

# **ILLINOIS FINANCE AUTHORITY**

**May 12, 2016**

## **AGENDA**

### **BOARD MEETING**

**9:30 a.m.**

**Michael A. Bilandic Building**

**160 North LaSalle Street**

**Suite S-1000**

**Chicago, Illinois 60601**

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

**PROJECT REPORTS AND RESOLUTIONS**

**AGRICULTURE PROJECTS**

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>Beginning Farmer Bonds</b> <i>Final (One-Time Consideration)</i>						
1	A) Keith and Kimberly Kocher	Grove Township (Jasper County)	\$153,000	-	-	PE/LK
	B) Graham S. and Jane E. Wagner	Wade Township (Jasper County)	\$300,000	-	-	PE/LK
<b>Specialized Livestock Guarantee</b> <i>Final</i>						
2	Edward L. King	Steward (Lee County)	\$1,000,000	-	10	PE/LK
<b>TOTAL AGRICULTURE PROJECTS</b>			<b>\$1,453,000</b>	-	10	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>501(c)(3) Revenue Bonds</b> <i>Final (One-Time Consideration)</i>						
3	American Academy of Pediatrics	Itasca (DuPage County)	\$50,000,000	18	130	RF/BF
<b>TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS</b>			<b>\$50,000,000</b>	<b>18</b>	<b>130</b>	

**HEALTHCARE PROJECTS**

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
<b>501(c)(3) Revenue Bonds</b> <i>Final (One-Time Consideration)</i>						
4	Northwest Community Hospital	Arlington Heights (Cook County)	\$160,000,000	N/A	N/A	PL/TH
<b>501(c)(3) Revenue Bonds</b> <i>Preliminary</i>						
5	Ness Healthcare NFP	Lincolnwood (Cook County), Luverne, AL, Mandeville, LA, and Owatonna, MN	\$45,000,000	10	-	PL/TH
<b>501(c)(3) Revenue Bonds</b> <i>Final (One-Time Consideration)</i>						
6	Rush University Medical Center	Chicago (Cook County)	\$50,000,000	N/A	N/A	PL/TH
<b>TOTAL HEALTHCARE PROJECTS</b>			<b>\$255,000,000</b>	<b>10</b>	-	
<b>GRAND TOTAL</b>			<b>\$306,453,000</b>	<b>28</b>	<b>140</b>	

Date: May 12, 2016

To: R. Robert Funderburg, Jr., Chairman  
Eric Anderberg  
Gila J. Bronner  
James J. Fuentes  
Michael W. Goetz  
Robert Horne  
Mayor Arlene A. Juracek

Lerry Knox  
Lyle McCoy  
Terrence M. O'Brien  
Roger Poole  
Mordecai Tessler  
John Yonover  
Bradley A. Zeller

From: Christopher B. Meister, Executive Director

Subject: Message from the Executive Director

Dear Member of the Authority:

### ***Focus on Healthcare***

This month, the Authority is fortunate to have a large agenda in excess of \$300 million in conduit projects

Along with longtime healthcare borrowers, ***Northwest Community Hospital***, and ***Rush University Medical Center***, the Authority is pleased to welcome first-time conduit educational borrower ***American Academy of Pediatrics*** and first-time conduit healthcare borrower ***Ness Healthcare NFP***.

The February 2016 State of Illinois Economic Forecast (*2016 Forecast*) speaks to the importance of hospitals and healthcare in our State:

Healthcare will support growth throughout the state as the population ages. This will be a driver of growth downstate, particularly in regional healthcare centers such as Peoria, Rockford and Springfield. In Peoria, for example, healthcare is expected to lead growth in the medium and long term. Healthcare is also important in Kankakee, which uses its local cost advantages and proximity to Chicago to focus on long-term healthcare for the elderly and disabled. Although Illinois' 13% share of jobs that are in healthcare is roughly in line with the nation's, it is much higher than average in Kankakee, Peoria, Rockford and Springfield. However, industry job growth will lag the U.S. average primarily because of Illinois' weaker population trends.

*2016 Forecast*, prepared for the State of Illinois Commission on Government Forecasting and Accountability by Moody's Analytics, page 16

Healthcare projects approved and closed by the Authority during Fiscal Year 2016 reflect this observation found in the *2016 Forecast*. The Authority has closed healthcare conduit bond projects for ***Little Company of Mary Hospital, Advocate*** (two projects), ***OSF, Palos Community Hospital, Riverside Health Systems*** (Kankakee), ***Sarah Bush Lincoln Health Center*** (Mattoon-Charleston), ***Passavant Hospital*** (Jacksonville), and ***UnityPoint Health*** (Peoria). In addition, ***MercyRockford Health System Corporation*** (Rockford) and a second ***UnityPoint Health*** project closed in May.



As always, the entire Authority staff team looks forward to continuing to work with you in connection with improving and expanding access to healthcare along with the job creation and retention that come with such improvement and expansion.

Respectfully,

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

---

Christopher B. Meister  
Executive Director

Date: May 12, 2016

To: R. Robert Funderburg, Jr., Chairman  
Eric Anderberg  
Gila J. Bronner  
James J. Fuentes  
Michael W. Goetz  
Robert Horne  
Mayor Arlene A. Juracek

Lerry Knox  
Lyle McCoy  
Terrence M. O'Brien  
Roger Poole  
Mordecai Tessler  
John Yonover  
Bradley A. Zeller

From: Brad R. Fletcher, Assistant Vice President

Subject: Minutes of the April 14, 2016 Regular Meeting of the Board

Dear Member of the Authority:

Please find enclosed the Report of Proceedings prepared by Marzullo Reporting Agency, Inc. (the “**Minutes**”) in connection with 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, Suite S-1000, Chicago, Illinois 60601, on the second Thursday of April in the year 2016, 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**”).

To aid in your review of the Minutes, please reference the following pages and line numbers for corresponding sections of the respective meeting’s agenda:

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS MEETING  
Thursday, April 14, 2016  
9:30 AM

AGENDA:

- I. Call to Order & Roll Call  
*(page 3, line 1 through page 4, line 5)*
- II. Approval of Agenda  
*(page 4, lines 6 through 19)*
- III. Chairman’s Remarks  
*(page 4, line 20 through page 5, line 2)*
- IV. Message from the Executive Director  
*(page 5, line 3 through page 8, line 7)*
- V. Consideration of the Minutes  
*(page 8 lines 8 through 19)*
- VI. Presentation and Consideration of Financial Reports  
*(page 8, line 20 through page 14, line 8)*
- VII. Monthly Procurement Report  
*(page 14, line 9 through page 15, line 6)*



- VIII. Committee Reports  
*(page 15, line 7 through page 16, line 3)*
- IX. Presentation and Consideration of Project Reports and Resolutions  
*(page 16, line 4 through page 48, line 17)*
- X. Other Business  
*(page 48, line 18 through page 49, line 6)*
- XI. Public Comment  
*(page 49, line 7 through page 50, line 6)*
- XII. Adjournment  
*(page 50, lines 7 through 15)*

The Minutes of the regular meeting of the Board are further supplemented by a summary of the respective meeting's voting record prepared by Authority staff (the "**Voting Record**"), which is also enclosed.

Please contact an Assistant Secretary of the Board to report any substantive edits to the enclosures.

Respectfully submitted,

/s/ Brad R. Fletcher  
Assistant Vice President

- Enclosures:
- 1. Minutes of the April 14, 2016 Regular Meeting of the Board
  - 2. Voting Record of the April 14, 2016 Regular Meeting of the Board

ILLINOIS FINANCE AUTHORITY BOARD  
BOARD OF DIRECTORS REGULAR MEETING  
April 14th, 2016 at 9:36 a.m.

Report of Proceedings had at the Meeting of the  
Illinois Finance Authority Board of Directors Regular  
Meeting on April 14th, 2016, at the hour of 9:30 a.m.,  
pursuant to notice, at 160 North LaSalle Street, Suite  
S1000, Chicago, Illinois.

MINUTES 02 Marzullo Transcript 04142016.txt  
MR. ROBERT FUNDERBURG, Chairman  
MR. JAMES J. FUENTES  
MR. ROBERT HORNE  
MS. ARLENE JURACEK  
MS. GILA J. BRONNER  
MR. MICHAEL W. GOETZ  
MR. ROGER POOLE  
MR. LYLE MCCOY  
MR. JOHN YONOVER (Added at 9:50 a.m.)

ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

MR. BRAD FLETCHER, Assistant Vice-President  
MR. RICH FRAMPTON, Vice-President  
MS. MELINDA GLDART, CFO  
MS. PAMELA LENANE, Vice-President  
MS. ELIZABETH WEBER, General Counsel  
MR. CHRISTOPHER B. MEISTER, Executive Director

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CHAIRMAN FUNDERBURG: Welcome, everyone. Thank  
you for coming today. I would like to call to order  
the Board meeting of the Illinois Finance Authority.  
Why don't we go ahead and get started. I  
would like to note that Member Yonover is running  
late. He has some traffic problems coming in from  
O'Hare, but will be here shortly.

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ILLINOIS FINANCE AUTHORITY BOARD  
BOARD OF DIRECTORS REGULAR MEETING  
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MARZULLO REPORTING AGENCY (312) 321-9365

APPEARANCE:  
ILLINOIS FINANCE AUTHORITY BOARD OF DIRECTORS

Page 1

MINUTES 02 Marzullo Transcript 04142016.txt  
 FLETCHER: At this time, I'll call the roll.  
 Ms. Bronner?  
 BRONNER: Here.  
 FLETCHER: Mr. Fuentes?  
 FUENTES: Here.  
 FLETCHER: Mr. Goetz?  
 GOETZ: Here.  
 FLETCHER: Mr. Horne?  
 HORNE: Here.  
 FLETCHER: Ms. Juracek?  
 JURACEK: Here.  
 FLETCHER: Mr. McCoy?  
 MCCOY: Here.  
 FLETCHER: Mr. Poole?  
 POOLE: Here.  
 FLETCHER: Mr. Chairman?  
 CHAIRMAN FUNDERBURG: Here.  
 MARZULLO REPORTING AGENCY (312) 321-9365

1 FLETCHER: Mr. Chairman, at this time we have a  
 2 quorum of the Members physically present in the  
 3 room. I would like to ask if are there any Board  
 4 Members participating by audio conference? Hearing  
 5 none, we may proceed.  
 6 CHAIRMAN FUNDERBURG: Great. Thank you. Okay,  
 7 first up I would just like to ask if anybody would  
 8 like to amend or add anything to the agenda for  
 9 today's meeting?  
 10 If not, I would like to ask for a motion  
 11 to approve it.

MINUTES 02 Marzullo Transcript 04142016.txt  
 BRONNER: So moved.  
 POOLE: Second.  
 CHAIRMAN FUNDERBURG: Motion seconded by Roger.  
 All in favor, say aye.  
 (A chorus of ayes.)  
 CHAIRMAN FUNDERBURG: Any opposed?  
 (No response.)  
 CHAIRMAN FUNDERBURG: Okay. Motion carries.  
 As far as my report, it's sort of redundant with the  
 Executive Director, to a certain extent, but I would  
 like to note and also congratulate five IFA Board  
 Members for the reappointment; and also would like  
 to acknowledge and thank Member Adam Israelov for  
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1 his tenure and contributions to the Board. That's  
 2 it.  
 3 MEISTER: Thank you, Mr. Chairman. And I would  
 4 like to congratulate Chairman Funderburg for being  
 5 confirmed in his position of Authority Member  
 6 yesterday by the Illinois Senate, in addition to the  
 7 five confirmations.  
 8 POOLE: That's a good idea.  
 9 JURACEK: I have a question. Were there five  
 10 yesterday?  
 11 MEISTER: No, there was only one yesterday.  
 12 JURACEK: Thank you.  
 13 MEISTER: At today's meeting, I do really want  
 14 to highlight -- give some broad-brush highlights.  
 15 We have a number of very high-impact financings:  
 16 Association House, the Qualified Energy Conservation



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Bonds for the Metropolitan Water Reclamation  
District's upcoming financing: MercyRockford Health,  
where we have guests here; and UnityPoint, a number  
of projects in Peoria, and they're based in Iowa.  
I do have one project that I really would  
like to highlight, because at the time of print, it  
did not make it into my message from the Executive  
Director.

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The work on that staff is done, led by  
Rich Frampton, on the Better Housing Foundation  
Shoreline Properties, is very innovative for the  
Finance Authority.  
It has great impact for affordable housing  
across the south side of Chicago; and importantly,  
it preserves and improves 300 plus units of housing,  
many of which are multi-bedroom that were built  
between 1898 and the early 1960s.  
We are very proud to be a part of this,  
and Rich Frampton did a great deal of work, and I  
think you should all look forward to hearing about  
that.

We do have some important procurement  
items, including with respect to the Environmental  
Protection Agency's State Revolving Fund, as well as  
some other items for the operations of the  
Authority.

We make an effort at the Authority to  
highlight transparency. Our Board books, which are

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MINUTES 02 Marzullo Transcript 04142016.txt  
generally 100 pages long, are posted on the website  
well in advance of our Board meeting, but I do want  
to highlight a new report on page 43 of the online  
version; and our CFO, Melinda Gildart will cover it,  
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in a new exhibit directly after her unaudited  
financial analysis report.  
It is entitled "The State of Illinois  
Detailed Receipts Summary as of April the 4th,"  
and it was pursuant to resolutions noted on that  
report in November of 2015 and February of 2016. So  
she'll be covering that in that report.

I also -- again, from time to time, we've  
covered unique matters that arise on our agenda, due  
to the budget impasse. Elizabeth Weber, our General  
Counsel, and I, representatives of the Department of  
Human Services who are here, are going to be  
covering an inter-governmental agreement and the  
advancement of grant funds to Catholic Charities for  
certain housing vouchers. We'll cover that.

And finally, last week I attended the  
National Association of Health Educational  
Facilities Finance Authorities. It is one of our  
national groups. The benefits that we get from that  
are, frankly, very cost-effective representation in  
Washington, D.C.

Since the main thing that we sell here at  
the Authority is federal tax exemption, which  
originates in the federal tax code, which is under

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1 the jurisdiction of Congress, it's something that we  
2 need to pay close attention to.

3 And in the Board Members' packets, there's  
4 a summary of the various proposals that would impact  
5 our world from the various presidential candidates  
6 and whatever is circulating and Congress and the  
7 regulatory agencies.

8 CHAIRMAN FUNDERBURG: Okay, thank you. Next, I  
9 would like to ask if there are any additions,  
10 corrections or comments on the minutes of last  
11 month's meeting? No?

12 Okay, if not, then I would like to ask for  
13 a motion to approve the minutes.

14 GOETZ: So moved.

15 BRONNER: Second.

16 CHAIRMAN FUNDERBURG: Okay. All in favor,  
17 please say aye.

18 (A chorus of ayes.)

19 CHAIRMAN FUNDERBURG: Okay, motion carries.

20 Thank you. Next up, Ms. Gildart.

21 GILDART: Good morning. I'm Melinda Gildart,  
22 Chief Financial Officer of the Authority, and this  
23 month's financial presentation is as follows: For  
24 our fiscal year 2016 unaudited results, the

1 Authority has generated total annual revenues of  
2 \$3.6 million, which is two percent below budget.

3 since December 2015. Our closing fees year to date  
4 are \$2.5 million, and that's one percent below  
5 budget. Net investment income stands at \$110,000  
6 for the fiscal year.

7 In March, the Authority generated closing  
8 fees of \$85,000, and that's the lowest monthly total  
9 in FY16, and also the lower than the monthly  
10 budgeted amount of \$276,000.

11 Closing fees are received from Adler  
12 University for \$68,000. Loyola University care of  
13 Deferred Action for Childhood Arrivals of \$8,000.  
14 That's our DACA Loan Program of \$8,000.

15 Various agricultural-related closings of  
16 \$9900. In February, we recorded a net investment  
17 gain of \$19,000, and it's below the \$88,000 we  
18 received in January, which was our highest monthly  
19 total for the fiscal year.

20 Total annual expenses are \$3.2 million,  
21 and that's still 15 percent below budget, due mostly  
22 to vacant staff positions. Year-to-date employee  
23 and professional services expenses are at 1.3

1 million, and that's 24 percent and 4 percent below  
2 budget, respectively.

3 Our depreciation costs are \$100,000 under  
4 budget, and that's due to the delay in debt  
5 management software implementation. Total cash out  
6 of the general operating fund to the primary  
7 government borrowing fund, that's on behalf of the  
8 Page 8

MINUTES 02 Marzullo Transcript 04142016.txt  
State of Illinois, it's \$4.7 million.

Total cash transfers out of the general operating fund to the DACA Loan Fund for the fiscal year 2016 programs is \$1.2 million. In March, the Authority recorded operating expenses of \$462,000, and that's higher than the monthly budgeted amount of \$419,000.

We have a total monthly net loss of \$291,000, and again that's driven by lower closing fees, and also increases in professional services fees, the major driver being expenses paid or accrued on behalf of the State of Illinois.

Our total annual net income is \$463,000, and we continue to have this positive bottom line, due mostly to the level of overall spending. That's about 15 percent below budget.

On the balance sheet in our general  
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operating fund, we have total net position of \$53.2 million, total assets of \$56.6 million, and total liabilities, including some amounts that are due to the brokers for pending investment purchases, of \$2.7 million.

For the other funds, the debt of the other State of Illinois agencies, including the Illinois Environmental Protection Agency, we have assets and liabilities of \$146,000,000 each.

In the locally-held fire truck and ambulance revolving loan funds, we have year-to-date

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revenues of \$281,000, and FY16 we've issued 29 fire truck loans for \$7.5 million; and we will be issuing 13 new ambulance loans totaling \$1.7 million in April or May of 2016.

The Authority has requested reimbursement from the Illinois Comptroller for ag-related guarantee payout that was in FY15 of \$155,000. We expect to receive those funds prior to June 30th. The Authority's management has completed and submitted a followup report on our FY15 and FY14 financial audit and compliance findings, and that report details mitigation and remediation plans for those findings.

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In addition, the Authority will welcome new external auditors for FY16 and FY17 financial audit and compliance examination. The responses for the office of the Auditor General's RFP are actually due today, and we will be kicking off the FY16 financial audit next month. Are there any questions?

CHAI RMAN FUNDERBURG: If there are no questions, then, is there a motion to accept this month's financial report?

MCCOY: So moved.

CHAI RMAN FUNDERBURG: By Roger. Is there a second?

GOETZ: Second.

MEISTER: Wait before we take the vote. I do just want to --

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 CHAIRMAN FUNDERBURG: You want to highlight?  
 MEISTER: I want to highlight -- can you just, since this is a new report, can you just sort of --  
 GILDART: In addition to the schedule of debt and other related financial reports that are behind the financial statements in the Board package, we do have a new report that's for the State of Illinois, receivables that have been purchased on behalf of

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13

1 the State of Illinois due to the budget impasse.  
 2 In total, the Authority has purchased  
 3 receivables of \$4.5 million to respective amounts  
 4 due to vendors, Cosgrove Distributors, Gray Boy,  
 5 M. J. Kellner and Smith Maintenance.  
 6 MEISTER: And I believe that as late as  
 7 yesterday, I executed some additional documents  
 8 where I think is a transfer within the next day or  
 9 two.  
 10 GILDART: Another one for Smith Maintenance.  
 11 MEISTER: Yes, Smith Maintenance. It is a  
 12 disadvantaged business that provides janitorial and  
 13 sanitation services to the James R. Thompson Center  
 14 across the street.  
 15 BRONNER: Quick question, are there thresholds?  
 16 I notice one is for \$9,000?  
 17 MEISTER: Elizabeth?  
 18 WEBER: There was no threshold, just the total  
 19 maximum amount of \$12,000,000.  
 20 GOETZ: So the total maximum is \$12,000,000?

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MINUTES 02 Marzullo Transcript 04142016.txt  
 WEBER: Yes.  
 CHAIRMAN FUNDERBURG: Any other questions?  
 Okay, then, I would like to ask again approve the monthly financial reports including the receivable

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1 financings.  
 2 POOLE: So moved, Mr. Chairman.  
 3 GOETZ: Second.  
 4 CHAIRMAN FUNDERBURG: Okay. All in favor,  
 5 please say aye?  
 6 (A chorus of ayes.)  
 7 CHAIRMAN FUNDERBURG: Any opposed? Okay,  
 8 motion carries. Procurements, please.  
 9 GILDART: In March, the Authority executed  
 10 emergency contracts for IT network consulting agent  
 11 and paying agent and loan management services, in  
 12 addition to temporary staffing and Board book  
 13 printing.  
 14 We are working to execute a debt  
 15 management software contract, and we're waiting  
 16 approval from the Chief Procurement Officer to move  
 17 forward to extend the emergency contract with ADP  
 18 Total Source, or to grant us authority to enter into  
 19 a sole-source contract in order to be a determined  
 20 vendor.  
 21 Upcoming contract renewals include  
 22 financial advisory services, investment management  
 23 services, in addition to our State Revolving Fund  
 24 Trustee Services.

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1 As a reminder, we have underwriting  
2 agreements for the State Revolving Fund that expire  
3 in July 2016 with no renewals pending.

4 MEISTER: And there was a resolution on that  
5 point?

6 GILDART: Yes. Any questions?

7 CHAIRMAN FUNDERBURG: Thank you very much.

8 Next up we have committee reports. Mr. Horne?

9 HORNE: Well, we just had a conduit loan  
10 committee meeting and reviewed four or five, I don't  
11 recall exactly, submittals.

12 Do you want me to go through each one, or  
13 are we going to go through each?

14 MEISTER: We're going to go through -- the  
15 staff will present, I think it's fair to say, the  
16 committee.

17 HORNE: Yeah. I think, you know, we had a  
18 couple submittals on social services and several on  
19 healthcare. I think as Chris described it well,  
20 we're covering a broad part of the State with the  
21 submittals, and I think all of the submittals that  
22 we reviewed today were endorsed by our committee.

23 FLETCHER: Unanimously.

24 HORNE: Excuse me?

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1 FLETCHER: Unanimously.

2 CHAIRMAN FUNDERBURG: Thank you. There were no

3 other committee meetings during the past month.

4 Okay. Next up are the consideration of  
5 project reports and resolutions. Mr. Fletcher,  
6 please?

7 FLETCHER: Shall we ask if any Board Members  
8 would like to abstain?

9 CHAIRMAN FUNDERBURG: I'm sorry, I skipped that  
10 part. At every meeting, I ask if anybody would like  
11 to pull any of the agenda items on the project  
12 reports and resolutions for individual  
13 consideration.

14 Otherwise, we will consider them  
15 collectively, and have each individual vote assigned  
16 to those individual projects. Would anybody like to  
17 pull anything?

18 Okay, we'll consider them as a whole.

19 Thank you.

20 FLETCHER: Mr. Chairman, members of the Board,  
21 tab No. 1 in your Board book is a proposed Final  
22 Bond Resolution Board for the Association House of  
23 Chicago in a not-to-exceed amount of \$6,000,000.

24 Association House is a safety net social  
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1 services provider, located in Humboldt Park on the  
2 northwest side of Chicago. The plan of finance  
3 seeks to refund their Series 2007 bonds, originally  
4 issued through our agency, outstanding currently in  
5 the approximate amount of \$4.8 million, as well as  
6 they are seeking approximately \$1.035 million of  
7 project cost and facility upgrades.

MINUTES 02 Marzullo Transcript 04142016.txt

8 Notably, of which include relocating two  
9 steam boilers in the basement, adjusting the chimney  
10 height on their main facility, replacing an  
11 elevator, and cooling tower replacement, as well as  
12 some soft cost of architectural and design.

13 Mr. Chairman, if I may, I would like to  
14 add Member Yonover to our roll call before I finish  
15 my presentation.

16 CHAIRMAN FUNDERBURG: Thank you.

17 YONOVER: Sorry, folks.

18 FLETCHER: PNC Development Company, LLC, an  
19 affiliate of PNC Bank, will be the direct purchaser  
20 for the initial term secured by a first mortgage on  
21 the main headquarters of Association House.

22 Subsequent to publishing of this report  
23 and mailing, BNY Mellon was engaged as filing agent,  
24 so I wanted to disclose that.

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1 Finally, if I may turn your attention to  
2 the top of page 8 of the report in the confidential  
3 section, you'll note that we've requested your  
4 approval for discounted fee, given the current  
5 budget impasse in the State of Illinois; and given  
6 that this is a safety net social services provider,  
7 we felt it was appropriate at this time. Again,  
8 \$4.8 million in refunding.

9 Your approval is also helping them  
10 generate interest savings and smoothing out debt  
11 payments going forward, which improves their

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12 MINUTES 02 Marzullo Transcript 04142016.txt  
13 financials as well.

14 Are there any questions at this point?  
15 Thank you.

16 FRAMPTON: Good morning, everyone. Next we'll  
17 move on to Item 2, which is a one-time consideration  
18 of a Final Bond Resolution for Lindran Properties,  
19 LLC, and IRG Bronzville Group, LLC, a project that  
20 is called the Better Housing Foundation Shoreline  
21 Portfolio Project.

22 This will be an acquisition and  
23 rehabilitation project that comprises 14 properties.  
24 The 14 properties are listed on page 11 of your  
report. The properties comprise a mix of studio,  
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1 one, two, and three-bedroom apartments overall.  
2 There are 321 units.

3 One key thing to point out is out of the  
4 321 units, 42 are three-bedroom, two-bath units,  
5 while 135 out of the 321 are two-bedroom, one-bath  
6 units. So, clearly, there are many units in this  
7 collection of properties that are going to be, and  
8 continue to be, rented to families.

9 In terms of the financing structure, this  
10 is a project-based financing. S&P Structured  
11 Finance Group will rate this as a stand-alone  
12 transaction, based on review of the net operating  
13 income of the collection of projects.

14 One very significant thing on the project,  
15 if you flip to pages 17 and 20 of the report, the  
16 table on page 20 reports the current occupancy rates  
Page 16

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17 across all the properties, across all 14 properties.  
18 There is currently 89.4 percent occupancy.  
19 That occupancy rate actually is sufficient to cover  
20 debt service payments on the proposed bonds, and  
21 that's really the basis or Lynch pin for the  
22 anticipated S&P rating.

23 And I would add that on page 2 of the  
24 report we note our condition for approval. Our  
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1 condition for approval is that all the bonds be  
2 investment grade, and the lowest -- and that implies  
3 the lowest-rated bonds on this transaction have to  
4 be assigned a minimum rating of at least triple B  
5 minus.  
6 So those are the big-picture details on  
7 the financing. S&P actually has rated 321 -- I  
8 mean, 372. I'm fixated on the number of units, but  
9 372 of these projects. The bulk of these have been  
10 rated single A minus initially or single A.

11 Just in terms of the financial  
12 performance, the profile, the ownership, and the  
13 management of the projects, several of the projects  
14 that S&P has rated single A minus have been for new  
15 501(c)(3) entities, which is the situation we have  
16 here with the Better Housing Foundation.

17 And with that, I would like to introduce  
18 Mark DeAngelis, who is consultant to the Better  
19 Housing Foundation. They are -- Mark has actually  
20 been managing all the pre-acquisition development

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21 work. He has executed the purchase contracts.  
22 His company has paid for, on behalf of the  
23 Foundation upfront, all the escrow payments, and he  
24 has also paid for the upfront due-diligence reports,  
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1 including the appraisals, the property condition  
2 assessments, as well as the environmental reports.  
3 So -- but the main reason I've asked Mark  
4 to speak is just to make some remarks about the  
5 portfolio, and what the overall plans for the Better  
6 Housing Foundation are for undertaking projects in  
7 Chicago and Illinois.

8 DeAngelis: Thank you very much. Again, Mr.  
9 Chairman, fellow Board Members. Thank you very much  
10 for your time. I appreciate it. I know a lot of  
11 you come from fairly far away. I appreciate the  
12 dedication that you all show.

13 As Mr. Frampton said, I am in a  
14 consultancy relationship with the primary borrower,  
15 the sole member of the two acquiring LLCs, the  
16 Better Housing Foundation. We are doing all the  
17 development work, as Mr. Frampton said.

18 I'm extremely excited about this. We have  
19 been working now with S&P, as Mr. Frampton said, to  
20 secure our rating. It was a little slow to get them  
21 going. They had some budgets cuts themselves, and  
22 now, though, we have them engaged, and hopefully  
23 we'll be getting this rating in the next week or so.  
24 God willing.

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1 So I think one thing Mr. Frampton said, I  
 2 would just highlight the debt-coverage ratio of the  
 3 project is extremely strong. We're hovering around  
 4 1.4 probably. If we end up having to do a  
 5 subordinate, it will also meet S&P requirements to  
 6 reach that investment grade rating.

7 The project is one that is very close to  
 8 my heart and the heart of the trustees. It is a new  
 9 501(c)(3), as Mr. Frampton said, but the Board  
 10 Members of the Better Housing Foundation have  
 11 another charitable organization they've worked with  
 12 for a long time.

13 They have 3500 units already of affordable  
 14 housing. They have partnered up with us, in order  
 15 to develop sort of a separate asset class to focus  
 16 more on the Midwest. Their focus with their other  
 17 entity is in the northeast primarily and south.

18 So we also are going to probably be  
 19 focusing a little more on trying to provide  
 20 supportive services through our facilities, which  
 21 will probably be a revenue source for the  
 22 not-for-profit, quite honestly, but we don't include  
 23 that in our analysis, in our underwriting, at all.

24 It is something that we want to approach.

1 Basically, the vision that we have is to purchase  
 2 larger assets, not larger, mid-size assets from the

3 60- to 200-unit range, have those serve as hubs, and  
 4 then acquiring smaller properties as spokes out from  
 5 that hub, in order to provide services to more than  
 6 just the residents in that one larger facility.

7 This is why the Vincennes property is so  
 8 important to us. Quite honestly, the only reason  
 9 that there's only an 89-occupancy rate now is  
 10 because that property, since it's been under  
 11 contract for probably two years, we have told the  
 12 sellers to not bring in new tenants, because we're  
 13 putting in a half million dollars of renovations  
 14 into that building, slightly less.

15 We're putting significant renovations in  
 16 that building. The building is an old nursing home  
 17 facility. If you go by the building in Bronzville,  
 18 you can see it says, I think, "Old folks facility,"  
 19 or something on the front.

20 It's been around a while. It is a solid  
 21 facility, large, large units, and a lot of common  
 22 space where we plan to do educational training, job  
 23 training probably.

24 We're going to work with The University of  
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1 Chicago, I'm almost certain, in order to have  
 2 graduate students come and do after-school tutoring  
 3 for children and that sort of thing.

4 So we really see this is an important part  
 5 of our operation, which is why we made it a part of  
 6 this transaction. The occupancy rate would be in  
 7 the high 90s otherwise.



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8 Thirteen other properties are all fully  
9 stabilized. We will qualify all the tenants to make  
10 sure that they meet the affordability requirements.  
11 The rents will already qualify, and over the next  
12 year, I believe Bond Counsel is here, and I believe  
13 we have a year, Tom?

14 SMITH: Correct.

15 DeANGELIS: So we have a year to certify all of  
16 the tenants, and we'll easily meet the 75, 60, you I  
17 know, percent rate.

18 So if you have any other questions for me,  
19 I would be happy to take them. I appreciate all of  
20 your time for sure thank you.

21 CHAIRMAN FUNDERBURG: Thank you.

22 GOETZ: I would like to thank you for doing  
23 this. I'm involved in the affordable housing  
24 business, and there is nothing more important than

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1 the preservation of existing public housing.

2 DeANGELIS: Thank you.

3 GOETZ: Which is exactly what we're trying to  
4 do here.

5 DeANGELIS: Thank you. And just to add, you  
6 know, I do hope this will serve as a model, and that  
7 we get to work IFA in the future. Because this  
8 doesn't have any LIHTC financing, there's no  
9 taxpayer dollars whatsoever.

10 We are perfectly able to work with you  
11 folks, and I look forward to us building with Better

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12 MINUTES 02 Marzullo Transcript 04142016.txt  
13 Housing Foundation a large portfolio of homes that  
14 we can fully envision, fully capture our vision.

15 CHAIRMAN FUNDERBURG: Thank you.

16 FRAMPTON: Are there any other questions?

17 CHAIRMAN FUNDERBURG: I think we're good.

18 LENANE: Mr. Chairman, Board Members,

19 MercyRockford Health Systems Corporation is seeking  
20 approval of Final Bond Resolution for \$525,000,000.

21 The proceeds of the bonds will be used to  
22 construct a second campus for Rockford Memorial  
23 Hospital that will include 188 inpatient bed,  
24 extensive outpatient services and an ambulatory  
services building and renovations on the Rockford

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1 Memorial Hospital campus.

2 We'll also refinance a portion of the

3 Rockford Memorial 2008 and 2012 bond, and will also  
4 refinance a portion of the Mercy Alliance obligated  
5 group bonds Series 2010A. This is interesting  
6 because this makes this transaction multi-state.

7 Final resolution, the bonds will be sold  
8 at the public-fixed rate market by Ziegler

9 Securities. The Hospital Health System expects an  
10 underlying rating of Moody's AA3 to be delivered  
11 this afternoon. I think they have to go back and  
12 pick up their rating.

13 MITCHELL: A3, not AA3.

14 LENANE: A3?

15 MITCHELL: Yes, not AA3. Thank you.

16 LENANE: You're welcome. Thank you. The debt  
Page 22

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service coverage is strong 4.0, and their day's cash  
on hand is 238 days.

Are there any questions? We have here  
today with us Henry Seybold, who is the CFO and  
senior vice-president of the Proctor Memorial Health  
system, long-time friend of the Authority having  
come from Rockford Memorial Hospital.

SEYBOLD: Thank you, Pam. Mr. Chair, Board  
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Members, thank you for your attention and time.  
I'll stand over here, because I want to show you  
some of the renderings of the new facility.

As Pam said, this is an effort to go to  
one hospital, two campuses. So we were very  
committed -- our Board is very committed to maintain  
a significant presence on our current campus, as we  
call it our Rocken Avenue Campus.

We're going to leave 100 beds on that  
facility, med surge, full service, emergency room  
surgical capability, et cetera, so a full-service  
hospital on Rocken Avenue Campus.

On the Riverside Campus, which is going to  
be built on property the system has owned since  
early 1990s, which is 260 acres.

As you'll see in another slide, we're  
building a 188 multi-specialty campus. We will be  
having a women's and children's focus. Almost half  
the beds will either be women's or children's  
including 46-bed neonatal intensive care unit.

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MINUTES 02 Marzullo Transcript 04142016.txt  
On the other side, we'll have  
approximately 100 beds of adult care services, and  
then a clinic building of some 80,000 square feet to  
provide that services with physician offices, et

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cetera, et cetera.

As you can see from this rendering, this  
is the 190 corridor. So this is going to be very  
convenient to care, which we believe is going to  
open us up to significant folks coming from areas  
that, quite frankly, might be difficult to come to  
our Rocken Avenue Campus right now.

If there is any questions on this, I'll be  
happy to answer, but I also wanted to give you a  
feel for our entire campus, and this is upside down.  
I just wanted to give you a feel for where we are.

So this is 190, as I said. This is  
Riverside, which is a major exit off in Rockford,  
and this is the entirety of the 263 acres that we  
have. There has been significant interest in  
development of this entire property, and actually we  
have committed to about 68 acres to go toward  
commercial development which we think, once again,  
will be a boom for the Rockford area in total.

Any questions? Thank you.

LENANE: Thank you, Henry.

CHAI RMAN FUNDERBURG: Thank you very much.

LENANE: My next project is UnityPoint Iowa

Health System, Iowa Health System doing business as

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1 UnityPoint. The bond proceeds will be used to  
 2 refund the Proctor Hospital 2006A bond. \$22,000,000  
 3 will be used for the benefit of Methodist Medical  
 4 Center to build, purchase and build an approximately  
 5 82,000 square-foot building space, which will  
 6 include the College of Nursing.

7 They are also going to acquire another  
 8 additional 45,000 square feet for warehouse space,  
 9 and \$13,500,000 of the proceeds will be for exterior  
 10 renovation of their main campus.  
 11 It's expected to produce 365 construction  
 12 jobs. UnityPoint is currently A3, AA minus by  
 13 Moody's and Fitch. Financials, which we went over  
 14 last month in detail.

15 On page 7, it shows a debt service  
 16 coverage of 3.0 and day's cash on hand of 2.19  
 17 days -- 219 days. Any questions?

18 CHAIRMAN FUNDERBURG: Okay.

19 LEMANE: Can I go back and add one thing that I  
 20 think I missed on Mercy?

21 CHAIRMAN FUNDERBURG: Please.

22 LEMANE: I think I didn't talk about the new  
 23 jobs that are going to be created by the Mercy  
 24 Rockford Hospital. We have 331 new jobs and 1,000

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1 to 1,500 construction jobs projected for this  
 2 project, which is really a boom to Rockford.

3 MINUTES 02 Marzullo Transcript 04142016.txt  
 4 MEISTER: And also, for the Board Members,  
 5 again, in your manila folder, and because they are  
 6 preliminary unaudited and internal, we do have this  
 7 monthly report on construction jobs, permanent jobs,  
 8 retained jobs.

9 So, typically, those numbers end up  
 10 appearing in our CAFR at the end of the fiscal year,  
 11 combined -- is it the combined annual financial  
 12 report?

13 FLETCHER: Comprehensive.

14 MEISTER: I always want to call it combined.

15 CHAIRMAN FUNDERBURG: It is combined, too.

16 MEISTER: Yes.

17 BRONNER: It's had worse names.

18 MEISTER: Yes.

19 CHAIRMAN FUNDERBURG: Thank you, Pam.

20 FLETCHER: Next is tab No. 5 in your Board  
 21 book. Very briefly, this is a resolution on behalf  
 22 of Chinese American Service League and U.S. Bank.  
 23 IFA predecessor's agency, IDFA, Illinois Development  
 24 Finance Authority, issued bonds in 2002 for  
 construction of Chinese American Service League's

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1 community center in Chinatown on Princeton Avenue.  
 2 In 2010, we approved amendments to the  
 3 bond documents enabling the bonds to be directly  
 4 purchased. At this time the bonds are solely owned  
 5 by U.S. Bank, and U.S. Bank and the borrower are  
 6 seeking our consent to reset the interest rate for  
 7 the next five years.

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8 For tax purposes, this will be considered  
9 a reissuance, and we're asking your approval for a  
10 \$500 closing fee for this transaction. I can take  
11 any questions.

12 CHAIRMAN FUNDERBURG: Thank you.

13 FLETCHER: Very briefly, next is tab No. 6 in  
14 the Board book. This is a resolution on behalf of  
15 Precision Resource Incorporated, through its  
16 affiliated LLC 700 Hickory Hills Drive, and Wells  
17 Fargo Bank.

18 We are being requested for consent to make  
19 the technical change in the definition of LIBOR  
20 throughout the Series 2013 bond documents.

21 They will be adding an interest rate floor  
22 of 0.00 percent, as the parties originally intended.  
23 For our purposes, we're treating this as a technical  
24 amendment, a clarification, if you will. So we will

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1 not be charging an administrative closing fee for  
2 this transaction.

3 Any questions?

4 CHAIRMAN FUNDERBURG: Thank you.

5 FRAMPTON: Next, we'll move on to tab 7, which  
6 is a resolution to transfer \$4,000,000 of IFA's  
7 remaining balance of Qualified Energy Conservation  
8 Bonds to the Metropolitan Water Reclamation District  
9 of Greater Chicago.

10 This resolution is similar in purpose and  
11 nature to two that the Authority has approved in the

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12 MINUTES 02 Marzullo Transcript 04142016.txt  
13 past. The first was for the Village of Deerfield in  
14 2011. The second was for Southern Illinois  
15 University in 2012.

16 The Authority, as the result of  
17 legislation, has an allocation of \$22.6 million of  
18 these Qualified Energy Conservation Bonds.

19 Originally, we had contemplated as serving as the  
20 issuer on these bonds; but after evaluating it  
21 further, we decided against that because IFA would  
22 actually be the taxpayer.

23 We would also be -- we would also be  
24 receiving the direct tax interest rate subsidy from  
the Department of Treasury, and then remitting that

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1 to the borrower, which would be, in this case, the  
2 Water Reclamation District.

3 By not doing that, we eliminate a slew of  
4 IRS audit, financial audit, and perhaps even legal  
5 followup, in the event that there happened to be  
6 private-use issues, or other things that crop up  
7 after closing.

8 So by instead of serving as the issuer,  
9 we're requesting, as with Deerfield and SIU, to  
10 transfer this OECB allocation to the Water  
11 Reclamation District. As a result, the Authority  
12 gets the same issuance fee.

13 We'll receive the same fee that we would  
14 get, if we were issuing the bonds, but we get none  
15 of the downside. So we get all the upside of  
16 issuing without the downside compliance and

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17 MINUTES 02 Marzullo Transcript 04142016.txt  
18 regulatory risks.

19 So, with that, we recommend approval, and  
20 I can answer any questions.

21 YONOVER: Rich, I'm unclear. Is this  
22 \$4,000,000 coming out of the IFA's capital, and it's  
23 coming back now?

24 FRAMPTON: No. Let me explain what this is.

25 This QECB issuance allocation is really a debt

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1 limit. It's not cash. It's a debt limit for the  
2 ability to issue up to \$4,000,000 in bonds. So what  
3 the Water Reclamation District will do, they cannot  
4 issue these bonds unless they have \$4,000,000 of  
5 allocation.  
6 So back in 2009, the U.S. Congress, when  
7 they established this, and then the State as a  
8 whole, the State of Illinois as a whole, received  
9 \$133.8 million approximately of issuance authority  
10 to use over the life of the program.

11 So over the life of the program, up to  
12 \$133,000,000 can be issued statewide. Of that, we  
13 received an allocation of \$22.6 million to allocate  
14 to projects.

15 Does that respond to your question?

16 MEISTER: John, it is unlike conduit tax  
17 exemption that we typically do. This is analogous  
18 to what the federal government did during stimulus,  
19 and in the wake of the recession, sort of like Build  
20 America Bonds.

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21 MINUTES 02 Marzullo Transcript 04142016.txt  
22 It is a direct interest subsidy from the  
23 U.S. Treasury. So it is, in essence, an interest  
24 rate buy down rather than the Delta between the  
taxable and tax exempt that we typically have on our  
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1 conduit bond issues.

2 YONOVER: Thank you.

3 FRAMPTON: There is actually an example on  
4 page 2 that explains how it works. The third bullet  
5 in the example at the bottom of page 2 notes the  
6 assumed taxable market rate at which these bonds  
7 would be sold at. We're assuming 5.48.

8 The U.S. Treasury would actually be making  
9 a cash payment to Metropolitan Water Reclamation  
10 District to effectively write the interest rate down  
11 from 5.48 percent down to 2.31 percent, and that  
12 would be for the entire 29-year term. So those are  
13 the mechanics.

14 YONOVER: Thank you.

15 FRAMPTON: Any other questions?

16 CHAIRMAN FUNDERBURG: Thank you.

17 WEBER: Mr. Chairman, Members, as General

18 Counsel to the IFA I'm presenting items 8, 9 and 10,  
19 all relating to procurement.

20 Item 8 approves and ratifies the extension  
21 of three contracts under the emergency purchase  
22 provisions of the Procurement Code. The first is  
23 for MABSCO Capital, Inc., for loan management  
24 services through December 31st of this year, in the

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1 amount of \$75,000.  
 2 The second is for Catalyst Consulting  
 3 Group for information technology services, including  
 4 network voice and data consulting services and IT  
 5 support, also through December 31st, in the amount  
 6 of \$67,500.

7 And the third is for Accounting Principals  
 8 for advanced level temporary staffing through  
 9 October 22nd of this year in the amount of \$302,724.  
 10 Are there any questions on item 8?

11 Item 9 authorizes the Executive Director  
 12 to enter into contracts with our current provider,  
 13 ADP Total Source, or with other providers for  
 14 employee benefits and payroll services.

15 As to employee benefits, the Authority has  
 16 been testing the market with an insurance broker.  
 17 This resolution delegates to the Executive Director  
 18 the Authority to select the plan in the best  
 19 interest of the Authority, considering factors such  
 20 as the most cost-effective price, maintaining equal  
 21 or better benefit options, and minimizing disruption  
 22 and services to the Authority employees and their  
 23 families.

24 Such selections shall be consistent with  
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1 the Procurement Code and the directive and guidance  
 2 of the Chief Procurement Officer. Any questions on

3 Item 9?  
 4 Item 10 authorizes proceeding with various  
 5 procurements relating to the State Revolving Fund  
 6 for drinking-water and clean-water purposes. That  
 7 fund is administered jointly by the Authority and  
 8 the Illinois Environmental Protection Authority.  
 9 Procurements for financial advisor for the  
 10 State Revolving Fund were previously authorized in  
 11 2015. This resolution authorizes procurements for  
 12 underwriters, trustee, bond counsel, issuers  
 13 counsel, and other professionals.

14 Any questions on Item 10? Thank you.

15 CHAIRMAN FUNDERBURG: Thank you.

16 MEISTER: Item No. 11 will be presented by me  
 17 as Executive Director. I also would like to  
 18 recognize representatives, our colleagues in State  
 19 government of the Department of Human Services,  
 20 Ms. Brenda Hampton. Brenda?  
 21 And who is with the Department of Human  
 22 Services, Division of Mental Health, and Mr. Fred  
 23 Flather, who is the General Counsel of the  
 24 Department of Health and Human Services.

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1 FLATHER: Good morning.

2 MEISTER: From time to time, as I mentioned,  
 3 issues have arisen where the Authority, despite its  
 4 small size and limited balance sheet, can play a  
 5 positive role, despite the larger issues of the  
 6 budget impasse.

7 Such an opportunity has arisen over the

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8 past couple of weeks. The Department of Human  
9 Services provides housing vouchers to a number of  
10 individuals. I think, Brenda, the number is 460?  
11 HAMPTON: It's going down. It started at 471,  
12 but it's decreasing each month, yes.

13 MEISTER: So these housing vouchers go to  
14 landlords for individuals that are low income and  
15 have mental health issues. In connection with these  
16 vouchers, these individuals also receive supportive  
17 services to help them manage their illnesses and  
18 disabilities.

19 Over the past few months, our sister  
20 agency, the Department of -- IHDA, the Illinois  
21 Department of Housing Development, or the Housing  
22 Development Authority, stepped up into this role and  
23 entered into a governmental agreement between DHS  
24 and the Department of Human Services; and, in

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1 essence, in anticipation of a grant from future  
2 appropriations fronted this money that goes to  
3 Catholic Charities, a nonprofit, that has also been  
4 a past borrower of the Authority.

5 Elizabeth and I, as General Counsel, has  
6 worked together with the General Counsel of DHS, and  
7 we have a structure where there will be an  
8 agreement.

9 The Illinois Finance Authority will front  
10 up to \$600,000 that will probably cover the next 60  
11 days plus for these individuals, depending on need

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12 MINUTES 02 Marzullo Transcript 04142016.txt  
13 and depending on the resolution of the budget  
14 impasse. I think it's worth noting there will be no  
15 interest. There will be no fees.

16 This was an opportunity for the Authority  
17 to light a candle rather than curse the darkness of  
18 the current budgetary situation. So I think that  
19 the consequences for these 400 plus individuals are  
20 rather dire, if they are evicted from their current  
21 services, and are deprived -- or their current  
22 housing arrangements and are deprived of services.

23 Those consequences are set forth in the  
24 memo, and Ms. Hampton and Mr. Flather are available  
to answer any questions that the Board may have, as

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1 are Elizabeth and I.

2 CHAIRMAN FUNDERBURG: Okay, great.

3 HORNE: So this is a 60-day financing?

4 MEISTER: Financing is actually -- we

5 anticipated that, and your question anticipated --  
6 we anticipated that, and Elizabeth and I had a  
7 rather robust and extended discussion over the word  
8 "financing" in this context.

9 HORNE: Given the zero interest rate, that may  
10 not be financing.

11 MEISTER: Yes. Elizabeth, you have probably  
12 the best term of art for what we are doing here.

13 WEBER: Well, we're entering into an agreement  
14 with DHS where they will give us a grant, and we  
15 will employ our own funds to make the expenditures  
16 that are required by the grant, the payment to

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17 reimbursement, reimburses us for those expenditures  
18 will be made once DHS gets an appropriation from the  
19 State.  
20 FLATHER: That's exactly right, yes.  
21 MEISTER: Also, in connection with this  
22 agreement, and modeled on the agreement that DHS had  
23 with IHDA, the Authority is really acting as more of  
24 a fiscal agent.

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1 The various grant administration and  
2 monitoring and program administration and monitoring  
3 will be divided between either Catholic Charities or  
4 the Department of Human Services.  
5 We will be bearing, I think it's fair to  
6 say, Fred, no additional monitoring.  
7 FLATHER: That's right. There is zero  
8 programmatic responsibilities for the IFA. DHS  
9 retains all programmatic responsibility, and then  
10 Catholic Charities actually administers it.  
11 They are absorbing -- this is not any  
12 administration cost for Catholic Charities. They  
13 are absorbing those for now, and they're going to  
14 bill us back against their own grant they have for  
15 us. This is only money that goes straight to the  
16 rent and not for any other cost at all.  
17 YONOVER: What happens if we don't have a  
18 budget in 60 days?  
19 MEISTER: Actually, excellent question, because  
20 this is an unusual situation in this programmatic

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21 area, and every other part of the state, other than  
22 the City of Chicago. This programmatic  
23 responsibility is borne by their local housing  
24 authority.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 And if the representatives from DHS can  
2 discuss, if you can, what discussions are ongoing.  
3 FLATHER: I can.  
4 MEISTER: Yes, with the Chicago Housing  
5 Authority.  
6 FLATHER: Is your question -- I just want to  
7 clarify. Is your question are you worried about  
8 what's going to happen to these residents after 60  
9 days, or what happens about getting paid back?  
10 YONOVER: I think it's both.  
11 FLATHER: I can answer both.  
12 YONOVER: It's clearly an unpleasant situation.  
13 FLATHER: Right.  
14 YONOVER: We don't want to make it worse for  
15 people who are already in a bad situation.  
16 FLATHER: Right.  
17 YONOVER: I just want to understand if this is  
18 a bridge for the next 60 days, what happens if we  
19 don't have a budget, how do you bridge the next 60  
20 days?  
21 FLATHER: So what's happening is we're working  
22 with local housing agencies to transfer these  
23 individuals from us paying bridge subsidiaries to  
24 having them be with -- under administration of local

MARZULLO REPORTING AGENCY (312) 321-9365

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1 housing authority, which is really how this should  
2 be going in the future.

3 Some of them may end up coming back to us  
4 for various reasons, but most of them are getting  
5 transferred. So towards that end, the Housing  
6 Authority of Cook County has really stepped up.  
7 They're doing a good job, as well as the Chicago  
8 Housing Authority is working on absorbing a large  
9 number of individuals.

10 It takes time. They got to get their  
11 inspections done. They've got to qualify. And what  
12 so we're hoping is we're expecting by May 1st, this  
13 460 number is going to down a little bit.

14 We're expecting by June 1st, this number  
15 should be cut significantly, because we have been  
16 working with these agencies over 60 days, can get  
17 the people qualified, can get their inspections  
18 done.

19 So we're hoping is that the \$600,000 that  
20 we're asking for, we paid \$209,000 in rent for  
21 April. We're expecting about the same for May. We  
22 are expecting and hoping the number way down for May  
23 -- I mean, for June.

24 And then July forward, the handful of  
MARZULLO REPORTING AGENCY (312) 321-9365

1 people we can get transferred will be using those  
2 funds to try to pay for that.

3 MINUTES 02 Marzullo Transcript 04142016.txt  
4 YONOVER: So by July, all of these people that  
5 are in danger, will not be.

6 FLATHER: I don't think it's going to be all of  
7 them, but we're hopeful it's going to be most of  
8 them. It just depends on the various requirements  
9 for the Housing Authority to get everybody  
10 qualified. We're hoping that a large number of them  
11 will be transferred before July 1st.

12 YONOVER: Assuming they are all transferred by  
13 July, then you are not in a position to return the  
14 money until we have a budget, correct?

15 FLATHER: That's exactly right, yes.

16 YONOVER: It could be a year, it could be nine  
17 months?

18 FLATHER: It could be an eternity.

19 YONOVER: I want one of those loans.

20 MEISTER: Ms. Hampton, can you speak a little  
21 bit about the services that are provided to these  
22 individuals?

23 HAMPTON: Sure. There are an array of  
24 community-based mental health services, assertive  
community treatment, which is the most intensive

MARZULLO REPORTING AGENCY (312) 321-9365

1 service, which is provided by teams of the mental  
2 health professionals, as well as licensed  
3 clinicians.

4 There is drop-in centers. There is  
5 community support services, as well as psychiatric  
6 medication administration and monitoring. So the  
7 service array is robust. It is what DMH has within

MINUTES 02 Marzullo Transcript 04142016.txt  
its service taxonomy.

As with affordable housing, services are not a condition for housing to be retained, but what we have done is that everyone who has a bridge subsidy is what we call it, everyone that has a bridge subsidy was connected with the Mental Health Center before the bridge subsidy was given to them. So there was a connection made at the front end. So if there is a connection on the front end, there is a greater probability that they will retain services, once they are in housing.

MEISTER: Thank you.

YONOVER: Thank for you the work that you do.

BRONNER: Chris?

GOETZ: No, go ahead.

BRONNER: Just a quick question. Is the Authority also then reimbursed for any

MARZULLO REPORTING AGENCY (312) 321-9365

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out-of-pocket, be it expenses associated with our role in this, such as legal, or any other related consultative services that we need to have.

FLATHER: I can tell you what we previously did with IHDA, we did. They weren't able to get zero interest financing. It was something like their cost, we expect to be about \$875, and we did build that into the grant as well.

That is something that we would be happy to take into the grant, if there are some expenses related to that as well.

Page 39

MINUTES 02 Marzullo Transcript 04142016.txt  
MEISTER: I will also say in this case, we were able to build on the model that was already put in place by IHDA, and Elizabeth did a great deal of the work herself. And again, obviously, there is a cost in Elizabeth's time.

In this case, we were able to build on a well thought-out structure.

GOETZ: Is IHDA still part of the deal?

FLATHER: No. IHDA -- we had an agreement for them to pay the March rent and to pay the April rent, and that was the most that they were able to do.

GOETZ: So you don't have to pay that money

MARZULLO REPORTING AGENCY (312) 321-9365

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back?

FLATHER: Oh, no, we do have to pay that money back, that's right, but they are in the same, they could wait until eternity as well.

GOETZ: Okay. All right.

FLATHER: Depending on what happens on the budget and the Governor.

GOETZ: So we're not using our money to pay them?

FLATHER: This money is going to be used exclusively for the rent for mental-ill,

low-income people, yes.

GOETZ: Okay.

CHAI RIMAN FUNDERBURG: Any other questions?

Okay, thank you all very much. Now I would like to ask if there is a motion to pass and adopt the

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MINUTES 02 Marzullo Transcript 04142016.txt  
17 Project Reports and Resolutions 1 through 11.  
18 Is there such a motion?  
19 MCCOY: Move to approve.  
20 JURACEK: Second.  
21 CHAIRMAN FUNDERBURG: Mr. Fletcher?  
22 FLETCHER: On the motion, I'll call the roll.  
23 Ms. Bronner?  
24 BRONNER: Yes.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 FLETCHER: Mr. Fuentes?  
2 FUENTES: Yes.  
3 FLETCHER: Mr. Goetz?  
4 GOETZ: Yes.  
5 FLETCHER: Mr. Horne?  
6 HORNE: Yes.  
7 FLETCHER: Ms Juracek?  
8 JURACEK: Yes.  
9 FLETCHER: Mr. McCoy?  
10 MCCOY: Yes.  
11 FLETCHER: Mr. Poole?  
12 POOLE: Yes.  
13 FLETCHER: Mr. Yonover?  
14 YONOVER: Yes.  
15 FLETCHER: And Mr. Chairman?  
16 CHAIRMAN FUNDERBURG: Yes.  
17 FLETCHER: Mr. Chairman, the motion carries.  
18 CHAIRMAN FUNDERBURG: Thank you very much.  
19 Next I would like to ask if there is any other business  
20 whatsoever anybody would like to discuss? If not, I would

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MINUTES 02 Marzullo Transcript 04142016.txt  
21 I like to ask for a motion to excuse the absences of the  
22 Members unable to participate today. Is there such a  
23 motion?

24 BRONNER: So moved.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 CHAIRMAN FUNDERBURG: Is there a second?  
2 POOLE: Second.  
3 CHAIRMAN FUNDERBURG: All in favor, say aye.  
4 (A chorus of ayes.)  
5 CHAIRMAN FUNDERBURG: Any opposed?  
6 (No response.)  
7 CHAIRMAN FUNDERBURG: And then I would like to  
8 ask if there is any public comment at all? We've  
9 got a number of visitors that have come in. Some of  
10 you were working with us this month, some others as  
11 well. Any other public comment whatsoever?  
12 MEISTER: If I may, Mr. Seybold, thank you for  
13 coming down from Rockford. We really appreciate it.  
14 And, again, thank you for bringing the renderings.  
15 They are very clear. They remind me of the new Rush  
16 facility on the west side with the butterfly wings  
17 that you have.  
18 So we're happy to be helping out  
19 Metropolitan Rockford and Northern Illinois. It's  
20 very exciting. And it also, just to note, that  
21 Mercy is a Wisconsin-based entity that is coming  
22 down and investing in Illinois, and we're  
23 appreciative of that.

SEYBOLD: We appreciate all of your support.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 Thank you.

2 CHAIRMAN FUNDERBURG: And I'll weigh in on that

3 as well. As a resident of the area, I want to echo

4 Executive Director Meister's remarks, and good luck

5 with your project.

6 SEYBOLD: Thank you.

7 CHAIRMAN FUNDERBURG: Okay. If that's it, then

8 I would like to ask for a motion to adjourn.

9 HORNE: So moved.

10 FUENTES: Second.

11 CHAIRMAN FUNDERBURG: All in favor, say aye.

12 (A chorus of ayes.)

13 CHAIRMAN FUNDERBURG: Okay. Thank you all very

14 much.

15 FLETCHER: It's 10:33.

16 (WHICH WERE ALL THE PROCEEDINGS HAD at 10:33 a.m.)

1 STATE OF ILLINOIS }  
 2 COUNTY OF COOK } SS:

3

4 PAMELA A. MARZULLO, C.S.R., being first duly sworn,

5 says that she is a court reporter doing business in the city

6 of Chicago; that she reported in shorthand the proceedings

7 had at the Proceedings of said cause; that the foregoing is

8 a true and correct transcript of her shorthand notes, so

9 taken as aforesaid, and contains all the proceedings of said

10 hearing.

11 \_\_\_\_\_  
 12 PAMELA A. MARZULLO  
 13 License No. 084-001624

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD VOICE VOTE  
APRIL 14, 2016 AGENDA OF THE REGULAR MEETING OF THE BOARD  
ADOPTED

April 14, 2016

8 YEAS

0 NAYS

0 PRESENT

E	Anderberg	Y	Juracek	E	Tessler
Y	Bronner	E	Knox	NV	Yonover (ADDED)
Y	Fuentes	Y	McCoy	E	Zeller
Y	Goetz	E	O'Brien	Y	Mr. Chairman
Y	Horne	Y	Poole		

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD VOICE VOTE  
MARCH 10, 2016 MINUTES OF THE REGULAR MEETING  
OF THE BOARD  
ADOPTED

April 14, 2016

8 YEAS

0 NAYS

0 PRESENT

E Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Juracek  
E Knox  
Y McCoy  
E O'Brien  
Y Poole

E Tessler  
NV Yonover (ADDED)  
E Zeller  
Y Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD VOICE VOTE  
FINANCIAL REPORTS  
ACCEPTED

April 14, 2016

8 YEAS

0 NAYS

0 PRESENT

E Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Juracek  
E Knox  
Y McCoy  
E O'Brien  
Y Poole

E Tessler  
NV Yonover (ADDED)  
E Zeller  
Y Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0414-NP01  
501(c)(3) REVENUE BOND – ASSOCIATION HOUSE OF CHICAGO  
FINAL (ONE-TIME CONSIDERATION)  
PASSED\*

April 14, 2016

9 YEAS

0 NAYS

0 PRESENT

E	Anderberg	Y	Juracek	E	Tessler
Y	Bronner	E	Knox	Y	Yonover (ADDED)
Y	Fuentes	Y	McCoy	E	Zeller
Y	Goetz	E	O'Brien	Y	Mr. Chairman
Y	Horne	Y	Poole		

\* – Consent Agenda

E – Denotes Excused Absence



ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0414-NP02  
501(c)(3) REVENUE BOND – LINDRAN PROPERTIES LLC AND IRG BRONZEVILLE  
GROUP LLC (BETTER HOUSING FOUNDATION SHORELINE PROPERTIES PORTFOLIO  
FINAL (ONE-TIME CONSIDERATION)  
PASSED\*

April 14, 2016

9 YEAS

0 NAYS

0 PRESENT

E Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Juracek  
E Knox  
Y McCoy  
E O'Brien  
Y Poole

E Tessler  
Y Yonover (ADDED)  
E Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0414-HC03  
501(c)(3) REVENUE BOND – MERCYROCKFORD HEALTH SYSTEM CORPORATION  
FINAL  
PASSED\*

April 14, 2016

9 YEAS

0 NAYS

0 PRESENT

E Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Juracek  
E Knox  
Y McCoy  
E O'Brien  
Y Poole

E Tessler  
Y Yonover (ADDED)  
E Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0414-HC04  
501(c)(3) REVENUE BOND – IOWA HEALTH SYSTEM D/B/A UNITYPOINT HEALTH  
FINAL  
PASSED\*

April 14, 2016

9 YEAS

0 NAYS

0 PRESENT

E	Anderberg	Y	Juracek	E	Tessler
Y	Bronner	E	Knox	Y	Yonover (ADDED)
Y	Fuentes	Y	McCoy	E	Zeller
Y	Goetz	E	O'Brien	Y	Mr. Chairman
Y	Horne	Y	Poole		

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0414-AD05  
RESOLUTION AMENDING \$5,000,000 AGGREGATE PRINCIPAL AMOUNT OF  
VARIABLE RATE DEMAND REVENUE BONDS (CHINESE AMERICAN SERVICE  
LEAGUE PROJECT) SERIES 2002 OF THE ILLINOIS DEVELOPMENT FINANCE  
AUTHORITY; AUTHORIZING THE EXECUTION AND DELIVERY OF A  
SUPPLEMENTAL INDENTURE OF TRUST AND RELATED DOCUMENTS IN  
CONNECTION THEREWITH; AND RELATED MATTERS  
ADOPTED\*

April 14, 2016

9 YEAS

0 NAYS

0 PRESENT

E Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Juracek  
E Knox  
Y McCoy  
E O'Brien  
Y Poole

E Tessler  
Y Yonover (ADDED)  
E Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD ROLL CALL  
RESOLUTION 2016-0414-AD06  
RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY THE ILLINOIS  
FINANCE AUTHORITY OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST  
RELATING TO ITS ADJUSTABLE RATE DEMAND REVENUE BONDS (700 HICKORY  
HILLS DRIVE, LLC PROJECT) SERIES 2013, ALONG WITH RELATED DOCUMENTS  
ADOPTED\*

April 14, 2016

9 YEAS

0 NAYS

0 PRESENT

E Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Juracek  
E Knox  
Y McCoy  
E O'Brien  
Y Poole

E Tessler  
Y Yonover (ADDED)  
E Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD VOICE VOTE  
RESOLUTION 2016-0414-AD07

RESOLUTION APPROVING THE TRANSFER OF ALLOCATION FOR BONDING  
AUTHORITY OF QUALIFIED ENERGY CONSERVATION BONDS BY THE ILLINOIS  
FINANCE AUTHORITY TO THE METROPOLITAN WATER RECLAMATION DISTRICT  
OF GREATER CHICAGO IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED  
\$4,000,000; AND RELATED MATTERS

ADOPTED\*

April 14, 2016

9 YEAS

0 NAYS

0 PRESENT

E Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Juracek  
E Knox  
Y McCoy  
E O'Brien  
Y Poole

E Tessler  
Y Yonover (ADDED)  
E Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD VOICE VOTE  
RESOLUTION 2016-0414-AD08  
RESOLUTION APPROVING EMERGENCY CONTRACTS WITH MABSCO CAPITAL,  
INC., CATALYST CONSULTING GROUP, INC., AND ACCOUNTING PRINCIPALS, INC.  
ADOPTED\*

April 14, 2016

9 YEAS

0 NAYS

0 PRESENT

E Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Juracek  
E Knox  
Y McCoy  
E O'Brien  
Y Poole

E Tessler  
Y Yonover (ADDED)  
E Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD VOICE VOTE  
RESOLUTION 2016-0414-AD09  
RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO  
CONTRACTS WITH ADP TOTALSOURCE, INC./ADP TOTALSOURCE MI VII, LLC OR  
OTHER PROVIDERS FOR EMPLOYEE BENEFITS AND PAYROLL SERVICES  
ADOPTED\*

April 14, 2016

9 YEAS

0 NAYS

0 PRESENT

E Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Juracek  
E Knox  
Y McCoy  
E O'Brien  
Y Poole

E Tessler  
Y Yonover (ADDED)  
E Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence



ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD VOICE VOTE  
RESOLUTION 2016-0414-AD10  
RESOLUTION TO APPROVE GOING FORWARD WITH PROCUREMENTS FOR  
UNDERWRITERS AND A TRUSTEE, BOND COUNSEL, ISSUER'S COUNSEL AND  
OTHER PROFESSIONALS FOR THE STATE REVOLVING FUND  
ADOPTED\*

April 14, 2016

9 YEAS

0 NAYS

0 PRESENT

E Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Juracek  
E Knox  
Y McCoy  
E O'Brien  
Y Poole

E Tessler  
Y Yonover (ADDED)  
E Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY  
BOARD OF DIRECTORS  
BOARD VOICE VOTE  
RESOLUTION 2016-0414-AD11  
RESOLUTION AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT WITH THE  
DEPARTMENT OF HUMAN SERVICES (DHS) AND AUTHORIZING OTHER  
ARRANGEMENTS WITH DHS OR ITS SERVICE PROVIDERS, OR BOTH, INCLUDING,  
WITHOUT LIMITATION, GRANTS, LOANS OR OTHER FINANCIAL ARRANGEMENTS,  
TO ASSIST IN PROVIDING SUPPORTIVE HOUSING RENTAL SUBSIDIES FOR LOW  
INCOME INDIVIDUALS WITH MENTAL ILLNESS  
ADOPTED\*

April 14, 2016

9 YEAS

0 NAYS

0 PRESENT

E Anderberg  
Y Bronner  
Y Fuentes  
Y Goetz  
Y Horne

Y Juracek  
E Knox  
Y McCoy  
E O'Brien  
Y Poole

E Tessler  
Y Yonover (ADDED)  
E Zeller  
Y Mr. Chairman

\* – Consent Agenda

E – Denotes Excused Absence

**FINANCIAL ANALYSIS**

May 12, 2016

**V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL REPORTS  
MONTHLY AND ANNUAL SUMMARY AS OF APRIL 30, 2016\***

\*All information is **preliminary and unaudited**.

**FISCAL YEAR 2016-UNAUDITED****1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME**

- a. **Total Annual Revenues** equal \$4.3 million and are \$135 thousand or 4% higher than budget-due primarily to higher closing fees in April. Closing fees year to date of \$2.9 million, are \$147 thousand or 5% higher than budget. Annual fees of \$289 thousand are \$8 thousand lower than the budgeted amount. Administrative service fees are \$93 thousand for the year and 6 times higher than budget. Application fees total \$43 thousand and are 1 and ½ times the budgeted amount, due mostly to new Fire Truck and Ambulance loans. Total accrued interest income from the former IRBB local governments and others totaled \$783 thousand. Net investment income stands at \$142 thousand for the fiscal year and is \$10 thousand higher than budget.
- b. In **April**, the Authority generated \$449 thousand in closing fees, the second highest monthly total in FY16, and higher than the monthly budget of \$276 thousand. Closing fees were received from: **Presbyterian Homes** for \$138 thousand; **Park Place** for \$138 thousand; **DePaul University** for \$124 thousand, **Harrisburg Community School** for \$22 thousand, **Association House** for \$20 thousand and various **Agriculture-relating closings** for \$7 thousand. Administrative service fees totaled \$4,200. Investment information for April is not yet final, but in March, we recorded a net investment gain of \$32 thousand, the third highest monthly total in Fiscal Year 2016.
- c. **Total Annual Expenses** of \$3.5 million, which is \$674 thousand or 16% lower than budget, are mostly driven by vacant budgeted staff positions and delays in IT projects and purchases. Year to date, employee expenses total \$1.5 million and professional services expenses total \$1.4 million; with each function at 23% and 7% under budget, respectively. Annual occupancy costs of \$198 thousand are 5% lower than the budget, while general and administrative costs are \$336 thousand for the year, which is 2% over budget. Total depreciation costs are \$113 thousand below budget, as the debt management software implementation has been delayed. Total cash transfers out of the General Operating Fund to the Primary Government Borrowing Fund (set up to track financial activity on behalf of the State of Illinois) are \$4.9 million. Total cash transfers out of the General Operating Fund to the DACA Loan Fund are \$1.2 million.
- d. In **April**, the Authority recorded operating expenses of \$305 thousand, which is lower than the monthly budgeted amount of \$419 thousand. The decrease from the previous month is due to payments made for legal fees on behalf of the State of Illinois Procurement in March for \$108 thousand and an accrual for outstanding legal fees of \$75 thousand.
- e. **Total Monthly Net Income** of \$294 thousand is driven by higher closing fees and a decrease in professional services spending.
- f. **Total Annual Net Income** is \$805 thousand. The major driver of the annual positive bottom line continues to be the level of overall spending at 16% below budget, as well as higher administrative service and application fees.

<sup>1</sup>**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.

## **V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS MONTHLY AND ANNUAL SUMMARY AS OF APRIL 30, 2016\***

### **2. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION**

The Statement of Net Position (Balance Sheet) represents results as of March 31, 2016. As of this date, the Authority is a \$121 million dollar agency which also currently accounts for \$266 million in total activity (including the Other State of Illinois Debt Fund) and maintains compliance for \$24 billion in outstanding debt.

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

In the General Fund, the Authority continues to maintain a strong balance sheet, with total net position of \$53 million. The total assets in the General Fund are \$54.5 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$27 million (with \$6.6 million in liquidated securities to purchase State of Illinois receivables). Notes receivables from the former IRBB local governments total \$17.2 million. Participation, DACA and other loans/government receivables are at \$3.5 million. Restricted cash and investments in the DACA Loan Fund-Programs FY15 and FY16 total \$1.8 million. Liabilities (current and non-current), including amounts due to brokers for pending investment purchases, total \$2.7 million.

### **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 (CWI) bonds for IEPA. Total assets and liabilities in this fund each total \$145.6 million.
- b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year to date receipts of \$320 thousand, with the funds earning an additional \$40 thousand in net investment income. In FY16, 28 new Fire Truck revolving loans were issued totaling \$7.5 million. Additional loans are pending the Authority's final administrative review. In conjunction with the Office of the State Fire Marshal, 13 new Ambulance loans totaling \$1.7 million will be tentatively disbursed in April/May of 2016. Net position of \$22.4 million for Fire Truck and \$4.2 million for Ambulance, are reported on the Authority's balance sheet.
- c. The Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer Agribusiness Loan Guarantee Fund include restricted assets held by the State Treasurer to make payouts of losses, in relation to the Authority's agricultural loan guarantee program. As of FY2015, the Agricultural Guarantee Fund has expensed an actual payout of \$155 thousand, in relation to previous litigation and the Agribusiness Fund includes a loss reserve of \$563 thousand for potential loan loss payouts. The \$155 thousand dollar payout was originally made from the Authority's locally held Industrial Project Insurance Fund. The Authority has requested reimbursement of the FY2015 payout from the Illinois Comptroller. Restricted net position for these funds totals \$10.2 million and \$7.9 million respectively.
- d. All other nonmajor funds booked combined year to date revenues of \$171 thousand, of which, \$140 thousand is derived from investment activity. Year to date expenses total \$19 thousand as of March. Total Net Position in the remaining nonmajor funds is \$39.8 million.
- e. The Metro East Police District Commission is reported as an agency/fiduciary fund, which has total assets of \$26 thousand in the custody of the Authority. The Illinois Finance Authority NFP Development Fund has a total net position of \$18 thousand.

### **5. AUTHORITY AUDITS AND REGULATORY UPDATES**

- a. Upcoming Governmental Accounting Standards Board (GASB) accounting and financial reporting issues critical to the Authority's financial presentation in FY2016/FY2017 include changes in investment reporting, fiduciary activities, leases, grants, nonexchange transaction compliance and indirectly, new guidance on tax

**V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS  
MONTHLY AND ANNUAL SUMMARY AS OF APRIL 30, 2016\***

abatements for local governments. The Financial Accounting Standards Board (FASB) has also (in response to GASB's initiative), submitted a proposal for all private sector entities to also disclose assistance received from governmental entities.

- b. The Authority will welcome new external auditors for its FY2016 and FY2017 Financial Audit and Compliance Examination. Responses for the Office of the Auditor General's RFP were received April 14, 2016, with the kick-off for the FY2016 Financial Audit scheduled for later this month.

**6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION**

- a. The Schedule of Debt, State of Illinois Receivables Summary and other documents are being presented as supplementary financial information, immediately following the financial reports in your Board package.



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND NET INCOME**  
**GENERAL OPERATING FUND**  
**FOR FISCAL YEAR 2016 AS OF APRIL 30, 2016**  
**(PRELIMINARY AND UNAUDITED)**

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE (\$)	BUDGET VARIANCE (%)
<b>Operating Revenues:</b>																
Closing Fees	177,507	292,080	792,030	447,890	163,066	114,611	227,594	155,443	84,991	448,515	-	-	2,903,727	2,756,621	147,106	5.3%
Annual Fees	16,990	11,752	14,204	76,691	-	40,004	34,357	10,152	14,089	71,141	-	-	289,380	298,085	(8,705)	-2.9%
Administrative Service Fees	-	15,000	10,000	-	-	43,429	25,000	-	-	-	-	-	93,429	12,500	80,929	647.4%
Application Fees	3,000	4,800	6,100	11,100	4,900	2,400	1,200	4,200	1,500	3,750	-	-	42,950	25,750	17,200	66.8%
Miscellaneous Fees	139	1,213	-	341	-	-	94	-	24	-	-	-	1,811	4,583	(2,772)	-60.5%
Interest Income-Loans	83,318	82,857	82,675	82,712	82,661	84,109	81,346	62,392	70,355	70,298	-	-	782,723	853,276	(70,553)	-8.3%
Other Revenue	-	973	169	207	206	207	200	4,748	198	198	-	-	7,106	36,667	(29,561)	-80.6%
<b>Total Operating Revenue:</b>	<b>\$ 280,954</b>	<b>\$ 408,675</b>	<b>\$ 905,178</b>	<b>\$ 618,941</b>	<b>\$ 250,833</b>	<b>\$ 284,760</b>	<b>\$ 369,791</b>	<b>\$ 236,935</b>	<b>\$ 171,157</b>	<b>\$ 593,902</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,121,126</b>	<b>\$ 3,987,482</b>	<b>\$ 133,644</b>	<b>3.4%</b>
<b>Operating Expenses:</b>																
Employee Related Expense	141,053	142,455	148,939	148,049	140,690	140,655	159,303	156,660	157,852	154,182	-	-	1,489,838	1,946,024	(456,186)	-23.4%
Professional Services	106,155	59,247	135,606	191,582	161,386	202,640	111,720	89,371	227,276	105,421	-	-	1,390,404	1,490,064	(99,660)	-6.7%
Occupancy Costs	19,832	23,793	11,217	42,809	13,219	15,474	14,647	17,006	25,543	14,664	-	-	198,204	208,679	(10,475)	-5.0%
General & Administrative	29,890	28,028	30,407	27,060	35,013	35,370	36,173	57,653	28,268	27,953	-	-	335,815	330,314	5,501	1.7%
Depreciation and Amortization	6,078	6,120	6,120	3,942	3,942	3,942	3,942	3,942	2,892	2,481	-	-	43,401	156,736	(113,335)	-72.3%
<b>Total Operating Expense</b>	<b>\$ 303,008</b>	<b>\$ 259,643</b>	<b>\$ 332,289</b>	<b>\$ 413,442</b>	<b>\$ 354,250</b>	<b>\$ 398,081</b>	<b>\$ 325,785</b>	<b>\$ 324,632</b>	<b>\$ 441,831</b>	<b>\$ 304,701</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,457,662</b>	<b>\$ 4,131,817</b>	<b>\$ (674,155)</b>	<b>-16.3%</b>
<b>Operating Income(Loss)</b>	<b>\$ (22,054)</b>	<b>\$ 149,032</b>	<b>\$ 572,889</b>	<b>\$ 205,499</b>	<b>\$ (103,417)</b>	<b>\$ (113,321)</b>	<b>\$ 44,006</b>	<b>\$ (87,697)</b>	<b>\$ (270,674)</b>	<b>\$ 289,201</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 663,464</b>	<b>\$ (144,335)</b>	<b>\$ 807,799</b>	<b>559.7%</b>
<b>Nonoperating Revenues (Expenses)</b>																
Miscellaneous Non-Opertg Rev/(Exp)	-	-	-	-	(610)	-	-	-	-	-	-	-	(610)	(417)	(193)	46.3%
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	8,333	(8,333)	-100.0%
Interest and Investment Income*	25,941	26,361	26,202	21,742	27,014	20,166	16,590	23,642	18,976	N/A	-	-	206,634	244,650	(38,016)	-15.5%
Realized Gain (Loss) on Sale of Invest	(473)	(1,332)	(442)	(502)	(9,686)	(9)	14,798	(51)	3,237	N/A	-	-	5,540	(9,750)	15,290	-156.8%
Net Appreciation (Depr) in FV of Invest	(12,645)	(26,167)	32,129	(35,752)	(58,174)	(32,358)	56,645	(4,113)	10,081	N/A	-	-	(70,354)	(102,750)	32,396	-31.5%
<b>Total Nonoperating Rev (Exp)</b>	<b>\$ 12,823</b>	<b>\$ (1,138)</b>	<b>\$ 57,889</b>	<b>\$ (14,512)</b>	<b>\$ (41,456)</b>	<b>\$ (12,201)</b>	<b>\$ 88,033</b>	<b>\$ 19,478</b>	<b>\$ 32,294</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 141,210</b>	<b>\$ 140,066</b>	<b>\$ 1,144</b>	<b>0.8%</b>
<b>Net Income (Loss) Before Transfers</b>	<b>\$ (9,231)</b>	<b>\$ 147,894</b>	<b>\$ 630,778</b>	<b>\$ 190,987</b>	<b>\$ (144,873)</b>	<b>\$ (125,522)</b>	<b>\$ 132,039</b>	<b>\$ (68,219)</b>	<b>\$ (238,380)</b>	<b>\$ 289,201</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 804,674</b>	<b>\$ (4,269)</b>	<b>\$ 808,943</b>	<b>-18947.9%</b>
<b>Transfers:</b>																
Transfers in from other funds	-	-	-	-	251,683	2,076,383	72,226	124,479	3,389,347	153,087	-	-	6,067,205	-	-	0.0%
Transfers out to other funds	-	-	-	-	(251,665)	(2,076,383)	(72,226)	(124,479)	(3,389,347)	(153,087)	-	-	(6,067,187)	-	-	0.0%
<b>Total Transfers In (Out)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Net Income (Loss)</b>	<b>\$ (9,231)</b>	<b>\$ 147,894</b>	<b>\$ 630,778</b>	<b>\$ 190,987</b>	<b>\$ (144,855)</b>	<b>\$ (125,522)</b>	<b>\$ 132,039</b>	<b>\$ (68,219)</b>	<b>\$ (238,380)</b>	<b>\$ 289,201</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 804,692</b>	<b>\$ (4,269)</b>	<b>\$ 808,961</b>	<b>-18948.3%</b>

\*Investment information is as of March 2016. Data for April 2016 will be provided at the June 2016 board meeting.



**ILLINOIS FINANCE AUTHORITY**  
 STATEMENT OF REVENUES, EXPENSES AND NET INCOME  
 IFA FUNDS AND AGENCY FUND ACTIVITY  
 FOR FISCAL YEAR 2016 AS OF APRIL 30, 2016  
 (PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS*	TOTAL ALL FUNDS	AGENCY FUNDS
<b>Operating Revenues:</b>								
Closing Fees	2,903,727	-	-	-	2,903,727	-	2,903,727	-
Annual Fees	289,380	-	-	-	289,380	-	289,380	-
Administrative Service Fees	93,429	-	-	-	93,429	-	93,429	-
Application Fees	42,950	-	-	-	42,950	-	42,950	-
Miscellaneous Fees	1,811	314,371	-	213	316,395	-	316,395	-
Interest Income-Loans	782,723	5,157	-	30,717	818,597	3,410,564	4,229,161	-
Other Revenue	7,106	-	-	541	7,647	-	7,647	-
<b>Total Operating Revenue:</b>	<b>\$ 4,121,126</b>	<b>\$ 319,528</b>	<b>\$ -</b>	<b>\$ 31,471</b>	<b>\$ 4,472,125</b>	<b>\$ 3,410,564</b>	<b>\$ 7,882,689</b>	<b>\$ -</b>
<b>Operating Expenses:</b>								
Employee Related Expense	1,489,838	-	-	-	1,489,838	-	1,489,838	-
Professional Services	1,390,404	1,482	1,825	9,275	1,402,986	-	1,402,986	-
Occupancy Costs	198,204	-	-	-	198,204	-	198,204	-
General & Administrative	335,815	-	-	7,089	342,904	-	342,904	-
Interest Expense	-	-	-	2,776	2,776	3,566,169	3,568,945	-
Depreciation and Amortization	43,401	-	-	-	43,401	-	43,401	-
<b>Total Operating Expense</b>	<b>\$ 3,457,662</b>	<b>\$ 1,482</b>	<b>\$ 1,825</b>	<b>\$ 19,140</b>	<b>\$ 3,480,109</b>	<b>\$ 3,566,169</b>	<b>\$ 7,046,278</b>	<b>\$ -</b>
<b>Operating Income(Loss)</b>	<b>\$ 663,464</b>	<b>\$ 318,046</b>	<b>\$ (1,825)</b>	<b>\$ 12,331</b>	<b>\$ 992,016</b>	<b>\$ (155,605)</b>	<b>\$ 836,411</b>	<b>\$ -</b>
<b>Nonoperating Revenues (Expenses):</b>								
Miscellaneous non-opertg rev/(exp)	(610)	-	-	-	(610)	-	(610)	-
Interest and invesment income*	206,634	29,972	22,796	176,506	435,908	155,605	591,513	19
Realized Gain (Loss) on sale of investment*	5,540	1,498	1,160	(983)	7,215	-	7,215	-
Net Appreciation (Depr) in fair value of investments*	(70,354)	(3,733)	(12,327)	(36,465)	(122,879)	-	(122,879)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 141,210</b>	<b>\$ 27,737</b>	<b>\$ 11,629</b>	<b>\$ 139,058</b>	<b>\$ 319,634</b>	<b>\$ 155,605</b>	<b>\$ 475,239</b>	<b>\$ 19</b>
<b>Net Income (Loss) Before Transfers</b>	<b>\$ 804,674</b>	<b>\$ 345,783</b>	<b>\$ 9,804</b>	<b>\$ 151,389</b>	<b>\$ 1,311,650</b>	<b>\$ -</b>	<b>\$ 1,311,650</b>	<b>\$ 19</b>
<b>Transfers:</b>								
Transfers in from other funds	6,067,205	-	-	-	6,067,205	-	6,067,205	-
Transfers out to other funds	(6,067,187)	-	-	(18)	(6,067,205)	-	(6,067,205)	-
<b>Total Transfers In (Out)</b>	<b>\$ 18</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (18)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Income (Loss)</b>	<b>\$ 804,692</b>	<b>\$ 345,783</b>	<b>\$ 9,804</b>	<b>\$ 151,371</b>	<b>\$ 1,311,650</b>	<b>\$ -</b>	<b>\$ 1,311,650</b>	<b>\$ 19</b>

*\*Investment information is as of February 2016. Data for March 2016 will be provided at the May 2016 board meeting.*



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**IFA FUNDS AND AGENCY FUND ACTIVITY**  
 March 31, 2016  
 (PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
<b>Assets and Deferred Outflows:</b>								
<b>Current Assets:</b>								
<b>Unrestricted:</b>								
Cash & cash equivalents	9,727,699	-	-	62,332	9,790,031	-	9,790,031	-
Investments	9,451,049	-	-	754,318	10,205,367	-	10,205,367	-
Accounts receivable, Net	4,649,445	-	-	-	4,649,445	-	4,649,445	-
Loans receivables, Net	2,146,510	-	-	-	2,146,510	-	2,146,510	-
Accrued interest receivable	181,228	-	-	4,297	185,525	-	185,525	-
Bonds and notes receivable	1,731,600	-	-	-	1,731,600	-	1,731,600	-
Due from other funds	88,707	-	-	-	88,707	-	88,707	-
Due from other local government agencies	-	-	-	3,000,000	3,000,000	-	3,000,000	-
Prepaid Expenses	100,312	-	-	-	100,312	-	100,312	-
<b>Total Current Unrestricted Assets</b>	<b>\$ 28,076,550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,820,947</b>	<b>\$ 31,897,497</b>	<b>\$ -</b>	<b>\$ 31,897,497</b>	<b>\$ -</b>
<b>Restricted:</b>								
Cash & Cash Equivalents	1,169,057	919,564	3,897,177	4,739,964	10,725,762	45,130,221	55,855,983	26,234
Investments	297,117	50,117	74,957	4,663,932	5,086,123	-	5,086,123	-
Accrued interest receivable	1,882	2,224	198	26,688	30,992	18,886	49,878	-
Due from primary government	-	-	-	155,000	155,000	-	155,000	-
Bonds and notes receivable from State component units	-	-	-	-	-	1,074,042	1,074,042	-
Loans receivables, Net	-	1,358,212	74,320	25,856	1,458,388	-	1,458,388	-
<b>Total Current Restricted Assets</b>	<b>\$ 1,468,056</b>	<b>\$ 2,330,117</b>	<b>\$ 4,046,652</b>	<b>\$ 9,611,440</b>	<b>\$ 17,456,265</b>	<b>\$ 46,223,149</b>	<b>\$ 63,679,414</b>	<b>\$ 26,234</b>
<b>Total Current Assets</b>	<b>\$ 29,544,606</b>	<b>\$ 2,330,117</b>	<b>\$ 4,046,652</b>	<b>\$ 13,432,387</b>	<b>\$ 49,353,762</b>	<b>\$ 46,223,149</b>	<b>\$ 95,576,911</b>	<b>\$ 26,234</b>
<b>Non-current Assets:</b>								
<b>Unrestricted:</b>								
Investments	7,699,641	-	-	1,034,486	8,734,127	-	8,734,127	-
Loans receivables, Net	1,405,527	-	-	-	1,405,527	-	1,405,527	-
Bonds and notes receivable	15,457,337	-	-	-	15,457,337	-	15,457,337	-
<b>Total Noncurrent Unrestricted Assets</b>	<b>\$ 24,562,505</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,034,486</b>	<b>\$ 25,596,991</b>	<b>\$ -</b>	<b>\$ 25,596,991</b>	<b>\$ -</b>
<b>Restricted:</b>								
Cash & Cash Equivalents	-	-	-	600,000	600,000	-	600,000	-
Investments	326,802	59,932	-	5,252,074	5,638,808	3,345,538	8,984,346	-
Funds in the custody of the Treasurer	-	57,336	-	18,062,264	18,119,600	-	18,119,600	-
Loans receivables, Net	-	19,965,258	172,960	1,379,419	21,517,637	-	21,517,637	-
Bonds and notes receivable from primary government	-	-	-	-	-	64,232,484	64,232,484	-
Bonds and notes receivable from State component units	-	-	-	-	-	31,041,659	31,041,659	-
<b>Total Noncurrent Restricted Assets</b>	<b>\$ 326,802</b>	<b>\$ 20,082,526</b>	<b>\$ 172,960</b>	<b>\$ 25,293,757</b>	<b>\$ 45,876,045</b>	<b>\$ 98,619,681</b>	<b>\$ 144,495,726</b>	<b>\$ -</b>
<b>Capital Assets</b>								
Capital Assets	789,461	-	-	-	789,461	-	789,461	-
Accumulated Depreciation	(754,404)	-	-	-	(754,404)	-	(754,404)	-
<b>Total Capital Assets</b>	<b>\$ 35,057</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,057</b>	<b>\$ -</b>	<b>\$ 35,057</b>	<b>\$ -</b>
<b>Total Noncurrent Assets</b>	<b>\$ 24,924,364</b>	<b>\$ 20,082,526</b>	<b>\$ 172,960</b>	<b>\$ 26,328,243</b>	<b>\$ 71,508,093</b>	<b>\$ 98,619,681</b>	<b>\$ 170,127,774</b>	<b>\$ -</b>





**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**IFA FUNDS AND AGENCY FUND ACTIVITY**  
 March 31, 2016  
 (PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
<b>Total Assets</b>	\$ 54,468,970	\$ 22,412,643	\$ 4,219,612	\$ 39,760,630	\$ 120,861,855	\$ 144,842,830	\$ 265,704,685	\$ 26,234
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>								
Deferred loss on debt refunding	-	-	-	-	-	624,497	624,497	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 624,497	\$ 624,497	\$ -
<b>Total Assets &amp; Deferred Inflows of Resources</b>	\$ 54,468,970	\$ 22,412,643	\$ 4,219,612	\$ 39,760,630	\$ 120,861,855	\$ 145,467,327	\$ 266,329,182	\$ 26,234



**ILLINOIS FINANCE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**IFA FUNDS AND AGENCY FUND ACTIVITY**  
 March 31, 2016  
 (PRELIMINARY AND UNAUDITED)

	GENERAL FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
<b>Liabilities:</b>								
<b>Current Liabilities:</b>								
Payable from unrestricted current assets:								
Accounts payable	63,313	-	-	-	63,313	-	63,313	-
Accrued liabilities	641,013	-	-	-	641,013	-	641,013	-
Due to employees	101,017	-	-	-	101,017	-	101,017	-
Due to primary government	80,001	-	-	-	80,001	-	80,001	-
Due to other funds	64,750	-	-	23,957	88,707	-	88,707	-
Other liabilities	70,000	-	-	-	70,000	-	70,000	26,234
Unearned revenue, net of accumulated amortization	311,152	-	-	-	311,152	-	311,152	-
<b>Total Current Liabilities Payable from Unrestricted Current Assets</b>	<b>\$ 1,331,246</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,957</b>	<b>\$ 1,355,203</b>	<b>\$ -</b>	<b>\$ 1,355,203</b>	<b>\$ 26,234</b>
Payable from restricted current assets:								
Accounts payable	-	-	-	125,779	125,779	-	125,779	-
Accrued interest payable	-	-	-	1,030	1,030	1,380,835	1,381,865	-
Bonds and notes payable from primary government	-	-	-	-	-	20,355,000	20,355,000	-
Bonds and notes payable from State component units	-	-	-	-	-	2,301,018	2,301,018	-
Current portion of long term debt	-	-	-	60,584	60,584	-	60,584	-
Other liabilities	-	-	-	155,000	155,000	-	155,000	-
Unamortized bond premium	-	-	-	-	-	783,292	783,292	-
<b>Total Current Liabilities Payable from Restricted Current Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 342,393</b>	<b>\$ 342,393</b>	<b>\$ 24,820,145</b>	<b>\$ 25,162,538</b>	<b>\$ -</b>
<b>Total Current Liabilities</b>	<b>\$ 1,331,246</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 366,350</b>	<b>\$ 1,697,596</b>	<b>\$ 24,820,145</b>	<b>\$ 26,517,741</b>	<b>\$ 26,234</b>
<b>Noncurrent Liabilities</b>								
Payable from unrestricted noncurrent assets:								
Noncurrent payables	585	-	-	-	585	-	585	-
<b>Assets</b>	<b>\$ 585</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 585</b>	<b>\$ -</b>	<b>\$ 585</b>	<b>\$ -</b>
Payable from restricted noncurrent assets:								
Bonds and notes payable from primary government	-	-	-	-	-	77,320,000	77,320,000	-
Bonds and notes payable from State component units	-	-	-	-	-	35,402,465	35,402,465	-
Noncurrent portion of long term debt	-	-	-	248,512	248,512	-	248,512	-
Noncurrent loan reserve	-	-	-	562,675	562,675	-	562,675	-
Unamortized bond premium	-	-	-	-	-	7,924,717	7,924,717	-
<b>Total Noncurrent Liabilities Payable from Restricted Noncurrent</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 811,187</b>	<b>\$ 811,187</b>	<b>\$ 120,647,182</b>	<b>\$ 121,458,369</b>	<b>\$ -</b>
<b>Total Noncurrent Liabilities</b>	<b>\$ 585</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 811,187</b>	<b>\$ 811,772</b>	<b>\$ 120,647,182</b>	<b>\$ 121,458,954</b>	<b>\$ -</b>
<b>Total Liabilities</b>	<b>\$ 1,331,831</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,177,537</b>	<b>\$ 2,509,368</b>	<b>\$ 145,467,327</b>	<b>\$ 147,976,695</b>	<b>\$ 26,234</b>
<b>Net Position:</b>								
Net Investment in Capital Assets	35,057	-	-	-	35,057	-	35,057	-
Restricted	-	22,066,860	4,209,806	33,589,213	59,865,879	-	59,865,879	-
Unrestricted	52,192,101	-	-	4,844,161	57,036,262	-	57,036,262	-
Current Change in Net Position	804,692	345,783	9,804	149,630	1,309,909	-	1,309,909	16
<b>Total Net Position</b>	<b>\$ 53,031,850</b>	<b>\$ 22,412,643</b>	<b>\$ 4,219,610</b>	<b>\$ 38,583,004</b>	<b>\$ 118,247,107</b>	<b>\$ -</b>	<b>\$ 118,247,107</b>	<b>\$ 16</b>
<b>Total Liabilities &amp; Net Position</b>	<b>\$ 54,363,681</b>	<b>\$ 22,412,643</b>	<b>\$ 4,219,610</b>	<b>\$ 39,760,541</b>	<b>\$ 120,756,475</b>	<b>\$ 145,467,327</b>	<b>\$ 266,223,802</b>	<b>\$ 26,250</b>



**STATE of ILLINOIS  
 DETAILED RECEIVABLES SUMMARY (UNAUDITED)  
 AS OF MAY 5, 2016**

**As of May 5, 2016 the Illinois Finance Authority has purchased the following receivables on behalf of the State of Illinois, pursuant to Resolutions 2015-1112-AD11 and 2016-0211-AD07:**

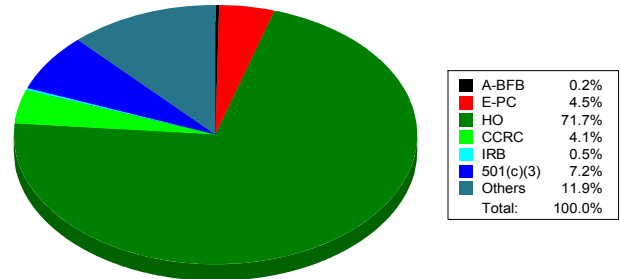
<b>Vendor</b>	<b>Payment dates</b>		<b>Amount</b>
Cosgrove Distributors Inc.	12/21/15	\$	9,225.92
Grayboy Building Maintenance	12/16/15	\$	15,790.36
M. J. Kellner Co. Inc.	12/28/15	\$	1,806,912.20
M. J. Kellner Co. Inc.	3/31/16		1,929,224.10
	Total M.J. Kellner	\$	3,736,136.30
Smith Maintenance Company	11/25/15	\$	251,665.26
Smith Maintenance Company	12/29/15		125,832.63
Smith Maintenance Company	2/10/16		129,811.11
Smith Maintenance Company	3/21/16		151,826.83
Smith Maintenance Company	4/14/16		151,826.83
	Total Smith Maintenance	\$	810,962.66
Sysco St. Louis LLC	12/16/15	\$	32,418.85
<b>Total State of Illinois Assigned/Purchased Receivables</b>			<b>\$ 4,604,534.09</b>

## Bonds Issued - Fiscal Year Comparison for the Period Ending April 30, 2016

### 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
<b>56</b>		<b>\$ 2,099,391,751</b>

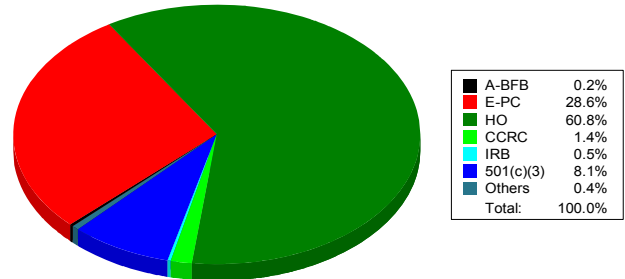
### Bonds Issued in Fiscal Year 2014



### Fiscal Year 2015

#	Market Sector	Principal Issued
15	Agriculture - Beginner Farmer	4,154,742
4	Education	788,149,000
11	Healthcare - Hospital	1,416,385,000
1	Healthcare - CCRC	39,640,000
2	Industrial Revenue	14,000,000
11	501(c)(3) Not-for-Profit	236,986,075
1	Local Government	12,000,000
<b>45</b>		<b>\$ 2,511,314,817</b>

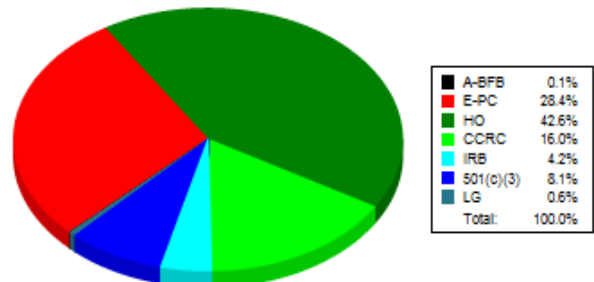
### Bonds Issued in Fiscal Year 2015



### Fiscal Year 2016

#	Market Sector	Principal Issued
12	Agriculture - Beginner Farmer	2,942,495
9	Education	676,100,000
9	Healthcare - Hospital	1,014,973,000
6	Healthcare - CCRC	381,762,000
1	Industrial Revenue	100,000,000
7	501(c)(3) Not-for-Profit	192,030,000
1	Local Government	14,540,000
<b>45</b>		<b>\$2,382,347,495</b>

### Bonds Issued in Fiscal Year 2016





**Bonds Issued and Outstanding  
as of  
April 30, 2016**

**Bonds Issued between July 01, 2015 and April 30, 2016**

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginning Farmer Bond	07/01/2015	Fixed at Schedule	1,779,775	0
E-PC North Central College	07/09/2015	Variable	30,177,000	0
501(c)(3) Shedd Aquarium Society	07/24/2015	Fixed at Schedule	22,945,000	22,945,000
501(c)(3) Field Museum of Natural History	07/28/2015	Variable	88,500,000	88,500,000
HO Little Company of Mary Hospital	08/18/2015	Variable	102,000,000	72,000,000
501(c)(3) The Joint Commission	08/26/2015	Fixed at Schedule	16,000,000	0
501(c)(3) Providence St. Mel	09/01/2015	Variable	19,040,000	9,800,000
501(c)(3) Goodman Theatre	09/01/2015	Fixed at Schedule	24,680,000	24,680,000
CCRC Villa St. Benedict	09/10/2015	Fixed at Schedule	39,030,000	37,210,000
E-PC The University of Chicago	09/10/2015	Fixed at Schedule	415,825,000	224,030,000
HO Advocate Health Care	09/25/2015	Fixed at Schedule	100,000,000	100,000,000
HO OSF HealthCare System	09/28/2015	Fixed at Schedule	368,150,000	216,231,343
HO Palos Community Hospital	10/01/2015	Variable	232,015,000	220,145,000
HO Riverside Health Systems	10/14/2015	Variable	37,165,000	37,165,000
E-PC Columbia College Chicago	10/15/2015	Fixed at Schedule	58,465,000	58,465,000
CCRC Plymouth Place	10/20/2015	Fixed at Schedule	56,260,000	56,260,000
HO Advocate Health Care	10/22/2015	Fixed at Schedule	71,645,000	0
E-PC Nazareth Academy	10/28/2015	Variable	25,200,000	10,500,000
HO Sarah Bush Lincoln Health Center	11/24/2015	Variable	30,000,000	0
HO Passavant Hospital	11/30/2015	Variable	22,778,000	0
CCRC Norwegian Lutheran Bethesda Home Association	12/16/2015	Variable	7,517,000	582,446
E-PC Intrinsic Schools-Belmont School Project	12/17/2015	Fixed at Schedule	21,855,000	0
A-BFB Beginning Farmer Bonds	01/01/2016	Fixed at Schedule	1,162,720	0



E-PC	Loyola Academy	01/26/2016	Variable	21,743,000	21,500,000
IRB	CenterPoint Joliet Terminal Railroad, LLC	01/28/2016	Variable	100,000,000	0
HO	UnityPoint Health	02/08/2016	Variable	51,220,000	51,220,000
501(c)(3)	Chicago Shakespeare Theater	02/11/2016	Variable	15,100,000	4,100,000
E-PC	University of St. Francis	02/23/2016	Variable	15,000,000	0
CCRC	Christian Homes	03/10/2016	Fixed at Schedule	29,885,000	11,160,000
E-PC	Adler University Project	03/28/2016	Fixed at Schedule	19,100,000	0
CCRC	Park Place of Elmhurst	04/01/2016	Fixed at Schedule	146,125,000	122,030,000
E-PC	DePaul University	04/13/2016	Fixed at Schedule	68,735,000	0
LG	Community Unit School District 3	04/15/2016	Variable	14,540,000	0
CCRC	Presbyterian Homes	04/02/2016	Fixed at Schedule	102,945,000	102,945,000
501(c)(3)	Association House of Chicago	04/27/2016	Variable	5,765,000	4,611,281

Total Bonds Issued as of April 30, 2016      \$ 2,382,347,495      \$ 1,496,080,070

**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, 2015 and April 30, 2016

<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
09/30/2015	5.00	460,000	80.00	Montgomery
10/02/2015	5.00	98,100	39.24	Saline
10/14/2015	5.00	333,750	50.00	Ford
11/09/2015	2.9	174,000	58.00	Wayne
12/11/2015	3.25	230,000	33.00	Whiteside
12/29/2015	3.00	483,925	74.45	Henry
03/01/2016	3.50	333,500	86.44	White
03/04/2016	3.50	192,500	110.00	White
03/04/2016	3.25	79,375	40.00	Hamilton
03/04/2016	3.25	79,375	40.00	Hamilton
03/24/2016	3.25	176,970	68.00	Jasper
04/21/2016	3.25	301,000	80.00	Stark

Total Beginner Farmer Bonds Issued

IFA Public Board Book (Version 5), Page 54  
\$ 2,942,495      759.13

**ILLINOIS FINANCE AUTHORITY**  
Schedule of Debt <sup>(a)</sup>

Conduit debt issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)] which does not constitute an indebtedness or an obligation, either general or moral, or a pledge of the full faith or a loan of the Authority, the State of Illinois or any Political Subdivision of the State within the purview of any constitutional or statutory limitation or provisions with special limited obligations of the Authority secured under provisions of the individual Bond Indentures and Loan Agreements with the exception of the bonds identified below in Section I (b) -- General Purpose Moral Obligation/State Component Parts -- which are subject to the \$28.15B cap in Section 845-5(a).

**Section I (a)**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	April 30, 2016		
<b>Illinois Finance Authority "IFA" <sup>(b)</sup></b>				
Agriculture	\$ 48,313,152	\$ 51,255,647		
Education	4,273,041,117	4,720,320,121		
Healthcare	13,533,399,874	14,251,638,153		
Industrial Development [includes Recovery Zone/Midwest Disaster]	695,925,824	827,921,634		
Local Government	294,800,000	315,810,000		
Multifamily/Senior Housing	168,364,435	166,164,333		
501(c)(3) Not-for Profits	1,406,590,039	1,572,542,476		
Exempt Facilities Bonds	249,915,000	199,915,000		
<b>1 Total IFA Principal Outstanding</b>	<b>\$ 20,670,349,441</b>	<b>\$ 22,105,567,365</b>		
<b>Illinois Development Finance Authority "IDFA" <sup>(b)</sup></b>				
Education	496,388	496,388		
Healthcare	80,200,000	80,200,000		
Industrial Development	113,009,098	209,924,685		
Local Government	358,231,651	225,947,285		
Multifamily/Senior Housing	704,441,769	83,679,117		
501(c)(3) Not-for Profits	118,035,000	627,257,893		
Exempt Facilities Bonds				
<b>Total IDFA Principal Outstanding</b>	<b>\$ 1,374,413,906</b>	<b>\$ 1,227,505,367</b>		
<b>Illinois Rural Bond Bank "IRBB" <sup>(b)</sup></b>				
<b>Total IRBB Principal Outstanding</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Illinois Health Facilities Authority "IHFA"</b>	<b>\$ 739,875,000</b>	<b>\$ 639,409,985</b>		
<b>Illinois Educational Facilities Authority "IEFA"</b>	<b>\$ 640,921,000</b>	<b>\$ 572,718,000</b>		
<b>Illinois Farm Development Authority "IFDA" <sup>(1)</sup></b>	<b>\$ 15,646,526</b>	<b>\$ 15,587,111</b>		
<b>Total Illinois Finance Authority Debt</b>	<b>\$ 23,441,205,873</b>	<b>\$ 24,560,787,829</b>	<b>\$ 28,150,000,000</b>	<b>\$ 3,589,212,171</b>

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

**Section I (b)**

	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	April 30, 2016		
<b>General Purpose Moral Obligations</b>				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
* Issued through IRBB - Local Government Pools				
* Issued through IFA - Local Government Pools				
Issued through IFA - Illinois Medical District Commission	36,280,000	34,885,000		
<b>Total General Purpose Moral Obligations</b>	<b>\$ 36,280,000</b>	<b>\$ 34,885,000</b>	<b>\$ 150,000,000</b>	<b>\$ 115,115,000</b>
* All the Local Government bonds were defeased as of August 1, 2014.				
<b>Financially Distressed Cities Moral Obligations</b>				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	\$ -	\$ -		
Issued through IDFA	-	-		
<b>Total Financially Distressed Cities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000,000</b>	<b>\$ 50,000,000</b>
<b>State Component Unit Bonds <sup>(c)</sup></b>				
Issued through IDFA <sup>(1)</sup>	-	-		
Issued through IFA <sup>(1)</sup>	122,656,626	99,938,207		
<b>Total State Component Unit Bonds</b>	<b>\$ 122,656,626</b>	<b>\$ 99,938,207</b>		

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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		Remaining MDAB Volume Cap
	June 30, 2015	April 30, 2016	
<b>Midwestern Disaster Area Bonds [Flood Relief]</b>	<b>\$ 65,257,870</b>	<b>\$ 64,628,864</b>	<b>N/A</b>

-----  
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 <sup>(h)</sup>	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
<b>Recovery Zone Economic Development Bonds**</b>	<b>\$ 666,972,000</b>	<b>\$ 16,940,000</b>	<b>\$ 12,900,000</b>	N/A
<b>Recovery Zone Facilities Bonds**</b>	<b>\$ 1,000,457,000</b>	<b>\$ 204,058,967</b>	<b>\$ 214,849,804</b>	N/A
<b>Qualified Energy Conservation Bonds***</b>	<b>\$ 133,846,000</b>	<b>\$ (17,865,000)</b>	<b>\$ 82,795,000</b>	<b>IFA Cap: \$4,755,783</b> <b>Cities/Counties Cap: \$46,295,717</b>

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

**ILLINOIS FINANCE AUTHORITY**

Schedule of Debt <sup>[a]</sup>

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

Section II	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2015	April 30, 2016		
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		Program Limitations	Remaining Capacity
	June 30, 2015	April 30, 2016		
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	\$ -	\$ -	\$ 3,000,000,000 <sup>[d]</sup>	\$ 3,000,000,000

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 830-25 (see also P.A.96-103); 830-30; 830-35; 830-45 and 830-50]

Section IV	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2015	April 30, 2016			
<b>Agri Debt Guarantees [Restructuring Existing Debt]</b>					
Fund # 994 - Fund Balance \$10,196,146	\$ 8,108,370	\$ 7,023,091	\$ 160,000,000	\$ 152,976,909	\$ 5,967,773
<b>AG Loan Guarantee Program</b>					
Fund # 205 - Fund Balance \$7,874,377	\$ 8,511,765	\$ 7,144,976	\$ 225,000,000 <sup>[e]</sup>	\$ 217,855,024	\$ 6,073,230
Agri Industry Loan Guarantee Program	\$ 4,543,157	\$ 3,714,751			3,157,539
Farm Purchase Guarantee Program	909,887	898,197			763,468
Specialized Livestock Guarantee Program	2,163,574	1,681,563			1,429,329
Young Farmer Loan Guarantee Program	895,146	850,464			722,895
<b>Total State Guarantees</b>	<b>\$ 16,620,134</b>	<b>\$ 14,168,067</b>	<b>\$ 385,000,000</b>	<b>\$ 370,831,933</b>	<b>\$ 12,041,003</b>

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

Section V		Fund #	Principal Outstanding		Cash and Investment Balance
			June 30, 2015	April 30, 2016	
132	Fire Truck Revolving Loan Program	Fund # 572	\$ 17,052,813	\$ 21,318,064	\$ 1,128,167
8	Ambulance Revolving Loan Program	Fund # 334	\$ 415,920	\$ 247,280	\$ 3,972,308

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		Program Limitations	Remaining Capacity
	June 30, 2015	April 30, 2016		
<b>Environmental [Large Business]</b>				
Issued through IFA	\$ 16,495,000	\$ 63,570,000		
Issued through IDFA	118,035,000	113,710,000		
<b>Total Environmental [Large Business]</b>	<b>\$ 134,530,000</b>	<b>\$ 177,280,000</b>	<b>\$ 2,425,000,000</b>	<b>\$ 2,247,720,000</b>
<b>Environmental [Small Business]</b>	\$ -	\$ -	\$ 75,000,000	\$ 75,000,000
<b>Total Environment Bonds Issued under Act</b>	<b>\$ 134,530,000</b>	<b>\$ 177,280,000</b>	<b>\$ 2,500,000,000</b>	<b>\$ 2,322,720,000</b>

**Illinois Finance Authority Funds at Risk**

Section VII	Original Amount	Principal Outstanding	
		June 30, 2015	April 30, 2016
<b>Participation Loans</b>			
Business & Industry	23,020,158	1,107,646	1,052,684
Agriculture	6,079,859	96,159	96,159
<b>Participation Loans exluding Defaults &amp; Allowances</b>	<b>29,100,017</b>	<b>1,203,805</b>	<b>1,148,842</b>
<b>Plus: Legacy IDFA Loans in Default</b>		<b>858,458</b>	<b>843,173</b>
<b>Less: Allowance for Doubtful Accounts</b>		<b>1,002,182</b>	<b>976,359</b>
<b>Total Participation Loans</b>		<b>1,060,081</b>	<b>1,015,656</b>
<b>Local Government Direct Loans</b>	<b>1,289,750</b>	<b>126,000</b>	<b>114,000</b>
<b>Rural Bond Bank Local Government Note Receivable</b>		<b>20,462,037</b>	<b>17,184,937</b>
<b>FmHA Loans</b>	<b>963,250</b>	<b>207,658</b>	<b>186,595</b>
<b>Renewable Energy [RED Fund]</b>	<b>2,000,000</b>	<b>1,302,261</b>	<b>1,222,229</b>
<b>Total Loans Outstanding</b>	<b>34,353,017</b>	<b>23,158,036</b>	<b>19,723,417</b>
<b>IRBB funds were defeased and transferred into a note receivable with the IFA.</b>			

Higher Education Loan Act (110 ILCS 945 or "HELA")

Section VIII	Principal Outstanding		Statutory Debt Limitation	Remaining HELA Debt Limitation
	June 30, 2015	April 30, 2016		
Midwestern University Foundation - Student Loan Program Revenue Bonds	\$ 15,000,000	\$ 15,000,000	\$ 200,000,000 <sup>[d]</sup>	\$ 185,000,000

<sup>[a]</sup> Total subject to change; late month payment data may not be included at issuance of report.

<sup>[b]</sup> State Component Unit Bonds included in balance.

<sup>[c]</sup> Does not include Unamortized issuance premium as reported in Audited Financials.

<sup>[d]</sup> Program Limitation reflects the increase to \$3 billion effective 01/01/2010 under P.A. 96-103.

<sup>[e]</sup> Program Limitation reflects the increase from \$75 million to \$225 million effective 01/01/2010 under P.A. 96-103.

<sup>[f]</sup> Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.

<sup>[g]</sup> Midwestern Disaster Area Bonds - Illinois Counties eligible for Midwest Disaster Bonds included Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.

<sup>[h]</sup> Recovery Zone Facility Revenue 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]

<sup>[i]</sup> Includes EPA Clean Water Revolving Fund

\* Preliminary balances that are subject to change.





**ILLINOIS FINANCE AUTHORITY  
MEMORANDUM**

**PRELIMINARY AND UNAUDITED**

*Amounts are estimated and unaudited*

**To:** Illinois Finance Authority Board of Directors  
**From:** Melinda M. Gildart, Chief Financial Officer  
**Date:** April 14, 2016  
**Re:** Monthly Procurement Report

**CONTRACTS EXECUTED**

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>Illinois Procurement Code-Emergency Contracts</i>							
IT Network Consulting Services	Catalyst Consulting, Inc.	9 mos	03/16-12/16	\$ 67,500	\$ 15,000	\$ 15,000	\$ 60,000
Loan Management Services	Mabsco, Inc.	9 mos	03/16-12/16	75,000	25,000	25,000	100,000
Paying Agent/Custodian Services	U.S. Bank National Association	90 days	03/16-06/16	4,500	4,750	4,750	20,000
Board Book Printing Services	Swift Impressions, Inc.	90 days	03/16-06/16	3,000	2,500	2,500	10,000
<i>Exempt from Illinois Procurement Code -Anticipation of Litigation</i>							
State of Illinois Procurement for Legal Services	Jenner & Block	1	12/15-02/16	\$ 125,000	\$ -	\$ -	\$ 125,000
State of Illinois Procurement for Legal Services	G & R Public Law Strategies	1	11/15-11/16	50,000	-	-	50,000

**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 Expense
<i>Illinois Procurement Code-Competitive Bids/Proposals</i>							
Debt Management Software Application	Technology Partnership Group, Inc.	3	06/16-05/18	\$ 552,250	N/A	N/A	N/A

**EXPIRED AND EXPIRING CONTRACTS**

Services Provided	Vendor	Previous Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>Illinois Procurement Code-Competitive Bids/Proposals</i>							
Legislative Services (Expired 9/30/15)	Howard Kenner Government Consulting	90 days	07/15-09/15	\$ 15,000	\$ 60,000	\$ 60,000	\$ 60,000
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Bank Of America/Merrill Lynch Inc.	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Citigroup	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Piper Jaffray & Co.	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Ramirez & Co., Inc.	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Siebert Brandford Shank & Co.	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Wells Fargo Bank	3	08/13-07/16	-	-	-	-



**ILLINOIS FINANCE AUTHORITY  
MEMORANDUM**

**PRELIMINARY AND UNAUDITED**

*Amounts are estimated and unaudited*

**To:** Illinois Finance Authority Board of Directors  
**From:** Melinda M. Gildart, Chief Financial Officer  
**Date:** April 14, 2016  
**Re:** Monthly Procurement Report

State of Illinois Revolving Fund Program Financing - Underwriting Services*	J.P. Morgan Securities LLC	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Jeffries LLC	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Loop Capital Markets LLC	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Morgan Stanley & Co. LLC	3	08/13-07/16	-	-	-	-
State of Illinois Revolving Fund Program Financing - Underwriting Services*	Raymond James	3	08/13-07/16	-	-	-	-
Financing for energy efficiency projects*	Noresco, LLC	5	11/11-11/16	-	-	-	-

*\*Per the direction of the Executive Director, these contracts will not be renewed and/or new solicitations will not be initiated*

**Illinois Procurement Code-CPO Emergency Contracts**

Temporary Finance/Procurement/Compliance Staffing	Accounting Principals, Inc.	90 days	01/16-04/16	\$ 71,103	\$ 46,992	\$ 46,992	\$ 150,000
Payroll Services and Employee Benefits	ADP TotalSource, Inc.	121 days	01/16-05/16	99,800	74,850	74,850	233,000

**Illinois Procurement Code-CPO Small Purchases**

Insurance Brokering Services-Director's/Officers; Property/Casualty	Mesirow Insurance Services, Inc.	1	06/15-06/16	\$ 22,900	\$ 22,900	\$ 22,900	\$ 22,900
Electronic Records Management Software-Maintenance/Support	Com Microfilm	16 mos	03/15-06/16	24,000	N/A	N/A	12,000
Electronic Records Management Software-Document Scanning	Com Microfilm	15 mos	03/15-06/16	49,500	175,000	175,000	66,726
Temporary Staffing Services	Anchor Staffing	1	07/15-06/16	49,500	25,000	25,000	25,000
Moving and Storage Services	Midwest Moving and Storage, Inc.	1	07/15-06/16	35,000	45,000	45,000	45,000
Public Meeting Reporting Services	Marzullo Reporting Agency	9 mos	09/15-06/16	3,000	-	-	-

**UPCOMING RENEWALS**

<b>Services Provided</b>	<b>Vendor</b>	<b>Proposed Renewal Term (Yrs)</b>	<b>Start/End</b>	<b>Estimated NTE Value</b>	<b>Prior Contract NTE Value</b>	<b>Prior Contract Expense</b>	<b>Avg Yrly Expense</b>
<b>IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals</b>							
Financial Advisory Services	Acacia	1	07/16-07/17	\$ 175,000	\$ 443,750	N/A	\$ 123,690
Financial Advisory Services	Sycamore Advisors, LLC	1	07/16-07/17	175,000	-	-	13,289
Custodial Services for State Revolving Fund and the Authority	Amalgamated Bank of Chicago	2	11/16-11/18	32,000	32,000	32,000	16,000
Investment Management Services for the Locally Held funds	Clear Arc Capital, Inc.	2	12/16-12/18	N/A	-	-	33,014
Bloomberg Anywhere License for Remote Access to Services	Bloomberg Finance L.P.	2	12/16-12/18	37,538	42,000	18,769	18,769



**ILLINOIS FINANCE AUTHORITY  
MEMORANDUM**

**PRELIMINARY AND UNAUDITED**

*Amounts are estimated and unaudited*

**To:** Illinois Finance Authority Board of Directors  
**From:** Melinda M. Gildart, Chief Financial Officer  
**Date:** April 14, 2016  
**Re:** Monthly Procurement Report

**ACTIVE SOLICITATIONS**

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals</i>							
Specialty Accounting/Audit Services	TBD	2	08/16-07/18	N/A	\$ -	\$ -	\$ -

**UPCOMING SOLICITATIONS**

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>Illinois Procurement Code-Competitive Bids/Proposals</i>							
Employee Benefits and Payroll Services	TBD	-	-	N/A	\$ 233,000	\$ 233,000	\$ 233,000
IT Software Support and Temporary Staffing	Anticipated award Aug 2016	2	09/16-08/18	N/A	-	-	-
IT Network Support	Anticipated award Aug 2016	3	09/16-08/19	N/A	90,000	90,000	30,000
Typesetting and Printing Services	Anticipated award Aug 2016	3	09/16-08/19	N/A	40,000	40,000	40,000
Financial Advisory Services (State Revolving Fund)	Anticipated award Aug 2016	3	09/16-08/19	N/A	-	-	-
Underwriters (State Revolving Fund)	Anticipated award Aug 2016	3	09/16-08/19	N/A	-	-	-
Trustee (State Revolving Fund)	Anticipated award Aug 2016	3	09/16-08/19	N/A	-	-	-
Bond/Issuers Counsel (State Revolving Fund)	Anticipated award Aug 2016	3	09/16-08/19	N/A	-	-	-
Marketing Services	Anticipated award Aug 2016	3	09/16-08/19	N/A	300,000	179,276	89,638
Insurance Broker	Anticipated award Jun 2016	3	06/16-06/19	N/A	68,700	68,700	22,900
<i>IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals</i>							
Loan Management and Paying Agent/Custodian Services	Anticipated award Aug 2016	3	09/16-08/19	N/A	\$ 110,000	\$ 158,662	\$ 52,887
Financial Deposit Institution/Cash Management	Anticipated award Aug 2016	5	09/16-08/21	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

*For comparison purposes only. Includes only the initial term, not renewals.*

**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.

**MONTHLY PROCUREMENT REPORT CONTINUED**  
**April 14, 2016**

<b>SUMMARY OF PROCUREMENT ACTIVITY SINCE MAY 2014</b>									
<b>MONTH</b>	<b>CONTRACTS AWARDED</b>			<b>SOLICITATIONS/PROCUREMENTS INITIATED</b>			<b>CONTRACTS EXECUTED</b>		
	<b>IL PROC CODE</b>	<b>IFA EXEMPTION</b>	<b>TOTAL</b>	<b>IL PROC CODE</b>	<b>IFA EXEMPTION</b>	<b>TOTAL</b>	<b>IL PROC CODE</b>	<b>IFA EXEMPTION</b>	<b>TOTAL</b>
May, 2014	0	2	2	0	0	0	0	1	1
June, 2014	0	2	2	0	0	0	0	2	2
July, 2014	0	2	2	0	0	0	0	7	7
August, 2014	0	2	2	1	1	2	0	2	2
September, 2014	0	0	0	1	1	2	0	0	0
October, 2014	0	0	0	1	1	2	0	0	0
November, 2014	0	0	0	1	1	2	0	0	0
December, 2014	0	0	0	1	1	2	0	0	0
February, 2015	0	1	1	1	0	1	0	0	0
March, 2015	0	1	1	2	0	2	0	0	0
April, 2015	0	2	2	2	0	2	0	0	0
May, 2015	13	1	14	1	2	3	0	0	0
June, 2015	8	1	9	1	2	3	0	0	0
July, 2015	0	0	0	1	2	3	10	2	12
August, 2015	0	0	0	1	1	2	0	0	0
September, 2015	1	0	1	1	1	2	5	0	5
October, 2015	3	0	3	0	1	1	0	0	0
November, 2015	2	0	2	3	1	4	5	0	5
December, 2015	0	0	0	0	1	1	3	0	3
January, 2016	7	1	8	9	1	10	10	1	11
February, 2016	1	36	37	0	1	1	1	36	37
March, 2016	4	0	4	9	0	9	4	0	4
<b>Totals</b>	<b>39</b>	<b>51</b>	<b>90</b>	<b>36</b>	<b>18</b>	<b>54</b>	<b>38</b>	<b>51</b>	<b>89</b>

*\*Above totals do not include including memberships, office supply orders, publications, conferences, or other day to day small purchases, etc.*

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors  
From: Lorrie Karcher and Patrick Evans  
Date: May 12, 2016  
Re: Overview Memo for Beginning Farmer Bonds

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- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to \$520,000 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$453,000**
- **Calendar Year Summary:** (as of May 12, 2016)
  - Volume Cap: \$10,000,000
  - Volume Cap Committed: \$1,611,720
  - Volume Cap Remaining: \$8,388,280
  - Average Farm Acreage: 64
  - Number of Farms Financed: 7
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2016 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:** 30367  
**Borrower(s):** Kocher, Keith & Kimberly  
Borrower Benefit: First Time Land Buyer  
Town: Newton, IL  
**IFA Bond Amount:** \$153,000.00  
Use of Funds: Farmland – 60 acres of farmland  
Purchase Price: \$306,000 / \$5,100 per acre  
%Borrower Equity 0%  
% USDA Farm Service Agency 50% (*Subordinate Financing*)  
%IFA 50%  
Township: Grove  
Counties/Regions: Jasper / Southeastern  
Lender/Bond Purchase: Peoples State Bank of Newton / Ben Grobel  
**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, with the first principal payment date to begin on April 1, 2017. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on April 1, 2017 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

**B. Project Number:** 30368  
**Borrower(s):** Wagner, Graham S. & Jane E.  
Borrower Benefit: First Time Land Buyer  
Town: Effingham, IL  
**IFA Bond Amount:** \$300,000.00  
Use of Funds: Farmland – 80 acres of farmland  
Purchase Price: \$600,000 / \$7,500 per acre  
%Borrower Equity 5%  
% USDA Farm Service Agency 45% (*Subordinate Financing*)  
%IFA 50%  
Township: Wade  
Counties/Regions: Jasper / Southeastern  
Lender/Bond Purchase: Peoples State Bank of Newton / Brian Bohnhoff  
**Legislative Districts:** Congressional: 15  
State Senate: 54  
State House: 107

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on June 1, 2017. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on June 1, 2017 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

**\$1,000,000**  
**EDWARD L. KING**  
**SPECIALIZED LIVESTOCK GUARANTEE**

**May 12, 2016**

<b>REQUEST</b>	<p><b>Purpose:</b> To modify payments from <u>monthly to annual</u>. Upon modification, the difference in payment is a net increase of \$1,253 (for the initial year). Original request was to provide 85% loan guarantee in favor of <b>Resource Bank</b> (the “<b>Bank</b>” or “<b>Lender</b>”).</p> <p><b>Project Description:</b> The proposed loan of \$1,000,000 will finance the construction of grain and feed storage facility and refinance existing real estate debt in the amount of \$350,000.</p> <p><b>Program Product Type:</b> Specialized Livestock Guarantee</p> <p><b>State Treasurer’s Funds at Risk: \$850,000</b></p> <p><b>Conditions:</b> (1) Annual personal financial statement for Edward L. and Kimberly King, (2) annual tax return of Edward L. and Kimberly King, and (3) annual farm projections for Edward L. King</p>												
<b>BOARD ACTIONS</b>	<p>Final Resolution-85% Loan Guarantee</p> <p>Voting Record (December 10, 2015): Final Resolution – 10 Yeas; 0 Nays; 1 Not Voting (Knox), 1 Absent (Zeller).</p>												
<b>MATERIAL CHANGES</b>	<p>The Lender is requesting approval of annual payments versus monthly payments. IFA considered and approved the Guarantee on December 10, 2015 pursuant to monthly payment provisions. The Lender’s intention was always to have annual payments rather than monthly payments subsequent to IFA’s collateral request 129.54 acres of row crop in exchange for 80 acres with house and cattle feedlot. The forecast provided for in the Confidential Section correctly reflected payments per annum; accordingly, no changes were made to the forecast.</p> <p>Note: the IFA Board previously considered and approved a Resolution for a \$970,000 Specialized Livestock Guarantee on July 9, 2013. The 2013 project also involved construction of a specialized livestock facility. Ultimately, the Bank (Resource Bank) and members of the King family financed the 2013 project with a different structure that did not involve an IFA agricultural guarantee. Edward L. King currently has no IFA Guarantees or Participation Loans outstanding as of 12/4/2015 (and as of 5/4/2016) and has yet to close on any IFA guarantee or loan product.</p>												
<b>JOB DATA</b>	<table border="0"> <tr> <td>4</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>10</td> <td>Construction jobs projected</td> </tr> </table>	4	Current jobs	N/A	New jobs projected	N/A	Retained jobs	10	Construction jobs projected				
4	Current jobs	N/A	New jobs projected										
N/A	Retained jobs	10	Construction jobs projected										
<b>BORROWER DESCRIPTION</b>	<ul style="list-style-type: none"> <li>● <b>Type of entity:</b> Sole Proprietorship</li> <li>● <b>Location:</b> Steward (Lee County), Illinois</li> <li>● <b>When established:</b> 1974</li> <li>● <b>Description of Operations:</b> Grain and Cattle Farming</li> <li>● <b>Project purpose/outcome:</b> Building construction and debt refinancing</li> </ul>												
<b>PROPOSED STRUCTURE</b>	<p><b>Collateral:</b> approximately 129.54 acres of row crop farmland</p> <p><b>Collateral Position:</b> 1<sup>st</sup> Mortgage Position</p> <p><b>Maturity:</b> 15 years (2031)</p> <p><b>Interest Rate:</b> Fixed for initial 3 years (See confidential section)</p> <p><b>Payment:</b> Annually</p>												
<b>SOURCES AND USES</b>	<table border="0"> <tr> <td>IFA/Bank Loan:</td> <td><u>\$1,000,000</u></td> <td>Bldg. Construction</td> <td>\$650,000</td> </tr> <tr> <td></td> <td></td> <td>Refinancing Debt:</td> <td><u>350,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$1,000,000</u></b></td> <td><b>Total</b></td> <td><b><u>\$1,000,000</u></b></td> </tr> </table>	IFA/Bank Loan:	<u>\$1,000,000</u>	Bldg. Construction	\$650,000			Refinancing Debt:	<u>350,000</u>	<b>Total</b>	<b><u>\$1,000,000</u></b>	<b>Total</b>	<b><u>\$1,000,000</u></b>
IFA/Bank Loan:	<u>\$1,000,000</u>	Bldg. Construction	\$650,000										
		Refinancing Debt:	<u>350,000</u>										
<b>Total</b>	<b><u>\$1,000,000</u></b>	<b>Total</b>	<b><u>\$1,000,000</u></b>										
<b>RECOMMENDATION</b>	<p>Credit Review Committee recommends approval.</p>												

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
May 12, 2016**

**Project: Edward L. King**

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**STATISTICS**

Project Number: 41065	Amount: \$1,000,000
Type: Specialized Livestock Guarantee	IFA Staff: Patrick Evans
County/Region: Lee/Northwest	City: Steward

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**BOARD ACTION**

Final Resolution-85% Loan Guarantee	Credit Review Committee recommends approval.
State Treasurer's Reserve Funds at risk: \$850,000	Extraordinary conditions: None

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**VOTING RECORD**

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

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**PURPOSE**

Use of proceeds: Proceeds from the proposed loan will refinance the construction of a 60'x140' feed and hay Facility; 10' concrete wall addition to an existing silage storage pit; a 77,000 bushel grain bin; and will refinance an existing real estate loan in the amount of \$350,000.

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**IFA PROGRAM AND CONTRIBUTION**

The Authority's Agriculture Guarantee Program guarantees up to 85% of a Bank's loans to Illinois farmers and agribusiness owners. The Specialized Livestock Guarantee Program is designed to provide family-owned livestock operations the access to capital needed to enter, upgrade, or expand their livestock business. The guarantees are not transferable without the Authority's written consent. The Authority's agricultural guarantee obligations are backed by an IFA reserve capitalized for this program. These guarantees are also full faith and credit obligations of the State of Illinois. IFA's issuance of guarantees helps Borrowers obtain debt financing at reduced rates of interest and improved terms.

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**JOBS**

Current employment: 4	Projected new jobs: N/A
Jobs retained: 4	Construction jobs: 10

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources: IFA /Bank Loan:	<u>\$1,000,000</u>	Uses: Storage Construction	\$650,000
		Refinancing Mtg. Debt	<u>350,000</u>
<b>Total</b>	<b><u>\$1,000,000</u></b>	<b>Total</b>	<b><u>\$1,000,000</u></b>



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### FINANCING SUMMARY/STRUCTURE

Security: 1<sup>st</sup> Mortgage on approximately 129.54 acres of row crop farmland  
Structure: 15-year term and 15-year amortization  
Interest Mode: Fixed for initial 3 years  
Credit Enhancement: IFA 85% Guarantee of Principal Amount  
Personal Guarantees: N/A  
Maturity: 15 years (2031)  
Estimated Closing Date: January 31, 2015

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### PROJECT/BUSINESS BACKGROUND

**Summary:** The King family has been involved in grain and cattle farming for nearly 60 years (spanning three generations). **Edward L. King** is the Applicant/Borrower (“**Edward L.**”, “**Mr. King**”, or the “**Borrower**”) for this proposed IFA Specialized Livestock Guarantee Loan.

Mr. King’s grandfather originally established the family’s farming operations in the early 1950’s. Mr. King’s father, **L.E. (“Louie”) King** subsequently took over management and expanded the scope of operations through the timely acquisition of nearby farmland. Louie and his wife, Darlene, now own approximately 900 acres of tillable farmland that Edward L. has been farming, with their assistance.

Two of Louie’s sons, Edward L. and Paul, started their own operations, with Edward L. beginning by finishing cattle at his farm while Paul focused solely on grain production. To date, Edward L. has acquired approximately 250 acres of farmland, and although Edward L. has been able to successfully manage his operation for over 30 years, Paul chose to discontinue his operation and now assists his brother (Edward L.) and father, (Louie), with labor and day-to-day management of the farms.

Ed has shown that he is capable of managing the entire business as his father L.E. King has withdrawn from the day-to-day activities due to his age (84) and health issues. In 2014, Ed estimates he will raise over 1,850 steers and heifers as the result of new cattle barn completed in 2013. Although the Borrower does maintain some breeding stock, the typical procedure is to purchase 700 to 800 pound cattle, feed them to 1,300 to 1,400 pounds and then market them, which is an approximate 9-month cycle. Nearly all buying and selling by the Kings is done through the Walnut, Illinois Sale Barn, a fairly sizable selling operation for the surrounding area.

The Kings only finish their own livestock. They provide no custom feeding for third party cattle operations. Likewise, the Kings grow corn and soybeans only on the land owned by the King family. The Kings have sufficient land under family control to enable them to operate without the need to cash rent additional land from unrelated third parties (i.e., non-family members).

**Project Description:** Over the past 4 years, Edward L. King has invested over \$1.2 million in his cattle facility. The recent improvements were for his feed and by-product capacity. Recently, Ed completed construction of a 60’x140’ feed and hay shed plus a 10’ high concrete block walls to the existing silage storage (pg. 11 of appraisal).

**Project Rationale:** The construction of a new feed/hay shed and additional to the silage storage will help Ed to become more efficient relating his feed costs, by replacing traditional corn with less expensive by-products such as DDGs and fines while not compromising the cattle daily weight gain.

**Timing:** The proposed transaction is expected to close within 45 days of approval.

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### OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Edward L. and Kimberly C. King  
Project Location: 1991 Woodland Road  
Steward, IL 60553  
Collateral: First Real Estate Mortgage  
Ownership: Edward L. King

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	N/A		
Borrower's Accountants:	Winebaugh & Associates	Rochelle	
Originating Bank:	Resource Bank	Malta	Tim Funfsinn
Bank Counsel:	N/A		
IFA Counsel:	N/A		
IFA Advisors:	Acacia Financial Group, Inc.	Chicago	Phoebe Selden

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**LEGISLATIVE DISTRICTS**

Congressional:	14
State Senate:	45
State House:	90

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**\$50,000,000**

May 12, 2016

**American Academy of Pediatrics**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by the <b>American Academy of Pediatrics</b>, an Illinois not for profit corporation (the “<b>Academy</b>” or “<b>AAP</b>”), in order to assist the Academy in providing a portion of the funds necessary to do any or all of the following: (i) finance, refinance or reimburse the Academy for the payment of the cost of acquiring and constructing certain “educational facilities” (as defined in the Illinois Finance Authority Act), including without limitation the acquisition and construction of real estate, buildings, structures, improvements, equipment, furnishings and furniture located at 345 Park Boulevard, Itasca, Illinois 60143, to be owned and operated by the Academy and used as an approximately 183,000 gross square foot office building with an approximately 40,000 square foot conference center (the “<b>Project</b>”), and (ii) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the “<b>Financing Purposes</b>”).</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bond</p> <p><b>Extraordinary Conditions:</b> None.</p>																
<b>BOARD ACTION</b>	Final Bond Resolution (One-time consideration)																
<b>MATERIAL CHANGES</b>	None. This is the first time this Project has been presented to the IFA Board of Directors.																
<b>JOB DATA</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">460</td> <td style="width: 33%; text-align: center;">Current jobs</td> <td style="width: 33%; text-align: center;">18</td> <td style="width: 33%; text-align: center;">New jobs projected (12-24 months)</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">130</td> <td style="text-align: center;">Construction jobs projected (17 months)</td> </tr> </table>	460	Current jobs	18	New jobs projected (12-24 months)	N/A	Retained jobs	130	Construction jobs projected (17 months)								
460	Current jobs	18	New jobs projected (12-24 months)														
N/A	Retained jobs	130	Construction jobs projected (17 months)														
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>● Location: Itasca / DuPage County / Northeast</li> <li>● Type of entity: American Academy of Pediatrics is an Illinois not-for-profit corporation and 501(c)(3) organization. The mission of the American Academy of Pediatrics is to attain optimal physical, mental and social health and well-being for all infants, children, adolescents and young adults. To accomplish this, AAP supports the professional needs of its 64,000 primary care pediatricians, pediatric medical sub-specialists and pediatric surgical specialists.</li> <li>● The proposed project will improve the quantity and quality of services AAP currently provides, by expanding and improving the facilities through which AAP supports its members and thereby improving the quantity and quality of services it provides its members.</li> <li>● Subsequent to closing and funding of the IFA 501(c)(3) Revenue Bond (American Academy of Pediatrics), Series 2016, AAP intends to refinance an interim conventional loan used to finance acquisition of the Itasca project site.</li> </ul>																
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>● The Borrower is a non-rated entity.</li> <li>● The IFA Bond will be purchased directly by <b>FirstMerit Bank, N.A.</b> (the “<b>Bank</b>” or “<b>Bond Purchaser</b>”). The Bank will be the secured lender and the direct bond investor.</li> </ul>																
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>● The Bank is expected to be secured by a first-priority mortgage and security interest in the real property and all fixtures, equipment and other personal property related to or used in connection with the real property of the Borrower located at 345 Park Boulevard, Itasca (DuPage County), Illinois 60143.</li> </ul>																
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>● Not-to-exceed 30 Years</li> </ul>																
<b>INTEREST RATE</b>	<ul style="list-style-type: none"> <li>● FirstMerit Bank, N.A. will establish an interest rate with an initial term of 15 years. The initial interest rate will be negotiated and established prior to closing and is currently estimated at between 1.50% and 2.50%.</li> </ul>																
<b>SOURCES AND USES</b>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;"><b>Sources:</b></th> <th colspan="2" style="text-align: left;"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td style="width: 33%;">IFA Bond</td> <td style="width: 33%; text-align: right;">\$50,000,000</td> <td style="width: 33%;">Project costs</td> <td style="width: 33%; text-align: right;">\$56,200,000</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;"><u>6,700,000</u></td> <td>Legal &amp; Professional</td> <td style="text-align: right;"><u>500,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$56,700,000</u></b></td> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$56,700,000</u></b></td> </tr> </tbody> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bond	\$50,000,000	Project costs	\$56,200,000	Equity	<u>6,700,000</u>	Legal & Professional	<u>500,000</u>	<b>Total</b>	<b><u>\$56,700,000</u></b>	<b>Total</b>	<b><u>\$56,700,000</u></b>
<b>Sources:</b>		<b>Uses:</b>															
IFA Bond	\$50,000,000	Project costs	\$56,200,000														
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<b>Total</b>	<b><u>\$56,700,000</u></b>	<b>Total</b>	<b><u>\$56,700,000</u></b>														
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 May 12, 2016**

**Project: American Academy of Pediatrics**

**STATISTICS**

Project Number: 12339	Amount: \$50,000,000 (not-to-exceed amount)
Type: 501(c)(3) Revenue Bond	IFA Staff: Rich Frampton and Brad R. Fletcher
Locations: Itasca	County/Region: DuPage County/Northeast

**BOARD ACTION**

Final Bond Resolution (One-time consideration)	
Conduit 501(c)(3) Revenue Bond	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**

Bond proceeds will be used by the **American Academy of Pediatrics**, an Illinois not for profit corporation (the “**Academy**”), in order to assist the Academy in providing a portion of the funds necessary to do any or all of the following: (i) finance, refinance or reimburse the Academy for the payment of the cost of acquiring and constructing certain “educational facilities” (as defined in the Illinois Finance Authority Act), including without limitation the acquisition and construction of real estate, buildings, structures, improvements, equipment, furnishings and furniture located at 345 Park Boulevard, Itasca, Illinois 60143, to be owned and operated by the Academy and used as an approximately 183,000 gross square foot office building with an approximately 40,000 square foot conference center (the “**Project**”), and (ii) pay certain expenses incurred in connection with the issuance of the 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 Bond paid to bondholders, thereby reducing the Borrower’s interest expense.

**VOLUME CAP**

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

**ESTIMATED SOURCES AND USES OF FUNDS**

Sources: IFA Bond	\$50,000,000	Uses: Project Costs	\$56,200,000
Equity	<u>6,700,000</u>	Legal & Professional	<u>500,000</u>
<b>Total</b>	<b><u>\$56,700,000</u></b>	<b>Total</b>	<b><u>\$56,700,000</u></b>

**JOBS**

Current employment: 460	Projected new jobs: 18 (12-24 months)
Jobs retained: N/A	Construction jobs: 130 (17 months)

Note: AAP’s operations will relocate from the Academy’s current facility in Elk Grove Village upon completion of the new Itasca facility.

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### FINANCING SUMMARY

Structure/  
Security: The Bond will be purchased directly by **FirstMerit Bank, N.A.** (the “**Bank**” or “**Bond Purchaser**”). The Bank is expected to be secured by a valid, perfected, first-priority mortgage and security interest in the real property and all fixtures, equipment and other personal property related to or used in connection with the real property associated with the Project.

Interest Rate: The Bank is expected to establish an initial interest rate for 15 years (with reset provisions at the end of the initial term), amortized over 30 years. The interest rate will be set at pre-closing based on prevailing market conditions, currently estimated at between 1.50% and 2.50%

Maturity: Final maturity date not to exceed 30 years from issuance date. FirstMerit Bank, N.A.’s initial interest rate period will be set for an initial term of 15 years (with provisions to extend thereafter to the scheduled final maturity date).

Estimated  
Closing Date: May/June 2016

Rationale: The proposed Bond will reduce monthly payments that will help the American Academy of Pediatrics keep its fixed charges (including debt service payments) as low as possible.

AAP’s presence provides Itasca with a globally recognized organization consisting of a stable employee base that has experienced an average of 3% growth since 2000. With a goal of maintaining focus on employee recruitment and retention, the excellent highway access at the new location will allow AAP to attract and retain a wide base of employees throughout the Chicago metropolitan area. Further, AAP hosts over 4,000 members a year in meetings utilizing local hotels and area amenities which will drive additional revenues for Itasca. This facility will allow AAP to move meetings to the facility and adjacent hotel. The Westin Chicago Northwest Hotel at Hamilton Lakes Business Park is located directly across Park Boulevard from the Project site.

The Academy anticipates relocating several out-of-state meetings to the new Itasca facility following scheduled completion in September 2017. More specifically, the Academy estimates that in the first two years 10 large meetings with over 100 attendees each will be moved to Itasca from other states creating an additional 2,000 room nights (and related travel and entertainment expenses) thereby benefiting Itasca and surrounding communities. The conference facility will have the capability of hosting approximately 450 people at one time. Several of the Academy’s conferences will draw attendees from around the world.

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### PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by the **American Academy of Pediatrics**, an Illinois not for profit corporation (the “**Academy**”), in order to assist the Academy in providing a portion of the funds necessary to do any or all of the following: (i) finance, refinance or reimburse the Academy for the payment of the cost of acquiring and constructing certain “educational facilities” (as defined in the Illinois Finance Authority Act), including without limitation the acquisition and construction of real estate, buildings, structures, improvements, equipment, furnishings and furniture located at 345 Park Boulevard, Itasca, Illinois 60143, to be owned and operated by the Academy and used as an approximately 183,000 gross square foot office building with an approximately 40,000 square foot conference center (the “**Project**”), and (ii) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the “**Financing Purposes**”).

The estimated Project Costs are comprised of the following items (subject to change):

Land Acquisition	\$8,500,000
New Construction	<u>47,700,000</u>
<b>Total</b>	<b><u>\$56,200,000</u></b>

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## BUSINESS SUMMARY

**Description:** The **American Academy of Pediatrics** (“AAP” or the “**Borrower**”) was established in 1930 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.

AAP is governed by a 14-member Board of Directors (see pp. 5-6).

**Background:** **AAP History:** AAP was incorporated on July 10, 1930, by 35 pediatricians to serve as an independent forum to address children’s health needs. At that time, the idea that children had unique developmental and health needs was new. Practices that are now standard preventive care (i.e., immunization, regular health exams) were only just beginning to change the custom of treating children as “miniature adults.” AAP also maintains the Pediatric History Center, which collects and archives materials related to the history of pediatrics in the United States and Canada and the history of AAP itself.

**Mission:** The mission of the American Academy of Pediatrics is to attain optimal physical, mental and social health and well-being for all infants, children, adolescents and young adults. To accomplish this, AAP supports the professional needs of its members.

**Membership:** AAP is a professional membership organization of 64,000 primary care pediatricians, pediatric medical sub-specialists and pediatric surgical specialists dedicated to the health, safety and well-being of infants, children, adolescents and young adults. The “**FAAP**” designation after a pediatrician's name stands for “**Fellow of the American Academy of Pediatrics**”. Pediatricians who maintain their FAAP designation have obtained board certification.

**Research:** AAP is home to several long-term research programs to enhance the delivery of health care to children. The Pediatric Research in Office Settings program conducts studies using a network of 1,800 pediatricians working in office-based practices and is one of the longest-running research programs in the U.S.

**Publications:** AAP has the largest pediatric publishing program in the world, with more than 300 titles for consumers and over 500 for physicians and other health care professionals. AAP publishes scientific journals, continuing education periodicals, a membership news magazine and manuals on topics such as infectious diseases and school health.

**Member Education:** Ongoing education of pediatricians is a cornerstone of promoting optimal care for children. Continuing medical education (“CME”) is a major activity of AAP. Member pediatricians may participate in a variety of formats, including live, print and online activities. CME activities are searchable and available through PediaLink, AAP’s online center for lifelong learning.

**Policy and Clinical Guidance:** AAP recommendations form the basis of pediatric preventive health care. AAP issues policy statements, clinical reports, technical reports and practice guidelines on a broad range of topics. AAP collaborates with two other organizations to produce the annual recommended immunization schedules for children and adolescents used by schools, public health agencies and pediatricians.

**Public Education:** AAP produces numerous patient education brochures and a series of child care books. In 2009, AAP launched a parent-oriented Web site, HealthyChildren.org, which offers up-to-date health advice for parents and caregivers. AAP works extensively with the media and carries out public information campaigns to ensure that timely, accurate messages and information reach families and professionals.

**AAP Strategic Plan: Agenda for Children:** All priorities in the Agenda for Children have strong affinity with the mission, core values and vision of the AAP. Certain issues impact the organization at a higher strategic level and have a very strong bond with the core values of AAP.

**Advocacy:** AAP advocates for access to health care for all children, adolescents and young adults. AAP believes that each child should have a “medical home”—a model of health care where care is accessible, family-centered, continuous, comprehensive, coordinated, compassionate and culturally effective. AAP works with government, communities and other national organizations to shape many child health and safety issues.

**Community-based Initiatives:** AAP works with community-based organizations on many programs and grant-funded projects. For example, the Community Access To Child Health (CATCH) Program supports pediatricians involved in community-based efforts for children. The Healthy Tomorrows Partnership for Children Program is a cooperative agreement between the federal Maternal and Child Health Bureau and AAP, with federal grants awarded to support community-based projects that improve access to health services for mothers, infants, children and adolescents.

**Funding:** AAP’s activities and programs are funded through a wide array of sources including membership dues, revenues from continuing medical education activities and publications, and unrestricted grants from individuals, foundations, corporations and government agencies. Grants and contributions support more than 200 programs each year.

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### ECONOMIC DISCLOSURE STATEMENT

Applicant: American Academy of Pediatrics, 1411 Northwest Point Boulevard, Elk Grove Village (Cook County), IL 60007

Contact: Mr. John Miller, Director, Department of Finance:  
(T) 847-434-7925; email: [jmiller@aap.org](mailto:jmiller@aap.org)

Website: [www.aap.org](http://www.aap.org)

Site Location: 345 Park Boulevard, Itasca (DuPage County), Illinois 60143

Project name: IFA 501(c)(3) Revenue Bond (American Academy of Pediatrics), Series 2016

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

AAP Board of Directors: The Academy is governed by a Board of Directors consisting of 10 members, elected by their regional districts, who also serve as district chairpersons.

#### Executive Committee

Benard P. Dreyer, MD, FAAP, President  
Fernando Stein, MD, FAAP, President-Elect  
Sandra G. Hassink, MD, FAAP, Immediate Past President  
Karen Remley, MD, FAAP, Executive Director/Chief Executive Officer

#### Board of Directors

Carole E. Allen, MD, FAAP  
Warren M. Seigel, MD, FAAP  
David I. Bromberg, MD, FAAP  
Jane Meschan Foy, MD, FAAP  
Richard H. Tuck, MD, FAAP  
Pamela K. Shaw, MD, FAAP  
Anthony Dale Johnson, MD, FAAP  
Kyle Yasuda, MD, FAAP  
Stuart A. Cohen, MD, MPH, FAAP  
Sara H. Goza, MD, FAAP

**PROFESSIONAL & FINANCIAL**

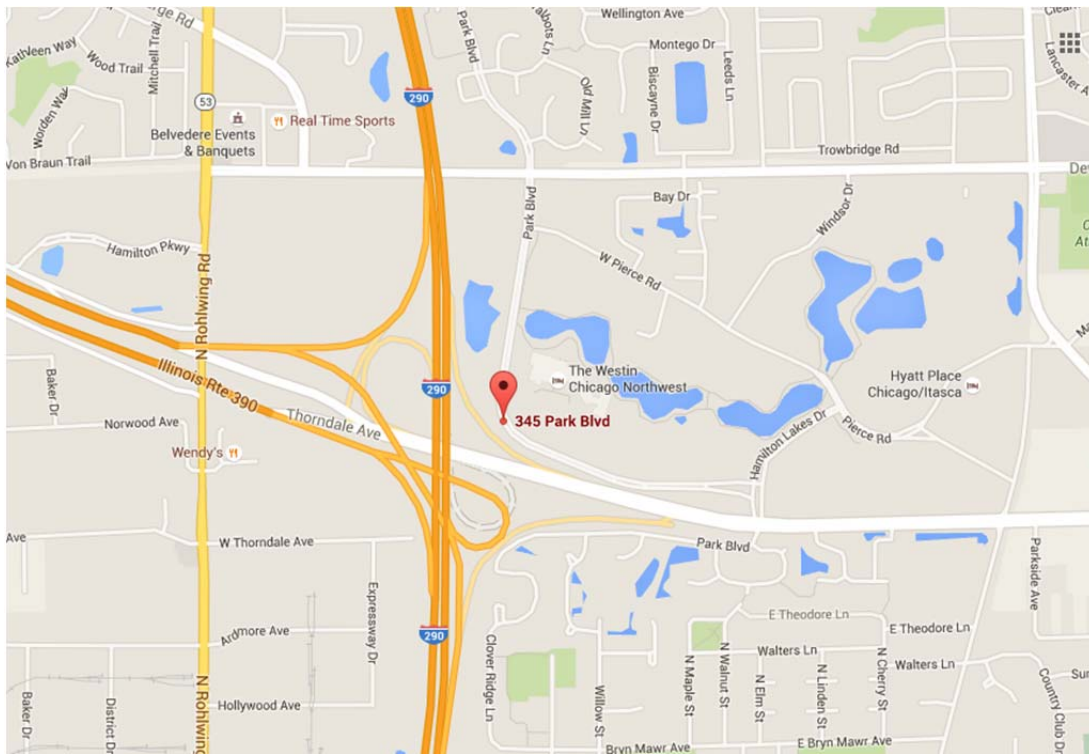
Borrower's Counsel:	Barnes & Thornburg, LLP	Chicago, IL	Wesley Broguard
Auditor:	Plante & Moran, PLLC	Chicago, IL	
Bond Counsel:	Barnes & Thornburg, LLP	Indianapolis, IN Chicago, IL	Neal Steinbart Richard Boykin
Bank/Direct Bond Purchaser:	FirstMerit Bank, N.A.	Chicago, IL Cleveland, OH	Dave Izzo Dwight Clark
Bank/Purchaser's Counsel:	Reed Smith, LLP	Chicago, IL	Joe Schaider
Architect:	VOA	Chicago, IL	Jeannette Lenear Peruchini
General Contractor:	Opus	Rosemont, IL	Jim Caesar
IFA Counsel:	Greenberg Traurig LLP	Chicago, IL	Tom Smith
IFA Financial Advisor:	Sycamore Advisors, LLC	Chicago, IL	Melanie Shaker

**LEGISLATIVE DISTRICTS**

Congressional:	8
State Senate:	23
State House:	45

**PROJECT SITE**

The Project will be located just NE of the I-290/Thorndale Ave. (Illinois 390) interchange in Itasca in the Hamilton Lakes Business Park. The Westin Chicago Northwest Hotel is located across the street on the east side of Park Boulevard.





May 12, 2016

**\$160,000,000 (not-to-exceed)**  
**Northwest Community Hospital**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by <b>Northwest Community Hospital</b> (“Northwest” or “NCH” or the “Hospital”) to (i) advance refund Series 2008A Bonds and (ii) pay costs of issuance.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>																								
<b>BOARD ACTIONS</b>	Final Bond Resolution ( <i>One-time consideration</i> )																								
<b>MATERIAL CHANGES</b>	None. This is the first time this financing has been presented to the IFA Board of Directors																								
<b>JOB DATA</b>	<table border="0"> <tr> <td>2,602 FTE</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	2,602 FTE	Current jobs	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected																
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<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location: Arlington Heights, Illinois (Cook County/Northeast Region)</li> <li>• NCH, an Illinois not-for-profit corporation, owns and operates a patient care facility located in Arlington Heights, Illinois. The facility is approximately 1.6 million square feet and licensed to operate 440 acute care beds, 395 of which are currently in operation. The Hospital began operations in 1959 and is located on approximately 35 acres of land. NCH also owns a 50,000 square foot office building three miles from the main campus. This facility provides office space for various administrative departments of the Hospital.</li> </ul>																								
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• NCH is rated ‘A2’/ ‘A+’ by Moody’s/ S&amp;P, both with stable outlooks and the Hospital has applied for the ratings. Ratings are expected during the week of 5/16/2016 in at least the ‘A’ category.</li> </ul>																								
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• The Bonds will be secured on a senior parity basis with all other obligations issued under the Hospital’s Amended and Restated Master Trust Indenture (“MTI”), and will be evidenced by a Master Note issued under the MTI, and will be secured by a pledge of unrestricted receivables on parity with all other debt issued under the MTI. Notwithstanding the pledge of Unrestricted Receivables, the Obligated Group Members may sell or otherwise transfer Unrestricted Receivables in accordance with the provisions of the MTI.</li> </ul>																								
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>• Bonds will mature no later than 2046 (30 years)</li> </ul>																								
<b>SOURCES AND USES*</b>	<table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Bonds</td> <td>\$131,820,000</td> <td>Series 2008A Refunding</td> <td>\$156,112,823</td> </tr> <tr> <td>Original Issue Premium</td> <td>\$22,528,846</td> <td></td> <td></td> </tr> <tr> <td>Accrued Interest</td> <td><u>\$3,761,050</u></td> <td>Costs of Issuance</td> <td>\$1,318,200</td> </tr> <tr> <td></td> <td></td> <td>Underwriter’s Discount</td> <td><u>\$678,873</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$158,109,896</u></b></td> <td><b>Total</b></td> <td><b><u>\$158,109,896</u></b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	\$131,820,000	Series 2008A Refunding	\$156,112,823	Original Issue Premium	\$22,528,846			Accrued Interest	<u>\$3,761,050</u>	Costs of Issuance	\$1,318,200			Underwriter’s Discount	<u>\$678,873</u>	<b>Total</b>	<b><u>\$158,109,896</u></b>	<b>Total</b>	<b><u>\$158,109,896</u></b>
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*Estimated – subject to change																									
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																								



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**FINANCING SUMMARY/STRUCTURE**

Security:	The Bonds will be secured on a senior parity basis with all other obligations issued under the Hospital's Amended and Restated Master Trust Indenture ("MTI"), and will be evidenced by a Master Note issued under the MTI, and will be secured by a pledge of unrestricted receivables on parity with all other debt issued under the MTI. Notwithstanding the pledge of Unrestricted Receivables, the Obligated Group Members may sell or otherwise transfer Unrestricted Receivables in accordance with the provisions of the MTI.
Structure:	Fixed rate bonds
Interest Rate:	To be determined on the day of pricing.
Interest Rate Modes:	Fixed rate
Underlying Ratings:	NCH is rated 'A2' / 'A+' by Moody's/ S&P, both with stable outlooks and the Hospital has applied for the ratings. Ratings are expected during the week of 5/16/2016 in at least the 'A' category.
Maturity:	Bonds will mature no later than 2046 (30 years)
Estimated Closing Date:	June 2016

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**PROJECT SUMMARY**

Bond proceeds will be used by Northwest Community Hospital to (i) advance refund Series 2008A Bonds and (ii) pay costs of issuance.

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**BUSINESS SUMMARY**

Northwest Community Hospital, an Illinois not-for-profit corporation, owns and operates a patient care facility located in Arlington Heights, Illinois. The facility is approximately 1.6 million square feet and licensed to operate 440 acute care beds, 395 of which are currently in operation. The Hospital began operations in 1959 and is located on approximately 35 acres of land. The Hospital also owns a 50,000 square foot office building three miles from the main campus. This facility provides office space for various administrative departments of the Hospital.

In addition to providing general acute care services and mental health services, NCH has distinguished itself in the following specialties: Cardiovascular Services, Neurosciences, Orthopedic Services, Gastroenterology, Women's and Children's Services and Emergency Services. Emergency Services are the source of the majority of NCH's admissions.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Northwest Community Hospital  
 800 West Central Road  
 Arlington Heights, IL 60005-2349

Contact: John L. Skeans, Executive Vice President & Chief Financial Officer

Website: www.nch.org

Project name: Northwest Community Hospital 2016 Refunding

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

State: Illinois

Board Members:

<u>Name</u>	<u>Business or Affiliation</u>	<u>Board Member Since</u>	<u>Term Expires</u>
James H. Bishop	Retired Executive Wintrust Financial Corp.	1986	2016
Craig E. Christell	Financial Advisor Edward Jones Investments	2003	2018
Kirk Clark, MD	NCH Medical Staff President, Department of Surgery.	2014	2017
Jay S. Cowen	President Intensive Care Evaluations	2016	2019
Guy W. Eisenhuth	President & CEO Village Bank & Trust	2016	2019
Ann K. Ford	Chief Ethics and Compliance Officer, Chief Privacy Officer Medline Industries, Inc.	2016	2019
Dale J. Garber	Retired Executive	1991	2016
Louis A. Gatta, Ph.D.	CEO and Chairman President, ECRA Group, Inc.	1991	2016
Maria F. Glabe	Business Advisor Management Control International, Inc.	2011	2017
Charles A. Hempfling	President C.A. Hempfling & Associates, Inc.	1986	2016

<u>Name</u>	<u>Business or Affiliation</u>	<u>Board Member Since</u>	<u>Term Expires</u>
Diane G. Hill	Retired Professor Northwestern University	2005	2016
Richard D. Hoffman	President & CEO Automatic Mechanical Services	2016	2019
Thomas P. MacCarthy	Chairman & CEO Cornerstone National Bank & Trust Company	2005	2018
E, Quinn Regan, MD	NCH Medical Staff Vice President Department of Orthopedics	2015	2019
Stephen O. Scogna	President & CEO NCH	2013	Ex-officio
Mary R. Sheahan, MS, RN	Board President Midwest Medical Center	2010	2019

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Nixon Peabody LLP	Thomas M. Fahey	Chicago, IL
Borrower's Financial Advisor	Kaufman Hall & Associates, LLC	Glenn Wagner	Skokie, IL
Auditor:	Ernst & Young	Tadd Ingles	Chicago, IL
Underwriter:	Goldman Sachs & Co.	Jeff Ellis	New York, NY
Bond Counsel:	Chapman and Cutler LLP	David Kates	Chicago, IL
Underwriter's Counsel:	Dentons	Kathryn B. Ashton	Chicago, IL
Bond Trustee:	Wells Fargo Bank, N.A.	Gail Klewin	Chicago, IL
Issuer's Counsel:	Foley & Lardner LLP	Laura Bilas	Chicago, IL
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Phoebe S. Selden

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**LEGISLATIVE DISTRICTS**

Congressional:	9
State Senate:	27
State House:	54

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**SERVICE AREA**

NCH's primary service area is located to the northwest of downtown Chicago and includes the suburban communities of Arlington Heights, Mount Prospect, Palatine, and Rolling Meadows. The secondary service area includes the communities of Barrington, Buffalo Grove, Des Plaines, Elk Grove Village, Lake Zurich, Prospect Heights, Schaumburg, and Wheeling.

May 12, 2016

**\$45,000,000 (not-to-exceed)  
Ness Healthcare NFP**

<p><b>REQUEST</b></p>	<p><b>Purpose:</b> Tax-exempt bond proceeds of approximately \$40,000,000 and taxable bond proceeds of approximately \$5,000,000 will be used by <b>Ness Healthcare NFP</b> (the “<b>Corporation</b>”) to (i) finance, refinance, or reimburse the Corporation for the costs of acquiring, constructing, renovating, remodeling and equipping certain psychiatric and assisted living facilities of the Corporation, (ii) pay capitalized interest on the Bonds, if deemed necessary or advisable, (iii) fund a debt service reserve, if deemed necessary or advisable, and (iv) pay costs of issuance.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>								
<p><b>BOARD ACTIONS</b></p>	<p>Preliminary Bond Resolution (<i>as revised</i>)</p>								
<p><b>MATERIAL CHANGES</b></p>	<p>This is the first time this project has been presented to the IFA Board.</p>								
<p><b>ILLINOIS JOB DATA</b></p>	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">6</td> <td style="text-align: center;">Current jobs</td> <td style="text-align: center;">10</td> <td style="text-align: center;">New jobs projected</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Construction jobs projected</td> </tr> </table>	6	Current jobs	10	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected
6	Current jobs	10	New jobs projected						
N/A	Retained jobs	N/A	Construction jobs projected						
<p><b>DESCRIPTION</b></p>	<ul style="list-style-type: none"> <li>• Locations: Illinois, Minnesota, Louisiana and Alabama</li> <li>• The Corporation is an Illinois not-for-profit corporation organized by Han Capital in July of 2015 to provide residential care facilities for the elderly to meet their physical, emotional, recreational, social and other needs. The Corporation intends to amend its articles of incorporation to include the provision of psychiatric and behavioral health services as one of its corporate purposes. The Corporation has received a determination letter from the Internal Revenue Service that is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.</li> <li>• Han Capital is a private equity firm, based in Chicago, Illinois. Their focus is health care, self-storage and other value add opportunities. The firm has significant experience in owning and managing healthcare assets. Their current portfolio includes assisted living facilities in Minnesota and California. The executive team is made up of individuals with strong backgrounds in finance, distressed assets and management.</li> <li>• The Corporation is headquartered at 7300 N Cicero Ave Lincolnwood, Illinois.</li> <li>• The Corporation will use the tax-exempt and taxable bond proceeds to acquire the following psychiatric and assisted living facilities:             <ul style="list-style-type: none"> <li>• <u>Beacon Children’s Hospital</u>. Beacon Children’s Hospital is located at 150 Hospital Drive Luverne, Alabama 36049. Beacon Children's Hospital is a 28 bed (licensed for 32) acute care psychiatric hospital for children and adolescents. The acquisition cost is expected to be approximately \$6,600,000.</li> <li>• <u>Northlake Behavioral Health System</u>. Northlake Behavioral Health System is located at 23515 Hwy 190 Mandeville, Louisiana 70448. Northlake Behavioral Health System is a psychiatric hospital licensed for 205 beds (140 acute and 65 psychiatric residential treatment facility). The acquisition cost is expected to be approximately \$25,000,000.</li> <li>• <u>Valleyview of Owatonna</u>. Valleyview of Owatonna is located at 1212 Frontage Road W/I-35, Owatonna, Minnesota 55060. Valleyview of Owatonna Assisted Living is a senior care campus renovated in 2004. The facility contains 90 assisted living units. It is located 60 minutes from downtown Minneapolis, Minnesota and is 40 miles from the renowned Mayo Clinic in Rochester, Minnesota. The acquisition cost is expected to be approximately \$4,500,000.</li> </ul> </li> </ul>								

<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>The Corporation is a non-rated entity.</li> </ul>																				
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>The Bonds will be secured by a promissory note(s) issued under a Master Trust Indenture of the Corporation, which will contain covenants to be negotiated. Mortgages on all financed properties and a pledge of revenues will be granted to the Master Trustee.</li> </ul>																				
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>Bonds will mature not later than 30 years.</li> </ul>																				
<b>SOURCES AND USES</b>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;"><b>Sources:</b></th> <th colspan="2" style="text-align: left;"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td style="width: 40%;">IFA Tax –Exempt Bonds</td> <td style="width: 20%; text-align: right;">\$40,000,000</td> <td style="width: 20%;">Project</td> <td style="width: 20%; text-align: right;">\$39,915,685</td> </tr> <tr> <td>IFA Taxable Bonds</td> <td style="text-align: right;"><u>\$5,000,000</u></td> <td>Reserve Fund</td> <td style="text-align: right;">3,584,315</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance *</td> <td style="text-align: right;"><u>\$1,500,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$45,000,000</u></b></td> <td><b>Total</b></td> <td style="text-align: right;"><b><u>\$45,000,000</u></b></td> </tr> </tbody> </table> <p style="text-align: right; margin-top: 10px;">*Estimated</p>	<b>Sources:</b>		<b>Uses:</b>		IFA Tax –Exempt Bonds	\$40,000,000	Project	\$39,915,685	IFA Taxable Bonds	<u>\$5,000,000</u>	Reserve Fund	3,584,315			Costs of Issuance *	<u>\$1,500,000</u>	<b>Total</b>	<b><u>\$45,000,000</u></b>	<b>Total</b>	<b><u>\$45,000,000</u></b>
<b>Sources:</b>		<b>Uses:</b>																			
IFA Tax –Exempt Bonds	\$40,000,000	Project	\$39,915,685																		
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		Costs of Issuance *	<u>\$1,500,000</u>																		
<b>Total</b>	<b><u>\$45,000,000</u></b>	<b>Total</b>	<b><u>\$45,000,000</u></b>																		
<b>RECOMMENDATION</b>	Credit Committee recommends approval.																				



**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 May 12, 2016**

**Project: Ness Healthcare NFP**

**STATISTICS**

Project Number: 12318	Amount: \$45,000,000 (not-to-exceed)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Pam Lenane and Tammy Harter
Illinois Location: Lincolnwood	Illinois County/Region: Cook County/Northeast
Out of State Locations: Louisiana, Alabama and Minnesota	Out of State Counties: Steele County, Minnesota; Crenshaw County, Alabama; St. Tammany Parish, Louisiana

**BOARD ACTION**

Preliminary Bond Resolution ( <i>as revised</i> )	
Conduit 501(c)(3) Revenue Bonds	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

**PURPOSE**

Tax-exempt bond proceeds of approximately \$40,000,000 and taxable bond proceeds of approximately \$5,000,000 will be used by **Ness Healthcare NFP** (the “**Corporation**”) to (i) finance, refinance, or reimburse the Corporation for the costs of acquiring, constructing, renovating, remodeling and equipping certain psychiatric and assisted living facilities of the Corporation, (ii) pay capitalized interest on the Bonds, if deemed necessary or advisable, (iii) fund a debt service reserve, if deemed necessary or advisable, and (iv) pay costs of issuance.

**IFA PROGRAM AND CONTRIBUTION**

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

**VOLUME CAP**

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

**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Tax-Exempt Bonds	\$40,000,000	Refunding	\$39,915,685
IFA Taxable Bonds	<u>\$5,000,000</u>	Project Fund	\$3,584,315
		Costs of Issuance*	<u>\$1,500,000</u>
<b>Total</b>	<b><u>\$45,000,000</u></b>	<b>Total</b>	<b><u>\$45,000,000</u></b>

\*Estimated

**ILLINOIS JOBS DATA**

Current employment: 6	Projected new jobs: 10
Jobs retained: N/A	Construction jobs: N/A

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### FINANCING SUMMARY

Credit Enhancement:	None.
Structure:	The Bonds are expected to be fixed rate bonds that will be sold in a private placement. Loop Capital Markets LLC has been engaged as Placement Agent and will locate potential purchasers of the Bonds. The Bonds will be nonrated and sold in denominations of \$100,000 pursuant to a Private Placement Memorandum.
Interest Rate:	Fixed rates estimated from 4 to 6%
Interest Rate Modes:	Fixed
Underlying Ratings:	The Corporation is a non-rated entity.
Maturity:	Up to 30 years
Estimated Closing Date:	July 1, 2016

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### PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Tax-exempt bond proceeds of approximately \$40,000,000 and taxable bond proceeds of approximately \$5,000,000 will be used by the Corporation to (i) finance, refinance, or reimburse the Corporation for the costs of acquiring, constructing, renovating, remodeling and equipping certain psychiatric and assisted living facilities of the Corporation, (ii) pay capitalized interest on the Bonds, if deemed necessary or advisable, (iii) fund a debt service reserve, if deemed necessary or advisable, and (iv) pay costs of issuance.

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### BUSINESS SUMMARY

The Corporation is an Illinois not-for-profit corporation organized by Han Capital in July of 2015 to provide residential care facilities for the elderly to meet their physical, emotional, recreational, social and other needs. The Corporation intends to amend its articles of incorporation to include the provision of psychiatric and behavioral health services as one of its corporate purposes. The Corporation has received a determination letter from the Internal Revenue Service that is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Corporation is headquartered at 7300 N Cicero Ave in Lincolnwood, Illinois.

Han Capital is a private equity firm, based in Chicago, Illinois. Their focus is health care, self-storage and other value add opportunities. The firm has significant experience in owning and managing healthcare assets. Their current portfolio includes assisted living facilities in Minnesota and California. The executive team is made up of individuals with strong backgrounds in finance, distressed assets and management.

The Corporation will use the tax-exempt and taxable bond proceeds to acquire the following psychiatric and assisted living facilities:

- Beacon Children's Hospital. Beacon Children's Hospital is located at 150 Hospital Drive Luverne, Alabama 36049. Beacon Children's Hospital is a 28 bed (licensed for 32) acute care psychiatric hospital for children and adolescents. The acquisition cost is expected to be approximately \$6,600,000.
- Northlake Behavioral Health System. Northlake Behavioral Health System is located at 23515 Hwy 190 Mandeville, Louisiana 70448. Northlake Behavioral Health System is a psychiatric hospital licensed for 205 beds (140 acute and 65 psychiatric residential treatment facility). The acquisition cost is expected to be approximately \$25,000,000.
- Valleyview of Owatonna. Valleyview of Owatonna is located at 1212 Frontage Road W/I-35, Owatonna, Minnesota 55060. Valleyview of Owatonna Assisted Living is a senior care campus renovated in 2004. The facility contains 90 assisted living units. It is located 60 minutes from downtown Minneapolis, Minnesota and is 40 miles from the renowned Mayo Clinic in Rochester, Minnesota. The acquisition cost is expected to be approximately \$4,500,000.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Ness Healthcare NFP  
Site Address: 7300 N. Cicero Ave., Lincolnwood, IL 60712  
Contact: Tony Shir, 872-208-7614  
Website: N/A  
Project name: Ness Healthcare  
Organization: 501(c)(3) Not-for-Profit Corporation  
State: Illinois

Ness Healthcare NFP 2016 Board Members (501(c)(3)):

***Scott Kellman***

Scott currently serves as Chairman and Chief Executive Officer of American Eagle Lifecare Corporation, a not-for-profit provider of senior living services to the elderly. Previously, he was the Chief Executive Officer of Care Investment Trust (NYSE: CRE) and a Managing Director and Head of Real Estate with CIT Healthcare. A veteran of the healthcare industry with over 25 years of experience deploying capital in healthcare real estate, Mr. Kellman previously served as Senior Vice President at Healthcare Property Investors, Inc. (NYSE: HCP) where he was responsible for directing HCP's business development activities. He also served as Senior Vice President, Treasurer of Tenet Healthcare Corporation (NYSE: THC) where he managed Tenet's real estate and oversaw the company's corporate finance and cash management functions. Mr. Kellman was Chief Operating Officer of Omega Healthcare Investors, Inc. (NYSE: OHI) where he acquired and provided debt financing for healthcare real estate properties. Prior to joining Omega, he founded and operated Medical REIT, which merged with Omega Healthcare in August 1993. Mr. Kellman received an AB in political science, graduating magna cum laude, as well as a JD from the University of Michigan Law School.

***Michael Tarnoff***

As EVP & CFO of the Jewish Federation, Mr. Tarnoff provides strategic direction and supervision for the areas of: finance; accounting; investments; compliance; labor relations; employee benefits; insurance / risk management; and real estate development and management. Founder of Jewish Federations of North America nation-wide programs which provides tax-exempt bond underwriting services for capital projects and has issued over \$1 billion of tax-exempt bonds. JF Investment Program also manages over \$2.5 billion in endowment portfolio assets. Member of Financial Accounting Standards Board Nonprofit Advisory Committee --assists FASB in understanding accounting issues of nonprofits, especially insofar as they differ from those of public and private for-profit business entities. Recipient of Mandelkorn Distinguished Service Award -- given in recognition of significant communal service contributions -- including encouraging and practicing the open exchange of information, collaboration and collective action. Past Chairman of Board of First Non Profit Insurance Company - insurance underwriter founded by United Way exclusively for nonprofit organizations. FNIC was purchased in 2013 by AmTrust, a NYSE listed company. Member of the Advisory Board of Agile HC - providing software solutions utilizing predictive analytics for complex staffing requirements in 24/7 health care environments such as hospitals and other licensed care facilities. Board member of Michael Reese Health Trust, one of the largest health care related foundations in Illinois. Also serve on Boards of numerous other charitable foundations. Tarnoff received an MBA from Booth Graduate School of Business, University of Chicago.

***Michael Messing***

Michael Messing serves as a Diagnostic Radiologist at Hala Comprehensive Breast Center in Jerusalem, Israel. He is American Board of Radiology Certified since 1991 and proficient in Breast Imaging and Intervention and Emergency Radiology. Mr. Messing previously served at St. James Mercy Hospital in Hornell, NY, North Shore Hospital in Highland Park, IL and MacNeal Hospital in Berwyn, IL. Mr. Messing received his B.A. in Biology from University of Rochester, an M.S. in Biochemistry and Molecular Biology, Doctor of Medicine (MD) in 1986 from the Chicago Medical School at Rosalind Franklin U-Med & Science and Post MD Fellowship of Diagnostic Radiology/ Body Imaging at Northwestern University.

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Much Shelist, P.C.	J. Eric Guth	Chicago, IL
Auditor:	TBD		
Placement Agent:	Loop Capital Markets, LLC	Prakash Ramani	Chicago, IL
Bond Counsel:	Nixon Peabody LLP	Julie Seymour	Chicago, IL
Placement Agent's Counsel:	Chapman and Cutler LLP	David Kates	Chicago, IL
Bond Trustee:	TBD		
Issuer's Counsel:	Nixon Peabody LLP	Julie Seymour	Chicago, IL
Issuer's Advisor:	Sycamore Advisors, LLC	Chicago, IL	Melanie Shaker

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**LEGISLATIVE DISTRICTS**

Congressional:	9
State Senate:	8
State House:	16

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**SERVICE AREA**

The Corporation expects to operate psychiatric and assisted living facilities in Owatonna, Minnesota; Mandeville, Louisiana and Luverne, Alabama.



# CONDUIT

May 12, 2016

## \$50,000,000 Rush University Medical Center

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by <b>Rush University Medical Center</b> (“RUMC”) to (i) refund Series 2008A Bonds, which were used to finance portions of projects on the RUMC campus, including the East Patient Tower, Central Plant, loading docks and parking; and (ii) pay costs of issuance.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>																
<b>BOARD ACTIONS</b>	Final Bond Resolution ( <i>One-time consideration</i> )																
<b>MATERIAL CHANGES</b>	None. This is the first time this financing has been presented to the IFA Board of Directors.																
<b>JOB DATA</b>	<table> <tr> <td>10,878</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	10,878	Current jobs	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected								
10,878	Current jobs	N/A	New jobs projected														
N/A	Retained jobs	N/A	Construction jobs projected														
<b>DESCRIPTION</b>	RUMC owns and operates an academic medical center in Chicago. Major operations of RUMC include Rush University Hospital, Rush University and Rush University Medical Group. The hospital operations include 679 staffed beds and RUMC is the third largest hospital provider in the eight county Chicago metropolitan areas as measured by market share.																
<b>STRUCTURE/CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>Bank direct placement, variable rate, up to 10 year maturity with the Northern Trust</li> <li>Current underlying ratings of ‘A1’/‘A+’/‘A+’ by Moody’s, S&amp;P and Fitch, respectively</li> </ul>																
<b>SECURITY</b>	The Obligated Group (consisting of Rush University Medical Center (“RUMC”); Rush-Copley Medical Center, Inc. (“RCMC”); Rush Oak Park Hospital (“ROPH”); Copley Memorial Hospital (“Copley”); Copley Memorial Hospital Health Care Foundation (“Copley Foundation”); and Copley Ventures, Inc. (“Copley Ventures”)) will give a revenue pledge with certain covenants to be negotiated																
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>Up to 10 years</li> </ul>																
<b>SOURCES AND USES</b>	<table> <thead> <tr> <th colspan="2"><b>Sources:</b></th> <th colspan="2"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td>IFA Bonds</td> <td>\$50,000,000</td> <td>Refunding</td> <td>\$50,000,000</td> </tr> <tr> <td>RUMC equity</td> <td><u>\$ 500,000</u></td> <td>Costs of Issuance*</td> <td><u>\$500,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$50,500,000</u></b></td> <td><b>Total</b></td> <td><b><u>\$50,500,000</u></b></td> </tr> </tbody> </table> <p>*Estimated – Preliminary subject to change – Costs of Issuance are to be paid by Borrower</p>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	\$50,000,000	Refunding	\$50,000,000	RUMC equity	<u>\$ 500,000</u>	Costs of Issuance*	<u>\$500,000</u>	<b>Total</b>	<b><u>\$50,500,000</u></b>	<b>Total</b>	<b><u>\$50,500,000</u></b>
<b>Sources:</b>		<b>Uses:</b>															
IFA Bonds	\$50,000,000	Refunding	\$50,000,000														
RUMC equity	<u>\$ 500,000</u>	Costs of Issuance*	<u>\$500,000</u>														
<b>Total</b>	<b><u>\$50,500,000</u></b>	<b>Total</b>	<b><u>\$50,500,000</u></b>														
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 May 12, 2016**

**Project: Rush University Medical Center**

**STATISTICS**

Project Number: 12335	Amount: \$50,000,000 (not-to-exceed)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Pam Lenane and Tammy Harter
Location: Chicago	County/Region: Cook County Northeast Region

**BOARD ACTION**

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

**PURPOSE**

Bond proceeds will be used by **Rush University Medical Center** (“RUMC”) to (i) refund Series 2008A Bonds and (ii) pay costs of issuance.

**IFA PROGRAM AND CONTRIBUTION**

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

**VOLUME CAP**

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

**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Bonds	\$50,000,000	Refunding	\$50,000,000
RUMC equity	<u>\$500,000</u>	Costs of Issuance*	<u>\$500,000</u>
<b>Total</b>	<b><u>\$50,500,000</u></b>	<b>Total</b>	<b><u>\$50,500,000</u></b>

\*Estimated – Preliminary,  
 subject to change – Costs to be  
 paid by the Borrower

**JOBS**

Current employment: 10,878 FTEs	Projected new jobs: N/A
Jobs retained: N/A	Construction jobs: N/A

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### FINANCING SUMMARY

Structure: Bank direct placement with The Northern Trust

Interest Rate: Variable 67% of 30 day LIBOR plus 80 bps

Interest Rate Modes: Variable rate

Underlying Ratings: ‘A1’/‘A+’/‘A+’ by Moody’s, S&P and Fitch

Maturity: Up to 10 year maturity

Estimated Closing Date: June 29, 2016

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### PROJECT SUMMARY

The Series 2008 bonds were issued to finance portions of projects on the RUMC campus, including the East Patient Tower, Central Plant, loading docks and parking.

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### BUSINESS SUMMARY

Background:

**Rush University Medical Center (“RUMC”)** has been part of the Chicago landscape longer than any other health care institution in the city. Rush Medical College, a part of Rush University, was the first institution of higher learning chartered in Illinois. Rush University is also home to one of the nation’s top-ranked nursing colleges. RUMC employs over 10,000 FTEs, of which 489 are employed physicians.

The nursing program has been awarded Magnet Designation four consecutive times, the highest honor a hospital can receive for outstanding achievement in nursing services: less than 1% of all hospitals nationwide have received this honor four times. It was the first medical center in Illinois caring for both adults and children to receive the Magnet Status. Rush University Medical Center provides a full range of medical and surgical services and consistently ranks in numerous categories in the U.S News & World Report Top Hospital report. RUMC is also the only four star-rated hospital in Chicago by the federal “CMS” (“Centers for Medicare and Medicaid Services”).

Rush University includes Rush Medical College, the College of Nursing, the College of Health Sciences and The Graduate College. Total enrollment for the 2015-2016 academic year was over 2,500 students. RUMC is also the site of more than 70 residency and fellowship programs in medical and surgical specialties. Total research expenditures for FY2015 totaled \$131 million. Research is focused on improving day-to-day lives of patients through community-based studies and research focused on clinical care.

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### ECONOMIC DISCLOSURE STATEMENT

Applicant: Rush University Medical Center  
Address: 1700 West Van Buren, Suite 265, Chicago IL 60612  
Contact: Patricia S. O’Neil, VP, Treasurer  
Website: www.rush.edu

Project name: Rush University Medical Center Series 2016

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

State: Illinois

Board of Directors:

<p><b>General Trustees</b></p> <p>James A. Bell              Matthew J. Boler              John L. Brennan              Marca L. Bristo              Peter C. B. Bynoe*              Karen B. Case              E. David Coolidge III*              Kelly McNamara Corley              Susan Crown (Vice Chair)*              James W. DeYoung (Vice Chair)*              William A. Downe              Bruce W. Duncan              Christine A. Edwards*              Francesca Maher Edwardson              Charles L. Evans, PhD              Larry Field              Robert F. Finke*              William J. Friend              Ronald J. Gidwitz              H. John Gilbertson              Larry Goodman, MD*              William M. Goodyear (Chairman)*              Sandra P. Guthman*              William J. Hagenah*              William K. Hall*              Christie Hefner              Marcie B. Hemmelstein              Jay L. Henderson*              Marvin J. Herb              John W. Higgins              John L. Howard              Ron Huberman              Richard M. Jaffee*              P. Kasper Jakobsen              John P. Keller              Kip Kirkpatrick              Fred A. Krehbiel              Sheldon Lavin              Aylwin B. Lewis              Susan R. Lichtenstein              Pamela Forbes Lieberman              Todd W. Lillibridge              Donald G. Lubin (Vice Chair)*              Robert A. Mariano              Gary E. McCullough              Andrew J. McKenna, Jr.              James S. Metcalf              Wayne L. Moore*              William A. Mynatt, Jr.              Martin H. Nesbitt              Michael J. O'Connor</p>	<p>Carole Browe Segal*              Alejandro Silva              Jennifer W. Steans              Joan E. Steel              Carl W. Stern              Jonathan W. Thayer              Charles A. Tribbett III              Greg Welch              John R. Willis*              Thomas J. Wilson              Robert A. Wislow              Barbara Jil Wu, PhD</p> <p><b>Annual Trustees</b></p> <p>Harry Bond*              Bruce W. Dienst              Steven Gitelis, MD              David W. Hines, MD              Jerald W. Hoekstra              Anthony D. Ivankovich, MD              Catherine J. King              Anthony M. Kotin, MD              The Rt. Rev. Jeffrey D. Lee              Mary K. McCarthy*              Mark C. Metzger*              Marsha Murphy, DNP              Karl A. Palasz              Karen C. Reid              Angelique L. Richard, PhD              Dino Rumoro, DO*              Carole Streicher</p> <p><i>Member of Executive Committee*</i></p>
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William H. Osborne Aurie A. Pennick Sheila A. Penrose* Perry R. Pero Stephen N. Potter* Richard S. Price Eric A. Reeves Thomas E. Richards John W. Rogers, Jr.* Jesse H. Ruiz John J. Sabl John F. Sandner E. Scott Santi* Gloria Santana	
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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Dentons US LLP	Mary Wilson	Chicago, IL
Borrower's Advisor:	Public Financial Management	Errol Brick	New York, NY
Bond Counsel:	Chapman and Cutler LLP	Christopher Walrath	Chicago, IL
Bank Counsel:	Foley & Lardner LLP	Laura Bilas	Chicago, IL
Bond Trustee:	Wells Fargo Bank, N.A.	Chitra Patel	Chicago, IL
IFA Counsel:	Burke Burns & Pinelli, Ltd.	Mary Pat Burns	Chicago, IL
IFA Financial Advisor:	Acacia Financial Group, Inc.	Phoebe S. Selden	Chicago, IL

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**LEGISLATIVE DISTRICTS**

**RUMC**

Congressional: 7  
 State Senate: 5  
 State House: 9

**Copley Memorial Hospital**

Congressional: 14  
 State Senate: 42  
 State House: 83

**Rush Oak Park Hospital**

Congressional: 7  
 State Senate: 39  
 State House: 78

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