$ 52,659,147**	**$ 22,018,705**	**$ 4,206,723**	**$ 39,133,102**	**$ 118,017,677**	**$ -**	**$ 118,017,677**	**$ -**
Total Liabilities & Net Position	**$ 53,263,797**	**$ 22,019,294**	**$ 4,207,685**	**$ 39,524,667**	**$ 119,015,443**	**$ 172,604,955**	**$ 291,620,398**	**$ 60,695**

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

PRELIMINARY AND UNAUDITED

To:	Illinois Finance Authority Board of Directors
From:	Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date:	June 11, 2015
Re:	Monthly Procurement Report

CONTRACTS PENDING EXECUTION

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Illinois Procurement Code-Competitive Bids/Proposals							
Debt Management Software Application (*CRITICAL FOR FY16 AUDITS)*	Technology Partners Group, Inc.	3	06/15-05/18	$ 552,250	N/A	N/A	N/A
Accounting Software Maintenance and Support (*CRITICAL FOR CURRENT AUDITS)*	Ascent Innovations, LLC	3	06/15-05/18	$ 155,128	$ 49,500	$ 49,500	$ 49,500

NEW CONTRACT AWARDS

Amounts are estimated and unaudited

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Illinois Procurement Code-Competitive Bids/Proposals							
Moving and Storage Services	Midwest Moving[1]	6 mos	07/15-12/15	$ 37,110	$ 45,000	$ 45,000	$ 45,000
Illinois Procurement Code-CPO Approvals Pending as of 06/05/15; Also Pending Contract Execution							
Loan Management	TBD	6 mos	07/15-12/15	$ 49,900	$ 100,000	$ 100,000	$ 100,000
Paying Agent/Custodian Services	TBD	6 mos	07/15-12/15	$ 12,000	$ 24,000	$ 24,000	$ 24,000
Legislative Services	TBD	3 mos	07/15-09/15	$ 15,000	$ 60,000	$ 60,000	$ 60,000
Board Book Printing Services	TBD	6 mos	07/15-12/15	$ 5,000	$ 5,000	$ 5,000	$ 5,000
Insurance Broker	TBD	1	06/15-06/16	$ 23,000	$ 23,000	$ 23,000	$ 23,000
IT Network Support	TBD	6 mos	07/15-12/15	$ 30,000	$ 30,000	$ 30,000	$ 30,000
Payroll and Employee Benefits	TBD	3 mos	07/15-09/15	$ 49,900	$ 233,000	$ 233,000	$ 233,000

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

PRELIMINARY AND UNAUDITED

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date: June 11, 2015
Re: Monthly Procurement Report

IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value*	Prior Contract NTE Value*	Prior Contract Expense*	Avg Yrly Prior Contract Expense
Professional and Artistic/CPA Services (Arbitrage Liability Calculations)	Arbitrage Compliance Specialists, Inc.	3	06/15-05/18	$ 49,000	$ -	$ -	$ -

ACTIVE SOLICITATIONS

Amounts are estimated and unaudited

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value*	Prior Contract NTE Value*	Prior Contract Expense*	Avg Yrly Prior Contract Expense
Illinois Procurement Code-Competitive Bids/Proposals							
Payroll Services (Previously combined with Employee Benefits)	RFP Cancelled and Will Be Reissued	3	07/15-06/20	n/a	$ 233,000	$ 10,000	$ 10,000
IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals							
Employee Benefits Services (Responses due 06/11/15)	Anticipated award July 2015	3	07/15-06/18	n/a	$ 233,000	$ 223,000	$ 223,000
Specialty Accounting/Audit Services	Anticipated award July 2015	3	07/15-06/18	n/a	$ -	$ -	$ -

UPCOMING SOLICITATIONS

Amounts are estimated and unaudited

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value*	Prior Contract NTE Value*	Prior Contract Expense*	Avg Yrly Prior Contract Expense
Illinois Procurement Code-Competitive Bids/Proposals							
Insurance Broker	Anticipated award June 2016*	3	07/15-06/18	n/a	$ 68,700	$ 68,700	$ 22,900
Payroll and Employee Benefits	Anticipated award Aug 2015*	5	09/15-08/20	n/a	$ 233,000	$ 233,000	$ 233,000
Legislative Services	Anticipated award Sep 2015*	3	07/15-06/18	n/a	$ 180,000	$ 180,000	$ 60,000
IT Network Support	Anticipated award Nov 2015*	3	10/15-09/18	n/a	$ 90,000	$ 90,000	$ 30,000
Typesetting and Printing Services	Anticipated award Sep 2015*	3	10/15-09/18	n/a	$ 40,000	$ 40,000	$ 40,000
Marketing Services	Anticipated award Aug 2015*	3	09/15-08/18	n/a	$ 300,000	$ 179,276	$ 89,638
IT Software Support and Temporary Staffing	Anticipated award July 2015	2	07/15-06/17	n/a	$ -	$ -	$ -

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

PRELIMINARY AND UNAUDITED

To:	Illinois Finance Authority Board of Directors
From:	Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date:	June 11, 2015
Re:	Monthly Procurement Report

IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals

Professional and Artistic/CPA Services							
(New Market Tax Credit Consultant)	Anticipated award Aug 2015	3	09/15-08/18	n/a	$ 40,000	$ 40,000	$ 40,000
Loan Management and Paying Agent/Custodian Services	Anticipated award Nov 2015*	3	07/15-06/18	n/a	$ 300,000	$ 158,662	$ 52,887
Financial Deposit Institution/Cash Management	Anticipated award Nov 2015	5	09/15-08/20	n/a	$ 105,000	$ 105,000	$ 105,000
Investment Advisor and/or Mgmt Services	Per BOD Direction	2	n/a	n/a	n/a	n/a	n/a

***There are no renewals left for any of these contracts or these are new solicitations. For comparison purposes only. Includes only the initial term, not renewals.**

UPCOMING RENEWALS

Services Provided	Vendor	Proposed Renewal Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Illinois Procurement Code-Competitive Bids/Proposals							
Energy Efficiency Projects-No Fee to IFA	Johnson Controls, Inc.*	5	10/15-10/20	$ -	n/a	n/a	n/a
Energy Efficiency Projects-No Fee to IFA	Hill Mechanical Group*	5	10/15-10/20	$ -	n/a	n/a	n/a
Energy Efficiency Projects-No Fee to IFA	Utilities Dynamics, Inc.*	5	10/15-10/20	$ -	n/a	n/a	n/a
Energy Efficiency Projects-No Fee to IFA	Ameresco, Inc.	5	11/15-11/20	$ -	n/a	n/a	n/a
Energy Efficiency Projects-No Fee to IFA	Honeywell International, Inc.*	5	11/15-11/20	$ -	n/a	n/a	n/a
Energy Efficiency Projects-No Fee to IFA	Kenny Construction*	5	11/15-11/20	$ -	n/a	n/a	n/a
Energy Efficiency Projects-No Fee to IFA	Noresco, LLC*	5	11/15-11/20	$ -	n/a	n/a	n/a
Insur. Broker: Energy Efficiency Projects-No Fee to IFA	Mesirow Insurance Services, Inc.	5	10/15-10/20	$ -	n/a	n/a	n/a
Insur. Broker: Energy Efficiency Projects-No Fee to IFA	AON Risk Services Central, Inc.	5	11/15-11/20	$ -	n/a	n/a	n/a

***Per the direction of the Executive Director, these contracts will not be renewed.**

PROPOSED CHANGES TO IFA PROCUREMENT POLICY

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

[1] ***Products and/or services procured under a State of Illinois master contract.***

[2] ***Amounts are estimated and unaudited***

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher

Date: June 11, 2015

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 $517,700 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $80,000**
- **Calendar Year Summary:** (as of June 11, 2015)
  - Volume Cap: $10,000,000
  - Volume Cap Committed: $1,865,852
  - Volume Cap Remaining: $8,134,148
  - Average Farm Acreage: 52
  - Number of Farms Financed: 8
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds –** no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2015 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-8739**
Borrower(s):	**Fehrenbacher, Stephen J. & Morgan J.**
Borrower Benefit:	First Time Land Buyer
Town:	Olney, IL
IFA Bond Amount:	**$80,000**
Use of Funds:	Farmland – 55 acres of farmland
Purchase Price:	$160,000 / $2,909 per acre
%Borrower Equity	5%
% USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
Township:	Decker
Counties/Regions:	Richland / Central
Lender/Bond Purchase:	Citizens National Bank of Albion / Jordan Baumgart
Legislative Districts:	Congressional: 15
	State Senate: 55
	State House: 109

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

ILLINOIS FINANCE AUTHORITY

June 11, 2015

$9,500,000 (not-to-exceed amount)
Muirfield West LLC (Camcraft, Inc. Project)

REQUEST	**Purpose:** Bond proceeds will be loaned to **Muirfield West LLC**, an Illinois limited liability company (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) the acquisition of approximately 8.8 acres of vacant land located in Brewster Creek Business Park (and bordered by Brewster Creek Blvd., Stearns Road, and Schiferi Road), Bartlett (DuPage County), Illinois, (ii) the construction and equipping of a new, approximately 90,000 sq. ft. manufacturing facility to be located thereon (and, together, with (i) the "New Project Site") to be used by Camcraft, Inc., an Illinois corporation (and an entity related to the Borrower through common members/shareholders), (iii) paying capitalized interest during the construction period, if deemed necessary or advisable by the Borrower, and (iv) paying bond issuance costs, all as permitted by the Illinois Finance Authority Act (and, collectively, the "**Project**"). Muirfield West LLC is a special purpose entity formed in 1986 by the principal owners of Camcraft, Inc. to develop, construct, finance, and own a manufacturing facility for lease to Camcraft, Inc. **Program:** Industrial Revenue Bond **Volume Cap required:** This Project is expected to require an anticipated $9.0MM of IFA 2016 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	273 Current jobs; 42 New jobs projected (within 2 years of completion) N/A Retained jobs; 30 avg. (50 peak) Construction jobs projected (8 months)
BORROWER DESCRIPTION	● Type of business: Manufacturer of precision machined engine components for Original Equipment Manufacturers (OEMs) in the automotive, heavy duty truck, and construction equipment markets. Many of Camcraft, Inc.'s customers are among the largest industrial companies in the world. Camcraft's customers include Cummins and Caterpillar. ● Location: Bartlett/DuPage/Northeast ● The proposed project will enable Camcraft, Inc. to expand its manufacturing capacity to support additional customer growth and new customer product development plans. In addition to supporting further growth, the new Project will also enable Camcraft, Inc. to improve operating efficiencies and diversify its manufacturing capabilities.
CREDIT INDICATORS	● The Series 2016 Bond will be purchased directly by First American Bank Corporation ("First American"). First American is Camcraft, Inc.'s primary relationship bank and provides the Company (and its affiliates) with loans and other credit facilities.
STRUCTURE	● Term: 20 year final maturity ● Rate: The Series 2016 Bond will be purchased directly by First American Corp. as a direct investment and is expected to bear an interest rate ranging between 2.50% and 3.75% for the initial term (final terms to be presented at the time of the Bond Resolution).
SOURCES AND USES	**Sources:** IFA Bond $9,000,000; Equity 500,000; **Total $9,500,000** **Uses:** New Project $9,350,000; Costs of Issuance 150,000; **Total $9,500,000**
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 11, 2015

Project: Muirfield West LLC (Camcraft, Inc. Project)

STATISTICS

IFA Project:	I-ID-TE-CD-8740	Amount:	$9,500,000 *(not-to-exceed amount)*
Type:	Industrial Revenue Bond	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Bartlett	County/ Region:	DuPage / 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 **Muirfield West LLC**, an Illinois limited liability company (the "**Borrower**" and "**Project Owner**"), and an affiliate of **Camcraft, Inc.** (the "**Tenant**", "**Operating Company**", and "**Corporate Guarantor**") 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 acquiring land, and constructing and equipping a new manufacturing facility to be owned by the Borrower and leased to the Operating Company and to be located in the Brewster Lake Business Park in Bartlett (DuPage County), Illinois, paying capitalized interest, and paying bond issuance costs (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 $9.0MM) when this Project returns for a Final Bond Resolution in 2016 (at which time bond proceeds would be used to take out construction loan financing).

SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bond	$9,000,000	New Project Cost:	$9,350,000
Equity	500,000	Costs of Issuance:	150,000
Total	**$9,500,000**	**Total**	**$9,500,000**

JOBS

Current employment:	273	New jobs projected:	42 (2 years)
Jobs retained:	N/A	Construction jobs projected:	30 (50 peak); (8 months)

FINANCING SUMMARY

Structure/Credit Enhancement: The conduit Industrial Revenue Bond will be purchased directly by First American Bank Corporation as a tax-exempt commercial loan. First American Bank will be the secured lender.

Interest Rate: The Bond will be purchased directly by First American Bank Corp. as a direct investment and is expected to bear an initial fixed interest rate that will range between 2.50% and 3.75%.

Bank Collateral: First American Bank Corp. will be secured by a first lien on the financed equipment, a first mortgage interest on the subject real estate, a collateral assignment of rents and leases, and a corporate guarantee from Camcraft, Inc. Additionally, the Bank will cross-collateralize and cross-default all other Bank credit facilities to Muirfield West LLC and Camcraft, Inc.

Maturity: 20 years (anticipated)

Closing: Calendar year 2016 (The proposed IFA Bonds will be issued subsequent to completion of the project and will provide permanent take-out financing for an anticipated construction loan on the Project.)

BUSINESS SUMMARY

Description: Muirfield West LLC is an Illinois limited liability company established in 1986 by the principal owners of Camcraft, Inc. to finance the acquisition and construction of a new manufacturing facility for lease to Camcraft, Inc. in Hanover Park. Muirfield West LLC will also be the Borrower/Obligor and Lessor of the new Project in Bartlett.

Camcraft, Inc. is an Illinois corporation established in 1986. The current owners of Camcraft, Inc. purchased the Company in 1986. Camcraft, Inc. was established in 1950. Camcraft will be the Operating Company/Corporate Guarantee and Lessee of the Project.

Owners of 7.5% or more of (i) Muirfield West LLC and (ii) Camcraft, Inc. are identified in the Economic Disclosure Statement section of this report (see p. 4).

Background: Camcraft was purchased by the Bertsche family in 1986. At that time the Company posted sales of approximately $5MM and 50 employees. Poised for growth, the Bertsche family relocated Camcraft to an expanded facility in Hanover Park.

Camcraft works with its OEM customers to design, engineer, and manufactures precision machined engine components for cars, heavy duty trucks, and construction equipment.

Rationale: This Project will enable Camcraft, Inc. to add a second production facility thereby enabling the Company to diversify and its manufacturing capabilities and expand its capacity in order to satisfy customer demand. Tax-exempt industrial revenue bond financing will enable Camcraft to finance this capital expansion project at the lowest possible interest cost. Camcraft will be able to divert savings attained with the IFA Bonds to invest in additional equipment or other capital expenditures.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will be loaned to **Muirfield West LLC**, an Illinois limited liability company (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) the acquisition of approximately 8.8 acres of vacant land located in Brewster Creek Business Park (and bordered by Brewster Creek Blvd., Stearns Road, and Schiferi Road), Bartlett (DuPage County), Illinois, (ii) the construction and equipping of a new, approximately 90,000 sq. ft. manufacturing facility to be located thereon (and, together, with (i) the "New Project Site") to be used by Camcraft, Inc., an Illinois corporation (and an entity related to the Borrower through common members/shareholders), (iii) paying capitalized interest during the construction period, if deemed necessary or advisable by the Borrower, and (iv) paying bond issuance costs, all as permitted by the Illinois Finance Authority Act (and, collectively, the "**Project**").

Muirfield West LLC is a special purpose entity formed in 1986 by the principal owners of Camcraft, Inc. to develop, construct, finance, and own a manufacturing facility for lease to Camcraft, Inc.

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: Muirfield West LLC, c/o Mr. James O'Donnell, Vice President, Camcraft, Inc., 1080 Muirfield Drive, Hanover Park (DuPage County), IL 60153; Ph.: 630-263-1376

Website: www.camcraft.com

Project name: IFA Industrial Revenue Bond (Camcraft, Inc. Project), Series 2016

Location: Brewster Creek Business Park (lot # not assigned); Bartlett (DuPage County), IL

Ownership Information: All management employees or individuals holding a 7.5% or greater ownership interest (i.e., IFA private company disclosure threshold) in Muirfield West LLC and Camcraft, Inc. are listed below:

Muirfield West LLC (Borrower/Obligor and Lessor):

- Michael Bertsche, West Chicago, IL 20.0%
- Patrick Bertsche, St. Charles, IL 20.0%
- Daniel Bertsche, West Chicago, IL 20.0%
- William Bertsche, Wood Dale, IL 20.0%
- Lorraine Miller, West Chicago, IL 20.0%

Camcraft, Inc. (Operating Company/Corporate Guarantor and Lessee/Tenant):

- Michael Bertsche, West Chicago, IL 53.5%
- Patrick Bertsche, St. Charles, IL 20.6%
- Bernard Bertsche, Campton Hills, IL 18.4%

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Momkus McClusky LLC	Lisle, IL	Raya Bogard
External CPA:	CGJ Partners, LLP	Schaumburg, IL	Richard DeMayo
Bank (Direct Purchaser/ Lender):	First American Bank Corp.	Elk Grove Village, IL	Steve Eikenberry, Mark Kroencke, Ross VanBeek
Bond Counsel:	To be determined		
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:	6
State Senate:	25
State House:	49

Item 3 has been withdrawn.

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CONDUIT

$30,500,000 (not-to-exceed)
North Central College

June 11, 2015

REQUEST	**Purpose**: Series 2015 Bond proceeds, together with other available funds, will be used by **North Central College** (the "**College**" or "**Borrower**") to: (i) finance or reimburse the College for the costs of the planning, design, acquisition, construction, furnishing and equipping of certain of its "educational facilities" and (ii) finance or reimburse the College for costs and expenses incurred in connection with the issuance of the Series 2015 Bond if deemed desirable by the College (the "**Financing Purposes**"). **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTION	Final Bond Resolution Voting Record (October 16, 2014) – Preliminary Bond Resolution – 10 Yeas; 0 Nays; 0 Abstain; 5 Absent (Leonard; O'Brien; Pedersen; Tessler; and Vaught); 0 Vacant.
MATERIAL CHANGES	Report reflects final pricing of the Series 2014A/B Bonds which were issued in December 2014; accordingly, Sources & Uses have been updated.
JOB DATA	604 (FTE) Current jobs; 23 New jobs projected (for new science building only) N/A Retained jobs; 200 Construction jobs projected (during 24-month construction period of new science building)
DESCRIPTION	● Location: Naperville / DuPage County / Northeast ● Type of entity: The College, a 501(c)(3) organization incorporated under Illinois law, is an independent, co-educational institution of higher learning founded in 1861 that is governed by a Board of Trustees (see pp. 6-8) and affiliated with the United Methodist Church. ● At this time, the College is seeking Final Bond Resolution approval to finance the construction of a new, $60 million state of the art science building which is scheduled to break ground in July 2015 and open by Fall of 2017. The new building will be approximately 130,000 usable square feet that will house all the lab sciences currently located in Kroehler Science Center plus mathematics, psychology, exercise science and computer science which are currently located in other buildings. ● On December 4, 2014, IFA issued its Series 2014A Bond to refund all or a portion of the College's outstanding IEFA Series 1998 (ACI/Cultural Pooled Financing Program) Bonds and the College's outstanding IFA Adjustable Rate Demand Revenue Bonds (North Central College) Series 2008. Additionally, IFA issued its Series 2014B Bond to refund all or a portion of the College's outstanding IEFA Series 1999 (Cultural Pooled Financing Program) Bonds and finance the construction of a $22 MM, 229-bed residence hall which is scheduled to open Fall 2015 to meet current housing demand among students. The new residence hall will consist of suite style units of four beds per suite / two bathrooms / one student per bedroom, and is expected to be approximately 98,000 square feet.
CREDIT INDICATORS	● The Borrower is a non-rated entity. ● The IFA Series 2015 Bond will be purchased directly by **BMO Harris Bank, N.A.** (the "**Bond Purchaser**"). ● BMO Harris Bank, N.A. previously purchased the IFA Series 2014A Bond and PNC Bank N.A. previously purchased the IFA Series 2014B Bond. Each Bond Purchaser is a secured lender and a direct bond investor.
SECURITY	● The three tranches of IFA Bonds (i.e., Series 2014A, Series 2014B and Series 2015) are a general corporate obligation, secured by the College's unrestricted revenues along with a negative pledge of North Central's buildings or other property on campus, and an assignment of Science Center campaign pledges.
MATURITY/INTEREST RATES	● The IFA Series 2015 Bond will have a 10-year maturity (i.e., 12/1/2025). ● The IFA Series 2015 Bond will be sold at a variable rate to be determined at pricing, but calculated to be between approximately 1.25% and 1.75% based on current market rates (as of 5/30/2015).
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		Uses:	
Series 2014A Bond	$33,953,000	New Construction	$82,000,000
Series 2014B Bond	32,206,000	Refunding Escrow	41,505,589
Series 2015 Bond	**30,185,000**	Architectural & Engineering	3,000,000
Equity	33,005,589	Redemption Costs	2,249,675
		Costs of Issuance	594,325
Total	**$129,349,589**	**Total**	**$129,349,589**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 11, 2015

Project: North Central College

STATISTICS

Project Number:	E-PC-TE-CD-8700	Amount:	$30,500,000 (not-to-exceed amount of Series 2015Bonds)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Naperville	County/ Region:	DuPage County/Northeast

BOARD ACTION

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

VOTING RECORD

Voting Record (October 16, 2014) – Preliminary Bond Resolution – 10 Yeas; 0 Nays; 0 Abstain; 5 Absent (Leonard; O'Brien; Pedersen; Tessler; and Vaught); 0 Vacant.

PURPOSE

Series 2015 Bond proceeds, together with other available funds, will be used by **North Central College** (the "**College**" or "**Borrower**") to: (i) finance or reimburse the College for the costs of the planning, design, acquisition, construction, furnishing and equipping of certain of its "educational facilities" and (ii) finance or reimburse the College for costs and expenses incurred in connection with the issuance of the Series 2015 Bond if deemed desirable by the College (the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	604 FTE	Projected new jobs:	23 (for new science building only)
Jobs retained:	N/A	Construction jobs:	200 (during 24-month construction period of new science building)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	Series 2014A Bond*	$33,953,000	Uses:	New Construction	$82,000,000
	Series 2014B Bond*	32,206,000		Refunding Escrow	41,505,589
	Series 2015 Bond	**30,185,000**		Architectural & Engineering	3,000,000
	Equity**	33,005,589		Redemption Costs	2,249,675
				Costs of Issuance	594,325
	Total	**$129,349,589**		**Total**	**$129,349,589**

* The IFA Series 2014A Bond and Series 2014B Bond closed and funded on December 4, 2014.
** North Central College contributed $5,589 of its anticipated total equity contribution of $33,005,589 at the closing of the Series 2014A Bond/Series 2014B Bond. Accordingly, the remaining $33,000,000 will be contributed directly to the design and construction of the new science building over the 24-month construction period.

FINANCING SUMMARY

Security: The Bonds are a general corporate obligation, secured by the College's unrestricted revenues, along with a negative pledge of North Central's buildings or other property on campus, and an assignment of Science Center campaign pledges.

Structure: The plan of finance contemplates the direct purchase of tax exempt debt in an amount not-to-exceed $30.5 million (but anticipated to be $30.185 million) to be purchased directly by BMO Harris Bank, N.A. (the "**Bond Purchaser**"). The Bond Purchaser is a secured lender and the direct bond investor.

This is the third tranche of IFA Bonds being issued for North Central College.

BMO Harris Bank, N.A. is the direct-purchaser of two tranches, as described below:

(i) *$33.953 million Series 2014A Bond*, combined with an equity contribution of $5,589 from the College, to refund the principal amount outstanding of the IEFA Series 1998 ACI/Cultural Pool Bonds ($14,500,000), refund the principal amount outstanding of the IFA Series 2008 Revenue Bonds ($17,005,589), pay related redemption costs ($2,249,675) and pay applicable costs of issuance ($203,325).

(ii) ***$30.185 million Series 2015 Bond***, combined with an equity contribution of approximately $33.0 million, to design and construct a new, $60.0 million state of the art science building, which is currently scheduled to open by the Fall of 2017, and pay applicable costs of issuance. The new building will be approximately 130,000 usable square feet and located on property currently owned by the College.

PNC Bank, N.A. is the direct-purchaser of one tranche, as described below:

(iii) *$32.206 million Series 2014B Bond* to construct a new, 229-bed residence hall on property currently owned by the College and zoned for that purpose which will break ground in the Fall of 2014 and open by this Fall ($22,000,000), refund the principal amount outstanding of the IEFA Series 1999 ACI/Cultural Pool Bonds ($10,000,000), and pay applicable costs of issuance ($206,000).

Underlying Debt Rating: The College is a non-rated entity. The Series 2015 Bond, along with the Series 2014A Bond and the Series 2014B Bond, will not be rated.

Interest Rate: The IFA Series 2015 Bond will be sold at a variable rate to be determined at pricing, but is anticipated to be between approximately 1.25% and 1.75% based on current market rates (as of 5/30/2015).

Maturity: Issued in three tranches, the IFA Bonds will mature as described below:

Series 2014A

- 14 years (i.e., 2028) and 24 years (i.e., 2038) on tranche of IFA Bonds issued to refund the IEFA Series 1998 ACI/Cultural Pool Bonds and IFA Series 2008 Revenue Bonds, respectively – thus, matching the interest-only amortization schedules (i.e., bullet maturities) of the bonds being refunded.

Series 2014B

- 30 years (i.e., 2044) on tranche of IFA Bonds issued to construct the residence hall and refund the IEFA Series 1999 ACI/Cultural Pool Bonds.

Series 2015

- 10 years (i.e., 2025) on tranche of IFA Bonds issued to construct the science building.

Estimated Closing Date: July 2015

Rationale: During the competitive bid process that the College undertook in August 2014 among banks interested in financing its capital projects and refinancing its bonds, the College solicited tax-exempt and taxable proposals from potential bank partners. As a result, all but one bank responded that tax-exempt financing would be more economically beneficial to the College and based on the one taxable proposal it received, the College determined that tax-exempt financing could be completed at a rate that would be approximately 1.00% lower than a taxable loan for the same fixed term. These savings will be substantial and cumulative over the term of these financings. Savings attributable to tax-exempt financing will also free up College cash to be used for other purposes that will enhance the College and the surrounding community.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Series 2015 Bond proceeds, together with other available funds, will be used by **North Central College** (the "**College**" or "**Borrower**") to: (i) finance or reimburse the College for the costs of the planning, design, acquisition, construction, furnishing and equipping of certain of its "educational facilities" and (ii) finance or reimburse the College for costs and expenses incurred in connection with the issuance of the Series 2015 Bond if deemed desirable by the College (the "**Financing Purposes**").

Estimated Project costs financed with Series 2015 Bond proceeds consist of the following:

New Construction (Science Building)	$30,000,000
Total New Project Costs	**$30,000,000**

BUSINESS SUMMARY

Description: **North Central College** (the "**College**" or the "**Borrower**") was established in 1861 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code. The University is governed by a Board of Trustees of up to 46 members (see Economic Disclosure Statement on pages 6-7).

Background: North Central College was founded in Plainfield, Illinois as North Western College. Shortly thereafter, the Board of Trustees undertook the challenge of reaching out to a growing number of prospective students. At that time the Board realized that a major shortcoming was Plainfield's lack of direct railroad access. The citizens of Naperville, Illinois generously offered the College five acres of land within walking distance of its train station and $25,000 to relocate from Plainfield to Naperville in 1870. Moving to this location enabled the College to successfully fulfill its mission and grow into the respected institution it is today.

Now, the College has grown into a 65-acre campus situated in Naperville's residential Historic District, offering 12 residence halls, three dining halls and 41 total buildings. The College's residence halls have reached maximum capacity due to strong demand at the thriving campus. The Borrower is an independent, comprehensive college of the liberal arts and sciences offers more than 55 undergraduate majors and graduate programming in seven areas (Business Administration, International Business Administration, Education, Leadership Studies, Liberal Studies, Management Information Systems and Web and Internet Applications).

As of 9/10/2014, North Central had approximately 2,935 FTE (Full Time Equivalent) students (2,775 undergraduate and 160 graduate students). For the academic 2013-2014 year, the College employed 147 full-time (106 tenure track) and 31 half-time faculty members. Moreover, 98% of tenure-track faculty members hold a Ph.D. or the terminal degree in their field. As the College has no teaching assistants, 68% of courses are taught by full-time faculty in an average class size of 21. The student/faculty ratio at the College was 15:1.

North Central College is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.

Affiliation: North Central College is a United Methodist Church-affiliated college.

ECONOMIC DISCLOSURE STATEMENT

Applicant: North Central College, 30 N. Brainard Street, Naperville, IL 60540

Contact: Paul Loscheider, VP for Business Affairs; (T): 630-637-5678; E-mail: ploscheider@noctrl.edu

Website: http://www.noctrl.edu/

Location: The Projects are or will be owned by the College and are or will be located on land owned by the College on its main campus having the address commonly known as 30 North Brainard Street, Naperville, Illinois and which is further described as its property bordered generally by Sleight Street on the east, North Avenue on the north, Washington Street on the west and Hillside Road on the south (i.e., the "Campus"), including (i) a new residence hall and (ii) new science education center located on the College's Campus, all within Naperville, Illinois.

Project name: IFA Refunding Revenue Bonds (North Central College), Series 2014A
IFA Revenue and Refunding Bonds (North Central College), Series 2014B
IFA Revenue Bonds (North Central College), Series 2015

Board of Trustees/ Administration: North Central College is governed by a Board of Trustees that may be comprised of up to 46 members (36 currently), which meets three times a year, in October, February and May, and includes the President of the College, Troy D. Hammond, Ph.D. The president is assisted in his duties by an administrative cabinet consisting of five vice presidents.

Board of Trustees:

Steven H. Hoeft '73, *Chair*
Attorney; McDermott, Will Emery; Chicago, Illinois

J. Thomas Gruenwald, *Vice Chair, Academic Affairs*
Managing Partner, Alliant Formulations; Bedford Park, Illinois

David W. Kelsch, *Vice Chair, Business Affairs*
President & CEO; Advanced Data Technologies, Inc.; Naperville, Illinois

Jeffrey K. Swallow '94, *Vice Chair, Enrollment Management and Student Affairs*
President and CEO; Magnetrol International Incorporated; Aurora, Illinois

Donald C. Sharp, *Vice Chair, Institutional Advancement*
President and CEO; Coolfire Solutions; St. Louis, Missouri

Kevin M. Gensler, *Secretary*
President; Dommermuth, Cobine, West, Gensler, Philipchuck, Corrigan & Bernhard, Ltd.; Naperville, Illinois

Esther T. Benjamin '90
CEO, Africa Operations; Laureate Education; Baltimore, Maryland

Kathryn Birkett
Superintendent of Schools (Retired); Indian Prairie School District 204; Aurora, Illinois

Erin L. Bishop '93
Senior Corporate Counsel; Caterpillar Inc.; Nashville, Tennessee

Robin B. Boren
President, Pivotal Home Solutions; AGL Resources; Naperville, Illinois

James J. Boyne
Executive Director; Steamboat Springs Winter Sports Club; Steamboat Springs, Colorado

Matthew S. Brill '97
Derivatives Trader; Tourmaline Partners; Pottstown, Pennsylvania

Sally Dyck
Bishop, Northern Illinois Conference; The United Methodist Church; Chicago, Illinois

Troy D. Hammond
President; North Central College; Naperville, Illinois

Nancy Hanson '79
Former Teacher; Naperville Community Unit Dist. 203; Chicago, Illinois

Thomas Harter, Sr.
Chairman, President and CEO; Microdynamics Group; Naperville, Illinois

Holly Humphrey '79
Ralph W. Gerard Professor of Medicine and Dean for Medical Education;
The University of Chicago Pritzker School of Medicine; Chicago, Illinois

Peter P. Jones '76
Chief Operating Officer; M-Cubed Information Systems, Inc.; Silver Spring, Maryland

Hee-Soo Jung
Bishop, Wisconsin Conference; The United Methodist Church; Sun Prairie, Wisconsin

J. Raymond Kinney, III H'10
Principal; Minuteman Press; Naperville, Illinois

Susan Koranda '06
Administrator; Rob A. Koranda Scholarship Foundation; Naperville, Illinois

Ronald Lueptow '81
Chief Financial Officer; ArrMaz Custom Chemicals, Inc.; Mulberry, Florida

Joseph Mallon '80
Partner (Retired); Deloitte & Touche, LLP; Chicago, Illinois

James A. McDermet M'92
Senior Vice President, Global and Americas Operations;
Starbucks Corporation; Seattle, Washington

Holly I. Myers '69
President (Retired); Pediatric Insurance Consultants, Inc.; Naperville, Illinois

Michael R. Naset
Senior Partner (Retired); Accenture LLP; Naperville, Illinois

Lori Nita '02 Novak
Senior Vice President Hedge Fund Service; Northern Trust; Chicago, Illinois

Jeffrey J. Oesterle '76
Owner; Plaza Properties; Schererville, Indiana

Leah Rippe
Publisher; Naperville Magazine; Naperville, Illinois

Steven Rubin
Partner; Kitchens To Go; Naperville, Illinois

Stephen T. Sellers '76
CEO; Applied Noetics; Batavia, Illinois

Scott Wehrli '91
Secretary/Treasurer and Partner; Dukane Precast, Inc.; Naperville, Illinois

Herman B. White Jr.,
Senior Scientist; Fermi National Accelerator Laboratory; Batavia, Illinois

Robert A. Wislow '67
Chairman/CEO; U.S. Equities Realty; Chicago, Illinois

Lee J. Woolley '85
Region President, Mid-Atlantic Region; BNY Mellon Wealth Management; Chicago, Illinois

Maria E. Wynne '77
CEO; Leadership Greater Chicago; Chicago, Illinois

PROFESSIONAL & FINANCIAL

Borrowers' Counsel:	Dommermuth, Cobine, West, Gensler, Philipchuck, Corrigan and Bernhard, Ltd.	Naperville, IL	Kathy West
Borrowers' Financial Advisor:	Longhouse Capital Advisors, LLC	La Grange Park, IL	Michael Boisvert Lindsay Wall
Auditor:	Grant Thornton LLP	Chicago, IL	
Bond Counsel:	Chapman & Cutler LLP	Chicago, IL	Nancy Burke Becky Brueckel Leslie Cornell
Banks/ Bond Purchasers:	<u>Series 2014A and **Series 2015**</u>		
	BMO Harris Bank, N.A.	Chicago, IL	Deb Capozzi
	<u>Series 2014B</u>		
	PNC Bank, N.A.	Chicago, IL	Barb Fahnstrom Jeff Warner
BMO Harris Counsel:	Chapman and Cutler LLP	Chicago, IL	Carol Thompson
PNC Bank Counsel:	Thompson Coburn LLP	St. Louis, MO	Brandi M. Wilson
Paying Agent:	The Bank of New York Mellon Trust Co.	Chicago, IL	Bob Hardy Merci Stahl
Exiting Trustee:	The Bank of New York Mellon Trust Co.	Chicago, IL	Bob Hardy Merci Stahl
Exiting LOC Bank ACI/Cultural Pool:	JPMorgan Chase Bank, N.A.	Chicago, IL	
Exiting LOC Bank Series 2008:	Bank of America, N.A.	Chicago, IL	
General Contractor(s):	Pepper Construction	Chicago, IL	
	Bulley & Andrews, LLC	Chicago, IL	
Architect(s):	Holabird & Root LLC	Chicago, IL	
	Buchar, Mitchell, Bajt Architects, Inc.	Joliet, IL	
IFA Counsel:	Arnstein & Lehr LLP	Chicago, IL	Randall S. Kulat
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Melanie Shaker

LEGISLATIVE DISTRICTS

Congressional:	6
State Senate:	21
State House:	41

CONDUIT

June 11, 2015

$22,000,000 (not-to-exceed)
Intrinsic Schools

REQUEST	**Purpose**: Bond proceeds will be loaned to **Intrinsic Schools**, an Illinois not for profit corporation (the "**Borrower**"), in order to assist the Borrower in providing a portion of the funds necessary to refinance a loan incurred by the Borrower to finance costs of acquisition and renovation of an existing building and construction of an addition to the building, totaling approximately 58,000 square feet and located at 4540 West Belmont, Chicago, Illinois 60641, and owned and used by the Borrower as a charter school, and if deemed necessary or desirable, to pay a portion of the interest on the Series 2015 Bonds, establish a debt service reserve fund for the benefit of the Series 2015 Bonds, pay or reimburse costs of additional capital expenditures or related working capital expenditures pertaining to the school facilities, and/or pay certain expenses incurred in connection with the issuance of the Series 2015 Bonds (collectively, the "**Financing Purposes**"). **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTION	Final Bond Resolution *(One-time consideration)*
MATERIAL CHANGES	None. This is the first time this financing has been presented to the Board of Directors.
JOB DATA	42 Current jobs; N/A New jobs projected N/A Retained jobs; N/A Construction jobs projected
DESCRIPTION	● Location: Chicago / Cook County / Northeast ● Type of entity: Intrinsic Schools is an Illinois not-for-profit corporation. ● Intrinsic Schools is a public charter high school (and middle school) system in Chicago founded in 2012. ● Upon developing a curriculum, conducting community outreach and setting-up the infrastructure, the School opened its first temporary facility to students in August 2013 while construction of its Belmont was underway. The School served 183 students at the freshman grade level for the 2013-2014 school year and now, in its second year at its permanent site, serves 435 students in grades 7, 9 and 10. 8th and 11th grades will be added in 2016. ● With a student population that is 90% minority and 86% low-income, Intrinsic is committed to serving the students with the greatest need, and to providing a high quality school option in an area where the existing public high schools are considered over-crowded.
CREDIT INDICATORS	● The plan of finance contemplates an aggregate principal amount of up to $22.0 million in Bonds issued on behalf of Intrinsic Schools and underwritten by **B.C. Ziegler & Company** (the "**Underwriter**"). ● Intrinsic Schools is not rated. ● The Bonds will be sold through a Limited Public Offering to Accredited Investors (i.e., Qualified Institutional Buyers and Accredited Investors) consistent with IFA Bond Program Handbook requirements. Bonds will be sold in minimum denominations of $100,000 (and in accordance with proposed amendments to the Bond Handbook under consideration pursuant to the adoption of IFA Resolution No. 2015-0611-AD13).
SECURITY	● Bondholders will be secured by a general obligation of the School. Additionally, Bondholders are expected to be secured by a mortgage and security interest in the School's assets, properties, or funds.
MATURITY	● 2055 (not-to-exceed 40 years)
INTEREST RATE	● The fixed-rate Bonds will bear an interest rate that is negotiated and established prior to closing, currently estimated at between 5.25% and 6.25% (as of May 31, 2015).
SOURCES AND USES	see below
RECOMMENDATION	Credit Review Committee recommends approval.

Sources and Uses:

Sources:		Uses:	
IFA Bonds	$22,000,000	Conventional Debt Refinancing	$22,000,000
Equity	440,000	Costs of Issuance	440,000
Total	**$22,440,000**	**Total**	**$22,440,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 11, 2015

Project: Intrinsic Schools

STATISTICS

Project Number:	N-NP-TE-CD-8742	Amount:	$22,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/ Region:	Cook County/Northeast

BOARD ACTION

Final Bond Resolution (*One-time consideration)*
Conduit 501(c)(3) Revenue Bonds — No IFA funds at risk
Credit Review Committee recommends approval — No extraordinary conditions

VOTING RECORD

None. This is the first time this matter has been presented to the IFA Board of Directors.

PURPOSE

Bond proceeds will be loaned to **Intrinsic Schools**, an Illinois not for profit corporation (the "**Borrower**"), in order to assist the Borrower in providing a portion of the funds necessary to refinance a loan incurred by the Borrower to finance costs of acquisition and renovation of an existing building and construction of an addition to the building, totaling approximately 58,000 square feet and located at 4540 West Belmont, Chicago, Illinois 60641, and owned and used by the Borrower as a charter school, and if deemed necessary or desirable, to pay a portion of the interest on the Series 2015 Bonds, establish a debt service reserve fund for the benefit of the Series 2015 Bonds, pay or reimburse costs of additional capital expenditures or related working capital expenditures pertaining to the school facilities, and/or pay certain expenses incurred in connection with the issuance of the Series 2015 Bonds (collectively, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	42	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	$22,000,000	Conventional Debt Refinancing	$22,000,000
Equity	440,000	Costs of Issuance	440,000
Total	**$22,440,000**	**Total**	**$22,440,000**

FINANCING SUMMARY

Structure: The plan of finance contemplates an aggregate principal amount of approximately $22.0 million in tax-exempt bonds offered in minimum denominations of $100,000 and sold to Qualified Institutional Buyers and Accredited Investors consistent with IFA Bond Program Handbook requirements (and in accordance with proposed amendments to the Bond Handbook under consideration pursuant to the adoption of IFA Resolution No. 2015-0611-AD13).

The bonds will be underwritten by B.C. Ziegler and Company.

Security: Investors will be secured by a general obligation of the School. Additionally, bondholders are expected to be secured by a mortgage and security interest in the School's assets, properties, and funds.

Interest Rate: The bonds will bear a fixed interest rate that will be negotiated and established prior to closing based on prevailing market conditions (and currently estimated at between 5.25% and 6.25% as of May 31, 2015).

Maturity: Not-to-exceed 40 years (i.e., 2055)

Estimated Closing Date: June/July 2015

Rationale: The proposed tax-exempt financing will reduce monthly interest payments that (together with other funds available to the Borrower) will assist in helping Intrinsic keep fixed charges (including debt service payments) as low as possible. As a result, reduced debt service payments will allow Intrinsic to direct additional resources to the children and families it serves rather than overhead costs.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be loaned to **Intrinsic Schools**, an Illinois not for profit corporation (the "**Borrower**"), in order to assist the Borrower in providing a portion of the funds necessary to refinance a loan incurred by the Borrower to finance costs of acquisition and renovation of an existing building and construction of an addition to the building, totaling approximately 58,000 square feet and located at 4540 West Belmont, Chicago, Illinois 60641, and owned and used by the Borrower as a charter school, and if deemed necessary or desirable, to pay a portion of the interest on the Series 2015 Bonds, establish a debt service reserve fund for the benefit of the Series 2015 Bonds, pay or reimburse costs of additional capital expenditures or related working capital expenditures pertaining to the school facilities, and/or pay certain expenses incurred in connection with the issuance of the Series 2015 Bonds (collectively, the "**Financing Purposes**").

BUSINESS SUMMARY

Description: **Intrinsic Schools**, an Illinois not-for-profit corporation ("**Intrinsic**" or the "**Borrower**") was founded in April 2012 and incorporated on June 8, 2012 under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

Intrinsic Schools is governed by a 6-member Board of Directors (see pages 5-6).

Background: The School's mission is to prepare all students for 21st century post-secondary success and to cultivate independent, intellectually curious learners. The mission is achieved by creating a new model that leverages technology to personalize learning. The School is a public charter school that promotes to integrate technology into teaching and learning in order to personalize the experience for each student. Each student will have an individual mobile device. In order to prepare all their students for acceptance into selective four-year colleges, the School provides all students with real world experiences.

Intrinsic addresses two critical needs in Chicago. First, it provides a rigorous academic program that provides students the preparation required for success in a competitive four-year university. Second, it addresses the need for a sustainable school model that leverages technology to expand the impact of teaching.

Intrinsic's educational philosophy is driven by five main beliefs:

1. Education is a continuous process that addresses and meets students' intellectual, emotional, physical, and social needs.
2. Students learn best when they receive a mix of at-grade-level and at-instructional level instruction.
3. Learning experiences should be framed around larger essential questions that are relevant to students' lives and their interests.
4. If students are taught to set and monitor goals, they gain awareness and ownership of their learning and become motivated to achieve.
5. Technology can improve the educational experience for students if paired with great teaching.

During the 2012-2013 school year, Intrinsic was still in its incubation phase and developed a curriculum, conducted community outreach and set up the infrastructure to open the School. The School opened its first temporary facility to students in August 2013 at 17 N. State Street, Chicago. The School served 183 students at the freshman grade level for the 2013-2014 school year. The School is adding add one grade level per year until it is a full high school and middle school serving approximately 940 Chicago students in the 2017-2018 school year. Currently, Intrinsic serves 435 students in grades 7, 9 and 10. 8^{th} and 11^{th} grade initiate in 2016.

Intrinsic School students represent a diverse background of students from across Chicago. 75.1% of students are Hispanic, while 12.8% are Black, 8.2% are White, 2.5% are Asian, and 1.4% is Other. With a student population that is 90% minority and 86% low-income, Intrinsic is committed to serving the students with the greatest need, and to providing a high quality school option in an area where the existing public high schools are considered over-crowded.

The School is subject to a "Charter School Agreement" with the Board of Education of the City of Chicago (Chicago Public Schools). The agreement is for a term of five years ending on June 30, 2018. In December 2014, Intrinsic received a "Level1" rating from the Chicago Board of Education; in fact, Intrinsic came within a tenth of a point of the highest rating of Level1 +, which makes Intrinsic one of the best high schools in Chicago. As a result, on January 22, 2014, the Chicago Board of Education approved the opening of a second charter school by Intrinsic.

Additionally, the School has been certified as a charter school by the Illinois State Board of Education.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Intrinsic Schools, 4540 West Belmont, Chicago (Cook County), IL 60641

Contact: Matthew Shaw, Chief Financial Officer: (T) 773-680-0446; email: mshaw@mdsadvisors.com

Website: http://intrinsicschools.org/

Site Location: Proceeds of the Series 2015 Bonds will refinance conventional debt undertaken in connection with Intrinsic's campus located at 4540 West Belmont, Chicago, Illinois 60641.

Project name: IFA Charter School Revenue Bond s (Intrinsic Schools Project), Series 2015

Organization: Illinois not-for-profit established as a 501(c)(3) corporation under the Internal Revenue Code

Lessors of School Properties: Intrinsic has entered into an operating lease for a parking lot at its Belmont campus with the lessor identified below:

School Facility	Lessor
Belmont Campus Parking Lot	17 N. State LLC • Principal Office: 55 East Jackson Blvd., Suite 500, Chicago, IL 60604 • Contact(s): Mr. Gerald Lee Nudo, Manager; and Mr. Laurence H. Weiner, Manager

Board of Directors: The Intrinsic Schools' Board of Directors has extensive leadership and oversight experience in both the corporate and non-profit sectors. They have demonstrated a strong commitment to the School in both time and resources and have contributed their expertise in key areas such as strategic planning, education, finance, law, fundraising/development, human resources, technology, and operations.

Following are brief bios for each board member:

Jim Frank, Chairman of the Board – In his capacity as President and CEO of Wheels Inc., Frank has led the international corporation to great success. Frank has been an innovator in the fleet management industry by designing and implementing the first IT systems that aggregated large amounts of data for improved fleet management. Frank has also been an industry leader, helping to shape regulatory and legislative issues affecting fleets. In addition to his role as Board Chair for Intrinsic Schools, Frank is currently Vice Chairman of the Board of Trustees of the University of Chicago Hospitals, a member of the Board of Trustees of the University of Chicago, Chair of the Finance Committee of the Field Museum of Chicago. He also serves on the Board of the Illinois Network of Charter Schools (INCS) and on the Board of Overseers at Northwestern University's Kellogg School of Management.

David Epstein, Treasurer of the Board – Epstein is an entrepreneur with diverse experiences including in the areas of strategy, organizational management, start-up execution, finance and trading, law, real estate and construction. Epstein is a current Board member and has been an integral member of the design team to date making major contributions in strategy, governance and facility related matters. His broad range of expertise working with diverse organizations makes him a valuable Board member.

Harriet Meyer – Meyer is a nationally recognized leader in shaping public policies and creating innovative programs that help young, at-risk children and their families. In two decades as President of the Ounce of Prevention Fund, she established the organization as a national leader in advocating for and providing effective, research-driven early childhood education. Meyer has helped to shape policy, programs and funding for early childhood at both the state and national levels. Meyer also currently serves on a number of philanthropic and civic organization Boards. Meyer's experiences managing a highly successful education non-profit organization, education advocacy and Board experiences will make her a valuable addition to the Board.

Jim Palos – Palos most recently served as the president of Wright College, the largest of the City Colleges of Chicago. In 2002 Palos founded and served as the first president of the Institute for Media and Entertainment (now a part of IESE Business School). The Manhattan-based school provides management education for media and entertainment executives. Previously Palos founded the Latino Education Alliance, an initiative to improve educational opportunities and outcomes for Latino students in Illinois. Palos received his BA from Columbia University in New York and his MBA from the Kellogg School of Management. Palos is a member of the Alumni Council for the Kellogg School. For six years Palos was a member of the Illinois State Board of Education. He is a past Fellow of Leadership Greater Chicago, and served as president of the alumni board for the organization. He was selected by *Crain's Chicago Business* for its "40 under 40" listing.

Justin Manly - Manly is a Principal in the Chicago office of The Boston Consulting Group. He works primarily with Consumer Products companies in strategy and operations. He is a core member of the Consumer and Strategy practice areas and is an Innovation Strategy Topic Expert. Prior to joining BCG, Manly worked at Piper Jaffray where he focused on wealth management and institutional fixed income sales. He also spent time in the technology investment-banking group at Merrill Lynch. Manly holds an MBA with high distinction from the Ross School of Business at the University of Michigan. He also earned his Bachelor's Degree in Economics from Dartmouth College.

Josh Tolman -Tolman has spent the last twenty years building quality software solutions for companies and consumers, with the last ten years focused on starting, growing, and selling Greenline Financial Technologies, a global electronic trading software company. Most recently, Tolman has shifted his focus towards education technology, serving as CTO of ThinkCERCA, an online provider of award-winning tools and resources to help schools personalize critical thinking instruction. Prior to becoming a member of the Board, Tolman also served as a strategic technology advisor for Intrinsic, and also serves on the board of CameronTec Americas. Tolman holds a BS in Computer Science and MBA in International Business from Washington University in St. Louis.

Management: Intrinsic Schools was founded by Melissa Zaikos, a nationally recognized education pioneer who previously oversaw more than 1 00 of Chicago's highest performing public schools.

Following is a brief bio:

Melissa Zaikos, Principal, CEO & Founder – Melissa Zaikos has significant experience leading a network of elementary and high schools and working with communities throughout Chicago. Most recently, Ms. Zaikos led the Pershing Network, a network of schools in the Southwest communities of Chicago. From 2005-2011, she was the Chief Area Officer for the AMP Schools, overseeing more than 100 schools within CPS, where student performance increased from 68% to 87% of students meeting or exceeding standards on the Illinois Standard Achievement Test ("**ISAT**"). The AMP Schools led the district in data-driven instruction as the first schools to utilize the Northwest Evaluation Association MAP assessment, which is now used district-wide. The AMP Schools also led the district in piloting various online curricula including ST Math and Compass Learning.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Cahill Law Office	Chicago, IL	Kevin Cahill
Auditor:	Ostrow Reisin Berk & Abrams Ltd.	Chicago, IL	
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Underwriter:	B.C. Ziegler & Company	Chicago, IL	Scott Rolfs
		Chicago, IL	John McLaughlin
Underwriter's Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour
Trustee:	To be determined		
IFA Counsel:	Chapman & Cutler LLP	Chicago, IL	Rich Tomei
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	4
State Senate:	20
State House:	39

SERVICE AREA

According to the Borrower, Intrinsic currently provides 435 Chicago students in grades 7, 9 and 10 with a high quality school option in an area where the existing public high schools are considered over-crowded. Intrinsic Schools is a public charter school that opened in the fall of 2013 with 185 ninth grade students and will grow to serve approximately 940 Chicago students in grades 7-12 in the 2017-2018 school year.

CONDUIT

June 11, 2015

$93,000,000 (not-to-exceed amount)
Field Museum of Natural History

REQUEST	**Purpose**: Bonds will be issued in one or more series and the proceeds will be used by the Field Museum of Natural History (the **"Museum"**, or the "**Borrower**"), to provide for the (i) refunding of the outstanding principal balances of the following bond issues issued on behalf of the Museum: (a) Illinois Educational Facilities (hereinafter, "**IEFA**") Series 1985 Revenue Bonds, (b) IEFA Series 1990 Revenue Bonds, (c) IEFA Series 1998 Revenue Bonds, and (d) IEFA Series 2000 Revenue Bonds (and, collectively, the "**Prior Bonds**"), and (ii) prospectively, to fund all or a portion of the costs of refunding the Prior Bonds, as permitted under the Illinois Finance Authority Act (and, collectively with refunding of the Prior Bonds, the "**Financing Purposes**"). **Program**: 501(c)(3) Revenue Bonds **Extraordinary Conditions -** None
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	This is the first time this Project has been presented to the IFA Board of Directors.
JOB DATA	339 FT; 57 PT; Current jobs — N/A (Refunding) New jobs projected N/A Retained jobs — N/A (Refunding) Construction jobs projected
DESCRIPTION	● Location (Chicago/Cook County/Northeast Region) ● The Field Museum of Natural History is incorporated as an Illinois not-for-profit corporation and is a 501(c)(3) corporation. ● The Field Museum of Natural History is a private institution providing collection-based research, exhibits, and public education. The Museum focuses on diversity in the world's physical environments and cultures and its collections are composed of over 25 million professionally maintained natural objects and man-made artifacts.
CREDIT INDICATORS	● The Museum's current long-term debt rating is A1 from Moody's (Outlook: Stable); affirmed 9/16/2014.
PROPOSED STRUCTURE	● The Field Museum proposes to convert $89.0 million of Letter of Credit-secured Bonds bearing interest in a 7-day Variable Interest Rate Mode to a bank direct purchase structure with the following three banks: (i) Northern Trust: $30,300,000; (ii) JPMorgan Chase Bank: $29,800,000; and, (iii) Wintrust Bank: $28,900,000. The Banks will continue to be secured by a general pledge from the Museum. ● The Museum expects to maintain the scheduled final maturity dates in effect on the Prior Bonds of 11/1/2025 (from the Series 1985 and Series1990 Bonds), 11/1/2032 (from the Series 1998 Bonds), and 11/1/2034 (from the Series 2000 Bonds).
SOURCES AND USES	see below
RECOMMENDATION	Credit Review Committee recommends approval.

Sources and Uses:

Sources:		**Uses:**	
IFA Refunding Bonds	$89,000,000	Refund Prior IEFA Bonds	$89,000,000
Equity	750,000	Issuance Costs	750,000
Total	**$89,750,000**	**Total**	**$89,750,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 11, 2015

Project: Field Museum of Natural History

STATISTICS

Project Number:	N-NP-TE-CD-8743	Amount:	$93,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/ Region:	Cook/Northeast

BOARD ACTION

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

VOTING RECORD

None. This is the first time this project has been presented to the IFA Board of Directors.

PURPOSE

Proceeds of the proposed IFA Series 2015 Refunding Bonds will enable the Field Museum of Natural History to refund Bonds will be issued in one or more series and the proceeds will be used by the Field Museum of Natural History (the **"Museum"**, or the "**Borrower**"), to provide for the (i) refunding of the outstanding principal balances of the following bond issues issued on behalf of the Museum: (a) Illinois Educational Facilities (hereinafter, "**IEFA**") Series 1985 Revenue Bonds, (b) IEFA Series 1990 Revenue Bonds, (c) IEFA Series 1998 Revenue Bonds, and (d) IEFA Series 2000 Revenue Bonds (and, collectively, the "**Prior Bonds**"), and (ii) prospectively, to fund all or a portion of the costs of refunding the Prior Bonds, as permitted under the Illinois Finance Authority Act (and, collectively with refunding of the Prior Bonds, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

No Volume Cap is required for 501(c)(3) financings.

JOBS

Current employment:	339 FT; 57 PT; 85 FT-Temporary	Projected new jobs:	N/A (Refunding)
Jobs retained:	N/A	Construction jobs:	N/A (Refunding)

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

Sources:	IFA Refunding Bonds	$89,000,000	Uses:	Refund IEFA Bonds	$89,000,000
Equity	750,000		Issuance Costs		750,000
Total		**$89,750,000**	**Total**		**$89,750,000**

FINANCING SUMMARY

Structure/ Security:	The IFA Series 2015 Refunding Bonds are expected to be sold in three series based on the existing final maturity dates of the four series of bonds to be refunded. The Museum presently anticipates that each of the three series will be purchased by a different bank. Each Bank will purchase directly as, effectively, a stand-alone tax-exempt commercial loan. *It is expected that Bondholders will be secured solely by a General Pledge of the Museum and will not be secured by a pledge of any real assets of the Museum, nor secured by a lien or security interest in the Museum's collection.*
Underlying Ratings:	The Field Museum of Natural History currently has a long-term debt rating of A1 from Moody's (Outlook – Stable), affirmed 9/16/2014. The proposed Refunding Bonds will be bank direct purchased and non-rated.
Maturity:	The Museum expects to maintain the existing maturity dates of the four series of bonds to be refunded (i.e., \$10,300,000 IEFA Series 1985, \$20,000,000 IEFA Series 1990, \$28,900,000 IEFA Series 1998, and \$29,800,000 IEFA Series 2000) which will be expected to maintain final maturity dates of 11/1/2025, 11/1/2025, 11/1/2032, and 11/1/2034, respectively.
Estimated Interest Rates:	The Field Museum and their banks are expected to negotiate interest rates that are set based on market-based rates and will be set prior to closing.
Timing:	July or August 2015
Rationale:	The proposed refundings are being undertaken to reduce letter of credit pricing risk and to reduce variable interest rate risk on the existing series of Bonds to be refunded.

PROJECT SUMMARY (FOR IFA PRELIMINARY BOND RESOLUTION)

Bonds will be issued in one or more series and the proceeds will be used by the Field Museum of Natural History (the **"Museum"**, or the "**Borrower**"), to provide for the (i) refunding of the outstanding principal balances of the following bond issues issued on behalf of the Museum: (a) Illinois Educational Facilities (hereinafter, "**IEFA**") Series 1985 Revenue Bonds, (b) IEFA Series 1990 Revenue Bonds, (c) IEFA Series 1998 Revenue Bonds, and (d) IEFA Series 2000 Revenue Bonds (and, collectively, the "**Prior Bonds**"), and (ii) prospectively, to fund all or a portion of the costs of refunding the Prior Bonds, as permitted under the Illinois Finance Authority Act (and, collectively with refunding of the Prior Bonds, the "**Financing Purposes**").

Estimated project costs are comprised of:

Refunding of Prior IEFA Bonds:	<u>\$89,000,000</u>
Total	**\$89,000,000**

BUSINESS SUMMARY

Background:	**The Field Museum of Natural History** (the **"Museum**" or the **"Borrower**") was incorporated as an Illinois not-for-profit corporation in 1893 as the "Columbian Museum of Chicago" (before being renamed the "Field Museum of Natural History" in 1905). The Museum is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1985, as amended, as an organization described in Section 501(c)(3) thereof. The Museum is governed by an independent Board of Trustees (see page 6 for listing).
Description:	The Field Museum of Natural History is a private institution providing collection-based research, exhibits, and public education. The Museum focuses on diversity in the world's physical environments and cultures and its collections are composed of over 25 million professionally maintained natural objects and man-made artifacts that emphasize four principal disciplines:

Anthropology, Botany, Geology, and Zoology. Additionally, the Museum undertakes related academic research including the Museum's (i) Environment, Culture and Conservation Program, and its (ii) Biosynthesis Center operation.

The Museum and its collections originated and were an outgrowth from the World's Columbian Exposition held in Chicago in 1893. The Field Museum is one of the largest natural history museums in the world and maintains its status through the size and quality of its educational and scientific programs and due to its extensive scientific specimen and artifact collections. These collections are considered a major research resource for the national and international scientific community and supports extensive research that tracks environmental changes.

The Museum is considered one of the world's four preeminent natural history institutions together with (i) The Natural History Museum in London, (ii) the Smithsonian Institution's Museum of Natural History in Washington, DC, and (iii) the American Museum of Natural History in New York City.

In addition to its permanent exhibits, the Museum maintains a strong temporary exhibition program and in-house produced special exhibitions, and provides a library to meet the research needs of the Museum's scientific staff, visiting researchers, students, and members of the general public interested in natural history.

The Museum has been located at its present site on Chicago Park District property on S. Lake Shore Drive, near Roosevelt Road, since 1921. Today, the Field Museum is part of Chicago's lakefront Museum Campus that includes the John G. Shedd aquarium and the Adler Planetarium.

Public Programs: A five-year summary of Museum attendance and membership follows in the table below:

Table 1: Summary of Museum Attendance and Membership:

FYE December 31	Attendance	Admission Revenue	Membership
2009	1,325,007	$11,303,831	44,772
2010	1,527,369	$11,126,794	44,586
2011	1,812,676	$11,198,705	46,481
2012	1,431,933	$11,103,453	47,516
2013	1,438,158	$12,375,079	43,156

Source: Field Museum Continuing Disclosure Report for the fiscal year ended 12/31/2013 and posted on the MSRB's EMMA website as of 6/26/2014.

The Museum is open to the public every day of the year, except December 25. No general admission fee was charged on 52 of those days to residents of the State of Illinois. In July 2011, the Governor of Illinois restructured the free day program, now requiring fee general admission to Illinois residents only on those 52 days.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Field Museum of Natural History, 1400 S. Lake Shore Drive, Chicago, IL 60605
Web site: www.fieldmuseum.org
Contact: Jim Croft, PhD, Executive Vice President, (T): 312-665-7240; (F) 312-665-7216;
E-mail: jcroft@fieldmuseum.org
Project name: IFA Revenue Refunding Bonds, Series 2015 (Field Museum of Natural History)
Location: 1400 S. Lake Shore Drive, Chicago (Cook County), IL 60605
Organization: Illinois 501(c)(3) Corporation
Board Membership: *See attached list of Board of Trustees (see page 6)*

Current Land Owner: Legal title to the Museum's buildings in Grant Park and the land on which they are situated is vested in the Chicago Park District, but the Museum is vested with the sole and permanent right to the use and occupancy of the lands, buildings, and improvements at no cost to the Museum provided the facilities are used to support the Museum's mission.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Quarles & Brady LLP	Chicago, IL	John Vail
Auditor:	GrantThornton LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Purchasing Banks:	Northern Trust Company	Chicago, IL	
	JPMorgan Chase Bank, N.A.	Chicago, IL	
	Wintrust Bank	Chicago, IL	
Bank Counsel:	Dentons	Chicago, IL	Mary Wilson
Rating Agency:	Although the subject Bonds will be non-rated and not credit enhanced, the Field Museum has its own stand-alone investment grade rating from Moody's as noted on p. 3 of this report.		
	Moody's Investors Service, Inc.	New York, NY	
IFA Counsel:	Requested – Assignment forthcoming		
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	7
State Senate:	13
State House:	26

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FIELD MUSEUM OF NATURAL HISTORY - BOARD OF TRUSTEES:

(Bold = Executive Committee Member; * = Finance Committee Member)

James L. Alexander
T. Stanton Armour
Lucinda M. Baier
Charles W. Benton
Susan M. Benton
Thomas L. Bernardin
Howard B. Bernick
Amy E. Best
Judith S. Block
Norman R. Bobins
Gail K. Boudreaux
Willard L. Boyd
Jean-Claude Brizard
John L. Bucksbaum
Barbara Byrd-Bennett
John A. Canning, Jr.
Gregory C. Case
* Dr. Richard A. Chaifetz
Worley H. Clark Jr.
Richard W. Colburn
James W. Compton
Frank W. Considine
Stanton R. Cook
Kenneth W. Coquillette
Sir Peter Crane FRS
Robert W. Crawford Jr.
Marsha A. Cruzan
James A. Delaney III
Louis T. Delgado
Roger K. Deromedi
Thomas E. Donnelley II
Richard Elden
Charles M. Falcone
Michael W. Ferro Jr.
Rick Fezell
Jamee C. Field
Clare Munana
Leo F. Mullin
Neil S. Novich
James J. O'Connor Sr.
Michael G. O'Grady
David C. Parry
Aurie A. Pennick
Richard J. Pigott
John F. Podjasek III
* Peter B. Pond
Kimberly Querrey
Elizabeth W. Reese
Douglas P. Regan
Thomas S. Ricketts
John W. Rowe
Ryan S. Ruskin *(ex-officio)*
Michael J. Sacks
Nydia Searle
Elizabeth D. Sharp *(ex-officio)*
Jai Shekhawat
Alejandro Silva
Marshall Field V
Michael Flannery
Jeffrey T. Foland
James S. Frank
*** Marshall B. Front**
J. Erik Fyrwald
Wilbur H. Gantz III
Ronald J. Gidwitz
* Ruth Ann M. Gillis
Robert H. Gordon
Antonio J. Gracias
* Jack M. Greenberg
* Judy Greffin
Lewis S. Gruber
Adnaan Hamid
Wayne E. Hedien
David D. Hiller
Doris B. Holleb
Richard M. Jones
Todd Kaplan
Bryant L. Keil
Michael L. Keiser
Constance T. Keller
Jeffrey B. Keller
* Richard L. Keyser
Kathleen Klaeser *(ex-officio)*
Will C. Kunkler III
Randolph R. Kurtz
Richard W. Lariviere
Diane von Schlegell Levy
Robert B. Loveman
Cary J. Malkin
Scott P. Marks Jr.
John W. McCarter Jr.
W. James McNerney Jr.
Bobby Mehta
Adele S. Simmons
Matthew K. Simon
Dawn L. Solomon
* Michael Tang
*** Mark Tebbe**
David M. Tolmie
Bryan Traubert *(ex-officio)*
Mark R. Walter
Everett S. Ward
Laura S. Washington
Gregory D. Wasson
Robert L. Wesley
Miles D. White
William J. White
W. Rockwell Wirtz
Patrick Wood-Prince
Blaine J. Yarrington

NON-CONDUIT
501(c)(3) Direct Loan

June 11, 2015

$2,000,000 (not-to-exceed amount)
Chicagoland Entrepreneurial Center (d/b/a "1871")

REQUEST

Chicagoland Entrepreneurial Center (doing business as "1871"; hereinafter "CEC" or "1871" or the "Borrower") a 501(c)(3) not-for-profit entity incorporated under Illinois law is requesting consideration and approval of a three-year loan in an amount not-to-exceed $2,000,000 that would finance the construction and build-out of approximately 43,250 SF of space to be located on the 13th floor of the Merchandise Mart in Chicago (Cook County), Illinois (the "**Project**"). Approval of this financing will be conditional upon specific terms and conditions established herein (and identified below on pp. 3-5).

The proposed IFA 501(c)(3) Loan will enable the Borrower to provide additional collaborative services to its tenants in expanded tenant spaces, add additional space dedicated for use by universities, and provide additional educational and programming space that would benefit all members. Overall, the Project will increase CEC's space from approximately 75,000 SF to approximately 118,250 SF.

As proposed, cash equity from the Borrower and contributions from the Merchandise Mart LLC, a Delaware limited liability company, the lessor of the property will provide funding of approximately $4,355,000 of the total $6,355,000 build-out cost through a tenant improvement allowance. IFA's funds will be the last to be invested in the Project. *Note: See Sources and Uses of Funds table below and Recommendations and Conditions section below (p. 3-5).*

IFA FUNDS AT RISK $2,000,000 (as proposed)

IFA BOARD ACTION REQUESTED

- Resolution to authorize closing and funding a loan pursuant to terms and conditions identified herein (see Recommendations and Conditions below – pp. 3-5).
- This is the first time this matter has been considered by the IFA Board of Directors. Accordingly, there is no prior voting record on this matter.

BORROWER DESCRIPTION

- Type of Business: The Chicagoland Entrepreneurial Center (d/b/a "1871") is a 501(c)(3) entity incorporated under Illinois law in 2012, following its spin-off from the Chicagoland Chamber of Commerce.
- The CEC's "1871" center is an integrated incubation/education space that provides its members with mentoring services.
- The CEC's operating niche and the key operational factor distinguishing the 1871 from other shared spaces focusing on start-ups is (1) its focus on providing mentoring and (2) its 501(c)(3) status.
- The CEC concept enables 1871 to provide its tenants with high amenity space at a below-market rent downtown (for a comparably sized space) while the high density occupancy provides 1871 with a competitive return.
- The rationale for pursuing this expansion is explained under the section "Project Rationale" in pp. 2-3 below.
- Location: Chicago (Cook County), Illinois

JOBS INFORMATION

- Current Jobs: 16 FTE; 2 PTE; 3 contract employees
- Forecast Jobs - 1871: 3 new jobs (these are a "best efforts" estimate; these employees would manage expanded programming at the new 3.0 space)
- Forecast Jobs – Tenants at 1871 (2 years): 300+
- Construction Jobs – 25 - 55 (5.5 months)

CREDIT INDICATORS

CEC/1871 is a 501(c)(3) entity that has been in capital-raising mode up to this point of its development cycle following its spin-off from the Chicagoland Chamber of Commerce in 2012. From a traditional credit perspective, 1871's operations continue to be speculative in nature reflecting (1) the characteristic short term of underlying tenant/ member leases, (2) the start-up nature and limited operating history of the underlying businesses, and (3) the limited collateral value of leasehold improvements that would secure the proposed IFA Direct Loan (note: 1871's leases at its various spaces within the Merchandise Mart are scheduled to be in place through 2/28/2024).

Additionally, given the Borrower is a 501(c)(3) entity, IFA will lack the traditional personal guarantees that would secure a business loan.

Accordingly, the proposed loan is acknowledged as a high risk situation that would provide the Authority with minimal (if any) collateral recovery value in the event of enterprise failure and liquidation.

Please see the discussion below regarding "Rationale" for the Project which explains mitigating factors that support this financing.

STRUCTURE

IFA Direct Loan (Senior Lien). The proposed IFA Direct Loan would represent CEC/1871's only debt outstanding, as proposed (and would represent 1871's initial borrowing for any purpose).

SOURCES AND USES – PROJECT DEVELOPMENT BUDGET

Sources:			**Uses:**	
IFA - 501(c)(3) Direct Loan	$ 2,000,000		Project Cost	$ 6,300,000
Merchandise Mart - Tenant Improvement Allowance	3,892,500		Other/Contingencies	45,000
CEC/1871 Contribution	462,500		Legal Fees	10,000
Total:	**$ 6,355,000**		**Total:**	**$ 6,355,000**

Notes:

- Additional facts regarding the components of "Project Cost" are reported below on p. 9 of the accompanying report under the caption "Project Costs – Detail".
- CEC/1871 will also be contributing $300,000 of equity to cover an additional security deposit that will be required for the 3.0 expansion. (CEC/1871 already deposited $550,000 to cover the required security deposit for the 2.0 expansion in 2014.)

RATIONALE

The proposed project will help CEC/1871 achieve multiple objectives that will support its mission while building and stabilizing its financial viability including the following:

1. It will benefit existing 1871 members/tenants by providing enlarged collaborative work space as their needs expand. In general, these companies have not matured to the point in which the payment of significant lease deposits is rational. This project will enable these companies to remain downtown and enable each to conserve cash for liquidity and development rather than lease payments.
   a. The continued growth of these tenants will enable 1871 to retain its most successful tenants and reduce turnover among its member companies (which makes 1871 susceptible to "booms and busts" among its current stable of small, thinly capitalized start-ups).
   b. By providing a growth platform and an expanded scope of services, 1871 will be diversifying its revenues stabilizing its operations by retaining its

most successful companies for a longer period of time. The management of 1871 anticipates these companies will occupy space for 1 to 2 years before having the capital necessary to transition to external space.

2. The expansion will enable 1871 to alter and diversify its tenant mix and improve its programming support to its members.
3. The Project will enable 1871 to dedicate space to area universities (including at least two new state universities and a major, Chicago area private university) and facilitate integration of each institutions students and faculty into 1871's programming and services.
4. **1871 is a 501(c)(3) not-for-profit entity with a unique operating niche that provides a spectrum of member/tenant technical assistance and consultation, networking, financing, educational, and collaborative opportunities that provide CEC/1871 with a strategic "moat" that would be difficult for other market entrants to duplicate.** 1871 management has created a unique, integrated business incubation facility that provides a nexus for tech-based development in Chicago and Illinois. As a result, 1871 and its projects provide a mission-based facility that provides more than just shared work space to its members. 1871 is more than simply a real estate leasing/subleasing project
5. **1871's current management team has proven success in executing in executing its strategic growth plan in connection with the recent successful development of its 2.0 Project in 2014** (which opened with full occupancy in November 2014 – please see p. 15 for additional information).

STAFF RECOMMENDATION & TERMS/CONDITIONS OF LOAN:

All points cited in the "Rationale" section support this financing. Nevertheless, points #4-#5 above which note 1871's success and vision in developing a "strategic moat" (and its mission-based 501(c)(3) status), the past success of 1871's President in leading venture companies, and the success of 1871's management team in successfully executing its 2.0 Expansion project are additional factors that would support a prospective IFA 501(c)(3) Direct Loan on a pilot basis to support financing 1871's 3.0 expansion project.

Based on the Project rationale discussed above, Staff recommends approval of financing this project on a pilot basis subject to the Borrower satisfying the following proposed terms and conditions precedent to closing and funding the proposed IFA 501(c)(3) Direct Loan.

GENERAL TERMS AND CONDITIONS: THE FOLLOWING IS A SUMMARY OF THE KEY TERMS AND CONDITIONS PRECEDENT TO FUNDING THE SUBJECT LOAN (SEE PP. 4-5).

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DRAFT – PROPOSED TERMS AND CONDITIONS FOR IFA 501(c)(3) TERM LOAN COMMITMENT LETTER

Preliminary Terms and Conditions on the proposed 501(c)(3) Direct Loan between the Illinois Finance Authority ("IFA"), and Chicagoland Entrepreneurial Center, Inc. (d/b/a "1871"), an [Illinois] not-for-profit corporation (the "Borrower")) will be as follows (and subject to changes specified by the IFA Board or designees in advance of execution of a counter-signed term sheet):

Defined Terms are as follows: the "IFA Term Loan", "IFA Term Loan Interest Rate", "Project", and "1871 Tenants":

- The "**IFA Term Loan**" will be a loan from the Illinois Finance Authority (the "**Authority**") for an initial term of three (3) years (the "Initial Term") with annual principal payments of \$250,000, \$350,000, and \$400,000 due, respectively, on the first, second, and third anniversary date of the IFA Term Loan. The Term Loan may be extended at the discretion of the Authority beyond the Initial Term if deemed necessary or advisable by the Authority. Any such extension of the IFA Term Loan shall be subject to approval of a Resolution approving such terms and conditions as deemed appropriate in the sole judgment of the Authority's Board of Directors. The term of the IDFA Participation in the Term Loan, however, may only be extended for an additional term of up to 5 years (i.e., approximately 10 years after the closing date.

- The "**IFA Term Loan Interest Rate**"

  The interest rate on the IFA Term Loan shall be set at a fixed rate of 5.00% per annum (the "IFA Term Loan Interest Rate"). Interest payments shall be made monthly with equal interest payments for each year based on the outstanding principal balance of the IFA Term Loan as of its most recent prior anniversary date.

- The "**Project**":

  Proceeds of the IFA Term Loan will be used to finance a portion of the leasehold improvements to be undertaken in connection with an approximately 43,250 SF expansion of the Borrower's leased facilities that will be located on the 13th Floor of the 222 W. Merchandise Mart Plaza, Chicago (Cook County), IL 60654. The IFA Term Loan funds will supplement build-out financing provided by The Merchandise Mart. IFA's funds will be the last funds injected into the Project (after all funds from the Merchandise Mart have been expended).

- "**1871 Tenants**"

  All corporate and educational entities (which include but are not limited to 501(c)(3) schools, colleges, and universities as well as public schools and public universities) that lease space from the Borrower are considered "1871 Tenants".

PRELIMINARY DRAFT - Proposed Terms and Conditions of the IFA Term Loan are highlighted below, subject to delegation and approval of the Executive Director and a designated subcommittee of the IFA Board of Directors:

1. The Authority will be secured by a first leasehold mortgage on the Project (on facilities leased by the Borrower) located at 222 W. Merchandise Mart Plaza, 13th Floor, Chicago (Cook County), Illinois 60654 and leasehold mortgage[s] on facilities leased by the Borrower at 222 W. Merchandise Mart Plaza, 12th Floor, Chicago (Cook County), Illinois 60654.
2. Blanket first security interest in all furniture and equipment located at the Borrower's leased facilities located at 222 W. Merchandise Mart Plaza, 12th Floor and 13th Floor, Chicago (Cook County), Illinois 60654. [Any equipment leased on an operating or capital lease basis will not be subject to this lien.]
3. Collateral Assignment of Rent and Lease Payments on all underlying leases between the Borrower and "1871 Tenants".

4. Adequate insurance coverage listing the Authority as leasehold mortgagee will be required on the Project as a condition precedent to closing of the IFA Term Loan.
5. [Assignment of term life insurance policies on key employees – a transaction point to discuss later.]
6. Funding of the Authority's Loan will be subject to evidence satisfactory to the Authority of a minimum equity injection in the amount of $462,500 from the Borrower (excluding any equity applied to any required security/lease deposit to Merchandise Mart) and evidence of Merchandise Mart completing construction of the Project and providing evidence of both (i) the total construction/build-out cost and (ii) the amount of financing (i.e., consisting of a Tenant Improvement Allowance) contributed by Merchandise Mart L.L.C.
7. [The Authority's Loan will be funded as a take-out loan and] the amount of the Authority's loan shall be based on the arithmetic difference between the total construction/build-out cost (specified in 5(i) above) and the amount of financing provided by Merchandise Mart to fund the construction/build-out of the space contemplated for the Project.
8. The Borrower shall submit a monthly rent roll and monthly income statement (or net operating income statement) prepared in a format mutually agreed to by the Borrower and the Authority.
9. The Borrower shall submit to the Authority internally-prepared quarterly financial statements (including both a balance sheet and income statement prepared on an unaudited basis) within 45 days of the end of each calendar quarter.
10. The Borrower shall submit to the Authority annual audited financial statements as prepared by the Company's external auditor within [__] days of each fiscal year end while the IFA Term Loan is outstanding.
11. While the IFA Term Loan is outstanding, the Borrower shall be prohibited from incurring (i) any additional term or working capital loans, (ii) operating leases for building space, or (iii) any other capital financing (including, but not limited to capital leases) that exceeds a gross amount of $XX,000 (during the life of the loan or per annum – [NEED TO DISCUSS].
12. IFA shall be promptly notified in the event of any material changes in the Borrower's key management employees.
13. [Limitations on Executive Management compensation increases while IFA Term Loan is outstanding.]

DRAFT - Additional Prospective Terms to Consider:

1. In the event the Authority must fund construction, the Borrower will be required to engage a construction loan servicer or consulting architect acceptable to the Authority (or its counsel) to verify reimbursement for all requested draws.
2. IFA shall undertake standard title searches and will have standard title insurance in place at any time while providing construction financing for the Project or prior to closing a term loan.

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ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY – SUPPLEMENTAL REPORT
June 11, 2015

PROJECT STATISTICS

IFA Project:	N-NP-TX-NC-8477	IFA Amount:	$2,000,000 *(not-to-exceed amount)*
Type:	501(c)(3) Direct Loan	IFA Staff:	Rich Frampton
Location:	Chicago	County/ Region:	Cook / Northeast

BOARD ACTION

501(c)(3) Direct Loan Resolution
501(c)(3) Direct Loan (Non-Conduit)
No IFA funds at risk
No extraordinary conditions

IFA PROGRAM/CONTRIBUTION

IFA will be using a portion of its unencumbered retained earnings (derived from IFA Operating Revenues) to fund the proposed loan.

FINANCING SUMMARY/FINANCING STRUCTURE

Structure/Credit Enhancement: As proposed, IFA would be a secured senior lender on a 501(c)(3) Direct Loan to be funded on behalf of Chicagoland Entrepreneurial Center. The IFA 501(c)(3) Direct Loan would be the Borrower's sole debt obligation outstanding.

Interest Rate: As proposed, the interest rate on the IFA Direct Loan would be set at 5.0% fixed for the initial 3-year term.

Loan Term: 3 years from the date of closing/funding.

Principal Amortization & Interest Payments: During the proposed, initial 3-year term of the IFA 501(c)(3) Direct Loan, CEC/1871 will be obligated to make annual principal payments of $250,000 in Year 1; $350,000 in Year 2; and $400,000 in Year 3.

Interest payments will be due monthly and established based on the principal amount outstanding as of the most recent anniversary date of the IFA 501(c)(3) Direct Loan.

IFA Collateral: As proposed, the Authority would be secured by:

- A first leasehold mortgage interest on CEC-1871's leased facilities located at the 12th Floor and the 13th Floor of the Merchandise Mart at 222 W. Merchandise Mart Plaza, Chicago (Cook County), IL 60654.
- A blanket first lien on equipment (excluding items under operating leases).
- A collateral assignment of rents and leases.
- Chicagoland Entrepreneurial Center, a 501(c)(3) corporation will be executing the IFA Loan Documents as "Obligor".
- CEC/1871 will be subject to several reporting requirements and negative covenants as noted in the proposed terms and conditions (please see pp.4-5).

Maturity: 3 year initial term with a provision to extend for one additional period. There will be an option to negotiate an extension for an additional period of time to be determined. Terms of any extension will be subject to negotiation and will reflect CEC/1871's financial performance.

Closing Date: Summer 2015

BUSINESS SUMMARY

Description: The **Chicago Entrepreneurship Center** ("**CEC**" or the "**Borrower**" and doing business as "**1871**") was created in 1999. CEC is an Illinois not-for-profit corporation and is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1985, as amended, as an organization described in Section 501(c)(3) thereof. CEC is governed by an independent Board of Trustees (see pp. 11-12 for listing).

Background: CEC was created in 1999 as a program of the Chicagoland Chamber of Commerce (the "Chamber"). CEC is an independent entity with its own governance structure that is independent of the Chamber. Although originally co-located with the Chamber (and utilizing the Chamber's administrative services), in the second quarter of fiscal 2012 CEC (i) moved out of the Chamber's offices and (ii) stopped relying on the Chamber's administrative services.

CEC seeks to make a perceptible and lasting economic impact on the Chicago region by helping entrepreneurs and high-growth businesses build viable, sustainable, and profitable enterprises that serve as platforms for economic development through its flagship program, "1871" (the "Program").

Development & Growth of the "1871" Program: In April 2012, CEC launched "1871" as its new flagship program upon the opening of its 50,000 SF facility located on the 12th Floor of the Merchandise Mart.

1871's programming seeks to attain the following objectives:

1. Provide affordable, flexible space for early-stage startup companies and entrepreneurs (the "Members") who are building digital businesses;
2. Provide events, mentorship, classes, and programs that are relevant to entrepreneurs building digital businesses; and
3. Provide other services and support for digital businesses and the Chicago startup community.

1871's core mission specifies three primary goals:

1. The ongoing creation of new, self-sustaining, Illinois-based, technology-enabled businesses;
2. The continued creation of substantial numbers of new Illinois jobs which we have seen being generated by 1871 businesses; and
3. The attraction and retention of engineering and computer science technologists of all ages to work with 1871 businesses in Illinois.

1871's additional objectives:

1. **Attract national and international investment capital to Illinois by positioning Illinois and 1871 as the gateway for global enterprises to enter the U.S. marketplace.**

   To date, 1971 has attracted foreign investors, businesses, and venture firms located in Turkey, Israel, Mexico, United Kingdom, Canada, France, and China. Additionally, 1871 has attracted "coastal investment" from New York and California. In 2014, 1871 was ranked 9th in the world (out of 800+ candidates) among university-affiliated incubators.

2. **Provide Illinois-based companies the ability to expand their businesses internationally.**

   1871 has established reciprocal arrangements with similar, but smaller, incubator and co-working facilities in cities worldwide, including London, Tel Aviv, Mexico City, and Toronto.

1871's Results to date: 1871's new management has attained the following results (as of 5/15/2015) since taking over day-to-day management on 1/1/2014:

- <u>Company Creation and Job Creation:</u> 1871 has created 400 companies that have created over 2000 jobs in Illinois.
- <u>Capital Attraction:</u> 1871 companies have attracted over $50 million in investment capital and resulted in successful "exits" that have generated substantial returns that are ultimately reinvested in new Illinois ventures.
- <u>1871's classes, internal recruitment, and job placement programs</u>: these 1871 activities have resulted in 25 technical hires at average annual salaries of $65,000 per annum.
- <u>Creation of multiple schools and multi-level educational programming and workshops</u> for 1871 Members and the general public.
- <u>In 2014, in addition to serving member companie</u>s, 1871 held more than 250 workshops, hosted more than 575 events open to the public, and provided more than 5000 hours of one-on-one mentoring for the Chicagoland and Illinois tech community at-large through a volunteer staff of over 300 mentors.
- <u>Development of national and international bi-lateral commerce, exchange, education, and trade arrangements</u> with multiple countries (e.g., Turkey, Israel, United Kingdom, Mexico, France, China, India, Sri Lanka).
- <u>Development and delivery of diversity programs and other initiatives</u> to reach and support underserved populations throughout Illinois.
- <u>Creation of insurance, health policies, and programs for 1871 companies</u> and affiliated businesses: these drive competitiveness and appeal as employers and generate revenues for Illinois businesses.
- <u>1871 currently serves over 350 member companies and tenants who have among them 750 employees. The 1871 facilities serve approximately 1,200 to 1,500 individuals daily.</u>

1871's Initial Focus – 2012-2013 – "1.0": **1871's initial focus and revenue model for its initial years of operation (2012 and 2013) was to serve a succession of brand-new start-up entities.** 1871's revenues were initially comprised of (i) desk rentals to a succession of new start-ups and, significantly, (ii) a deep and ongoing reliance on an annual fundraising dinner to attain breakeven operating results. With many competing fundraising events, this operating model provided 1871 primarily with high variance revenues.

This business model, however, also left 1871 exposed to variability in the start-up economy. Additionally, this model limited 1871's (and has continued to limit) upside results due to 1871's initial focus on new start-ups.

1871's "1.0" facilities comprised approximately 50,000 SF located on the 12th Floor of the Merchandise Mart building. Construction and equipping of 1871's initial 1.0 facilities (and subsequent 2.0 expansion project discussed below) was supported with approximately $2.35 million of grant funding from the Illinois Department of Commerce and Economic Opportunity. **According to 1871's management, 1871's current "1.0" space was fully occupied (0% vacancy rate) as of 5/25/2015.**

2014 – New Management Team – New Focus:

In January 2014, a new, full-time, and experienced management team led by Mr. Howard Tullman, CEO was hired. (Please see Executive Management Profiles on p. 10.)

Immediately, 1871's new management team (i) implemented more rigorous budgeting and expense controls, (ii) evaluated and replaced personnel, as needed, and (iii) changed the long-term operations and financial strategy to diversify revenues, increase capacity utilization at 1.0, and decrease reliance on highly variable start-up membership revenues.

Included in this strategy were efforts to undertake a more general effort to reposition and convert 1871's engagement with the Chicago/Illinois corporate community by focusing on collaborative B2B activities that expose these corporations to opportunities provided by exposure to disruptive technologies and innovation. Hence, 1871 is now focused on corporate engagement motivated by "enlightened self-interest" rather than simple philanthropy to a 501(c)(3) not-for-profit organization.

1871 – "2.0" Expansion – 2014:

In 2014, 1871 (with its new management team) undertook a 25,000 SF expansion that was funded by approximately $2.5 million of grant funding from the Illinois Department of Economic Opportunity. This expansion increased 1871's space from 50,000 SF to 75,000 SF.

This expansion provided an opportunity for 1871's management to refine its business model, and stabilize and diversify its revenue base.

With the "2.0" Project, 1871's management diversified revenues by providing larger, dedicated work spaces under leases for longer terms for (i) expanding 1871 members who had outgrown their 1.0 space (ii) university-related entities, and (iii) existing tech companies based elsewhere seeking a Chicago-based location.

1871's implementation strategy and development of the 2.0 Project has attained all initial objectives. In fact, the 2.0 Project was fully occupied when it opened in November 2014. Even after expensing the value of rent abatements provided by the Merchandise Mart, 1871 was operating the 2.0 Project profitably beginning with its second month of operation in December 2014 (and has posted positive net income in each subsequent month, even after deducting the abated rent as an expense).

In addition to adding "graduates" from 1.0, and existing tech companies to the tenant mix, with the "2.0" Project, 1871's management team began emphasizing the notion of using on-site space to host "classes" or "schools".

In January 2014, 1871 hosted one "class" which paid 1871 $6,000 rent for the use of two rooms. Now, 1871 hosts nine "classes" or "schools" (e.g., "Anyone Can Learn to Code") that serve 1871 members. These classes or schools have enabled 1871 to increase capacity utilization of its Merchandise Mart facilities through various dayparts (including weekends) when its facilities were not occupied, thereby creating new net rental income during "off-business" hours (i.e., weekday evenings and weekends). Each classroom generates approximately $6,000 of monthly revenues. .

As a strategic benefit, these classes provide access, traction, physical space, to both member companies and prospective employees.

According to 1871's management, 1871's current "2.0" space was fully occupied (0% vacancy rate) as of 5/25/2015.

Overview of 1871's 3.0 Expansion Plan: **When 1871's new management team opened the 2.0 Project in November 2014, it was fully leased. 1871 plans to replicate this past success with development of the new "3.0" Project to be partially financed with IFA 501(c)(3) Direct Loan proceeds.**

1871 plans to diversify revenues by increasing its space allocations to (i) graduates from its 1.0 and 2.0 Projects (for longer terms than prior leases to these companies as they grow generate increased revenues), (ii) Universities (including both private universities and State universities based in Illinois and elsewhere), which will be higher credit, term credits, (iii) shared administrative/servers/technical support/storage services and conference/private office space for these companies, and (iv) existing tech companies based elsewhere (coastal and internationally) that are seeking a Chicago-based location with ready-access to tech resources and talent.

Additionally, 1871 plans to dedicate additional space and time for instructional classes that will both help 1871 attain its educational mission and increase capacity utilization from its space.

1871 intends to undertake the same pre-development activities that led to full occupancy when its 2.0 Project opened fully occupied in November 2014. Accordingly, 1871 has sought non-binding Letters of Intent ("LOIs") from prospects that would be converted to binding commitments upon formal announcement of a 3.0 Expansion.

EXECUTIVE MANAGEMENT PROFILES

- **Howard Tullman, CEO**: Howard A. Tullman is the CEO of the Chicagoland Entrepreneurial Center (CEC) and 1871 – where digital startups get their start and the General Managing Partner of G2T3V, LLC and of Chicago High Tech Investment Partners. He is a member of Mayor Rahm Emanuel's Chicago NEXT and Cultural Affairs Councils; and of Governor Bruce Rauner's Innovate Illinois Advisory and Illinois Arts Councils; a member of Cook County Board President Preckwinkle's New Media Council; an adjunct professor at Kellogg; and an advisor to many start-ups.

  Mr. Tullman is the former Chairman and CEO of Tribeca Flashpoint Media Arts Academy. Over the last 45 years, he has successfully founded more than a dozen high-tech companies. Mr. Tullman was involved with the original mission design and creation of 1871 and joined the management team as full-time CEO in December 2013.

- **Tom Alexander, COO**: Tom Alexander is chief operating officer for 1871. His role includes (i) the daily supervision and operation of the 1871 facility which houses hundreds of startups and hosts thousands of visitors each month, (ii) business development efforts focused on integrating 1871 into the Chicago technology economy, and (iii) external relations efforts with government and media partners.

  Previously, Mr. Alexander served as deputy communications director for Mayor Rahm Emanuel. In his role with the Mayor's office, he oversaw day-to-day communication strategy and long-term planning, including events, written press materials, and coordination among city agencies. He additionally played a leading role on the Mayor's economic council, working to attract and retain companies and jobs to Chicago. Tom joined the 1871 management team in February 2014.

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PROJECT COST - DETAIL

Estimated Project costs consist of the following:

Architect/Engineering/Professional Services	$ 250,000
Project Management/Design Fees	100,000
Construction/Build-Out Cost	5,300,000
Equipment/Furnishings	650,000
Total Project Cost	**$ 6,300,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: Chicagoland Entrepreneurial Center (d/b/a "1871"), c/o Mr. Howard Tullman, CEO, Chicagoland Entrepreneurial Center, 222 W. Merchandise Mart Plaza, 12th Floor, Chicago (Cook County), IL 60654; Ph.: 312-239-0310

Website: www.1871.com

Project name: 1871 – 3.0 Expansion Project

Project Location: 222 W. Merchandise Mart Plaza, 13th Floor, Chicago (Cook County), IL 60654

Board of Directors: CEC/1871, *a 501(c)(3) entity*, is governed by a 42-member Board of Directors.

CEC/1871's Board of Directors (as of 6/1/2015)

First Name	Last Name	Organization Name	Membership Type
Howard	Tullman	1871	CEC Exec Committee Board Member
Mark	Tebbe	Lake Capital	CEC Exec Committee Board Member
Lisa	Portnoy	Ernst & Young	CEC Exec Committee Board Member
Laura Ferris	Anderson	JPMorgan Chase	CEC Exec Committee Board Member
Bryant	Keil	Potbelly Sandwich Shop	CEC Exec Committee Board Member
David	Tolmie	Edgewater Funds	CEC Exec Committee Board Member
Kevin	Willer	Chicago Ventures	CEC Exec Committee Board Member
Pat	Ryan, Jr.	INCISENT Labs	CEC Exec Committee Board Member
Talia	Mashiach	Eved	CEC Exec Committee Board Member
Joe	Shenton	Barclays Capital	CEC General Board Member
Bret	Maxwell	MK Capital	CEC General Board Member
David	Baker	Illinois Institute of Technology	CEC General Board Member
Tim	Stojka	Agentis Energy	CEC General Board Member
Lon	Chow	Apex Venture Partners	CEC General Board Member
Jim	Dugan	OCA Ventures	CEC General Board Member
Maura	O'Hara	Illinois Venture Capital Association	CEC General Board Member
Ellen	Rudnick	Polsky Center for Entrepreneurship	CEC General Board Member
Hank	Adams	Sportvision, Inc.	CEC General Board Member
Robert	Blackwell Jr.	Electronic Knowledge Interchange	CEC General Board Member
Linda	Darragh	Kellogg School of Management	CEC General Board Member

Dean	DeBiase	Reboot Partners	CEC General Board Member
Chris	Gladwin	Cleversafe	CEC General Board Member
Sam	Guren	Guren Capital Management, LLC	CEC General Board Member
Troy	Henikoff	TechStars Chicago	CEC General Board Member
Gregg	Kaplan	Coinstar, Inc.	CEC General Board Member
Matt	McCall	Pritzker Group Venture Capital	CEC General Board Member
Andy	Skoglund	Credit Suisse	CEC General Board Member
Genevieve	Thiers	Sittercity.com	CEC General Board Member
Scott	Swanson	PNC Bank	CEC General Board Member
Tom	Thompson	WP Global Partners, Inc.	CEC General Board Member
R.J.	Melman	Hub 51	CEC General Board Member
Leslie	Anderson	BMO Harris Bank	CEC General Board Member
Sam	Yagan	TechStars Chicago	CEC General Board Member
Steve	Collens	MATTER	CEC General Board Member
Matt	Brown	Katten Muchin Rosenman LLP	CEC General Board Member
Larry	Eppley	Sheppard Mullin Richter & Hampton LLP	CEC General Board Member

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sheppard, Mullin, Richter & Hampton, LLP	Chicago, IL	Larry Eppley
Auditor:	Plante & Moran, PLLC	Chicago, IL	
Landlord/Master Lessor:	Merchandise Mart, L.L.C. (Vornado Realty Trust)	Chicago, IL	
IFA Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal

LEGISLATIVE DISTRICTS

Congressional: 7
State Senate: 3
State House: 5

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IFA ILLINOIS FINANCE AUTHORITY

CONDUIT

June 11, 2015

$102,000,000
Little Company of Mary Hospital and Health Care Centers

REQUEST	**Purpose:** Bond proceeds will be used to: i) refund the Authority's Revenue Bonds, Series 2010 (Little Company of Mary Hospital and Health Care Centers or the "Corporation") (the "Series 2010 Bonds"); ii) refinance a taxable line of credit (the "Bridge Loan"), the proceeds of which were used to purchase in the open market and cancel certain of the Series 2010 Bonds; iii) pay or reimburse the Corporation for the payment of all or a portion of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation, and all necessary and attendant facilities, equipment, site work, zoning, entitlements and utilities related thereto; and iv) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Series 2010 Bonds and the refinancing of the Bridge Loan, all as permitted by applicable law. **Program**: Conduit 501(c)(3) Revenue Bonds. **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution – One-Time Consideration
MATERIAL CHANGES	None.

JOB DATA	1,511	FTE's	Current jobs	N/A	New jobs projected
	1,511	FTE's	Retained jobs	N/A	Construction jobs projected

DESCRIPTION

- Locations: Evergreen Park (Main Campus), Burbank, Chicago, Chicago Ridge, Oak Lawn, Palos Heights.
- The Little Company of Mary Sisters, a religious Congregation of Roman Catholic women, was founded in Nottingham, England by Mother Mary Potter in 1877. At the present time, the Congregation operates two health care facilities in the United States of America and additional health care facilities in Europe, Africa, Australia and New Zealand.
- Health care institutions located in the United States of America are operated under the auspices of the American Province of Little Company of Mary Sisters (the "American Province"), located in Evergreen Park, Illinois, which sponsors Little Company of Mary Hospital and Health Care Centers (the "Corporation"), also located in Evergreen Park, Illinois (298 licensed beds; 254 beds in service). Memorial Hospital and Health Care Center, located in Jasper, Indiana, is also under the auspice of the American Province.
- Little Company of Mary Hospital and Health Care Centers is a not-for-profit corporation and was incorporated in 1893.
- The original hospital facility was dedicated in January 1930. Several additions and renovations were completed throughout the last several decades, including most recently a new patient tower that was completed in 2012.

CREDIT

- Variable Rate Bonds to be purchased by DNT Asset Trust, an affiliate of JPMorgan Chase Bank, N.A.

SECURITY

- The Bonds are expected to be secured by an Obligation of the Little Company of Mary Obligated Group under a Master Trust Indenture. Collateral includes a gross receivables pledge.

INDICATORS

- The Bonds will not be rated. The Corporation has an underlying rating of "A+" (S&P) / Stable Outlook with respect to certain other outstanding indebtedness.

MATURITY

- 2040.

SOURCES AND USES*

IFA Bonds	$102,000,000	Refund Series 2010 Bonds	$40,369,250
		Refinance Line of Credit	33,435,000
		Project Fund	27,895,750
		Costs of Issuance	300,000
Total	**$102,000,000**	**Total**	**$102,000,000**

*Refunding of Series 2010 Bonds includes applicable premium. Certain costs of refunding the Series 2010 Bonds and refinancing the line of credit and a portion of the costs of the Project will be paid from Corporation equity.

RECOMMENDATION	Credit Committee Review recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 11, 2015

Project: Little Company of Mary Hospital and Health Care Centers

STATISTICS

Project Number: H-HO-TE-CD-8479
Type: 501(c)(3) Bonds.
County/Region: Cook/Northeast.

Amount: $102,000,000 (Not-to-Exceed).
IFA Staff: Pam Lenane
City: Multiple.
Credit Review Committee Recommends Approval

Conduit 501(c)(3) Bonds.
No IFA funds at risk.

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Revenue Bonds
Credit Review Committee recommends approval

No extraordinary conditions
No IFA funds at risk

VOTING RECORD

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

PURPOSE

Purpose: Bond proceeds will be used to: i) refund the Authority's Revenue Bonds, Series 2010 (Little Company of Mary Hospital and Health Care Centers) (the "Series 2010 Bonds"); ii) refinance a taxable line of credit (the "Bridge Loan"), the proceeds of which were used to purchase in the open market and cancel certain of the Series 2010 Bonds; iii) pay or reimburse the Corporation for the payment of all or a portion of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation, and all necessary and attendant facilities, equipment, site work, zoning, entitlements and utilities related thereto; and iv) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Series 2010 Bonds and the refinancing of the Bridge Loan, all as permitted by applicable law.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment	1,511	Projected new jobs:	N/A
Jobs retained:	1,511	Construction jobs:	N/A

ESTIMATED SOUCES AND USES OF FUNDS*

IFA Bonds	$102,000,000	Refund Series 2010 Bonds	$40,369,250
		Refinance Line of Credit	33,435,000
		Project Fund	27,895,750
		Costs of Issuance	300,000
+Total	**$102,000,000**	**Total**	**$102,000,000**

* Refunding of Series 2010 Bonds includes applicable premium. Certain costs of refunding the Series 2010 Bonds and refinancing the line of credit and a portion of the costs of the Project will be paid from Corporation equity.

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by an Obligation of the Little Company of Mary Obligated Group under a Master Trust Indenture. Collateral includes a gross receivables pledge.
Interest Rate:	Variable Rate.
Interest Mode:	Private Placement Mode (three-year initial term).
Credit Enhancement:	None.
Credit Rating:	Bonds will not be rated. The Corporation has an underlying rating of "A+" (S&P) / Stable Outlook with respect to certain other outstanding indebtedness.
Maturity:	2050.
Estimated Closing Date:	August 15, 2015.

PROJECT SUMMARY

Purpose: Bond proceeds will be used to: i) refund the Authority's Revenue Bonds, Series 2010 (Little Company of Mary Hospital and Health Care Centers) (the "Series 2010 Bonds"); ii) refinance a taxable line of credit (the "Bridge Loan"), the proceeds of which were used to purchase in the open market and cancel certain of the Series 2010 Bonds; iii) pay or reimburse the Corporation for the payment of all or a portion of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation, and all necessary and attendant facilities, equipment, site work, zoning, entitlements and utilities related thereto; and iv) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Series 2010 Bonds and the refinancing of the Bridge Loan, all as permitted by applicable law.

BUSINESS SUMMARY

Overview: The Little Company of Mary, an order of nursing sisters, was founded in Nottingham, England by Mother Mary Potter in 1877. At the present time, the Congregation operates two health care facilities in the United States of America and additional health care facilities in Europe, Africa, Australia and New Zealand.

Several health care institutions located in the United States of America operated under the auspices of the American Province of Little Company of Mary Sisters (the "American Province"), headquartered in Evergreen Park, Illinois including Little Company of Mary Hospital and Health Care Centers (the "Corporation"), also located in Evergreen Park, Illinois (298 licensed beds; 254 beds in service). Additionally, Memorial Hospital and Health Care Center, located in Jasper, Indiana, is under the auspice of the American Province.

Little Company of Mary Hospital and Health Care Centers is a not-for-profit corporation, and was incorporated in 1893. The original hospital facility was dedicated in January 1930.

Description of Properties: The Hospital Facility is situated on approximately 14 acres of property in a residential and commercial area located in the Village of Evergreen Park, Illinois.

Building	**Year Completed**	**Number of Floors**	**Gross Square Feet**
Main Buildings Adult Patient Rooms, Support Services, Administrative Offices, Ancillary Services, Chapel, Cancer Center and Basement	1960-2012	8 Floors	786,765
EDP Building Electronic Data Processing	1930	2 Floors	15,030
Boiler Building Boilers, Generators and Maintenance Offices	1930-1931	2 Floors	7,542

Bed Complement: The Corporation offers a full range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Corporation is licensed to operate 298 beds.

Bed Category	Licensed Bed Complement	Beds in Service
Medical/Surgical	208	167
Obstetrics	17	17
Pediatrics (includes critical care)	20	20
Acute Mental Illness	24	24
Intensive Care Unit (Adult)	29	26
Total Acute Care Beds	**298**	**254**

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Little Company of Mary Hospital and Health Care Centers.

Project Location: Evergreen Park (Main Campus), Burbank, Chicago, Chicago Ridge, Oak Lawn, Palos Heights.

Borrower: Little Company of Mary Hospital and Health Care Centers.

Board of Trustees:

Sister Sharon Ann Walsh Chairperson	Council Leader, Sister of Little Company of Mary Chicago, Illinois
Thomas M. Fahey Vice-Chairperson	Attorney, Nixon Peabody LLP Chicago, Illinois
Joseph Pedota Secretary	C.P.A., George Bagley & Company, L.LC. Oak Brook, Illinois
Dennis Kelly Treasurer	Attorney, Winston & Strawn LLP Chicago, Illinois
Dennis A. Reilly	President/CEO Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois
Violet Clark	Attorney, Laner, Muchin, Dombrow, Becker, Levin & Tominberg, Ltd Chicago, Illinois
Brian Farrell, M.D.	Physician, ENT Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois
Patrick Folliard	C.P.A., Patrick Folliard, CPA, PC Palos Hills, Illinois
Jayanthi Ramadurai, M.D.	Physician, Oncologist Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois
Daniel Rowan, D.O.	Physician Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois

Robert Sheehy	Owner, Robert J. Sheehy & Sons Funeral Home Orland Park, Illinois
Jay B. Sterns	Director, Barclays Capital Chicago, Illinois
Janice Stewart	Strategic Marketing/Realtor Inverness, Illinois

Ex-Officio Non-Voting Members:

Kent F.W. Armbruster, M.D.	Vice President of Medical Affairs Little Company of Mary Hospital and Health Care Centers
Mary Freyer	Chief Operating Officer Little Company of Mary Hospital and Health Care Centers
Randy Ruther	Vice President of Finance/Chief Financial Officer Little Company of Mary Hospital and Health Care Centers
Dave Kavanaugh	Chairman, Foundation Board Little Company of Mary Hospital and Health Care Centers
Michael Schwartz, M.D.	Medical Staff President Little Company of Mary Hospital and Health Care Centers
William Walsh, M.D.	Medical Staff President-Elect Little Company of Mary Hospital and Health Care Centers

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Nixon Peabody LLP	Chicago	Tom Fahey
Bond Counsel:	Chapman and Cutler LLP	Chicago	Mike Mitchell
Purchaser's Counsel:	Foley & Lardner LLP	Chicago	Laura Bilas
Bond Trustee:	U.S. Bank National Association	Chicago	Grace Gorka
Accountant:	McGladrey LLP	Chicago	Patrick Kitchen
Issuer's Counsel:	Burke Burns & Pinelli, Ltd.	Chicago	Mary Ann Murray
IFA Advisors:	Acacia Financial Group, Inc.	Chicago	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	1
State Senate:	18
State House:	36

SERVICE AREA

In fiscal year 2014, approximately 74% of the Corporation's admissions came from 13 zip codes that constitute its primary service area. Of these zip codes, eight are located in Chicago (i.e., Auburn Park, Morgan Park, Roseland, Ashburn, Mount Greenwood, Chicago Lawn, Ogden Park and Grand Crossing). Suburban zip codes include Oak Lawn, Evergreen Park, Hometown, Burbank and Alsip. In fiscal year 2014, approximately 16% of the Corporation's admissions originated from 22 zip codes that constitute its secondary service area, including zip codes for the areas in Chicago referred to as John Buchanan, Clearing, South Shore, Englewood, Stockyards and Elsdon and the suburbs of Blue Island, Chicago Ridge, Tinley Park, Midlothian/Crestwood, Orland Park, Bridgeview, Worth, Palos Hills, Oak Forest, Hickory Hills, Calumet City, Dolton, Riverdale and Palos Heights.

CONDUIT

June 11, 2015

$45,000,000 (Not to Exceed)
Villa St. Benedict

REQUEST	**Purpose**: Bond proceeds will be used by Villa St. Benedict (the "**Corporation**" or the "**Borrower**") to: (i) refund all of the outstanding Illinois Health Facilities Authority Revenue Bonds, Series 2003A-1 (the "**Prior Bonds**"); and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of Prior Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the "**Financing Purposes**"). **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	This is the second time this project has been presented to the IFA Board of Directors. This project was first presented to the Board as a bank private placement deal. The Voting Record from 10/16/2014 was: 10 Yeas; 0 Nays; 5 Absent (Lonstein; O'Brien; Pedersen; Tessler; Vaught)
JOB DATA	125 Current jobs / N/A New jobs projected N/A Retained jobs / N/A Construction jobs projected
DESCRIPTION	● Location: Lisle (DuPage County/Northeast Region) ● Villa St. Benedict (the "Corporation") was incorporated on June 25, 2000, under the Minnesota Non-Profit Corporation Law exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (IRC). The Corporation has two corporate members: the Benedictine Sisters of the Sacred Heart (BSSH) and Benedictine Health System (BHS). The Corporation was created and organized to own, maintain, operate, and conduct facilities for long-term and congregate care, and assisted and independent living to the elderly in a single campus community in Lisle, Illinois. ● The Corporation owns and operates a continuing care community, which includes 56 independent living villas, 141 independent living apartments, 65 assisted living units (including 14 memory support units), an underground parking structure, and related common areas.
SECURITY	● The Bonds are expected to be secured by an assignment of a first leasehold mortgage and a collateral assignment of rents and leases.
CREDIT INDICATORS	● The Corporation is a non-rated, single-purpose entity whose only current property is the subject project facility which it owns, on ground leased from BSSH (one of its corporate members, under a ground lease subject to extension). A feasibility study is being prepared by Management and CliftonLarsonAllen. The feasibility study will be included in the prospectus/official statement.
STRUCTURE	● The Bonds will be fixed rate bonds sold through a public offering. The current maturity on the Prior Bonds is 2033. A 5 year extension (2038) or 10 year extension (2043) structure is currently being contemplated.
SOURCES AND USES (PRELIMINARY)	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

Sources:		**Uses**:	
IFA Bonds	$41,500,000.00	Refinancing	$38,542,675.00
Equity Contribution	$830,000.00	Legal & Professional	$1,662,601.50
Trustee Held Funds	$937,533.00	Debt Service Reserve Fund	$3,062,256.50
Total	**$43,267,533.00**	**Total**	**$43,267,533.00**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 11, 2015

Project: Villa St. Benedict

STATISTICS

Project Number:	H-SL-TE-CD-8705	Amount:	$45,000,000 (not-to-exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane
City:	Lisle	County/Region:	DuPage/Northeast

BOARD ACTION

Preliminary Bond Resolution	No IFA Funds at Risk
Conduit 501(c)(3) Bonds	No Extraordinary Conditions
Credit Review Committee recommends approval	

VOTING RECORD

This is the second time this project is being presented to the IFA Board of Directors. This project was first presented to the Board in October of 2014.

The Voting Record from 10/16/2014 was: 10 Yeas; 0 Nays; 5 Absent (Lonstein; O'Brien; Pedersen; Tessler; Vaught)

PURPOSE

Bond proceeds will be used by Villa St. Benedict (the "**Corporation**" or the "**Borrower**") to: (i) refund all or a portion of the outstanding Illinois Health Facilities Authority Revenue Bonds, Series 2003A-1 (the "**Prior Bonds**"); and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of Prior Bonds, all as permitted by the Illinois Finance Authority 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:	125	Projected new jobs:	N/A
Retained jobs:	N/A	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bonds	$41,500,000.00	Refinancing	$38,542,675.00
Equity Contribution	$830,000.00	Legal & Professional	$1,662,601.50
Trustee Held Funds	$937,533.00	Debt Service Reserve Fund	$3,062,256.50
Total	**$43,267,533.00**	**Total**	**$43,267,533.00**

FINANCING SUMMARY

Security:	The proposed bank-purchased Refunding Bonds are expected to be secured by a first leasehold mortgage on the Villa St. Benedict project and a collateral assignment of rents and leases.
Structure:	Fixed rate, tax-exempt bonds sold through a public offering.
Interest Rate:	To be determined on the day of pricing.
Interest Mode:	Fixed through final maturities.
Maturity:	No later than November 15, 2045
Rating:	Non-rated
Estimated Closing Date:	August 2015

PROJECT SUMMARY

Bond proceeds will be used by Villa St. Benedict (the "**Corporation**" or the "**Borrower**") to: (i) refund all or a portion of the outstanding Illinois Health Facilities Authority Revenue Bonds, Series 2003-A1 (the "**Prior Bonds**"); and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of Prior Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the "**Financing Purposes**").

BUSINESS SUMMARY

Villa St. Benedict (the "**Corporation**") is a nonprofit corporation organized under the laws of the State of Minnesota and qualified to do business in the State of Illinois. The Corporation was formed on January 25, 2000 to develop and operate independent living apartments, additional assisted living units and townhome-type senior housing structures on the campus of the Benedictine Sisters of the Sacred Heart in Lisle, Illinois, in accordance with the charitable works tradition of the Roman Catholic Church.

The Corporation is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), by virtue of being an organization described in Section 501(c)(3) of the Code and is not a private foundation within the meaning of Section 509(a) of the Code.

The Corporation has two corporate members: Benedictine Sisters of the Sacred Heart ("BSSH"), an Illinois not-for-profit corporation, and Benedictine Health System ("BHS"), a Minnesota nonprofit corporation.

Although the Borrower has operated the campus under a Forbearance Agreement since August 1, 2010, after much effort the interest due to the Bondholders is current and paid in full. During the extended fill period, BHS and the Sisters have advanced cash to cover operating losses and certain amounts due for debt service. BHS has taken back notes to evidence the advances, but to date cash flow has been insufficient to make any payments on this obligation.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Villa St. Benedict
Location:	1920 Maple Ave. Lisle (DuPage County), IL 60532
Project name:	Villa St. Benedict (IFA Series 2014 Bonds)
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois
Contact:	Kathy DiCristina, CEO – (630)-725-7000 - kdicristina@villastben.org

Board of Trustees:

Thomas J. Norris, Chair
Sister Helen Jilek, OSB, Vice Chair
Kevin Rymanowski, Treasurer
Alice Sima, Secretary
Sister Sharon M. Stola
Sister Judith A. Heble, OSB
John Vidmar
Abbot H. Anderson, OSB
Peter Wrenn
Sister Clare M. Trettel, OSB

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Nixon Peabody	Chicago	James Broeking
Underwriter:	Ziegler	Chicago	Steve Johnson
Bond Counsel:	Chapman and Cutler LLP	Chicago	John Bibby
Underwriter's Counsel:	Dentons	Chicago	Katie Ashton
Bond Trustee:	UMB	Minneapolis	Ginny Housum
Trustee's Counsel:	Mintz Levin	Boston	Poonam Patidar
Issuer's Counsel:	Pugh Jones Johnson	Chicago	Lorraine Tyson
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago	Melanie Shaker

LEGISLATIVE DISTRICTS

Congressional:	11
State Senate:	21
State House:	42

SERVICE AREA

The primary service area includes DuPage County and selected zip codes in northeast Illinois, including adjacent areas of Cook, Will, and Kane Counties.

ILLINOIS FINANCE AUTHORITY

CONDUIT

June 11, 2015

$135,000,000
Palos Community Hospital

REQUEST	**Purpose**: The proceeds of the Bonds will be used to: provide Palos Community Hospital "PCH" with all or a portion of the funds necessary to do any or all of the following: (i) refunding all or a portion of the outstanding principal amount of the Illinois Finance Authority Revenue Bonds, Series 2007A (Palos Community Hospital) (the *"Prior Bonds"*), the proceeds of which were loaned to the Borrower for the payment of the costs of acquiring, constructing and equipping certain health care facilities of the Borrower, (ii) funding a debt service reserve fund, if deemed necessary or advisable by the Borrower or the Authority, and (iii) paying certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the *"Financing Purposes"*). **Program**: Conduit 501 (c)(3) Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None – this is the first time this financing has been presented to the IFA Board of Directors.
JOB DATA	2,300 Current jobs — N/A Jobs created by project 2,300 Retained jobs — N/A Construction jobs created by project
BORROWER DESCRIPTION	● Locations: Lemont, Oak Lawn, Orland Park, and Palos Heights ● The St. George Corporation (the Corporation) is an Illinois not-for-profit corporation created in 2000 which serves as the parent corporation and sole corporate member of two not-for-profit corporations, Palos Community Hospital (PCH), an acute care hospital located in Palos Heights, Illinois with outpatient satellite facilities in the surrounding community, and St. George Wellness Center (SGWC) which operates the Palos Health and Fitness Center (the "Center") located in Orland Park, Illinois. ● The primary operating entity of the Corporation is PCH. Opened in 1972 with 265 beds, PCH has grown to its current licensed bed capacity of 436, of which 369 are in operation, by responding to population growth and service demands with major building additions and modernizations in 1975, 1978, 1992, 1995, 2006, 2009, 2010 and 2012. In addition to accommodating inpatient demand, these facility expansions have provided for the growth of outpatient, emergency and ancillary departments in response to volume demands, technology, and service developments including single room maternity care, interventional cardiology and open heart surgery. PCH also operates two satellite facilities: the Primary Care Center in Orland Park and the Palos Immediate Care Center in Palos Heights. These facilities provide access to non-urgent outpatient treatment and diagnostic services. PCH provides home based services through Palos Community Hospital Home Health Care, Hospice and Private Duty with offices in Lemont, Illinois. PCH is also a partner with Little Company of Mary Hospital in the Southwest Hospital MRI Center located in Oak Lawn, Illinois. ● Along with traditional health services, PCH makes its resources available to support many community health initiatives and programs responsive to the needs of the community.
CREDIT INDICATORS	**Structure:** Direct Bank Purchase or Public Offering of Debt **Security:** Senior Parity Basis with existing debt issued under the Master Trust Indenture; Master Note; Revenue Pledge **Credit Rating**: AA- (Fitch) **Maturity:** Up to 40 years
ESTIMATED SOURCES AND USES	see below
RECOMMENDATION	Credit Review Committee Recommends approval.

Sources:		Uses:	
IFA Bonds	$135,000,000	Refunding of Prior Bonds	$135,000,000
Total	**$135,000,000**	**Total**	**$135,000,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
June 11, 2015

Project: Palos Community Hospital

STATISTICS

Project Number:	H-HO-TE-CD-8480	Amount:	$135,000,000 (Not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane
Locations:	Lemont, Oak Lawn, Orland Park, Palos Heights	Counties/Region:	Cook and Will/Northwest

BOARD ACTION

Preliminary Bond Resolution
Conduit 501(c)(3) Bonds
Credit Review Committee recommends approval.

No extraordinary conditions
No IFA funds at risk

PURPOSE

Bond proceeds will be used to refinance the 2007A bonds outstanding in the principal amount of $135,000,000 (the "Prior Bonds") and to pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the Borrower's interest expense. 501(c)(3) bond issues do not require Volume Cap.

VOTING RECORD

None – this is the first time this financing has been presented to the IFA Board of Directors.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$135,000,000	Uses:	Refunding of Prior Bonds	$135,000,000
	Total	**$135,000,000**		**Total**	**$135,000,000**

JOBS

Current employment:	2,300 FTEs	Projected new jobs:	N/A
Jobs retained:	2,300 FTEs	Construction jobs:	N/A

FINANCING SUMMARY

Security/Collateral:	Senior Parity Basis with existing debt issued under the Master Trust Indenture; Master Note; and Revenue Pledge
Structure:	Direct Bank Purchase or Public Offering of Debt
Maturity:	Not to exceed 40 years
Credit Rating:	AA- (Fitch)

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

The proceeds of the Bonds will be used to: provide PCH with all or a portion of the funds necessary to do any or all of the following: (i) advance refund the $120 million original aggregate principal amount Illinois Finance Authority Revenue Bonds, Series 2007A (Palos Community Hospital); and (ii) pay certain expenses incurred in connection with the refunding of the Prior Bonds.

BUSINESS SUMMARY

Background: The St. George Corporation (the "Corporation") is an Illinois not-for-profit corporation created in the year 2000 which serves as the parent corporation and sole corporate member of three not-for-profit corporations: (i) Palos Community Hospital ("PCH"), an acute care hospital located in Palos Heights, Illinois with outpatient satellite facilities in the surrounding community, (ii) Palos Medical Group, a primary care physician group that employs primary care physicians and select specialists, and (iii) St. George Wellness Center (SGWC) which operates the Palos Health and Fitness Center (the "Center") located in Orland Park, Illinois. It is the vision of the Corporation to be the leading community based health care organization providing quality inpatient, outpatient and preventive services while supporting people in achieving optimum health in response to the needs of the southwest suburban region.

Description: The primary operating entity of the Corporation is PCH. Opened in 1972 with 265 beds, PCH has grown to its current licensed bed capacity of 425, of which 375 are in operation, by responding to population growth and service demands with major building additions and modernizations in 1975, 1978, 1992, 1995, 2006, 2009, 2010 and 2012. In addition to accommodating inpatient demand, these facility expansions have provided for the growth of outpatient, emergency and ancillary departments in response to volume demands, technology, and service developments including single room maternity care, interventional cardiology and open heart surgery.

PCH also operates a satellite facility; the Primary Care Center in Orland Park. This facility provides access to non-urgent outpatient treatment and diagnostic services. PCH provides home based services through Palos Community Hospital Home Health Care, Hospice and Private Duty with offices in Lemont, Illinois. PCH is also a partner with Little Company of Mary Hospital in the Southwest Hospital MRI Center located in Oak Lawn, Illinois.

It is the Mission of PCH that all of its services – preventive, curative or palliative—shall be delivered with quality of the highest caliber and that PCH shall be committed to continually responding to the health care needs of the community with services that are readily available in a form that enhances their efficient use by physicians and patients.

Along with traditional health services, PCH makes its resources available to support many community health initiatives and programs responsive to the needs of the community. Examples of community services provided by PCH include: Asthma Education Program, Chemical Dependency services, Diabetes Fair & Diabetes Self-

Management Program, Home Delivered Meals, *Lifeline* (crisis line), Osteoporosis Program, Parent-Child Health Education, Physician Referral Service, Psychiatric Services (inpatient & outpatient), Speakers Bureau, and a number of different Support Groups.

In addition, PCH provides annual health screenings for skin, prostate & colorectal cancer. PCH regularly offers programs on smoking cessation, depression/emotional health, prenatal care/childbirth preparation, caregiving, heart disease, and diabetes. Through its numerous outreach activities, PCH is recognized as the area leader in community education services. PCH also participates in and sponsors a variety of annual community events including a 5K run (benefits Y-ME), Women's Day, Heart Month & a Heart Walk (benefits American Heart Association). Its Speakers Bureau & Health Fair participation reaches thousands in community. PCH's home delivered meals program provides over 30,000 home delivered meals annually to home-bound seniors in our community. PCH's Senior Resource department provides assistance to seniors with Medicare and hospital paperwork. In addition, a variety of community publications including Perspective magazine and Community Calendar are mailed to residents – reaching over 150,000 homes.

Service Area: Primary service area includes: Palos Heights, Palos Hills, Palos Park, Midlothian, Oak Forest, Orland Park, and Tinley Park.

Existing Bonds: Outstanding IFA Bonds: Series 2007A ($120 million)
Outstanding IFA Bonds: Series 2010A ($50 million)
Outstanding IFA Bonds: Series 2010B ($50 million)
Outstanding IFA Bonds: Series 2010C ($148 million)

ECONOMIC DISCLOSURE STATEMENT

Project name: Palos Community Hospital
Locations: Palos Heights, Orland Park, Lemont, Oak Lawn
Applicant: Palos Community Hospital
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Trustees:

St. George Corporation
Board of Directors
Mr. Jason Ley
Dr. Terrence Moisan
Mr. Edward Mulcahy
Dr. Vincent Muscarello
Mr. Gordon Nash, Jr.
Father Patrick O'Neill
Dr. Charles Polcaster
Dr. Mark Sinibaldi
Mr. Jack Vainauskas

Palos Community Hospital
Board of Directors
Ms. Lucie Boyadjian
Mr. Lawrence Hunt
Dr. Terrence Moisan
Mr. Edward Mulcahy
Mr. Gordon Nash, Jr.
Dr. Charles Polcaster
Mr. Philip Salvador
Dr. Mark Sinibaldi
Dr. Michael Sobczak
Mr. Jack Vainauskas

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hawkins, Delafield and Wood LLP	Newark, NJ	Steven Donovan
Bond Counsel:	Chapman and Cutler LLP	Chicago	Mike Mitchell
Bond Trustee:	TBD	Chicago	
Accountant:	McGladrey & Pullen	Chicago	
Borrower's Financial Advisor:	Hammond Hanlon Camp LLC	Chicago	Victoria Poindexter
Issuer's Counsel:	Burke Burns & Pinelli Ltd.	Chicago	Mary Ann Murray
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	13
	3
State Senate:	14
	18
	41
State House:	27
	35
	81
	82

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Christopher B. Meister, Executive Director

Date: June 11, 2015

Re: Resolution authorizing and approving a Loan of up to $1,400,000 to the Southwestern Illinois Development Authority and delivery of certain documents related thereto

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The Illinois Finance Authority (the "**Authorit**y") has been requested by the Governor's Office of Management and Budget (the "**GOMB**") to provide a loan to the Southwestern Illinois Development Authority ("**SWIDA**") in order to help avoid certain potential adverse credit consequences for SWIDA and the State of Illinois (the "**State**").

SWIDA has previously issued certain bonds related to the Laclede Steel Company ("**Laclede**") in Alton, Illinois. Under the indenture for these bonds, the trustee is required to maintain a debt service reserve fund in the amount of $1,358,500. SWIDA has notified the State that due to ongoing financial challenges faced by Laclede that there will be insufficient moneys in the bond funds created under the indenture to make the required principal and interest payments and payments for related fees during the upcoming fiscal year. Accordingly, SWIDA anticipates the bond trustee will be required to draw upon the debt service reserve fund to make such payments.

The bonds were issued with a moral obligation of the State, requiring the Governor to include in the State budget the amount certified by SWIDA necessary to pay any such principal and interest and to maintain the debt service reserve fund. However, with the timing of the adoption of the State budget in flux, it is unclear whether the necessary appropriations will be able to be made by the State, which could result in a default under the indenture as well as adverse credit consequences for SWIDA and the State.

In order to avoid these negative consequences, the OMB has called upon the Authority to provide a loan to SWIDA to be applied to maintain the debt service reserve fund. The current proposed budget for the state includes a provision appropriating moneys to SWIDA to replenish the anticipated draw on the debt service reserve fund. In discussions with SWIDA, SWIDA representatives have agreed to reimburse the Authority out of proceeds from this appropriation for moneys loaned to SWIDA by the Authority. Because the appropriation is not yet approved, any loan by the Authority would be made on a non-recourse basis. However, due to the importance of helping the State avoid the negative credit impact that would be a result of non-replenishment of the debt serve reserve fund and certain assurances made from SWIDA and OMB, we believe it is important (if not imperative) to make the relevant loan available.

IFA RESOLUTION -2015-0611-______

RESOLUTION AUTHORIZING AND APPROVING A LOAN OF UP TO $1,400,000 TO THE SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY AND DELIVERY OF CERTAIN DOCUMENTS RELATED THERETO.

WHEREAS, the Illinois Finance Authority (the "Authority") is a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "State"), created by, and existing under, the Illinois Finance Authority Act, 20 ILCS 3501-801-1, *et. seq*., as amended (the "Act"); and

WHEREAS, the Southwestern Illinois Development Authority ("SWIDA") is a political subdivision, body politic and municipal corporation duly organized and validly existing by virtue of the laws of the State, created by, and existing under the Southwestern Illinois Development Authority Act, 70 ILCS 520/1 *et. seq.*, as amended (the "SWIDA Act"), and is charged with the mission of promoting and enhancing economic development within the Counties of Madison, St. Clair, Bond and Clinton, Illinois; and

WHEREAS, SWIDA has previously issued $13,585,000 in original aggregate principal amount of its Taxable Solid Waste Disposal Refunding Revenue Bonds (Laclede Steel Company Project), Series 2004 (the "Series 2004 Laclede Bonds"), currently outstanding in the aggregate principal amount of $10,285,000, pursuant to an Indenture of Trust dated as of February 1, 2004 (the "Series 2004 Laclede Indenture") between SWIDA and U.S. Bank National Association, as successor trustee (the "Series 2004 Laclede Trustee"); and

WHEREAS, the Series 2004 Laclede Bonds were issued to refinance bonds previously issued by SWIDA related to the financing the costs of constructing, improving and equipping a solid waste treatment and disposal facility owned by Laclede Steel Company ("Laclede") in Alton, Illinois; and

WHEREAS, pursuant to the Series 2004 Laclede Indenture, the Trustee is required to maintain a debt service reserve fund (the "Series 2004 Laclede Debt Service Reserve Fund") in the amount of $1,358,500 (the "Series 2004 Laclede Debt Service Reserve Fund Requirement"), and, pursuant to the Series 2004 Laclede Indenture, in the event on any date that principal of or interest on the Series 2004 Laclede Bonds is due and there is not sufficient money on deposit to make such payment, the Trustee is required to transfer moneys from the Series 2004 Laclede Debt Service Reserve Fund to make such payments; and

WHEREAS, SWIDA has notified the State that due to ongoing financial challenges faced by Laclede that there will be insufficient funds in the bond funds created under the Indenture to make the required interest payment on the upcoming principal and interest payment date of August 1, 2015 and interest payment date of February 1, 2016 (the "Payment Dates") and that such amounts due will have to be drawn from the Series 2004 Laclede Debt Service Reserve Fund; and

WHEREAS, the Series 2004 Laclede Bonds were issued with a moral obligation of the State, requiring the Governor of the State to include in the State budget the amount certified by SWIDA necessary to pay any such principal and interest and to maintain the Series 2004 Laclede Debt Service Reserve Fund to the Series 2004 Laclede Debt Service Reserve Fund Requirement; and

WHEREAS, failure to make the upcoming interest payment and replenish the Series 2004 Laclede Debt Service Reserve Fund by the Payment Dates would result in a default under the Series 2004 Laclede Indenture as well as related adverse credit consequences for SWIDA and the State; and

WHEREAS, it is presently anticipated that the legislature of the State will not have yet passed and the Governor of the State will not have yet approved a final budget by the Payment Date; and

WHEREAS, the Act authorizes the Authority to undertake any activity to increase job opportunities and to retain existing jobs in the State as well as any program to aid in stabilizing an economic sector of the State economy; and

WHEREAS, the Act further includes among the general purposes of the Authority reduce the costs of indebtedness to taxpayers and residents of the State and to encourage continued investor interest in the purchase of bonds or notes of governmental units as sound and preferred securities for investment; and

WHEREAS, in an effort to ameliorate the negative effect of a potential failure to make the upcoming interest payment and replenish the Series 2004 Laclede Debt Service Reserve Fund by the Payment Date, the State Office of Management and Budget has requested that the Authority make a loan to SWIDA in an amount sufficient to replenish the Series 2004 Laclede Debt Service Reserve Fund upon the anticipated draw thereupon on the Payment Dates for principal and interest payments, including related fees, all which is anticipated not to exceed $1,400,000 (the "Loan"); and

WHEREAS, the Authority anticipates that upon passage and approval of a final budget of the State, the State will appropriate funds to SWIDA to reimburse the Authority for the Loan, but such appropriation by the State cannot be assured at this time and accordingly must be made on a non-recourse basis; and

WHEREAS, the Authority has determined that making the Loan will be in the best interest of the residents of the State and will serve to increase job opportunities and to retain existing jobs in the State which is consistent and in accord with the provisions and purposes of the Act; and

WHEREAS, in order to implement the Loan, it will be necessary for the Authority to enter into certain agreements (collectively, the "Loan Documents"), including without limitation a loan agreement between the Authority and SWIDA;

NOW, THEREFORE, BE IT RESOLVED by the Members of 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 of the Loan**. The Authority hereby approves the Loan in an amount not to exceed $1,400,000 and the implementation of the Loan in a manner satisfactory to the Executive Director of the Authority. The Executive Director also shall have the power and authority to make any modifications or changes to the terms of the Loan as he believes, in his sole discretion, are consistent with the goals of the Loan, and shall include any fees, charges, transaction costs or interest requirements as determined to be prudent by the Executive Director in consultation with counsel.

Section 3. **Loan Documents**. The Authority hereby authorizes and approves the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, or any officer or employee designated by the Executive Director (each an "Authorized Officer") and the delivery and use of such Loan Documents as the Executive Director of the Authority, in his discretion and upon consultation with counsel, shall deem reasonable and necessary for the institution and operation of the Loan. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest to any Loan Document, as may be necessary. Each Loan Document shall be in a form reasonably appropriate for documents of such nature, as determined by the Authorized Officer of the Authority executing the same, and such execution shall constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of such document.

Section 6. **Limitation on Liability.** The Authority does not have the power to levy taxes for any purposes whatsoever. Neither the Authority nor any member, director, officer, employee or agent of the Authority nor any person executing the Loan Documents shall be liable personally or be subject to any personal liability or accountability by reason of the execution of the Loan Documents. No recourse shall be had for any claim based on the Loan Documents or upon any obligation, covenant or agreement relating to the Loan against any past, present or future member, officer, agent or employee of the Authority, or any incorporator, member, officer, employee, director or trustee of any successor corporation, as such, either directly or through the Authority or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent or trustee as such is expressly waived and released as a condition of and as consideration for the institution of the Loan.

Section 7. **Further Actions**. The Authorized Officers of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all such documents as may in their 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 Authorized Officers of the Authority which are in conformity with the intent and purpose of these resolutions, 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 Loan Documents and the operation of the Loan shall be and the same hereby are in all respects approved and confirmed.

Section 8. Repeal of Conflicting Resolutions; Effective Date. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this Resolution shall take effect and be in full force immediately upon its adoption.

IFA MedCap Program

Medium Term Capital for Medical Projects

Presented by:

Pamela Lenane, Vice President, Healthcare

Illinois Finance Authority

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Executive Summary:

Purpose:

- **To diversify tax-exempt capital structures for eligible 501(c)(3) healthcare institutions for the acquisition or monetization of key assets, technology, EMR/HER and strategic projects including associated build out/soft costs.**

Type of Healthcare Facilities Eligible for Financing:

- **501(c)(3) hospitals, medical centers and health systems in Illinois.**

Uses of Financing Proceeds:

- **Assets, Technology, EMR/EHR, projects, monetizing owned assets, percentage of build out/tenant improvement/soft costs**

Types of Tax-Exempt Financing:

- **Up to 10 year terms, step up payments, Draw Down option, project financing***

Fees and Application:

- **Reduced issuance costs via MedCap program. Borrowers pay their own counsel's fee and fixed Authority and bond counsel.**

***subject to underwriting / credit review.**

Highlighted Benefits:

- Reduced issuance costs and fees
- Simplified process
- Pre-negotiated, standard documentation
- Securitized by collateral via UCC-1 filing (no revenue pledge)
- Can be structured outside of Master Trust Indenture
- No post funding interest rate risk
- Options: rate lock, escrow funding, draw downs
- Conduit issued with credit underwritten and purchased by lender
- Unique current market conditions (historic low rates and high market returns)

IFA Illinois Finance Authority

Pricing and Issuance Costs:

	Medium Term Capital – Example Fixed Rates			
	Taxable Financing**		Tax Exempt**	
	Range		*Range*	
5 yr	2.42%	2.62%	1.69%	1.96%
7 yr	2.98%	3.21%	1.97%	2.34%
10 yr	3.99%	4.25%	2.55%	2.82%

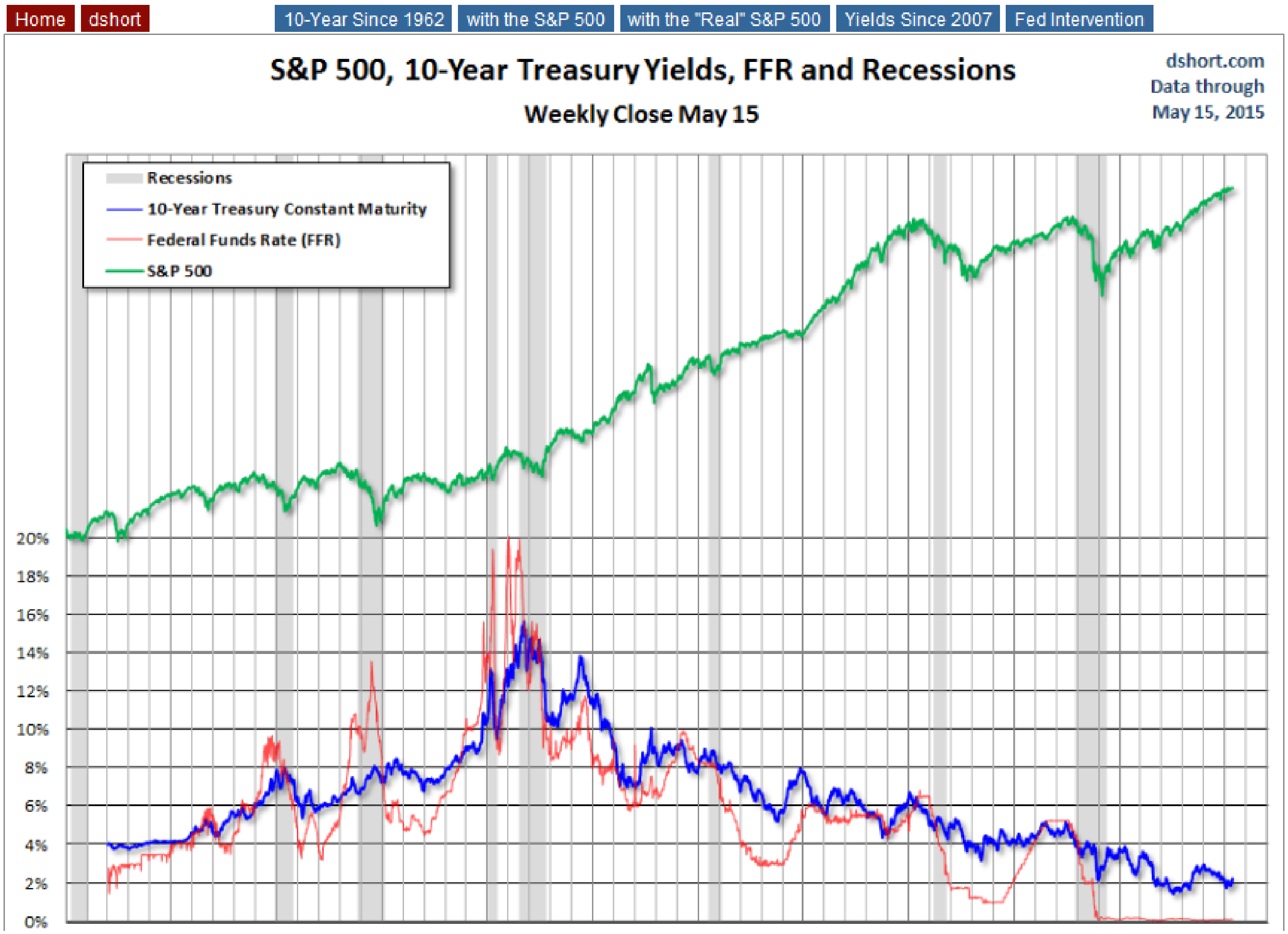
**For discussion only – rates are indicative, Indexed to Like Term US Treasury rates and are not meant to be construed as a commitment to lend.

Attribute	Tax-exempt Lease or Loan
	$20,000,000
Accountant's Fee	No
Bank Legal Fee	$6,000-$12,000
Bond Counsel	$15,000-$20,000 *
Borrower Legal Fee	$0-$7,500
Credit Enhancer Fee (usually LOC)	No
TEFRA	$1,000 - $2,000
Escrow Agent Fee	$0-$2,500
FA Fee	n/a
Issuer Fee	$5,000-$12,000*
Official Statement/ Production Costs	No
Rating Agency Fees	No
Paying Agent	$1,500
Trustee Legal Fee	No
Underwriter Fee –Typically charge 2%	No
Underwriter Legal Fee	No

*If over $20MM, ask for quote.

Unique timing:

- **Historic low interest rates and high market returns**



Marketing Plan:

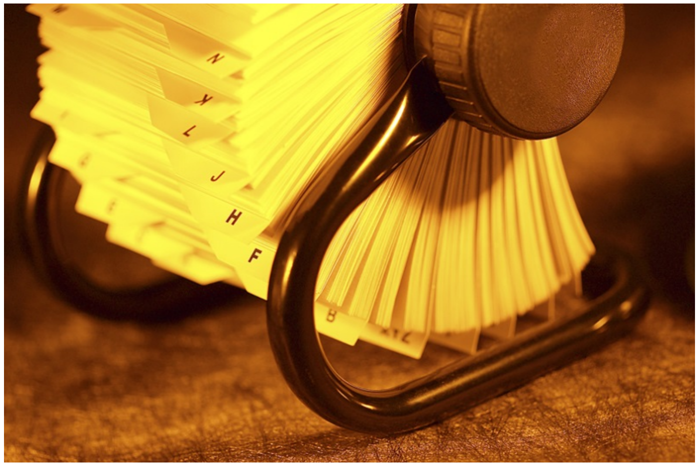
	June				July				August				September				October			
y internal etings		June 11 IFA Board																		
ernet						Add to website						Check website stats								
rketing Material							Create one page exec sum													
ail							Organize and send one page exec sum to Hospitals				Send email to FA's							Follow-up email to Hospitals		
sociations			IHA Rural Hosp Conf June 17-18						Chicago HFMA					IHA Leadership Summit Sept 10-11			Central IL HFMA			

- **Proactive, simple communication via email**
- **Networking at Associations (IHA and HFMA)**

Contact Information

Illinois Finance Authority

160 North LaSalle Street
Chicago, IL 60601
P: 312.651.1340
F: 312.651.1350
http://www.il-fa.com



Contact:

Pamela Lenane
Vice President, Healthcare
Direct: 312.651.1340
plenane@il-fa.com

RESOLUTION 2015-0611-____

RESOLUTION APPROVING THE ESTABLISHMENT OF THE ILLINOIS FINANCE AUTHORITY MED CAP PROGRAM; AUTHORIZING THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY TO TAKE STEPS RELATED TO THE IMPLEMENTATION OF THE PROGRAM.

WHEREAS, the Illinois Finance Authority (the *"Authority"*) has been created by the Illinois Finance Authority Act, as amended (the *"Act"*);

WHEREAS, the Act provides that "it is the intent of the General Assembly of the State of Illinois to provide a measure of assistance and alternative methods of financing to participating health institutions to aid them in providing needed health facilities that will assure admission and care of high quality to all who need it"; and

WHEREAS, pursuant to the Act, the Authority is granted the power to issue bonds, notes, certificates and any other evidence of indebtedness for its corporate purposes; and

WHEREAS, certain health facilities would benefit from additional access to capital; and

WHEREAS, health facilities have significant capital expenditures for equipment, including additions to, and maintenance of, their information technology system, and expenditures related to the build out and maintenance of real property to accommodate such equipment and related soft costs; and

WHEREAS, the Authority desires to assist such health facilities in gaining easier access to capital, including capital related to the acquisition of equipment, including information technology, and associated build out and soft costs; and

WHEREAS, the Authority proposes to establish its "Medium Term Capital Financing Program (MCAP)" to provide such assistance; and

WHEREAS, it is expected that pursuant to the MCAP Program the Authority will issue its revenue notes to private purchasers (each, a *"Note Purchaser"*) and loan the proceeds of the sale of such notes to health facilities (each, a *"Borrower"*); and

WHEREAS, it is expected that the revenues noted will be issued and the loans will be made pursuant to the terms of master financing agreements and attached schedules (each, collectively, an *"Agreement"*), each such Agreement to be among the Authority, a Note Purchaser and a Borrower; and

WHEREAS, the Authority desires to authorize the Executive Director and staff of the Authority to take such actions as they determine to be necessary or desirable to establish the MedCap Program and to create a model Agreement;

NOW THEREFOR, BE IT RESOLVED BY THE ILLINOIS FINANCE AUTHORITY as follows:

1. The establishment of the MedCap Program is hereby authorized and approved.

2. The Executive Director of the Authority and any employees of the Authority designated by the Executive Director are hereby authorized to take such steps, including without limitation engagement of legal counsel, as they determine necessary or desirable to establish the MedCap Program, including authorization to have a model Agreement prepared for use with the MedCap Program.

3. 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.

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

Chapman and Cutler LLP

MEMORANDUM

TO: Illinois Finance Authority

FROM: Chapman and Cutler LLP

DATE: June 1, 2015

RE: Private Placement Travelling Letter

BACKGROUND

The Board of Directors ("Board") of the Illinois Finance Authority (the "Authority") has previously adopted the Bond Program Handbook updated as of September 15, 2014 (the "Bond Handbook") to set forth the Authority's requirements and policies applicable to all bonds issued by the Authority (with the exception of its Beginning Farmer Bond Program and Agricultural Guarantee Program, which have separate bond issuance guidelines). In connection with the private placement or direct purchase of bonds, the Bond Handbook requires that all purchasers of such bonds execute an Investor Letter, which is attached to the Bond Handbook as Exhibit D, including purchasers of resold or transferred bonds (the "Travelling Letter"). The Board is considering amending Exhibit D of the Bond Handbook in order to remove the requirement for a Travelling Letter for private placements of bonds that are registered with the Depository Trust Company ("DTC").

DISCUSSION

DTC is a financial services company providing electronic delivery, transfer, clearing and settlement services to the financial markets. DTC allows buyers and sellers of securities to make their exchange in a safe and efficient way and provides central custody of securities. DTC provides clearance, settlement and information services for equities, corporate and municipal bonds, unit investment trusts, government and mortgage-backed securities, money market instruments, and over-the-counter derivatives, and securities sold solely to "qualified institutional buyers" (or "QIBS") as defined under and in accordance with Rule 144A under the Securities Act of 1933, as amended. It also manages transactions between mutual funds and insurance carriers and their respective investors.

In order to make securities eligible for electronic delivery through the DTC system, issuers of securities must submit a Blanket Letter of Representations ("BLOR") to DTC. With respect to securities issued under Rule 144A, issuers also need to submit a Rule 144A Rider to DTC in addition to the BLOR in order to make Rule 144A securities eligible for transfer in the DTC system.

Our understanding through past dealings and conversations with DTC and industry participants is that DTC imbeds codes into the security identification numbers and CUSIP numbers of Rule 144A securities it transmits electronically to its participants (broker-dealers with accounts at DTC) and that the broker-dealer participants are not supposed to deliver such Rule 144A-coded securities to accounts of their customers unless they have been identified as QIBs as defined under Rule 144A. Although no longer required, when DTC first started clearing Rule 144A securities electronically, issuers submitting Rule 144A Riders to DTC had to inform DTC that the Rule 144A coding should apply to the subject securities in accordance with the following instructions:

> *DTC.* The Issuer must take responsibility for instructing DTC to take these or similar steps with respect to the Bonds.
>
> 1. DTC 20-character security descriptor and 48-character additional descriptor can indicate with marker "144A" that sales are limited to QIBs.
>
> 2. After settlement DTC sends a deliver order ticket to purchasers. Where the deliver order ticket is physical, it will have the 20-character security descriptor printed on it. Where the deliver order ticket is electronic, it will have a "144A" indicator and a related user manual for participants, which will contain a description of the relevant restrictions.
>
> 3. DTC distributes periodically to all DTC participants a "Reference Directory" which will include a list of all issuers who have advised DTC that they are 144A issuers, as well as CUSIP numbers for the 144A securities. It will also include a paragraph explaining the QIB restrictions in more detail. The Reference Directory is updated monthly. The Issuer will inform DTC they, as the issuer of the Bonds, should be included in the Reference Directory.
>
> CUSIP *Number.* CUSIP will establish a "fixed field" attached to a CUSIP number which does have "144A" indicators. The fixed field will be available to entities that receive electronic data from CUSIP and will be searchable. The Issuer should verify that the confirm contains a CUSIP number which has this "fixed field."

These requirements are no longer necessary as we have been informed by DTC that any securities submitted with a Rule 144A Rider to the BLOR automatically is subject to similar coding.

It is unworkable to obtain a Travelling Letter when securities are being transferred electronically as the transferor has no ability to obtain the identity of the transferee and therefor has no one to contact from whom to obtain the Travelling Letter. However, the system DTC has established if operating as described above should provide comfort to market participants that Rule 144A securities will be transferred solely to QIBs as determined by and identified as such by the broker-dealer participants in the DTC system.

IFA RESOLUTION NO. __________

RESOLUTION AMENDING THE BOND PROGRAM HANDBOOK OF THE ILLINOIS FINANCE AUTHORITY

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"*) in order to finance the cost of facilities owned and operated by not for profit institutions, to issue bonds for the purpose of loaning funds to said institutions for such purposes and for the purpose of refunding previously issued bonds, such bonds to be secured by instruments evidencing and securing such loans to said institutions and to be payable solely out of the payments made by such institutions thereon, and to enter into a trust indenture providing for the issuance of such bonds and for their payment and security; and

WHEREAS, [this Board] has previously adopted the Bond Program Handbook updated as of September 15, 2014 (the "*Bond Handbook*") to set forth the Authority's requirements and policies applicable to all bonds issued by the Authority (with the exception of its Beginning Farmer Bond Program and Agricultural Guarantee Program, which have separate bond issuance guidelines); and

WHEREAS, in connection with the private placement or direct purchase of bonds, the Bond Handbook requires all purchasers of such bonds execute an Investor Letter, which is attached to the Bond Handbook as Exhibit D, including purchasers of resold or transferred bonds (the "*Travelling Letter*"); and

WHEREAS, this Board desires to amend Exhibit D of the Bond Handbook in order to remove the requirement for a Travelling Letter for private placements of bonds that are registered with the Depository Trust Company.

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

Section 1. Amendment of Bond Handbook. Exhibit D of the Bond Handbook is hereby deleted and replaced by Exhibit A attached to this Resolution.

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 as may be necessary to carry out and comply with the provisions of this Resolution, 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 this Resolution and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

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. Repeal of Conflicting Resolutions. This resolution is intended to supersede all previous resolutions of the Board which are in conflict with the provisions hereof. To that end, all resolutions previously adopted by the Board which are in conflict with the provisions hereof are repealed, in whole or in part, to the extent of such conflict.

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

ADOPTED this 9th day of June, 2015 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____
Executive Director

____
Assistant Secretary

EXHIBIT A

[SEE ATTACHED]

EXHIBIT D

FORM OF INVESTOR LETTER

[LETTERHEAD OF INVESTOR]

[Date]

Illinois Finance Authority
160 North LaSalle, Suite C-800
Chicago, IL 60601

________________________________,
as Bond Trustee
_____________, _____________

Re: $_________ Illinois Finance Authority Revenue Bonds, Series ____ (___________________) (the *"Bonds"*)

Ladies & Gentleman:

The undersigned, on behalf of _____________ (the *"Investor"*), hereby represents and warrants to you as follows:

1. The Investor proposes to purchase the Bonds. The Investor understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the *"1933 Act"*), or the securities laws of any state, and will be sold to the Investor in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Investor set forth herein. Capitalized terms used herein shall have the meanings given to them in the Bond Trust Indenture dated as of ___________ 1, 20__ (the *"Bond Indenture"*) between the Illinois Finance Authority (the *"Authority"*) and________________________, as bond trustee (the *"Bond Trustee"*).

2. The Investor has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, and is capable of evaluating the merits and risks involved in an investment in the Bonds. The Investor is able to bear the economic risk of, and an entire loss of, an investment in the Bonds.

3. The Investor acknowledges it has had an opportunity to ask questions of and has received answers from ______________________, an Illinois not-for-profit corporation (the *"Borrower"*); and it has received from the Borrower all information and materials which it regards as necessary to evaluate all merits and risks of its investment. [The Investor has not received nor relied upon any offering or disclosure document with respect to the Bonds in making its decision to purchase the Bonds.]

4. The Investor acknowledges and understands that an investment in the Bonds involves a high degree of risk regarding, among other things, the payment of current interest and the payment of principal on the Bonds.

5. The Investor has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

6. The Investor understands and acknowledges that (i) under no circumstances shall the Bonds and the interest thereon be or become an indebtedness or obligation of the State of Illinois (the "*State*"), within the purview of any constitutional or statutory limitation or provision, or a charge against the credit of, or a pledge of the taxing power of, the State or any political subdivision thereof, (ii) the Bonds shall be limited obligations of the Authority, and no taxes are required to be levied for the payment of principal, premium, if any, and interest on the Bonds; such principal of, premium, if any, and interest on the Bonds being payable (except as otherwise provided in the Bond Indenture) solely out of moneys to be received by the Authority as proceeds from the sale of the Bonds or payments or prepayments to be made on the obligations pledged under the Bond Indenture, from amounts payable under the Loan Agreement, from certain amounts on deposit with the Bond Trustee pursuant to the Bond Indenture and from certain income, if any, from the temporary investment of any of the foregoing and (iii) the Authority does not have the power to levy taxes for any purpose whatsoever, including, but not limited to payment of principal of, premium, if any, and interest on the Bonds. The Investor also acknowledges that the Bonds do not represent general obligations of the Authority, the State of Illinois or any political subdivision thereof. The Investor understands that the Bonds are not payable from taxes or any moneys provided by or to the Authority, other than those described in the Bond Indenture.

7. The Investor acknowledges and understands that the Bonds: (i) have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, (ii) will not be listed on any stock or other securities exchange, (iii) will carry no rating from any rating service, and (iv) will not be readily marketable.

8. The Investor is purchasing the Bonds solely for its own account for investment purposes and has no intention to resell or distribute all or any portion of, or interest in, the Bonds; provided that the Investor reserves the right to transfer or dispose of the Bonds at any time, and from time to time, in its complete and sole discretion, subject, however, to the restrictions described in paragraphs 9 and 10 of this letter. Under no circumstances will the Bonds (or any portion thereof) become a part of any securitization whereby beneficial interests in the Bonds are offered and sold to downstream investors as a separate security.

9. The Investor agrees that it will only offer, sell, pledge, transfer or exchange the Bonds (or any legal or beneficial interest therein) in whole, and then only (i) in accordance with an available exemption from the registration requirements of Section 5 of the 1933 Act, and (ii) in accordance with any applicable state securities laws.

10.

[FOR QUALIFIED INSTITUTIONAL BUYER TRANSACTIONS NOT REGISTERED WITH DTC][The Investor is a “qualified institutional buyer” within the meaning of Rule 144A of the 1933 Act and understands and acknowledges that the Bonds may be offered, resold, pledged or transferred only (i) to a person who is an “institutional accredited investor” within the meaning of Regulation D, Section 501(a)(1), (2), (3) and (7) under the 1993 Act or a “qualified institutional buyer,” within the meaning of Rule 144A of the 1933 Act, which institutional accredited investor or qualified institutional buyer, as the case may be, executes and delivers to the Authority an “investor letter” in the form of this letter, and (ii) in compliance with the Bond Indenture.]

[FOR QUALIFIED INSTITUTIONAL BUYER TRANSACTIONS REGISTERED WITH DTC AS A RULE 144A OFFERING][The Investor is a “qualified institutional buyer” within the meaning of Rule 144A of the 1933 Act and understands and acknowledges that the Bonds may be offered, resold, pledged or transferred only (i) to a person who is a “qualified institutional buyer,” within the meaning of Rule 144A of the 1933 Act or an “Approved Institutional Buyer” and (ii) in compliance with the Bond Indenture. An Approved Institutional Investor means an investment manager registered under the Investment Advisors Act of 1940, as amended, managing $100 million or more of assets on behalf of “accredited investors,” within the meaning of Regulation D, Section 501(a) under the 1993 Act.][1]

[FOR INSTITUTIONAL ACCREDITED INVESTOR TRANSACTIONS] [The Investor is an “institutional accredited investor” within the meaning of Regulation D, Section 501(a)(1), (2), (3) or (7) under the 1933 Act and understands and acknowledges that the Bonds may be offered, resold, pledged or transferred only (i) to a person who is an “institutional accredited investor” (as defined above) or a “qualified institutional buyer,” within the meaning of Rule 144A under the 1933 Act, which institutional accredited investor or qualified institutional buyer, as the case may be, executes and delivers to the Authority an “investor letter” in the form of this letter, and (ii) in compliance with the Bond Indenture.]

11. In entering into this transaction the Investor has not relied upon any representations or opinions made by the Authority or its counsel relating to the legal or financial consequences or other aspects of the transactions, nor has it looked to, nor expected, the

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1 In order to use this option, the bonds must be issued pursuant to a private placement memorandum containing the following: “The Bonds may be purchased only by “Approved Institutional Buyers,” which is defined to include either (a) a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, as amended, or (b) an investment advisor registered under the Investment Advisors Act of 1940, as amended, which (i) manages an aggregate of at least $100 million of assets and (ii) is acting with discretionary authority for the account of an “accredited investor” as defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended. All initial purchasers of the Bonds will be required to execute an Investor Letter substantially in the form attached hereto as “APPENDIX ___ – FORM OF INVESTOR LETTER.” The Bonds may only be transferred to Approved Institutional Buyers.

Authority to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Borrower's facilities (including the financing, operation or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of any collateral pledged to secure repayment of the Bonds.

12. The Investor hereby indemnifies the Authority and the Bond Trustee against any failure by the Investor to transfer the Bonds in accordance with the restrictions relating thereto set forth in the Bonds, the Bond Indenture and herein.

____

By: ______________________________

Its: ______________________________

IFA RESOLUTION NO. __________

RESOLUTION REGARDING UPDATED PROCEDURES OF THE ILLINOIS FINANCE AUTHORITY

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 established certain policies, guidelines and procedures applicable to bonds and notes issued pursuant to the Act in its Bond Program Handbook, updated as of September 15, 2014, and in its bond issuance guidelines related to the Authority's Beginning Farmer Bond Program and Agricultural Guarantee Program (the *"Existing Policies"*); and

WHEREAS, it has been determined that it would be beneficial to allow for changes to the Existing Procedures for the following purposes (the "*Updated Procedures*"):

(a) to permit the Executive Director of the Authority to execute bonds and notes of the Authority in addition to the Chairperson and Vice Chairperson of the Authority or other duly authorized officer of the Authority which additional authority is consistent with the Act and the By-Laws of the Authority; and

(b) to provide for a procedure to evidence the incumbency of recently appointed members of the Authority as set forth in the Memorandum attached hereto as Exhibit A.

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

Section 1. Amendment of Existing Policies. The Existing Policies are hereby amended to include the Updated Procedures to the extent there are any existing policies, guidelines or procedures that are not currently consistent with the Updated Procedures.

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 as may be necessary to carry out and comply with the provisions of this Resolution, 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 this Resolution and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

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. *Repeal of Conflicting Resolutions*. This resolution is intended to supersede all previous resolutions of the Board which are in conflict with the provisions hereof. To that end, all resolutions previously adopted by the Board which are in conflict with the provisions hereof are repealed, in whole or in part, to the extent of such conflict.

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

ADOPTED this 9th day of June, 2015 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____
Executive Director

____
Assistant Secretary

EXHIBIT A

[SEE ATTACHED]

Chapman and Cutler LLP

MEMORANDUM

TO: Christopher Meister, Executive Director
Illinois Finance Authority

FROM: Chapman and Cutler LLP

DATE: June 3, 2015

RE: Suggested Procedures Relating to Appointment of New Members and New Chairperson

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On April 13, 2015, the Governor of Illinois appointed a new Member of the Illinois Finance Authority (the "*IFA*") and designed that Member as the new Chairperson of the IFA pursuant to the provisions of Illinois Finance Authority Act, as amended (the "*IFA Act*"). Additional Member appointments by the Governor may occur in the future in order to fill any existing vacancies in the IFA board or to replace existing Members who choose to no longer serve on the IFA board. In order to assist you in your duties as Executive Director of the IFA, you have asked for our analysis in connection with documenting these appointments during the interim period prior to a new Member receiving confirmation for the Illinois Senate and possible procedural changes to facilitate the IFA's bond transactions during any transitions.

Documentation For Recently Appointed Members

We summarized our views on the authorization of newly appointed Members to exercise their duties pending action by the Illinois Senate in our memorandum to the IFA dated May 8, 2015. In light of the advice given in that memorandum, we recommend that any future Member appointments follow a similar procedure, if possible. Any "temporary" appointment made during a recess of the Senate should be followed by delivery of the appropriate appointment message to the Secretary of the Senate by the next session day of the Senate. The Governor's appointment and the transmittal to the Secretary of the Senate, together with the filing of the new Member's oath of office and bond with the Secretary of State, will satisfy the statutory requirements and allow the new Member to exercise his or her duties pending action by the Senate on the appointment. As we discussed in the May 8 memorandum, this "interim appointment" will continue unless it is rejected by the Senate. The appointment will become permanent upon (1) the Senate confirming the appointment within 60 session days from the date the appointment message was delivered to the Senate or (2) the day following such 60th session day in the event the Senate does not act upon the appointment within such 60 session day period.

Pending Senate confirmation or the running of the 60 session day period, evidence of the new Member's appointment may be documented by the four items referenced in our May 8 memorandum: (1) a copy of the appointment letter with evidence of filing with the Illinois Secretary of State, (2) evidence that the appointment letter was transmitted and received by the

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Secretary of the Senate, (3) evidence that the new Member's oath of office has been filed with the Illinois Secretary of State; and (4) evidence that the statutory bond has been filed with the Illinois Secretary of State (collectively, the "*New Member Documents*").

Schedule of Incumbency And Recently Appointed Members

The Index Division of the Illinois Secretary of State has indicated that they will not issue their normal certificate of incumbency for a newly appointed IFA Member until the Senate has confirmed the appointment or the 60 session day period mentioned above has elapsed. Normally, the IFA delivers a "Schedule of Incumbency" as part of its closing items for IFA bond closings and attaches the Secretary of State's certificate of incumbency for each of its members voting on the related preliminary and final bond resolutions. We would suggest the following changes to the form of the Schedule in order to address the interim period during which a newly appointed Member has met all of the conditions outlined in the preceding paragraph but is still awaiting action by the Senate.

1. Remove the "**" footnote referring to temporary appointments[1] and replace it with the following footnote which would refer to any "interim" Members:

> "Member has been duly appointed pursuant to 801-15 of the IFA Act but is awaiting action by the Illinois Senate. Evidence of such Member's current authority is attached hereto as Exhibit __."

2. In lieu of attaching the certificate of incumbency from the Secretary of State for the new Member, the New Member Documents should be included as the Exhibit referenced in the new footnote.

IFA Signatory for Bonds and Resolutions

You have also asked about any requirement that the IFA continue its current procedure of having the Chairperson of the IFA sign all bonds and resolutions of the IFA. There is no requirement in the IFA Act requiring this procedure. Article V, Section 5 of the current by-laws of the IFA expressly provides that "the Chairperson, Executive Director, any Assistant Executive Director or Treasurer" must execute all contracts and agreements entered into by the IFA "unless the members by resolution otherwise direct." Section 801-15 of the IFA Act provides that "[t]he Executive Director or any committee of the members may out such responsibilities of the members as the members by resolution may delegate." Based on these provision, a modification of the current procedures to allow the Executive Director of the IFA to execute bonds and resolutions of the IFA would be permitted.

The form of any final bond resolution would need to specifically reference the Executive Director's authority to sign the bonds if a revised procedure is adopted by the IFA. For the final

1 It does not appear that this footnote is used in recent Schedules of Incumbency that have been delivered by the IFA.

bond resolution, the third paragraph of Section 2 from the final bond resolution form included as Exhibit B to the Bond Program Handbook[2] should be revised to read as follows:

> "The Series 20__ Bonds shall be issued only as fully registered bonds without coupons. The Series 20__ Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, its Vice Chairperson or its Executive Director and attested by the manual or facsimile signature of its Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon."

The Bond Program Handbook's standard indenture provision relating to the execution of the bonds will not need to be modified since the language already contemplates other IFA officers being authorized to sign bonds in lieu of the Chairperson.

2 We do note that the current Bond Program Handbook of the IFA includes examples of a bond closing certificate and IFA resolutions that would not be compatible with such a revised procedure. However, since the procedures outlined can be modified or waived at the IFA's sole discretion, implementing a revised procedure pending a revision to the Handbook guidelines would not create any issues other than requiring the IFA to notify its outside counsel of the revised procedures and allow deviations from the Handbook language.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: Illinois Finance Authority Board of Directors

From: Chris Meister, Executive Director

Date: June 11, 2015

Re: Resolution Regarding Procurement Matters (Small Purchases and Other Items, including Increasing Contract Amounts)
Audit Committee Agenda VII.c/Board Agenda Item/Tab 15

Resolution Withdrawn: Audit Committee Item VII.d/Board Agenda Item/Tab 16 (For reasons set forth below)

As previously discussed in the April and May meetings of the Audit Committee, the Illinois Finance Authority (the "Authority"), has multiple contracts with June 30, 2015 expiration dates, for services critical to revenue collection and loan management, insurance coverage, various operational functions and payroll and employee benefits services for its employees. In cooperation with the Chief Procurement Officer-General Services ("Procurement Regulator"), and consistent with the Illinois Procurement Code as well as the Authority's statutory procurement exemption, the Authority has devoted substantial resources to prevent the disruption of services and provide short term contracts, while competitive solicitations are developed, advertised and awarded under this very resource intensive process.

As discussed, in the May meeting, the Authority made a written appeal to the Procurement Regulator for relief from timelines and other constraints. Some partial relief was provided by the Procurement Regulator through the approval of the following small purchase contracts for limited periods of time although this partial relief came with a substantial administrative burden and conditions.

Importantly, absolutely essential operational contracts for the Authority, particularly, Procurements "D", "E", and "G" were approved on a small purchase/limited time basis, by the Procurement Regulator, for the Authority.

As many of these approvals involve "live" procurements, these approvals are identified by the "Jane Doe" alphabetic identification system used by the Authority in the April and May meetings with a confidential summary below and with the confidential-exempt from FOIA portions ***bold and italicized***:

The anticipated small purchase, short term contracts are:

1. Code Confidential "D, E":

2. Code Confidential "F":
3. Code Confidential "F":
4. Code Confidential "G":
5. Code Confidential "H, R":
6. Code Confidential "J":
7. Code Confidential "N":
8. Code Confidential "O":
9. Exempt Former "I" recommended: Arbitrage Compliance Specialists, Inc. for a term of 3 years, with an amount not to exceed $49,000

For the reasons set forth above, Audit Committee Item VII.d/Board Agenda Item/Tab 16, are withdrawn.

RESOLUTION REGARDING PROCUREMENT MATTERS (SMALL PURCHASES AND OTHER ITEMS, INCLUDING INCREASING CONTRACT AMOUNTS)

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by, and exists under, the Illinois Finance Authority Act (20 ILCS 3501/801-1 *et seq.*) (the "Illinois Finance Authority Act")

WHEREAS, on July 15, 2013, by Public Act 098-0090 (the "Act"), the Illinois State General Assembly amended the Illinois Procurement Code (30 ILCS 500/1-1 *et seq*.) (the "Code") by excluding certain contracts to be entered into by the Authority from the Code; and

WHEREAS, pursuant to Section 15 of the Act, contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 (the "Contracts") by the Authority in which the State of Illinois is not obligated are excluded from the requirements set forth in the Code; and

WHEREAS, the Act further provides that such Contracts shall be awarded through a competitive process authorized by the Board of the Authority; and

WHEREAS, on August 13, 2013 the Board of the Authority approved a written procurement policy (the "Policy") for the procurement of contracts for legal, financial, and other professional and artistic services entered into on or before December 31, 2018 by the Authority in which the State of Illinois is not obligated and modified the Policy on April 10, 2014 and on May 11, 2015; and

WHEREAS, the Act further provides that the Board of the Authority shall approve the terms of such Contracts; and

NOW, THEREFORE, Be It Resolved by the members of 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 of the Procurement Report and Approval to Proceed with Various Procurements. The Executive Director, or his designee, is authorized to proceed with posting and reducing to contract form the following procurements on behalf of the Authority:

Code Confidential "D, E"
Code Confidential "F"
Code Confidential "F" (not a duplicate)
Code Confidential "G"
Code Confidential "H, R"
Code Confidential "J"
Code Confidential "N"
Code Confidential "O"
Exempt Former "I" recommended: Arbitrage Compliance Specialists, Inc. for a term of 3 years, with an amount not to exceed $49,000

Section 3. Confidentiality Inherent in Procurement Process. The Authority recognizes the need for confidentiality inherent in the Procurement Process under the Code. Accordingly, the Authority anticipates that once the terms and conditions become public consistent with the Code, then the Authority anticipates placing these procurements on an upcoming agenda for public consideration and discussion.

Section 4. Delegation to the Executive Director. The Authority hereby delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificate and other documents as may be required in connection with Procurements set forth in Section 2 of this Resolution above.

Section 5. 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 this Resolution; 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 Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 6. 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 7. Conflicts. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 8. Immediate Effect. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Adopted this 11th day of June, 2015, by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By ____
Executive Director

ATTEST:

____
Assistant Secretary

[SEAL]

Item 16 has been withdrawn.

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ILLINOIS FINANCE AUTHORITY

Memorandum

To: Illinois Finance Authority Board of Directors

From: Chris Meister, Executive Director

Date: June 11, 2015

Re: Resolution Regarding the Status, Extension and/or Ratification of Intergovernmental Agreements with the Illinois Commerce Commission, Illinois Department of Transportation, Central Management Services, Office of the State Fire Marshal and the Metro East Police District Commission

Audit Committee Item VII.e
Board Agenda Item/Tab 17

From time to time, pursuant to its statutory purposes, the Illinois Finance Authority (the "Authority") has entered into intergovernmental agreements with the following agencies:

Illinois Commerce Commission
Illinois Department of Transportation
The Illinois Environmental Protection Agency
PACE (the Suburban Bus Division of the Regional Transportation Authority)
Central Management Services
Office of the State Fire Marshal, and
The Metro East Police District Commission

In particular, the Executive Director seeks the authority to extend and/or ratify intergovernmental agreements with the Illinois Department of Transportation (rating agency work) and the Illinois Commerce Commission (temporary Chicago office space).

The Executive Director will provide the Board with a complete status at the next regularly scheduled board meeting and will work to ensure that Authority staff posts all Authority intergovernmental agreements on the Authority's website.

RESOLUTION NO. 2015-0611-AD18

RESOLUTION TO RENAME AND REFOCUS THE VENTURE CAPITAL COMMITTEE TO THE DIRECT AND ALTERNATIVE FINANCING COMMITTEE

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by, and exists under, the Illinois Finance Authority Act (20 ILCS 3501/801-1 *et seq.*) (the "Act");

WHEREAS, the Authority has created committees to facilitate its operations and mission, including among these committees has been the Venture Capital Committee that supervises and facilitates the Authority's programs and mission arising from 10 ILCS 3501/810-5 (Article 810, Venture Capital Fund), *et seq.*;

WHEREAS, the Authority ended its Venture Capital programs on June 8, 2012, Fiscal Year 2012, although the Authority continued to explore and develop programs in a manner consistent with fulfilling its broad statutory mission in this area. To date and despite considerable work, the Authority, consistent with its broad statutory mission and its duty to appropriately steward public funds, has not yet developed a program in the Venture Capital sector to replace the terminate program;

WHEREAS, the Authority has determined that it is in its best interests, and consistent with its strategic plan and to effect the purposes of the Act, to rename and refocus the Venture Capital Committee as the "Direct and Alternative Financing Committee" whose jurisdiction shall include loans or guarantees made directly from the Authority's general funds in contrast to loans or guarantees made from Authority funds with a specifically designated purpose or its legacy business loan programs, including, but not limited to, the Agricultural Guarantee funds or the Fire Truck and Ambulance Loan funds, Participation Loans, Rural Development Loans, and other financings that are reviewed by the Authority's internal Credit Review Committee or the Authority's Agriculture Committee. The Direct and Alternative Financing Committee shall provide a venue for consideration by the Members for those proposed projects consistent with the Authority's broad public mission and the Authority's Strategic Plan that be unique, pilot, necessary from a public mission perspective or may involve a greater degree of risk to public funds, or represent a larger relative commitment of the Authority's unencumbered assets, than are otherwise contemplated from the Authority's standard programs;

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

Section 1. Approval. The Authority's Venture Capital Committee is renamed and refocused as the Authority's Direct and Alternative Financing Committee.

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

Section 3. Membership. Membership in the Authority's Venture Capital Committee shall transfer to the Authority's Direct and Alternative Financing Committee. The Authority's Chair, the Committee Chair, or the Executive Director may name members in a manner to ensure compliance with the Open Meetings Act.

Section 4. Further Delegation to the Executive Director. The Authority hereby delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificate and other documents as may be required in connection with this Resolution.

Section 5. 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 this Resolution; 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 doings 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 Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 6. 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 7. Conflicts. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 8. Immediate Effect. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Adopted this 11th day of June, 2015, by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By ____
Executive Director

ATTEST:

____
Assistant Secretary

[SEAL]

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