

ILLINOIS FINANCE AUTHORITY

September 8, 2016

9:30 a.m.

REGULAR MEETING

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
- X. Other Business
- XI. Public Comment
- XII. Adjournment

PROJECT REPORTS AND RESOLUTIONS

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds <i>Final (One-Time Consideration)</i>						
1	Northwestern Memorial HealthCare	Chicago (Cook County), Winfield (DuPage County), and Geneva (Kane County)	\$175,020,000	N/A	N/A	PL
2	The University of Chicago Medical Center	Chicago (Cook County)	\$250,000,000	N/A	N/A	PL
TOTAL HEALTHCARE PROJECTS			\$425,020,000	N/A	N/A	
GRAND TOTAL			\$425,020,000	N/A	N/A	

Date: September 8, 2016

To: R. Robert Funderburg, Jr., Chairman Lyle McCoy
Eric Anderberg George Obernagel
Gila J. Bronner Terrence M. O'Brien
James J. Fuentes Roger Poole
Michael W. Goetz Beth Smoots
Robert Horne John Yonover
Mayor Arlene A. Juracek Bradley A. Zeller
Lerry Knox

From: Christopher B. Meister, Executive Director

Subject: *Message from the Executive Director*

Dear Members of the Authority:

Illinois Clean Water Initiative State Revolving Fund Bonds, Series 2016 (“CWI SRF Bonds”)

On August 29 and 30, the Authority priced \$500 million in ‘AAA’-rated (S&P/Fitch) CWI SRF Bonds. The issue will net nearly \$589 million in bond proceeds that the Illinois Environmental Protection Agency (“IEPA”) will use to make low-cost loans to Illinois communities, fund the required State match to access federal grants (a five-to-one federal dollar match) for the same purpose and pay for cost of issuance. The Authority entered the market with a retail strategy on August 29 and strong professional retail demand set the stage for a strong institutional order period on August 30. At the close of pricing, the transaction was 3.3x oversubscribed with over \$1.6 billion in orders with orders in every maturity (to 2036). Twenty-six new investors purchased the CWI SRF Bonds.

The CWI SRF Bonds priced at +35 basis points¹ off the benchmark ‘AAA’-rated MMD² level on the 5% coupon bonds (and approximately +48 and +53 basis points off the recent Build Illinois Bonds (‘AAA’/‘AA+’) and the most recent Metropolitan Water Reclamation District of Greater Chicagoland bonds (‘AA+’/‘AAA’), respectively). The CWI SRF Bonds entered the market initially +63 basis points off the benchmark MMD levels on the 4% coupon bonds but due to strong demand were able to achieve a final level of +58 basis points. This appears to be the best performance, on a relative basis, of any recent Illinois credit. Following the close of the order period and working with the lead book runner, Bank of America Merrill Lynch, and the Authority’s financial advisors, Acacia and Sycamore, the Authority and IEPA were able to price and capture overall lower yields.

The CWI SRF Bonds have a True Interest Cost of 2.32% and an average life of 9.1 years. The arbitrage yield was 1.8%. The market has recognized CWI SRF Bonds as a premier credit.

¹ In the case of this financing, 0.01% or one basis point equates to approximately \$360,000.

² AAA MMD (Municipal Market Data) is the industry benchmark index. AAA MMD is prepared by Thomson Reuters daily, and is used to evaluate relative interest cost levels.



The IEPA Clean Water Initiative (partially funded with proceeds from the CWI SRF Bonds) directly and positively impacts the lives of our fellow Illinois citizens. This program cuts interest rates for Illinois local government borrowers for essential water infrastructure projects, puts people to work building this infrastructure, and most importantly, helps preserve our State's water resources - a major Illinois competitive advantage in the global economy.

The Authority is proud to continue its longstanding partnership with IEPA with respect to State Revolving Fund financings which began in 2002 with its predecessor, the Illinois Development Finance Authority. The Authority is grateful for the opportunity to work with IEPA Acting Director, Alec Messina, and the entire IEPA team and in particular, IEPA Water Revolving Fund Finance Manager, Kevin Bryant, on this important program to Illinois.

August Closings and September Agenda

With respect to closings, the Authority had a busy August with ***Mt. Carmel High School*** (\$22 million), the ***Newman Foundation*** (\$32.7 million), ***Smith Village*** (\$32.5 million), ***The Art Institute of Chicago*** (\$37.2 million) as well as ***Presence Health*** (\$1 billion), the largest 'BBB' category, not-for-profit healthcare transaction on record and the largest single issue in the Authority's history.

Finally, the Authority is pleased to welcome ***Northwestern Memorial Healthcare*** (\$175 million) and ***The University of Chicago Medical Center*** (\$250 million) to our meeting today.

As always, I look forward to continuing to work with you in support of jobs and financing infrastructure projects throughout Illinois.

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: September 8, 2016

To: R. Robert Funderburg, Jr., Chairman Lyle McCoy
Eric Anderberg George Obernagel
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James J. Fuentes Roger Poole
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Robert Horne John Yonover
Mayor Arlene A. Juracek Bradley A. Zeller
Lerry Knox

Subject: *Minutes of the August 11, 2016 Regular Meeting*

Dear Members 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 Members of the Illinois Finance Authority (the "**Authority**"), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Thursday of August 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
REGULAR MEETING
Thursday, August 11, 2016
9:30 AM

AGENDA:

- I. Call to Order & Roll Call
(page 3, line 1 through page 5, line 22; page 7, lines 4 through 16)
- II. Approval of Agenda
(page 5, line 23 through page 6, line 13)
- III. Chairman's Remarks
(page 6, line 14 through page 7, line 4)
- IV. Message from the Executive Director
(page 7, line 17 through page 8, line 21)
- V. Consideration of the Minutes
(page 8, line 22 through page 9, line 13)
- VI. Presentation and Consideration of Financial Reports
(page 9, line 14 through page 14, line 8)
- VII. Monthly Procurement Report
(page 14, lines 9 through 19)



- VIII. Committee Reports
(page 14, line 20 through page 16, line 21)
- IX. Presentation and Consideration of the Project Reports and Resolutions
(page 16, line 23 through page 47, line 18)
- X. Other Business
(page 47, line 9 through page 50, line 10)
- XI. Public Comment
(page 50, lines 11 through 12)
- XII. Adjournment
(page 50, line 12 through page 51, line 1)

The Minutes of the regular meeting of the Authority 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 to report any substantive edits to the enclosures.

Respectfully submitted,

/s/ Brad R. Fletcher
Assistant Vice President

- Enclosures:
- 1. Minutes of the August 11, 2016 Regular Meeting
 - 2. Voting Record of the August 11, 2016 Regular Meeting

ILLINOIS FINANCE AUTHORITY

REGULAR MEETING

August 11th, 2016, at 9:32 a.m.

Report of Proceedings had at the Regular Meeting of the Illinois Finance Authority on August 11th, 2016, at the hour of 9:30 a.m., pursuant to notice, at 160 North LaSalle Street, Suite S1000, Chicago, Illinois.

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APPEARANCE:

ILLINOIS FINANCE AUTHORITY MEMBERS

MR. R. ROBERT FUNDERBURG, Chairman (Via audio conference)

- MR. ERIC ANDERBERG
- MR. JAMES J. FUENTES
- MR. ROBERT HORNE (Via audio conference)
- MS. ARLENE JURACEK
- MR. LERRY KNOX
- MR. GILA J. BRONNER, Vice-Chair
- MR. MICHAEL W. GOETZ
- MR. ROGER POOLE
- MR. BRADLEY A. ZELLER (Via audio conference)
- MR. LYLE MCCOY
- MR. JOHN YONOVER
- MR. GEORGE OBERNAGEL
- MS. BETH SMOOTS

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
- MR. PATRICK EVANS, Agricultural Banker

FINANCIAL ADVISORS

- MS. MELANIE SHAKER
- MS. PHOEBE SELDEN

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VICE-CHAIR BRONNER: Good morning. I would

like to call the meeting to order. Will the

Assistant Secretary please call the roll?

FLETCHER: Certainly. The time is 9:32 a.m.

I'll call the roll. Mr. Anderberg?

ANDERBERG: Here.

FLETCHER: Mr. Fuentes?

8 FUENTES: Here.
 9 FLETCHER: Mr. Goetz?
 10 GOETZ: Here.
 11 FLETCHER: Ms. Juracek?
 12 JURACEK: Here.
 13 FLETCHER: Knox?
 14 KNOX: Here.
 15 FLETCHER: Mr. McCoy?
 16 MCCOY: Here.
 17 FLETCHER: Mr. Obernagel?
 18 OBERNAGEL: Here.
 19 FLETCHER: Mr. Poole?
 20 POOLE: Here.
 21 FLETCHER: Ms. Smoots?
 22 SMOOTS: Here.
 23 FLETCHER: Mr. Yonover?
 24 YONOVER: Here.

MARZULLO REPORTING AGENCY (312) 321-9365

1 FLETCHER: And Vice-Chair Bronner?
 2 VICE-CHAIR BRONNER: Here.
 3 FLETCHER: Ms. Vice-Chair, a quorum of Members
 4 physically present in the room a quorum has been
 5 constituted. At this time I would to ask if any
 6 Members would like to attend via audio conference?
 7 HORNE: Yes.
 8 CHAIRMAN FUNDERBURG: Go ahead.
 9 HORNE: This is Robert Horne attending by
 10 audio.
 11 FLETCHER: For employment purposes?

12 HORNE: Yes, I'm out of the town for employment
 13 purposes.
 14 CHAIRMAN FUNDERBURG: I'm out of town on
 15 vacation.
 16 FLETCHER: Duly noted, Mr. Funderburg.
 17 VICE-CHAIR BRONNER: Chairman Funderburg?
 18 CHAIRMAN FUNDERBURG: Yes.
 19 FLETCHER: Would you like to attend by audio
 20 conference for employment purposes as well?
 21 CHAIRMAN FUNDERBURG: You know, I am on
 22 vacation. I talked to shareholders on our trip. I
 23 talked to people germane to business that I
 24 otherwise would not have met with, but the fact of

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1 the matter is I'm on vacation.
 2 FLETCHER: Okay.
 3 MEISTER: So I think that the way we'll handle
 4 it is you are attending, but you will not be voting.
 5 CHAIRMAN FUNDERBURG: Yes, that's fine.
 6 VICE-CHAIR BRONNER: Okay. Are there any other
 7 Board Members on the telephone?
 8 Is there a motion to approve these
 9 requests, pursuant to the bylaws and policies of the
 10 Authority?
 11 GOETZ: So moved.
 12 FLETCHER: Mr. Goetz moved. Is there a second?
 13 FUENTES: Second.
 14 VICE-CHAIR BRONNER: Thank you. All those in
 15 favor?
 16 (A chorus of ayes.)
 Page 4

17 VICE-CHAIR BRONNER: Opposed?
18 (No response.)
19 VICE-CHAIR BRONNER: The ayes have it.
20 FLETCHER: Ms. Vice-Chair, Member Horne has
21 been added to the initial quorum roll call pursuant
22 to the motion.

23 VICE-CHAIR BRONNER: Thank you. I would like
24 to move on to Item No. 2, Approval of the Agenda.
MARZULLO REPORTING AGENCY (312) 321-9365

1 Does anyone wish to make any additions, edits or
2 corrections to today's agenda?
3 Hearing none, I would like to request a
4 motion to approve the agenda.
5 JURACEK: So moved.
6 FLETCHER: Ms. Juracek moved.
7 FUENTES: Second.
8 FLETCHER: Mr. Fuentes seconded.
9 VICE-CHAIR BRONNER: All those in favor?
10 (A chorus of ayes.)
11 VICE-CHAIR BRONNER: Opposed?
12 (No response.)
13 VICE-CHAIR BRONNER: The ayes have it. All

14 right. We now move on to Chairman's remarks. I am
15 but the Vice-Chair of this esteemed body. So I
16 would defer to Chairman Funderburg, should he wish
17 to share with us any Chairman's remarks.
18 CHAIRMAN FUNDERBURG: Thank you, Ms. Bronner.
19 But, no, I really don't have any other remarks other
20 than we had a good month. We are moving forward as

21 an organization. Any remarks, since you're chairing
22 the meeting, please feel free to do so.
23 VICE-CHAIR BRONNER: Okay. Thank you very
24 much. The only thing I would like to do is welcome
MARZULLO REPORTING AGENCY (312) 321-9365

1 Beth Smoots.
2 SMOOTS: Thank you.
3 VICE-CHAIR BRONNER: Thank you. Who is a new
4 Member of the Board. Mr. Zeller, have you joined?
5 ZELLER: I have.
6 VICE-CHAIR BRONNER: Welcome. Mr. Assistant
7 Secretary?
8 FLETCHER: Is there a motion to approve
9 Mr. Zeller participating by audio conference for
10 employment purposes?
11 POOLE: So moved.
12 FLETCHER: Is there a second?
13 ANDERBERG: Second.
14 FLETCHER: All those in favor?
15 (A chorus of ayes.)
16 FLETCHER: The ayes have it.
17 VICE-CHAIR BRONNER: Thank you. At this time,
18 then, I would like to move to Agenda Item No. 4, the
19 message from the Executive Director.

20 MEISTER: Thank you very much, Vice-Chair
21 Bronner. The matter that I wish to highlight is the
22 upcoming Illinois Environmental Protection Agency
23 State Revolving Fund financing that you will
24 consider later on in the agenda.

1 It will be presented by Mr. Fletcher.
 2 This is a very significant step for the Authority
 3 for the State of Illinois and for the Illinois
 4 Environmental Protection Agency. We have members of
 5 the financing team who will be introduced; and then
 6 we also hopefully have on the line Mr. Kevin Bryant,
 7 who runs our State Revolving Fund Programs from
 8 Springfield on behalf of the Illinois Environmental
 9 Protection Agency.

10 In connection with this, over the past
 11 several months, I was recently appointed to the
 12 USEPA Environmental Finance Advisory Board, which
 13 just concluded two days of meetings in Denver where
 14 I participated.

15 And so we look forward to continuing our
 16 partnership with IEPA and making this, frankly,
 17 extraordinary financial resource more accessible and
 18 more broadly used by Illinois communities to develop
 19 or to deliver clean -- the responsible use of water
 20 and clean drinking water for our citizens. Thank
 21 you.

22 VICE-CHAIR BRONNER: Thank you. At this time I
 23 would like to move to consideration of the minutes.
 24 Does anyone wish to make any additions, edits or
 MARZULLO REPORTING AGENCY (312) 321-9365

1 corrections to the minutes from the July 14th, 2016,
 2 meeting?

3 Hearing none, I would like to request a
 4 motion to approve the minutes.

5 GOETZ: So moved.

6 KNOX: Second.

7 FLETCHER: Mr. Goetz moved. Mr. Knox seconded.

8 VICE-CHAIR BRONNER: Thank you. All those in
 9 favor?

10 (A chorus of ayes.)

11 VICE-CHAIR BRONNER: Opposed.

12 (No response.)

13 VICE-CHAIR BRONNER: The ayes have it. Now for
 14 Presentation and Consideration of the Financial
 15 Report, I would like to ask Ms. Gildart to come
 16 forward.

17 GILDART: Good morning. I'm Melinda Gildart,
 18 Chief Financial Officer of the Illinois Finance
 19 Authority, and this month's financial presentation
 20 is as follows: For fiscal year 2016, unaudited
 21 results in the general operating fund, the Authority
 22 generated \$5.3 million in revenues, and that's
 23 \$368,000 or 7 percent higher than what we budgeted.

24 Closing fees ended at \$3.7 million, and
 MARZULLO REPORTING AGENCY (312) 321-9365

1 that's \$399,000 or 12 percent higher than budget.
 2 In fiscal year 2015, we ended \$2.4 million in
 3 closing fees. So that was a substantial increase.
 4 Interest income on loans is \$922,000, and
 5 that category includes interest received from the
 6 local government pool, and that was down \$148,000
 7 from 2015. We had some early payoffs on those

8 loans, and also revenues are declining in that
9 category as the loans are paying off.
10 Other fees and revenues, we generated
11 about \$538,000 in application, annual and
12 administrative and other miscellaneous fees. For
13 interest and investment income, we generated about
14 \$196,000, and that's down just \$4,000 from fiscal
15 year 2015.

16 We did incur some bad debt adjustments,
17 bad debt write-offs of about \$24,000. So, overall,
18 our fiscal year 2016 budget for revenue was
19 \$4.9 million, and we were again \$368,000 above that.
20 On the expense side, the Authority
21 generated \$4.4 million in expenses. That's about
22 \$573,000 or 12 percent lower than budget. In the
23 employee-related expense category, we incurred
24 \$1.8 million in employee-related expenses, and

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1 that's 23 percent lower than budget. We filled just
2 one of eight vacancy positions -- vacant positions
3 that were budgeted.

4 For professional services, we incurred
5 \$1.9 million in professional service fees, and
6 that's 6 percent higher than budget, mostly driven
7 by higher legal and professional service fees on
8 behalf the State of Illinois.

9 We also had a full year of temporary
10 staffing cost. Occupancy cost, we're just about
11 flat with 2015, just 2 percent lower than budget.

12 The Chicago office had a full year in the Michael
13 Blandin Building.

14 So, overall, in fiscal year 2016, we
15 budgeted just under \$5,000,000 in expenses, and
16 again, we are about \$573,000 below that. For the
17 year unaudited annual net income is \$954,000, and
18 compared to fiscal year 2015, we ended last year at
19 \$621,000. So we also had an increase in projected
20 net income.

21 As a whole, the Authority's balance sheet,
22 we are about \$125,000,000 agency, which also
23 accounts for \$271,000,000 when you include the other
24 State of Illinois component units, and we also

MARZULLO REPORTING AGENCY (312) 321-9365

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1 comply with regulations for \$25,000,000,000 in
2 outstanding conduit debt.

3 In accordance with the Master Loan

4 agreement with the City of Chicago, in regards to
5 Illinois Housing Partnership Fund, the Authority
6 formally invoiced the city for the \$3,000,000 last
7 payment on their loan for the Illinois Housing
8 Partnership, which was due on or before August 1st,
9 2016. Both parties have agreed to extend that due
10 date to the winter of 2017.

11 MEISTER: And on that point, there will be a
12 confirmation of that action later on in the agenda.

13 GILDART: Financial information for July and
14 August of 2016 will be presented at the September
15 Board meeting. But July 2016 closings include
16 Illinois Wesleyan University for \$112,000, and
Page 10

17 Lindran Better Housing for \$56,000, and we have
18 various agri -related closings of \$4,000.
19 The Authority also collected an
20 administrative service fee of \$150,000 on behalf of
21 the 1985 Revolving Loan Pool.

22 Are there any questions on the financials?
23 MEISTER: Melinda, I know this post dates
24 printing, and it's unaudited and preliminary, but we

MARZULLO REPORTING AGENCY (312) 321-9365

1 did receive some good news on payments in connection
2 with some items during the first week of August.
3 GILDART: The loan that the Authority initiated
4 last July for SWIDA was repaid at \$1.4 million.
5 MEISTER: And then also some outstanding annual
6 fees with the Illinois Medical District connection.
7 GILDART: The Illinois Medical District
8 basically tried up their tab with us and sent us a
9 check for \$90,000, which is the full amount that was
10 owed.

11 MEISTER: And then you and Elizabeth, or
12 Elizabeth is in communication with the State on the
13 receivables portion?

14 WEBER: Yes.

15 GOETZ: Have we got any of that?

16 GILDART: We have not, and we are working with
17 the State now to receive support to continue to
18 carry those amounts on our financial statements.

19 GOETZ: Okay.

20 VICE-CHAIR BRONNER: Great. Any other

21 questions for Ms. Gildart?
22 Hearing none, I would like to request a
23 motion to accept the Financial Reports.

24 GOETZ: So moved.

MARZULLO REPORTING AGENCY (312) 321-9365

1 FUENTES: Second.

2 FLETCHER: Moved by Mr. Goetz and seconded by
3 Mr. Fuentes.

4 VICE-CHAIR BRONNER: All those in favor?

5 (A chorus of ayes.)

6 VICE-CHAIR BRONNER: Opposed?

7 (No response.)

8 VICE-CHAIR BRONNER: The ayes have it. Thank
9 you. We will now move on again with Ms. Gildart to
10 the monthly Procurement Report.

11 GILDART: The Authority has executed contract
12 amendments for 9 of the 11 underwriter contracts in
13 regards to the State Revolving Fund for the Clean
14 Water Initiative; and we also executed an agreement
15 with Kerber Eck and Braeckel, certified public
16 accountants, to assist the Authority with its
17 implementation of GASB statement No. 72, which has
18 to do with the expanded financial reporting for
19 investments.

20 VICE-CHAIR BRONNER: Thank you. I would like
21 to move on to Item No. 8 now, Committee Reports, and
22 begin with the Governance Personnel Legislation and
23 Ethics Committee. Member Anderberg?

24 ANDERBERG: Thank you, Vice-Chairman. The

MARZULLO REPORTING AGENCY (312) 321-9365

1 Governance Plus Committee met last Thursday. In a
 2 separate folder that's been handed out, you'll find
 3 a confidential memo regarding the Executive
 4 Director's recommendations regarding salary and
 5 title changes that were discussed and adopted at the
 6 time.

7 However, there have been some subsequent
 8 discussions and a revision from the August 4th
 9 recommendations. These revisions have been shared
 10 with Members of the Governance Committee; and
 11 accordingly, I recommend that the Members adopt the
 12 Executive Director's recommendations regarding salary
 13 and title changes as revised and found in the
 14 separate folder.

15 VICE-CHAIR BROMMER: Thank you. And I believe
 16 we will be considering that later.

17 MEISTER: Yes, later in the agenda.

18 VICE-CHAIR BROMMER: Thank you very much. And
 19 now for the Direct and Alternative Financing
 20 Committee. Member Knox?

21 KNOX: Thank you. The Direct and Alternative

22 Financing Committee met this Monday and voted
 23 unanimously to recommend for approval the State
 24 Revolving Fund transaction, the resolution

MARZULLO REPORTING AGENCY (312) 321-9365

1 authorizing consent to a deferral of scheduled
 2 payments and waiver of events of default for the

3 agri-debt guarantee, and the resolution confirming
 4 the execution and delivery of the First Amendment
 5 with the City of Chicago to extend the final
 6 principal payment, each of which are on today's
 7 agenda.

8 VICE-CHAIR BROMMER: Great. Thank you very
 9 much. And finally, the Tax-Exempt Conduit
 10 Transactions Committee, I believe Member McCoy will
 11 be delivering the report.

12 McCoy: Thank you, Vice-Chair. The Tax-Exempt
 13 Conduit Transaction Committee met earlier this
 14 morning and voted unanimously to recommend for
 15 approval each of the tax-exempt conduit transaction
 16 matters on today's agenda, including: One, the
 17 beginning farmer bonds; two, DePaul University;
 18 three, The Moorings of Arlington Heights; and the
 19 resolutions relating to the Community Action
 20 Partnership of Lake County and Swedish American
 21 Hospital. Thank you.

22 VICE-CHAIR BROMMER: Thank you very much.
 23 Moving on to item No. 9, the Presentation and
 24 Consideration of Project Reports and Resolutions.

MARZULLO REPORTING AGENCY (312) 321-9365

1 I would like to ask for the general
 2 consent of the Members to consider the Project
 3 Reports and Resolutions collectively, and to have
 4 the subsequent recorded vote apply to each
 5 respective individual Project and Resolution, unless
 6 there are any specific Project Reports and
 7 Resolutions that a member would like to consider

8 separately. Chairman Funderburg?
 9 CHAIRMAN FUNDERBURG: Yes. At this point, I
 10 would like to ask Executive Director Meister and
 11 General Counsel Weber, how should we handle the
 12 Swedish American proposal.
 13 MEISTER: Chairman Funderburg will not be
 14 officially voting. However, I think that the best
 15 way to handle both Swedish American and the State
 16 Revolving Fund is to put them to the end of the
 17 consideration. That way, the project matters that
 18 will not have abstentions because also we've had --
 19 I've had discussions with Member Juracek, who will
 20 also be abstaining from the State Revolving Fund,
 21 due to some loans under that program that her
 22 municipality has.
 23 So the recommended course of action is
 24 that everything other than Items 4 and Item --
 MARZULLO REPORTING AGENCY (312) 321-9365

1 VICE-CHAIR BRONNER: 7.
 2 FLETCHER: 7.
 3 MEISTER: 7. Will be deferred to the end.
 4 That will allow Member Juracek to exit the right for
 5 the State Revolving Fund, and it will also allow
 6 Chairman Funderburg to ring off the line, and Member
 7 Horne as well.
 8 VICE-CHAIR BRONNER: So we will now turn to
 9 Member Horne.
 10 MEISTER: Yes.
 11 HORNE: Yes. I was actually trying to figure
 Page 15

12 out why I was recusing myself, but it occurred to me
 13 that my daughter -- I think this is why I'm recusing
 14 myself. My daughter has a summer internship with
 15 Merrill Lynch, which is affiliated with a financial
 16 advisor on the revolving fund. Is that the reason
 17 I'm recusing myself?
 18 MEISTER: Yes, it is, and Bank of America
 19 Merrill Lynch is actually the senior manager and
 20 book runner on that transaction. So, yes, we
 21 will -- also, Mr. Horne, will ring off.
 22 VICE-CHAIR BRONNER: At that time.
 23 MEISTER: At that time.
 24 VICE-CHAIR BRONNER: Great. And Member
 MARZULLO REPORTING AGENCY (312) 321-9365

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1 Juracek?
 2 JURACEK: Right. So confirming my reason for
 3 recusal on Item 4, the Village of Mount Prospect
 4 does have a couple of outstanding loans almost 30
 5 years old under this program.
 6 Nevertheless, they are not due until next
 7 year and the following year. So I will recuse
 8 myself from consideration of Item No. 4.
 9 MEISTER: And also just to note Mayor Juracek's
 10 recusal is that these are among many loans that will
 11 be pledged as part of the security for the State
 12 Revolving Fund Clean Water Initiative.
 13 VICE-CHAIR BRONNER: Okay. Would anyone else
 14 like to recuse themselves on any of the items?
 15 Going once. If not, I would like to ask the staff
 16 to now present the Project Reports and Resolutions,
 Page 16

17 which will be considered collectively. So we will
18 consider item No. 7, and then item No. 4 separately
19 at the end.

20 EVANS: Good morning. I'm Patrick Evans.

21 Today IFA has two beginning farmer bonds. Both
22 bonds will be purchased by the bank and have senior
23 mortgage debt. The IFA will retain no risk in these
24 loans. However, they will provide a tax-exempt

MARZULLO REPORTING AGENCY (312) 321-9365

1 status.

2 The first loan is to Blake and Allyson
3 Marrs, who are purchasing 45 acres of farmland for
4 \$422,137 or \$9,381 per acre. First Bank and Trust
5 of Paris is requesting a beginning farmer bond loan.

6 The borrow will inject 5 percent into this
7 purchase, with the bank financing the remaining
8 95 percent or \$401,000. The bank will have a first
9 position on the loan. The terms of this loan are
10 identified in the write-up.

11 The second loan is to Mason and Victoria
12 Dehlinger. First Financial Bank of Olney is
13 requesting a beginning farmer bond for the
14 Dehlingers who is purchasing 45 acres of ground for
15 \$108,000 or \$2400 per acre, plus buildings of 39.5
16 and residents of 20,000.

17 Total loan is \$167,000. This loan will be
18 originated with FSA 50/50 program. FSA will finance
19 50 percent, and the bank will finance the remaining
20 50 percent. The bank will retain a first mortgage

21 on the property. The terms of the loan are
22 identified in the write-up.

23 VICE-CHAIR BRONNER: Thank you. Are there any
24 questions? In that case, we will move on to

MARZULLO REPORTING AGENCY (312) 321-9365

1 Educational, Cultural and Non-Healthcare Projects.

2 Mr. Frampton?

3 FRAMPTON: Thank you, Ms. Bronner. We will

4 turn to tab 2 in your Board book, which is for
5 DePaul University. DePaul is requesting a Final
6 Bond Resolution. It's actually a one-time
7 consideration. The not to exceed amount of DePaul's
8 Bond Resolution is \$125,000,000.

9 I should note the estimated or likely
10 issuance amount will be somewhere around
11 \$115,000,000. Bond proceeds will be used to advance
12 refund DePaul Series 2011A bonds. This advance
13 refunding is being undertaken to realize interest
14 rate savings and to reduce average annual debt
15 service payments.

16 The Board last reviewed a financing for
17 DePaul back in March. That was in connection with a
18 \$68,000,000 financing that involved construction of
19 a new music building on campus. That transaction
20 closed in April.

21 The bonds were rated at that time by
22 Moody's, S&P and Fitch at A2, A- and A,
23 respectively. DePaul expects the rating agency
24 reports in connection with this advance refunding

MARZULLO REPORTING AGENCY (312) 321-9365

1 transaction to be delivered over the next two weeks.
 2 From there, DePaul hopes to price later in
 3 the month and to close in early September. With
 4 that, I would like to welcome and introduce
 5 Mr. Santino Caringella, who is Treasurer of DePaul,
 6 who has just a few brief remarks.

7 CARI NGELLA: Good morning. On behalf the
 8 DePaul University, I would like to thank the Board
 9 for considering this transaction. It's very
 10 important to DePaul University.

11 This specific transaction really reduces
 12 our debt load and obviously offers more flexibility
 13 for our operation to DePaul University. I would
 14 also like to thank the staff of the IFA as well for,
 15 you know, quickly getting it to this spot today. It
 16 was kind of a last-minute thing.

17 We're trying to do a refinancing as the
 18 market turned to our benefit. So they were very
 19 instrumental in getting it done for us at this time.

20 VICE-CHAIR BROWNER: Thank you. Ms. Lenane,
 21 Healthcare projects?

22 LENANE: Good morning, Board Members, Madam
 23 Co-Chairman. The Moorings is No. 3 in your book,
 24 The Moorings of Arlington Heights. The Moorings is
 MARZULLO REPORTING AGENCY (312) 321-9365

1 requesting a Final Bond Resolution to approve a
 2 series of tax-exempt bonds in the amount of

3 approximately \$70,000,000 to fund construction of
 4 Fellowship Hall, a 27,000 square foot resident
 5 common area, fund the construction of 73 units,
 6 assisted living expansion, and to fund the
 7 construction of a 20-unit memory care expansion, and
 8 to fund interest on the bond for a period of
 9 approximately 24 months, the construction period.
 10 The project will create 85 construction
 11 jobs and 50 new jobs. The Moorings is contributing
 12 a little over \$9,000,000 of equity to the project,
 13 and also \$3.5 million from their Foundation capital
 14 campaign.

15 The Moorings is a life-plan community
 16 located in Arlington Heights and occupies 55-acre
 17 parcel at 811 East Central Road just east of
 18 Northwest Community Hospital. The Moorings consists
 19 of 273 independent living units, 42 assisted living
 20 units, and the balance includes 60 skilled Medi care
 21 licensed nursing beds for skilled nursing care or
 22 short-term rehabilitation services.

23 Also, 39 intermediate and memory care beds
 24 for those needing less intense nursing care memory
 MARZULLO REPORTING AGENCY (312) 321-9365

1 support. The common areas include formal and casual
 2 dining rooms, exercise equipment, swimming pool,
 3 whirlpool, library, business center, et cetera. The
 4 bonds will be purchased directly from by First
 5 Midwest Bank and Huntington Bank and Ohio Bank that
 6 just recently purchased First Merit Bank.

7 The bonds will have a variable rate of
 Page 20

8 interest to be determined on the date of pricing.
9 Since The Moorings is a nonrated entity, the bonds
10 will be sold in \$100,000 denominations. If you look
11 at the financials on page 6, the table provides
12 financial results for Presbyterian Homes for the
13 past three fiscal years, an unaudited FY16 for The
14 Moorings for the past fiscal year, along with The
15 Moorings projections for the next four years.

16 Since we passed preliminary resolution
17 last month, The Moorings has added projections for
18 FY017 through 2020 showing good debt service
19 coverage and days cash on hand through the
20 construction period and fill-up.

21 And now I would like to introduce --
22 unless you have questions for me, Mark Havrilka, who
23 is the CFO of Presbyterian Homes and The Moorings.

24 HAVRILKA: Good morning.
MARZULLO REPORTING AGENCY (312) 321-9365

1 VICE-CHAIR BROMMER: Good morning.
2 HAVRILKA: I would like to thank the Committee
3 on behalf of The Moorings of Arlington Heights for
4 the consideration for the financing, and Pam went
5 over most of the things I wanted to mention.

6 One thing I did want to reiterate is the
7 fact that we are putting about 12-and-a-half million
8 dollars of equity in the project, including
9 three-and-a-half million dollars which was raised
10 from our donors, and most of that was from existing
11 residents on the campus.

12 And in addition, we serve about 425
13 seniors a day, and after the expansion we will be
14 serving anywhere between 475 and 500 seniors on any
15 different day.

16 I know there were some artists renditions
17 in your packet. If you care to go over them for
18 just a second, I could possibly point out the new
19 areas on the campus. On the first page on left-hand
20 side --

21 MEISTER: It's in the manila folder.
22 HAVRILKA: They are in the folder tab 3, I
23 believe.
24 LENANE: Yes, I think they are.
MARZULLO REPORTING AGENCY (312) 321-9365

1 HAVRILKA: On the left-hand side of the pond
2 there, the building, the assisted living building,
3 which will be new construction. In middle of the
4 pond where you see a couple of little steeples, it
5 will be the Fellowship Center, and directly behind
6 that is a memory care center, and the rest of the
7 campus, including the cottages on the bottom and the
8 apartment building on the right are existing
9 properties there.

10 There is some other renditions as well. I
11 would be more than happy to answer any questions or
12 any other things you have for me.

13 VICE-CHAIR BROMMER: Any questions? Thank you
14 very much.

15 LENANE: Any questions for me?
16 VICE-CHAIR BROMMER: Any questions for Pam?
Page 22

17 LENAME: Thank you.
 18 VICE-CHAIR BRONNER: Thank you. So we will now
 19 skip Item No. 4 and move to resolutions. Mr. Evans,
 20 Item No. 5.
 21 EVANS: Thank you. I'm presenting a resolution
 22 for Mark and Karen Donoho and People's State Bank
 23 request for a defer of the combined principal and
 24 interest payment that was due on June 11th, 2016, to
 MARZULLO REPORTING AGENCY (312) 321-9365

1 November 11, 2016.
 2 This request relates to an IFA agreement
 3 restructuring a guaranteed loan that was originated
 4 in 2009. This loan was originated with a \$487,000
 5 balance. Currently, it has a balance of \$425,000.
 6 The IFA original exposure was \$414,000. The current
 7 exposure is \$361.
 8 All collateral and terms of this original
 9 loan will remain the same, except for this one-time
 10 deferred -- deferral of payment. Both financial
 11 statement and the income statement are considered to
 12 be marginal.
 13 As stated, the collateral will remain the
 14 same. A first mortgage on 160 acres of real estate
 15 and improvements. On page 9 of the writeup, you can
 16 see a very conservative collateral analysis
 17 reflecting that the loan is actively secured.
 18 In conclusion, by deferring this combined
 19 principal and interest payment that is due
 20 June 11th, 2016, to November 11th, 2016, this will

21 allow the bank to defer potential demand on the IFA
 22 85-percent guaranteed loan, in which they are
 23 required to absorb the first 15 percent.
 24 The bank will also have additional time to
 MARZULLO REPORTING AGENCY (312) 321-9365

1 assess the situation and ultimately propose a
 2 suitable forbearance restructuring or asset
 3 distribution plan. This will also provide IFA more
 4 time to assess the situation and optimize the
 5 results.
 6 And, finally, this will also allow the
 7 bank, the borrower, the time to convert crops into
 8 cash and make the required payment to the bank. The
 9 approval of this request will be subject to the bank
 10 waiving the payment default with -- associated with
 11 the past due of June 11th, 2016, and any other event
 12 of default under the promissory note between the
 13 bank and the borrower. Any questions?
 14 GOETZ: We're just kind of delaying the
 15 inevitable.
 16 EVANS: It's possible. We might get payment.
 17 GOETZ: Give us time to see if it can be
 18 restructured.
 19 EVANS: And with the sale of crops, they might
 20 be able to make another payment or restructure.
 21 GOETZ: Yes.
 22 VICE-CHAIR BRONNER: Thank you. Mr. Fletcher,
 23 Item No. 6.
 24 FLETCHER: Ms. Vice-Chair, Members, next is
 MARZULLO REPORTING AGENCY (312) 321-9365

1 No. 6 is next in your Board books. No. 6 is a
2 resolution on behalf of Community Action Partnership
3 of Lake County, which is an Illinois non-for-profit
4 corporation located in Waukegan.

5 In 2004 we closed on a variable rate debt
6 transaction to finance construction of a 31,000
7 square foot Early Childhood Development Center
8 located in Waukegan.

9 At the time the transaction closed, the
10 principal user of the facility, the lessee, was the
11 Lake County Head Start Program. As of this past
12 July, the lessee has changed to the Lawndale
13 Educational and Regional Network Charter School.

14 We're simply being asked to conform and
15 update the bond documents to conform with the new
16 principal user. This is simply a technical
17 amendment, IFA providing customer service.

18 Accordingly, we will not take a fee for this
19 amendment. Any questions?

20 VICE-CHAIR BROMMER: Thank you. We are going
21 to skip item No. 7 and move to item No. 8.

22 Ms. Weber?

23 WEBER: Ms. Vice-Chair, Members, as General
24 Counsel, I'm presenting tab 8 in your Board book,
MARZULLO REPORTING AGENCY (312) 321-9365

1 which is a resolution to confirm the execution and
2 delivery of a first amendment to a Master Loan

3 Agreement with the City of Chicago, providing for
4 extension of a final principal payment.

5 The summary of this matter is in your
6 Board book. The actual resolution is in your
7 folder. There are various resolutions tabbed
8 together and it's the last one.

9 The Authority, as successor to the
10 Illinois Development Finance Authority, also known
11 as IDFA, is a party to a legacy loan agreement
12 entered into in 1986 with the City of Chicago. IDFA
13 obtained funds to loan to Chicago from
14 appropriations by the General Assembly.

15 Under the loan agreement, Chicago is
16 obligated to finance a series of zero-interest loans
17 used to rehabilitate multifamily housing for persons
18 of low and moderate income. The final payment under
19 the loan agreement was to be made by Chicago on
20 August 1st, 2016, in the amount of \$3,000,000.

21 Despite repeated communications with the
22 city regarding this payment in July, the city
23 contacted us to request that the due date be
24 extended. They claimed a shortfall in funds

MARZULLO REPORTING AGENCY (312) 321-9365

1 established for the program and an inability to find
2 proper documentation of the underlying loans, due to
3 several successive computer system changes over the
4 years.

5 The extension in the due date will give
6 them additional time to locate these records. A
7 first amendment was executed to provide a six-month

8 extension. This agreement also requires the city to
9 provide us with the report setting forth with
10 reasonable specificity an accounting for the payment
11 history of the loan and the use of the funds
12 disbursed.

13 This report is important to us, in order
14 that we may properly account for the funds. Any
15 repayments of this loan are held by the Authority in
16 a separate fund. And since the original funds for
17 this program came from appropriations from the
18 General Assembly, it's likely that any repayments
19 received will need to be used for the same purposes;
20 i.e., further loans to Chicago for multi family
21 housing for persons of low and moderate income.

22 Any questions? Thank you.

23 VICE-CHAIR BRONNER: Thank you. Item No. 9.

24 MEISTER: Yes.

MARZULLO REPORTING AGENCY (312) 321-9365

1 VICE-CHAIR BRONNER: Executive Director
2 Meister.
3 MEISTER: As mentioned by Governance Plus
4 Chair Anderberg, on August 11th, the Governance Plus
5 Committee met; and then following a closed session,
6 there was recommendations that were adopted in open
7 session.

8 Following that adoption of recommendations
9 for title changes and salary adjustments for the
10 staff of the Authority, not including the Executive
11 Director, who is considered separately, I had a

12 series of discussions with Board Members and senior
13 staff members.

14 They are contained in the gray folder
15 here, and I would ask for an aye vote so that we can
16 proceed with title changes and salary changes.

17 I will note that the total recommended
18 salary increases are just under \$13,000 below the
19 budgeted line item for this purpose.

20 VICE-CHAIR BRONNER: Great. Thank you very
21 much. Any questions?

22 Hearing none, I would like to request a
23 motion to pass and adopt the following Project
24 Reports and Resolutions: Items 1A, 1B, Resolutions

MARZULLO REPORTING AGENCY (312) 321-9365

1 -- item 1A, 1B, 2, 3, 5, 6, 8 and 9.

2 ANDERBERG: So moved.

3 OBERNAGEL: Second.

4 FLETCHER: The motion by Mr. Anderberg and
5 seconded by --

6 OBERNAGEL: Mr. Obernagel.

7 FLETCHER: -- Mr. Obernagel. I'll call the
8 roll. Mr. Anderberg?

9 ANDERBERG: Yes.

10 FLETCHER: Mr. Fuentes?

11 FUENTES: Yes.

12 FLETCHER: Mr. Goetz?

13 GOETZ: Yes.

14 FLETCHER: Mr. Horne on the phone?

15 HORNE: Yes.

16 FLETCHER: Ms. Jurasek?

17 JURACEK: Yes.
 18 FLETCHER: Mr. Knox?
 19 KNOX: Yes.
 20 FLETCHER: Mr. McCoy?
 21 Mccoy: Yes.
 22 FLETCHER: Mr. Obernagel?
 23 OBERNAGEL: Yes.
 24 FLETCHER: Mr. Poole?

MARZULLO REPORTING AGENCY (312) 321-9365

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1 POOLE: Yes.
 2 FLETCHER: Ms. Smoots?
 3 SMOOTS: Yes.
 4 FLETCHER: Mr. Yonover?
 5 YONOVER: Yes.
 6 FLETCHER: Mr. Zeller on the phone?
 7 ZELLER: Yes.
 8 FLETCHER: And Vice-Chair Brommer?
 9 VICE-CHAIR BROMMER: Yes.
 10 FLETCHER: Ms. Vice-Chair, the motion carried.
 11 VICE-CHAIR BROMMER: Thank you. Mr. Chairman,
 12 the next item is Item No. 7, Resolution for Swedish
 13 American Hospital; and Item No. 4, State of Illinois
 14 Clean Water Initiative. Since you've already stated
 15 your reason for recusal, I believe now --
 16 CHAIRMAN FUNDERBURG: I would hang up.
 17 MEISTER: Would be a --
 18 VICE-CHAIR BROMMER: A good time to hang up?
 19 MEISTER: Yes. It would be appropriate for
 20 Chairman Funderburg to leave the line.

Page 29

21 CHAIRMAN FUNDERBURG: Okay, I'm ringing off.
 22 Thank you very much.
 23 VICE-CHAIR BROMMER: Thank you. Enjoy your
 24 vacation.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 CHAIRMAN FUNDERBURG: Will do.
 2 VICE-CHAIR BROMMER: Let the record reflect
 3 that Chairman Funderburg has recused himself from
 4 deliberations, and he has terminated his
 5 participation via audio conference.
 6 So now we also -- would anyone else that
 7 was on that item? Okay. In that case, Item No. 7.
 8 LENANE: Yes. Item No. 7 is tab 7 in your
 9 book. Swedish American Hospital in Rockford,
 10 Illinois, is requesting authorization to reissue
 11 their Illinois Finance Authority Series 2010 bonds.
 12 Currently, approximately \$17.5 million remains
 13 outstanding.

14 The Series 2010 bonds were purchased in a
 15 direct placement by Illinois Bank and Trust,
 16 successor to Riverside Community Bank. The 2010
 17 bonds are bank qualified. Bank qualified means in
 18 2009, the IRS code for bank-qualified bonds was
 19 temporarily revised by ARRA, the American Recovery
 20 and Investment Act, to spur bond issuance, allowing
 21 the banks to elect 80 percent of their carrying or
 22 interest costs.

23 The change that was important for us was
 24 the change raised the limit on bank-qualified bonds
 MARZULLO REPORTING AGENCY (312) 321-9365
 Page 30

1 from \$10,000,000 to \$30,000,000, and another
 2 temporary change was to put the limit on the
 3 borrowing not the bank -- not the issuer. Not the
 4 issuer, excuse me.
 5 In the past, and now again, the limit is
 6 on the issuer. So we can only issue \$10,000,000
 7 total in bank-qualified bonds. So we don't issue
 8 any now, hardly any.

9 The bank has agreed to reduce the interest
 10 rate on the 2010 bonds from 4.05 to 1.80 in exchange
 11 for a guarantee issued by the obligated group of
 12 Swedish's new parent, Wisconsin -- University of
 13 Wisconsin Hospital and Clinics Authority and
 14 University of Wisconsin Medical Foundation.

15 The interest rate reduction will cause a
 16 deemed reissuance for income tax purposes in order
 17 to maintain this bank qualification of the series
 18 2010 bonds. Bond Counsel has advised that we will
 19 need to split the Series 2010 bonds into two
 20 subseries, with each subseries being \$10,000,000 or
 21 less. We will have to separate the interest rate
 22 reduction for each subseries in 15 days. Any
 23 questions?

24 VICE-CHAIR BRONNER: Okay.
 MARZULLO REPORTING AGENCY (312) 321-9365

1 LENANE: Thank you.
 2 VICE-CHAIR BRONNER: Thank you. I would like

3 to request a motion to pass and adopt the following
 4 Resolution Item No. 7. Is there such a motion?

5 FUENTES: So moved.
 6 JURACEK: Second.
 7 FLETCHER: Moved by Mr. Fuentes and seconded by
 8 Ms. Juracek. I'll call the roll.
 9 VICE-CHAIR BRONNER: Thank you.
 10 FLETCHER: Mr. Anderberg?
 11 ANDERBERG: Yes.
 12 FLETCHER: Mr. Fuentes?
 13 FUENTES: Yes.
 14 FLETCHER: Mr. Goetz?
 15 GOETZ: Yes.
 16 FLETCHER: Mr. Horne on the phone?
 17 HORNE: Yes.
 18 FLETCHER: Ms. Juracek?
 19 JURACEK: Yes.
 20 FLETCHER: Mr. Knox?
 21 KNOX: Yes.
 22 FLETCHER: Mr. McCoy?
 23 MCCOY: Yes.
 24 FLETCHER: Mr. Obernagel?

MARZULLO REPORTING AGENCY (312) 321-9365

1 OBERNAGEL: Yes.
 2 FLETCHER: Mr. Poole?
 3 POOLE: Yes.
 4 FLETCHER: Ms. Smoots?
 5 SMOOTS: Yes.
 6 FLETCHER: Mr. Yonover?
 7 YONOVER: Yes.

8 FLETCHER: Mr. Zeller? Mr. Zeller on the
 9 phone?
 10 ZELLER: Yes.
 11 VICE-CHAIR BRONNER: Yes. I heard a yes.
 12 FLETCHER: And Vice-Chair Bronner?
 13 VICE-CHAIR BRONNER: Yes.
 14 FLETCHER: Ms. Vice-Chair, the motion carries.
 15 VICE-CHAIR BRONNER: Thank you. And now
 16 Mr. Horne and Ms. Juracek, the next item is Item
 17 No. 4, the State of Illinois Clean Water Initiative.
 18 We've already reviewed the reasons for refusal,
 19 Mr. Assistant Secretary. Do we need to do that
 20 again?

21 FLETCHER: No.

22 VICE-CHAIR BRONNER: In that case,
 23 Member Juracek is leaving the rooming, and Member
 24 Horne, you can say good-bye. Thank you.

MARZULLO REPORTING AGENCY (312) 321-9365

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1 HORNE: Thank you.
 2 FLETCHER: Let the record reflect that
 3 Member Horne has recused himself from deliberations
 4 by terminating his participation via audio
 5 conference, and Member Juracek has recused herself
 6 from deliberations by exiting the room.
 7 VICE-CHAIR BRONNER: Thank you. Mr. Fletcher,
 8 Item No. 4.
 9 FLETCHER: Ms. Vice-Chair, Members, tab No. 4
 10 in your manila folders, which supersedes the copy
 11 received in your Board book. We cleaned up a couple

12 scribener's errors.
 13 And, for the record, I wanted to note that
 14 in your manila folders is also an updated resolution
 15 which is, for the record, the one you will be voting
 16 on. Again, just cleaned up a few scribener's
 17 errors.

18 Tab No. 4 is an Authorizing Resolution on
 19 behalf the IEPA State Revolving Fund to issue
 20 tax-exempt bonds in a not-to-exceed amount
 21 \$600,000,000. Over the last several months, as you
 22 recall, we've requested your approval for various
 23 engagements, including underwriters, co-managers,
 24 bond counsel and issuer's counsel, ultimately

MARZULLO REPORTING AGENCY (312) 321-9365

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1 culminating in this transaction before you today.
 2 Each state, including Illinois, has a
 3 State Revolving Fund, whereby it makes revolving
 4 loans to units of local government for United States
 5 EPA eligible capital projects related to clean waste
 6 water or safe drinking water.
 7 Under each program, the USEPA provides
 8 grants to the State, in this case through the IEPA,
 9 the Illinois Environmental Protection Agency, to
 10 capitalize the State Revolving Loan Programs.
 11 The Illinois IEPA then lends those grants
 12 out to units of local government for their water
 13 infrastructure needs. Repayments of loan principal
 14 and interest are then recycled back into each of the
 15 respective programs; hence, the revolving aspect of
 16 the loan programs.

17 Here in Illinois, the IEPA assigns to each
18 loan a fixed interest rate as set forth by the Joint
19 Commission on Administrative Rules, otherwise known
20 colloquially as JCAR.

21 Currently, IEPA's Clean Water Revolving
22 Loan Program rate is 1.75 percent, while the
23 drinking water Revolving Loan Program rate is
24 1.86 percent.

MARZULLO REPORTING AGENCY (312) 321-9365

1 As some Members may recall in 2013, the
2 interest rate was the same on both Revolving Loan
3 Programs. The variance in interest rates between
4 the two programs is because the Clean Water Program
5 is currently set to the State fiscal year, while the
6 Safe Drinking Water Program is currently set to the
7 federal fiscal year, and we are determining the 12
8 months of the 50 percent of the mean interest rate
9 of the 20 bond index.

10 Continuing on, these low interest rates
11 induce demand and allow IEPA to effectively make
12 loans within the required spend-down requirements,
13 pursuant to federal law, because these are federal
14 grant monies.

15 Additionally, these low rates incentivize
16 highly-rated borrowers to participate in the
17 Revolving Loan Program, such as Metropolitan Water
18 Reclamation District of Greater Chicago, which
19 some of you know provides waste water treatment to
20 approximately 50 percent of the State's population.

21 So in order for IEPA to receive these
22 federal grant monies, and make loans to these
23 programs, the federal -- IEPA requires -- excuse me,
24 the USEPA requires that each state contribute a

MARZULLO REPORTING AGENCY (312) 321-9365

1 20-percent state match.
2 As contemplated, bond proceeds will cover
3 the Clean Water Program State match for federal
4 fiscal years 2016 to 2017, so for two years; and for
5 the safe Drinking Water Program for fiscal years
6 2015, 2016 and 2017, so for three years.

7 Because bond proceeds are funding the 2017
8 State match in advance, another \$95,000,000 will be
9 leveraged within the next 24 months. Therefore, the
10 \$500,000,000 to \$600,000,000 proposed bond
11 transaction before you, with an initial federal
12 match of \$130,000,000, as well as \$200,000,000 in
13 current loan repayments and \$75,000,000 on hand on
14 Illinois EPA books, this brings to about
15 \$1,000,000,000 the amount available for loans going
16 forward.

17 Approximately \$840,000,000 of that is for
18 clean water applications, and approximately
19 \$360,000,000 is for drinking water applications,
20 which aligns with what's in IEPA's current pipeline
21 line for applications.

22 The SRF cash model will have strong cash
23 flow and coverage ratios, similar to 2013. A
24 substantial sum of the current \$3.15 billion in

MARZULLO REPORTING AGENCY (312) 321-9365

1 outstanding loans will be pledged to the bonds.
 2 These bonds are additionally secured by
 3 funds in the equity fund under the Master Trust
 4 Agreement. As a result of these strong cash flow
 5 and coverage ratios, in addition to the strength of
 6 the underlying securities, which are GO pledges or
 7 revenue pledges from units of local government,
 8 these bonds are expected to be rated AAA by both S&P
 9 and Fitch.

10 The authorizing resolution before you
 11 provides a not-to-exceed maturity of 30 years; i.e.,
 12 July 1st, 2046, which will be likely issued in
 13 serial maturities. This past Friday IEPA and IFA
 14 gave its rating presentation to both S&P and Fitch.
 15 And according to Ms. Shaker, as of this morning,
 16 we're expecting public ratings next week, possibly
 17 as early as Tuesday or Wednesday.

18 Bank of American Merrill Lynch is the
 19 senior manager on this transaction. Citi is the
 20 senior co-manager underwriting the deal. Page 8 of
 21 your report provides a comprehensive list of all the
 22 transaction participants, should you wish to review.

23 Finally, I would like to add that the
 24 Authorizing Resolution provides for execution of a
 MARZULLO REPORTING AGENCY (312) 321-9365

1 second amendment to the existing memorandum of
 2 agreement between IFA and IEPA. Under our existing
 Page 37

3 MOA, IEPA pays on an annual basis a fee to IFA for
 4 engaging a firm to fulfill ongoing arbitrage rebate
 5 calculations, posting continuing disclosure
 6 documents to EMMA, which is the Municipal Security
 7 Rule Making Board public website, reconciling
 8 monthly trust statements and potentially managing
 9 investments of trustee-held funds.

10 This second amendment will namely
 11 accomplish two things -- three things, excuse me:
 12 First, it will address the ongoing fee arrangements
 13 which are still under negotiation; it will address
 14 matters relating to our continuing disclosure
 15 obligations; and third, provides that IEPA provide
 16 IFA a certificate when a pledged loan in the
 17 securitized pool is written down, forgiven or
 18 replaced.

19 Currently, we're only provided a
 20 certificate when a loan is simply paid off. So this
 21 helps clarify matters for both staff and both
 22 agencies. That concludes my presentation.

23 As you can tell, we have a number of
 24 guests here on behalf of this transaction. I'll
 MARZULLO REPORTING AGENCY (312) 321-9365

1 name a few. We have Tom Liu from Bank of America
 2 Merrill Lynch, the senior underwriter on the deal.
 3 Phoebe and Melanie both work as our financial
 4 advisors, financial advisors for this transaction.
 5 Mike Meizer is here from Katten, I
 6 believe. Kevin Bryant may or may not have joined
 7 the call. He is the staff person point at IEPA.
 Page 38

8 And, finally, Glen Weinstein joined us from Pugh
 9 Jones. He's co-underwriter's counsel.
 10 So I have a lot of people to answer any
 11 questions should you have any.
 12 VICE-CHAIR BRONNER: Great. Thank you very
 13 much. Are there any questions?
 14 GOETZ: Who invests the bond proceeds, do we or
 15 does the IEPA?
 16 MEISTER: The MOU provides that we --
 17 currently, they are in money markets. We went down
 18 a road with a former investment manager that did not
 19 meet expectations.
 20 GOETZ: Right.
 21 MEISTER: We're exploring whether we should
 22 proceed down that path with the current investment
 23 manager.

24 GOETZ: Money markets still pay?
 MARZULLO REPORTING AGENCY (312) 321-9365

1 MEISTER: Exactly, we pay them to keep the
 2 money.
 3 VICE-CHAIR BRONNER: Exactly. Any other
 4 questions? Hearing none, I would like to thank you
 5 very much, Mr. Fletcher.
 6 I would like to request a motion to pass
 7 and adopt the following Project Report and
 8 Resolution: Item No. 4.
 9 GOETZ: So moved.
 10 KNOX: Second.
 11 FLETCHER: Moved by Mr. Goetz, seconded by Mr.

12 Knox.
 13 VICE-CHAIR BRONNER: Will the Assistant
 14 Secretary please call the roll?
 15 FLETCHER: Certainly. Mr. Anderberg?
 16 ANDERBERG: Yes.
 17 FLETCHER: Mr. Fuentes?
 18 FUENTES: Yes.
 19 FLETCHER: Mr. Goetz?
 20 GOETZ: Yes.
 21 FLETCHER: Mr. Knox?
 22 KNOX: Yes.
 23 FLETCHER: Mr. McCoy?
 24 MCGOY: Yes.
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1 FLETCHER: Mr. Obernagel?
 2 OBERNAGEL: Yes.
 3 FLETCHER: Mr. Poole?
 4 POOLE: Yes.
 5 FLETCHER: Ms. Smoots?
 6 SMOOTS: Yes.
 7 FLETCHER: Mr. Yonover?
 8 YONOVER: Yes.
 9 FLETCHER: Mr. Zeller on the phone?
 10 ZELLER: Yes.
 11 FLETCHER: And Vice-Chair Bronner?
 12 VICE-CHAIR BRONNER: Yes.
 13 FLETCHER: Ms. Vice-Chair, the motion carries.
 14 VICE-CHAIR BRONNER: Thank you very much.
 15 Member Juracek may now return to the room. She is
 16 en route.

17 FLETCHER: Let the record reflect that
 18 Member Juracek has returned to the room.
 19 VICE-CHAIR BRONNER: Thank you. Moving on now
 20 to other business. We have another item, sorry.
 21 MEISTER: Under other business, just two quick
 22 items to inform the Board. This is in your manila
 23 packets, but today on the cover of the Chicago
 24 Tribune, there was an article about --

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1 VICE-CHAIR BRONNER: Pot industry lights up.
 2 MEISTER: No, no. We are not involved with
 3 Marijuana, nor the pot industry. The title is
 4 "Northeastern University's First Dorm Getting Its
 5 Final Touches." This was a conduit bond that was
 6 issued by the Illinois Finance Authority.
 7 This was the third nonprofit development
 8 of student loans, and it was led by Mr. Frampton.
 9 It is a very favorable article, so I wanted to bring
 10 that to everybody's attention.

11 VICE-CHAIR BRONNER: Front page.

12 MEISTER: Front page of Thursday, August 11,

13 2016's Chicago Tribune.

14 FRAMPTON: And a working example of a P3 deal.

15 VICE-CHAIR BRONNER: Right.

16 MEISTER: An excellent outcome. The second,
 17 and this will be in next month's report, the Board
 18 knows that we have worked for the past couple of
 19 meetings with Presence Health Network. The official
 20 statement over the past several days has gone on the

21 street.
 22 It is a \$1,000,000,000 offering which we
 23 believe is the largest single offering ever approved
 24 in a one-time -- in a single official statement by
 MARZULLO REPORTING AGENCY (312) 321-9365

¶

1 the Finance Authority.
 2 JP Morgan, the banker, circulated publicly
 3 within the past several days that it may be the
 4 largest BBB healthcare financing ever done; is that
 5 correct, Ms. Lenane?
 6 LENANE: BBB--.
 7 MEISTER: BBB--. That's other business.
 8 VICE-CHAIR BRONNER: Thank you. Is there any
 9 other business to come before the Authority?
 10 BRYANT: This is Kevin Bryant. Since I'm on
 11 the line, I just wanted to take a chance to thank
 12 the Finance Authority on behalf of the EPA for the
 13 work, especially Executive Director Meister and
 14 Melinda Gildart and Six Granda.

15 I never get a chance to let Chris know
 16 working with them for the last three years, and
 17 Melinda or Six even longer, their hard work is
 18 really appreciated.

19 VICE-CHAIR BRONNER: Thank you very much.

20 MEISTER: Thank you.

21 VICE-CHAIR BRONNER: Thank you. Again, any
 22 other business? Hearing none, I would like to
 23 request a motion to first excuse the absences of the
 24 Members unable to participate today.

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1 McCoy: So moved.
 2 VICE-CHAIR BRONNER: Second?
 3 GOETZ: Second.
 4 FLETCHER: Moved by Mr. McCoy and seconded by
 5 Mr. Goetz.
 6 VICE-CHAIR BRONNER: All those in favor?
 7 (A chorus of ayes.)
 8 VICE-CHAIR BRONNER: Opposed?
 9 (No response.)
 10 VICE-CHAIR BRONNER: The ayes have it. Is
 11 there any public comment for the Committee? In that
 12 case, the next regular meeting of the Board is
 13 scheduled for September 8th, 2016, and at this time
 14 I would like to request a motion to adjourn.
 15 KNOX: So moved.
 16 McCoy: Second.
 17 FLETCHER: Moved by Mr. Knox, seconded by
 18 McCoy.
 19 VICE-CHAIR BRONNER: All those in favor?
 20 (A chorus of ayes.)
 21 VICE-CHAIR BRONNER: Opposed?
 22 (No response.)
 23 VICE-CHAIR BRONNER: The ayes have it. Thank
 24 you.

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1 FLETCHER: The time is 10:25 a.m.
 2 (WHICH WERE ALL THE PROCEEDINGS HAD.)

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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

8-11-16-2.txt

8 a true and correct transcript of her shorthand notes, so
9 taken as aforesaid, and contains all the proceedings of said
10 meeting.

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

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23
24

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ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF REQUEST TO PARTICIPATE VIA AUDIO CONFERENCE
ADOPTED

August 11, 2016

11 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz

Y Juracek
Y Knox
Y McCoy
Y Obernagel

Y Poole
Y Smoots
Y Yonover
NV Zeller
(VIA AUDIO CONFERENCE)
E Mr. Chairman

NV Horne
(VIA AUDIO CONFERENCE)

E O'Brien

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 VOICE VOTE
 AUGUST 11, 2016 AGENDA OF THE REGULAR MEETING OF THE MEMBERS
 ADOPTED

August 11, 2016

12 YEAS	0 NAYS	0 PRESENT
Y Anderberg	Y Juracek	Y Poole
Y Bronner	Y Knox	Y Smoots
Y Fuentes	Y McCoy	Y Yonover
Y Goetz	Y Obernagel	NV Zeller
		(VIA AUDIO CONFERENCE)
Y Horne (VIA AUDIO CONFERENCE)	E O'Brien	E Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 VOICE VOTE
 JULY 14, 2016 MINUTES OF THE REGULAR MEETING OF THE MEMBERS
 ADOPTED

August 11, 2016

13 YEAS

0 NAYS

0 PRESENT

Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
					(VIA AUDIO CONFERENCE)
Y	Horne	E	O'Brien	E	Mr. Chairman
	(VIA AUDIO CONFERENCE)				

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

August 11, 2016

13 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz

Y Juracek
Y Knox
Y McCoy
Y Obernagel

Y Poole
Y Smoots
Y Yonover
Y Zeller
(VIA AUDIO CONFERENCE)
E Mr. Chairman

Y Horne
(VIA AUDIO CONFERENCE)

E O'Brien

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0811-AG1A
BEGINNING FARMER REVENUE BOND – BLAKE AND ALLYSON MARRS
FINAL (ONE-TIME CONSIDERATION)
PASSED*

August 11, 2016

13 YEAS

0 NAYS

0 PRESENT

Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
					(VIA AUDIO CONFERENCE)
Y	Horne	E	O'Brien	E	Mr. Chairman
	(VIA AUDIO CONFERENCE)				

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-00811-AG1B
BEGINNING FARMER REVENUE BOND – MASON A. AND VICTORIA L. DEHLINGER
FINAL (ONE-TIME CONSIDERATION)
PASSED*

August 11, 2016

13 YEAS

0 NAYS

0 PRESENT

Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
					(VIA AUDIO CONFERENCE)
Y	Horne	E	O'Brien	E	Mr. Chairman
	(VIA AUDIO CONFERENCE)				

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2016-0811-NP02
 501(C)(3) REVENUE BOND – DEPAUL UNIVERSITY
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

August 11, 2016

13 YEAS

0 NAYS

0 PRESENT

Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
					(VIA AUDIO CONFERENCE)
Y	Horne	E	O'Brien	E	Mr. Chairman
	(VIA AUDIO CONFERENCE)				

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0811-HC03
501(C)(3) REVENUE BOND – THE MOORINGS OF ARLINGTON HEIGHTS, LLC
FINAL
PASSED*

August 11, 2016

13 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz

Y Juracek
Y Knox
Y McCoy
Y Obernagel

Y Poole
Y Smoots
Y Yonover
Y Zeller

(VIA AUDIO CONFERENCE)

Y Horne
(VIA AUDIO CONFERENCE)

E O'Brien

E Mr. Chairman

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0811-LG04
STATE OF ILLINOIS CLEAN WATER INITIATIVE REVOLVING FUND REVENUE BOND
FINAL (ONE-TIME CONSIDERATION)
PASSED

August 11, 2016

11 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz

NV Juracek
Y Knox
Y McCoy
Y Obernagel

Y Poole
Y Smoots
Y Yonover
Y Zeller

(VIA AUDIO CONFERENCE)

NV Horne
(VIA AUDIO CONFERENCE)

E O'Brien

E Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2016-0811-AD05
 RESOLUTION AUTHORIZING CONSENT TO A DEFERRAL OF SCHEDULED PAYMENT
 AND WAIVER OF EVENTS OF DEFAULT FOR A LOAN SUBJECT TO AN AGRY-DEBT
 RESTRUCTURING GUARANTEE (BORROWERS: MARK D. DONOHO AND KAREN
 DONOHO, EACH INDIVIDUALLY)
 ADOPTED*

August 11, 2016

13 YEAS

0 NAYS

0 PRESENT

Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
					(VIA AUDIO CONFERENCE)
Y	Horne	E	O'Brien	E	Mr. Chairman
	(VIA AUDIO CONFERENCE)				

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2016-0811-AD06
 RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF
 A FIRST AMENDMENT TO THE LOAN AGREEMENT WHICH AMENDS CERTAIN
 PROVISIONS OF THE LOAN AGREEMENT DATED AS OF MARCH 1, 2004 UNDER
 WHICH THE ILLINOIS FINANCE AUTHORITY VARIABLE RATE DEMAND REVENUE
 BONDS, SERIES 2004 (COMMUNITY ACTION PARTNERSHIP OF LAKE COUNTY
 PROJECT) (THE "BONDS") WERE ISSUED AND THE PROCEEDS OF THE BONDS WERE
 LENT TO COMMUNITY ACTION PARTNERSHIP OF LAKE COUNTY
 ADOPTED*

August 11, 2016

13 YEAS

0 NAYS

0 PRESENT

Y Anderberg
 Y Bronner
 Y Fuentes
 Y Goetz

Y Juracek
 Y Knox
 Y McCoy
 Y Obernagel

Y Poole
 Y Smoots
 Y Yonover
 Y Zeller

Y Horne
 (VIA AUDIO CONFERENCE)

E O'Brien

(VIA AUDIO CONFERENCE)
 E Mr. Chairman

* – Consent Agenda
 E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0811-AD07
RESOLUTION AUTHORIZING THE REISSUANCE OF THE SWEDISH AMERICAN
HOSPITAL SERIES 2010 BONDS
ADOPTED

August 11, 2016

13 YEAS

0 NAYS

0 PRESENT

Y	Anderberg	Y	Juracek	Y	Poole
Y	Bronner	Y	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	Y	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
					(VIA AUDIO CONFERENCE)
Y	Horne	E	O'Brien	E	Mr. Chairman
	(VIA AUDIO CONFERENCE)				

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2016-0811-AD08
RESOLUTION CONFIRMING THE EXECUTION AND DELIVERY OF A FIRST
AMENDMENT TO MASTER LOAN AGREEMENT WITH THE CITY OF CHICAGO
PROVIDING FOR AN EXTENSION OF A FINAL PRINCIPAL PAYMENT
ADOPTED*

August 11, 2016

13 YEAS

0 NAYS

0 PRESENT

Y Anderberg
Y Bronner
Y Fuentes
Y Goetz

Y Juracek
Y Knox
Y McCoy
Y Obernagel

Y Poole
Y Smoots
Y Yonover
Y Zeller
(VIA AUDIO CONFERENCE)
E Mr. Chairman

Y Horne
(VIA AUDIO CONFERENCE)

E O'Brien

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2016-0811-AD09
 RESOLUTION ADOPTING THE FISCAL YEAR 2017 PERSONNEL RECOMMENDATIONS
 OF THE GOVERNANCE, PERSONNEL, LEGISLATION AND ETHICS COMMITTEE
 ADOPTED*

August 11, 2016

13 YEAS

0 NAYS

0 PRESENT

Y Anderberg
 Y Bronner
 Y Fuentes
 Y Goetz

Y Juracek
 Y Knox
 Y McCoy
 Y Obernagel

Y Poole
 Y Smoots
 Y Yonover
 Y Zeller

Y Horne
 (VIA AUDIO CONFERENCE)

E O'Brien

(VIA AUDIO CONFERENCE)
 E Mr. Chairman

* – Consent Agenda
 E – Denotes Excused Absence

Date: September 8, 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
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

From: Ximena Granda, Controller

Subject: *Presentation and Consideration of Financial Reports as of August 31, 2016**

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

FISCAL YEAR 2017-UNAUDITED

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

- a. **Total Annual Revenues** equal \$**1.1** million and are \$**236** thousand or **28.5%** higher than budget due primarily to **higher** closing fees in August. Closing fees year-to-date of \$709 thousand are \$128 thousand or 22% **higher** than budget. Annual fees of \$49 thousand are \$14 thousand higher than the budgeted amount. Administrative service fees of \$161 thousand for the year are 7 times higher than budget (which includes the \$150,000 July 2016 final exit fee in connection with the now ended 1985 Healthcare Pool financing project). Application fees total \$2 thousand and are 1.5 times the budgeted amount. Total accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled \$139 thousand (which represents a declining asset since 2014). Net investment income position is at \$-1 thousand for the fiscal year and is \$36 thousand lower than budget.*
- b. In **August**, the Authority generated \$479 thousand in closing fees, higher than the monthly budgeted amount of \$291 thousand. Closing fees were received from: **Presence Health** for \$211 thousand; **Smith Village** for \$88 thousand; **The Art Institute** for \$92 thousand; **The Newman Foundation** for \$88 thousand and various **Agriculture-relating closings** for \$1,736. In August, we recorded a net investment gain of \$1 thousand.
- c. **Total Annual Expenses** of \$500 thousand were \$326 thousand or 39.5% lower than budget, which was mostly driven by vacant budgeted staff positions and below budget spending on professional services. Year-to-date, employee and professional services expenses total \$409

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.

* Governmental Accounting Standards Board (GASB) Statement No. 31. This Statement establishes accounting and financial reporting standards for all investments held by governmental external investment pools. For most other governmental entities, it establishes fair value standards for investments in (a) participating interest-earning investment contracts, (b) external investment pools, (c) open-end mutual funds, (d) debt securities, and (e) equity securities, option contracts, stock warrants, and stock rights that have readily determinable fair values.

- Authority investment manager advises that global market conditions contribute to this
- Past performance does not direct the outcome of future outcomes, however in FY2015 investment income total \$642 thousand compared to (unaudited) FY2016 total \$ 742 thousand

thousand; with each function at 25.2% and 66.1% under budget, respectively. Annual occupancy costs of \$27 thousand are 20.1% lower than the budget, while general and administrative costs are \$58 thousand for the year, which is 14.6% lower than budget. Total depreciation costs are \$4 thousand and 4% above budget. Total cash transfers in from the Primary Government Borrowing Fund (set up to track financial activity on behalf of the State of Illinois) to the General Operating Fund are \$1.5 million. Total cash transfers out of the General Operating Fund to the Primary Government Borrowing Fund are \$108 thousand (represents a transfer to the JRTC janitorial vendor; see Financial Statements and supplementary Information in Board Book)

- d. In **August**, the Authority recorded operating expenses of \$254 thousand, which is lower than the monthly budgeted amount of \$412 thousand. The decrease is due primarily to employee related expenses and professional services being lower than expected.
- e. **Total Monthly Net Income** of \$325 thousand is driven by higher closing fees.
- f. **Total Annual Net Income** is \$566 thousand. The major driver of the annual positive bottom line continues to be the level of overall spending at 39.5% below budget, as well as higher closing and administrative service fees.

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

The Authority, as of August 31, 2016, is a \$120 million dollar agency which also currently accounts for \$300 million in total activity (including the Other State of Illinois Debt Fund) but maintains compliance for nearly \$26 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 \$54.3 million. The total assets in the General Fund are \$55.1 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$29.5 million (with \$8.8 million cash). Notes receivables from the former Illinois Rural Bond Bank local governments total \$16.0 million. Participation loans, DACA (pilot medical student loans in exchange for service in medical underserved areas in Illinois) and other loans receivables are at \$5.9 million. Restricted cash and investments in the DACA Loan Fund-Program total \$1.9 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 in this fund total \$133.6 million (which does not include the \$500 million Clean Water Initiative bonds priced on August 30 and scheduled to close on September 12).
- b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year-to-date receipts of \$81 thousand. In Fiscal Year 2016, 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 are expected to be disbursed in September/October of 2016. The Net Position for Fire Truck and Ambulance Revolving Loan Funds on the Authority’s balance sheet are \$22.6 million and \$4.2 million, respectively.

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 August 31, 2016, the Agricultural Loan Guarantee Fund with a Restricted Net Position of \$10.1 million includes no loss reserve, but the Agribusiness Fund with a Restricted Net Position of \$7.9 million includes a loss reserve of \$563 thousand for potential loan loss payouts. Moreover, the Industrial Revenue Bond Insurance Fund includes restricted assets held locally by the Authority to make payouts of losses in relation to the Authority's agricultural loan guarantee program (please see Senate Bill 324, Public Acct 99-0509). The Restricted Net Position for the Industrial Revenue Bond Insurance Fund is \$11.9 million as August 31, 2016

- c. All other nonmajor funds recorded total year-to-date revenues of \$6 thousand. Year-to-date expenses total \$1 thousand as of August 31, 2016. Total Net Position in the remaining non-major funds is \$38.7 million.
- d. The Metro East Police District Commission is reported as an agency/fiduciary fund, which has total assets of \$19 thousand in the custody of the Authority. The Illinois Finance Authority NFP Development Fund has a total net position of \$19 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, and new guidance on tax 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 disclose assistance received from governmental entities. The Authority has engaged Kerber, Eck and Braeckel LLP, to assist with the implementation of GASB Statement 72. It is anticipated that the vendor recommendation on the aforementioned GASB/FASB issue will be provided in the October analysis.
- b. The Authority welcomes the new external auditors RSM US LLP for its Fiscal Year 2016 and Fiscal Year 2017 Financial Audit and Compliance Examination. RSM US LLP is on the Authority's premises as of September 6, 2016 to continue the fieldwork for the Fiscal Year 2016 Financial Audit Examination.

6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

- a. The Fiscal Year Comparison of Bonds Issued, The Fiscal Year 2017 Bonds Issued, Schedule of Debt, and the State of Illinois Receivables Summary are being presented as supplementary financial information, immediately following the financial reports in your Board package (or manila folder).

Respectfully submitted,

/s/ Ximena Granda
Controller



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2017 AS OF AUGUST 31, 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 (%)	
Operating Revenues:																	
Closing Fees	\$ 230,038	\$ 479,153											\$ 709,191	\$ 581,400	\$ 127,791	22.0%	
Annual Fees	26,604	22,792											49,396	35,730	13,666	38.2%	
Administrative Service Fees	161,000	-											161,000	9,167	151,833	1656.3%	
Application Fees	200	2,000											2,200	4,950	(2,750)	-55.6%	
Miscellaneous Fees	94	4,752											4,846	83	4,763	5738.6%	
Interest Income-Loans	69,733	68,858											138,591	138,228	363	0.3%	
Other Revenue	191	191											382	24,000	(23,618)	-98.4%	
Total Operating Revenue:	\$ 487,860	\$ 577,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,065,606	\$ 793,558	\$ 272,048	34.3%	
Operating Expenses:																	
Employee Related Expense	\$ 155,025	\$ 147,885											\$ 302,910	\$ 405,065	\$ (102,155)	-25.2%	
Professional Services	45,724	60,685											106,409	313,839	(207,430)	-66.1%	
Occupancy Costs	14,105	13,292											27,397	34,292	(6,895)	-20.1%	
General & Administrative	28,385	29,354											57,739	67,573	(9,834)	-14.6%	
Depreciation and Amortization	2,180	2,153											4,333	4,167	166	4.0%	
Total Operating Expense	\$ 245,419	\$ 253,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498,788	\$ 824,936	\$ (326,148)	-39.5%	
Operating Income(Loss)	\$ 242,441	\$ 324,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 566,818	\$ (31,378)	\$ 598,196	1906.4%	
Nonoperating Revenues (Expenses):																	
Miscellaneous Non-Opertg Rev/(Exp)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (250)	\$ 250	-100.0%
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,667	(1,667)	-100.0%
Interest and Investment Income*	15,017	21,911											36,928	52,312	(15,384)	-29.4%	
Realized Gain (Loss) on Sale of Invests	(2,890)	(298)											(3,188)	1,035	(4,223)	-408.0%	
Net Appreciation (Depr) in FV of Invests	(14,294)	(20,518)											(34,812)	(19,906)	(14,906)	74.9%	
Total Nonoperating Rev (Exp)	\$ (2,167)	\$ 1,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,072)	\$ 34,858	\$ (35,930)	-103.1%	
Net Income (Loss) Before Transfers	\$ 240,274	\$ 325,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,746	\$ 3,480	\$ 562,266	16157.1%	
Transfers:																	
Transfers in from other funds	\$ 107,795	\$ 1,502,594	\$ -	\$ -									\$ 1,610,389	\$ -	\$ -	0.0%	
Transfers out to other funds	(107,795)	(1,502,594)	-	-									(1,610,389)	-	-	0.0%	
Total Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	
Net Income (Loss)	\$ 240,274	\$ 325,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,746	\$ 3,480	\$ 562,266	16157.1%	



ILLINOIS FINANCE AUTHORITY
 STATEMENT OF REVENUES, EXPENSES AND NET INCOME
 IFA FUNDS AND CUSTODIAL FUND ACTIVITY
 FOR FISCAL YEAR 2017 AS OF AUGUST 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	AGENCY FUNDS
Operating Revenues:								
Closing Fees	\$ 709,191	\$ -	\$ -	\$ -	\$ 709,191	\$ -	\$ 709,191	\$ -
Annual Fees	49,396	-	-	-	49,396	-	49,396	-
Administrative Service Fees	161,000	-	-	-	161,000	-	161,000	-
Application Fees	2,200	-	-	-	2,200	-	2,200	-
Miscellaneous Fees	4,846	78,805	-	-	83,651	-	83,651	-
Interest Income-Loans	138,591	2,578	-	5,847	147,016	507,828	654,844	-
Other Revenue	382	-	-	-	382	-	382	-
Total Operating Revenue:	\$ 1,065,606	\$ 81,383	\$ -	\$ 5,847	\$ 1,152,836	\$ 507,828	\$ 1,660,664	\$ -
Operating Expenses:								
Employee Related Expense	\$ 302,910	\$ -	\$ -	\$ -	\$ 302,910	\$ -	\$ 302,910	\$ -
Professional Services	106,409	-	-	66	106,475	-	106,475	-
Occupancy Costs	27,397	-	-	-	27,397	-	27,397	-
General & Administrative	57,739	-	-	36	57,775	-	57,775	-
Interest Expense	-	-	-	515	515	511,863	512,378	-
Depreciation and Amortization	4,333	-	-	-	4,333	-	4,333	-
Total Operating Expense	\$ 498,788	\$ -	\$ -	\$ 617	\$ 499,405	\$ 511,863	\$ 1,011,268	\$ -
Operating Income(Loss)	\$ 566,818	\$ 81,383	\$ -	\$ 5,230	\$ 653,431	\$ (4,035)	\$ 649,396	\$ -
Nonoperating Revenues (Expenses):								
Miscellaneous non-opertg rev/(exp)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and invesment income*	36,928	692	1,962	34,704	74,286	4,035	78,321	5
Realized Gain (Loss) on sale of investment*	(3,188)	-	-	(579)	(3,767)	-	(3,767)	-
Net Appreciation (Depr) in fair value of investments*	(34,812)	(119)	(49)	(34,282)	(69,262)	-	(69,262)	-
Total Nonoperating Revenues (Expenses)	\$ (1,072)	\$ 573	\$ 1,913	\$ (157)	\$ 1,257	\$ 4,035	\$ 5,292	\$ 5
Net Income (Loss) Before Transfers	\$ 565,746	\$ 81,956	\$ 1,913	\$ 5,073	\$ 654,688	\$ -	\$ 654,688	\$ 5
Transfers:								
Transfers in from other funds	\$ 1,610,389	\$ -	\$ -	\$ -	\$ 1,610,389	\$ -	\$ 1,610,389	\$ -
Transfers out to other funds	(1,610,389)	-	-	-	(1,610,389)	-	(1,610,389)	-
Total Transfers In (Out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	\$ 565,746	\$ 81,956	\$ 1,913	\$ 5,073	\$ 654,688	\$ -	\$ 654,688	\$ 5



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
 August 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
Assets and Deferred Outflows:								
Current Assets:								
Unrestricted:								
Cash & cash equivalents	\$ 13,932,242	\$ -	\$ -	\$ 86,216	\$ 14,018,458	\$ -	\$ 14,018,458	\$ -
Investments	9,163,914	-	-	863,354	10,027,268	-	10,027,268	-
Accounts receivable, Net	3,705,402	-	-	-	3,705,402	-	3,705,402	-
Loans receivables, Net	758,483	-	-	-	758,483	-	758,483	-
Accrued interest receivable	417,397	-	-	6,202	423,599	-	423,599	-
Bonds and notes receivable	573,000	-	-	-	573,000	-	573,000	-
Due from other funds	25,552	-	-	-	25,552	-	25,552	-
Due from other local government agencies	-	-	-	3,000,000	3,000,000	-	3,000,000	-
Prepaid Expenses	226,808	-	-	-	226,808	-	226,808	-
Total Current Unrestricted Assets	\$ 28,802,798	\$ -	\$ -	\$ 3,955,772	\$ 32,758,570	\$ -	\$ 32,758,570	\$ -
Restricted:								
Cash & Cash Equivalents	\$ 2,569,288	\$ 909,006	\$ 3,941,253	\$ 3,308,321	\$ 10,727,868	\$ 37,755,340	\$ 48,483,208	\$ 19,264
Investments	236,413	85,121	35,025	5,786,664	6,143,223	-	6,143,223	-
Accrued interest receivable	1,466	10,509	99	45,443	57,517	27,498	85,015	-
Due from other funds	-	-	-	-	-	-	-	-
Due from primary government	-	-	-	-	-	-	-	-
Bonds and notes receivable from State component units	-	-	-	-	-	243,273	243,273	-
Loans receivables, Net	-	1,713,419	74,320	103,462	1,891,201	-	1,891,201	-
Total Current Restricted Assets	\$ 2,807,167	\$ 2,718,055	\$ 4,050,697	\$ 9,243,890	\$ 18,819,809	\$ 38,026,111	\$ 56,845,920	\$ 19,264
Total Current Assets	\$ 31,609,965	\$ 2,718,055	\$ 4,050,697	\$ 13,199,662	\$ 51,578,379	\$ 38,026,111	\$ 89,604,490	\$ 19,264
Non-current Assets:								
Unrestricted:								
Investments	\$ 6,422,492	\$ -	\$ -	\$ 904,537	\$ 7,327,029	\$ -	\$ 7,327,029	\$ -
Loans receivables, Net	483,805	-	-	-	483,805	-	483,805	-
Bonds and notes receivable	15,457,337	-	-	-	15,457,337	-	15,457,337	-
Total Noncurrent Unrestricted Assets	\$ 22,363,634	\$ -	\$ -	\$ 904,537	\$ 23,268,171	\$ -	\$ 23,268,171	\$ -
Restricted:								
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000	\$ -	\$ 600,000	\$ -
Investments	50,154	-	-	5,640,479	5,690,633	-	5,690,633	-
Funds in the custody of the Treasurer	-	131,369	-	17,948,073	18,079,442	-	18,079,442	-
Loans receivables, Net	1,025,333	19,799,126	172,960	1,260,235	22,257,654	-	22,257,654	-
Bonds and notes receivable from primary government	-	-	-	-	-	64,145,921	64,145,921	-
Bonds and notes receivable from State component units	-	-	-	-	-	30,836,907	30,836,907	-
Total Noncurrent Restricted Assets	\$ 1,075,487	\$ 19,930,495	\$ 172,960	\$ 25,448,787	\$ 46,627,729	\$ 94,982,828	\$ 141,610,557	\$ -
Capital Assets								
Capital Assets	\$ 801,602	\$ -	\$ -	\$ -	\$ 801,602	\$ -	\$ 801,602	\$ -
Accumulated Depreciation	(773,172)	-	-	-	(773,172)	-	(773,172)	-
Total Capital Assets	\$ 28,430	\$ -	\$ -	\$ -	\$ 28,430	\$ -	\$ 28,430	\$ -
Total Noncurrent Assets	\$ 23,467,551	\$ 19,930,495	\$ 172,960	\$ 26,353,324	\$ 69,924,330	\$ 94,982,828	\$ 164,907,158	\$ -
Total Assets	\$ 55,077,516	\$ 22,648,550	\$ 4,223,657	\$ 39,552,986	\$ 121,502,709	\$ 133,008,939	\$ 254,511,648	\$ 19,264
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred loss on debt refunding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 621,349	\$ 621,349	\$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 621,349	\$ 621,349	\$ -
Total Assets & Deferred Inflows of Resources	\$ 55,077,516	\$ 22,648,550	\$ 4,223,657	\$ 39,552,986	\$ 121,502,709	\$ 133,630,288	\$ 255,132,997	\$ 19,264



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND CUSTODIAL FUND ACTIVITY
 August 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
Liabilities:								
Current Liabilities:								
Payable from unrestricted current assets:								
Accounts payable	\$ 53,193	\$ -	\$ -	\$ -	\$ 53,193	\$ -	\$ 53,193	\$ -
Accrued liabilities	158,565	-	-	-	158,565	-	158,565	-
Due to employees	117,956	-	-	-	117,956	-	117,956	-
Due to primary government	85,001	-	-	-	85,001	-	85,001	-
Other liabilities	-	-	-	-	-	-	-	19,259
Unearned revenue, net of accumulated amortization	319,250	-	-	-	319,250	-	319,250	-
Total Current Liabilities Payable from Unrestricted Current Assets	\$ 733,965	\$ -	\$ -	\$ -	\$ 733,965	\$ -	\$ 733,965	\$ 19,259
Payable from restricted current assets:								
Accrued interest payable	\$ -	\$ -	\$ -	\$ 2,319	\$ 2,319	\$ 1,142,364	\$ 1,144,683	\$ -
Due to other funds	-	-	-	25,552	25,552	-	25,552	-
Bonds and notes payable from primary government	-	-	-	-	-	12,623,716	12,623,716	-
Bonds and notes payable from State component units	-	-	-	-	-	1,460,000	1,460,000	-
Current portion of long term debt	-	-	-	60,584	60,584	-	60,584	-
Other liabilities	-	-	-	-	-	-	-	-
Total Current Liabilities Payable from Restricted Current Assets	\$ -	\$ -	\$ -	\$ 88,455	\$ 88,455	\$ 15,226,080	\$ 15,314,535	\$ -
Total Current Liabilities	\$ 733,965	\$ -	\$ -	\$ 88,455	\$ 822,420	\$ 15,226,080	\$ 16,048,500	\$ 19,259
Noncurrent Liabilities								
Payable from unrestricted noncurrent assets:								
Noncurrent payables	\$ 585	\$ -	\$ -	\$ -	\$ 585	\$ -	\$ 585	\$ -
Assets	\$ 585	\$ -	\$ -	\$ -	\$ 585	\$ -	\$ 585	\$ -
Payable from restricted noncurrent assets:								
Bonds and notes payable from primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,716,001	\$ 82,716,001	\$ -
Bonds and notes payable from State component units	-	-	-	-	-	35,688,207	35,688,207	-
Noncurrent portion of long term debt	-	-	-	248,512	248,512	-	248,512	-
Noncurrent loan reserve	-	-	-	562,675	562,675	-	562,675	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	\$ -	\$ -	\$ -	\$ 811,187	\$ 811,187	\$ 118,404,208	\$ 119,215,395	\$ -
Total Noncurrent Liabilities	\$ 585	\$ -	\$ -	\$ 811,187	\$ 811,772	\$ 118,404,208	\$ 119,215,980	\$ -
Total Liabilities	\$ 734,550	\$ -	\$ -	\$ 899,642	\$ 1,634,192	\$ 133,630,288	\$ 135,264,480	\$ 19,259
Net Position:								
Net Investment in Capital Assets	\$ 28,430	\$ -	\$ -	\$ -	\$ 28,430	\$ -	\$ 28,430	\$ -
Restricted for Locally Held Agricultural Guarantees	-	-	-	11,857,383	11,857,383	-	11,857,383	-
Restricted for Public Safety Loans	-	22,566,594	4,221,744	-	26,788,338	-	26,788,338	-
Restricted for Agricultural Guarantees and Rural Development Loans	-	-	-	19,069,923	19,069,923	-	19,069,923	-
Restricted for Renewable Energy Development	-	-	-	2,247,513	2,247,513	-	2,247,513	-
Restricted for Credit Enhancement	-	-	-	600,000	600,000	-	600,000	-
Restricted for Low Income Community Investments	-	-	-	12,225	12,225	-	12,225	-
Unrestricted	53,748,792	-	-	4,861,227	58,610,019	-	58,610,019	-
Current Change in Net Position	565,744	81,956	1,913	5,073	654,686	-	654,686	5
Total Net Position	\$ 54,342,966	\$ 22,648,550	\$ 4,223,657	\$ 38,653,344	\$ 119,868,517	\$ -	\$ 119,868,517	\$ 5
Total Liabilities & Net Position	\$ 55,077,516	\$ 22,648,550	\$ 4,223,657	\$ 39,552,986	\$ 121,502,709	\$ 133,630,288	\$ 255,132,997	\$ 19,264



**STATE of ILLINOIS
 DETAILED RECEIVABLES SUMMARY (UNAUDITED)
 AS OF September 1, 2016**

As of September 1, 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:

Vendor	Payment dates	Amount
Cosgrove Distributors Inc.	12/21/2015	\$9,225.92
	Payment received by IFA	(\$9,225.92)
	Balance due from Cosgrove Distributors	\$0.00
Grayboy Building Maintenance	12/16/2015	\$15,790.36
	Payment received by IFA	(\$11,993.24)
	Balance due from Grayboy Building Maint.	\$3,797.12
M. J. Kellner Co. Inc.	12/28/2015	\$1,806,912.20
M. J. Kellner Co. Inc.	3/31/2016	1,929,224.10
	Payment received by IFA	(\$1,508,178.61)*
	Balance due from M.J. Kellner	\$2,227,957.69
Smith Maintenance Company	11/25/2015	\$251,665.26
Smith Maintenance Company	12/29/2015	125,832.63
Smith Maintenance Company	2/10/2016	129,811.11
Smith Maintenance Company	3/21/2016	151,826.83
Smith Maintenance Company	4/14/2016	151,826.83
Smith Maintenance Company	5/19/2016	151,826.83
Smith Maintenance Company	6/23/2016	107,795.38
Smith Maintenance Company	7/21/2016	107,795.38
	Balance due from Smith Maintenance	\$1,178,380.25
Sysco St. Louis LLC	12/16/2015	\$32,418.85
Balance due State of Illinois Assigned/Purchased Receivables		\$3,442,553.91

- Substitution of approximately \$471,750 in assigned receivables in process with CMS and DOC

ILLINOIS FINANCE AUTHORITY

Schedule of Debt ^[a]

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

Section I (a)	Principal Outstanding**		Program Limitations	Remaining Capacity
	June 30, 2016	August 31, 2016		
Illinois Finance Authority "IFA" ^[b]				
Agriculture	\$ 52,075,647	\$ 52,463,547		
Education	4,498,937,420	4,508,295,092		
Healthcare	15,445,649,941	16,187,256,804		
Industrial Development [includes Recovery Zone/Midwest Disaster]	776,578,781	771,836,013		
Local Government	315,810,000	305,550,000		
Multifamily/Senior Housing	157,016,668	156,583,428		
501(c)(3) Not-for Profits	1,618,506,027	1,617,429,686		
Exempt Facilities Bonds	199,915,000	149,915,000		
1 Total IFA Principal Outstanding	\$ 23,064,489,484	\$ 23,749,329,571		
Illinois Development Finance Authority "IDFA" ^[b]				
Education	496,388	496,388		
Healthcare	77,000,000	77,000,000		
Industrial Development	208,452,809	207,823,827		
Local Government	225,377,285	225,377,285		
Multifamily/Senior Housing	83,679,117	83,639,117		
501(c)(3) Not-for Profits	609,285,369	591,797,629		
Exempt Facilities Bonds				
Total IDFA Principal Outstanding	\$ 1,204,290,968	\$ 1,186,134,246		
Illinois Rural Bond Bank "IRBB" ^[b]				
Total IRBB Principal Outstanding	\$ -	\$ -		
Illinois Health Facilities Authority "IHFA"	\$ 627,152,426	\$ 624,132,427		
Illinois Educational Facilities Authority "IEFA"	\$ 570,443,000	\$ 568,447,000		
Illinois Farm Development Authority "IFDA" ^[1]	\$ 15,587,111	\$ 15,587,111		
Total Illinois Finance Authority Debt	\$ 25,481,962,989	\$ 26,143,630,355	\$ 28,150,000,000	\$ 2,006,369,645

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

Section I (b)	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2016	August 31, 2016		
General Purpose Moral Obligations				
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	34,885,000	34,885,000		
Total General Moral Obligations	\$ 34,885,000	\$ 34,885,000	\$ 150,000,000	\$ 115,115,000
* All the Local Government bonds were defeased as of August 1, 2014.				
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	\$ -	\$ -		
Issued through IDFA	-	-		
Total Financially Distressed Cities	\$ -	\$ -	\$ 50,000,000	\$ 50,000,000
State Component Unit Bonds ^[c]				
Issued through IDFA ^[1]	-	-		
Issued through IFA ^[1]	99,938,207	89,668,025		
Total State Component Unit Bonds	\$ 99,938,207	\$ 89,668,025		

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, 2016	August 31, 2016	
Midwestern Disaster Area Bonds [Flood Relief]	\$ 64,515,158	\$ 64,374,766	N/A

Designated by the Governor of the State of Illinois to manage and coordinate the re-allocation of Federal ARRA Volume Cap and the issuance of Recovery Zone Bonds in the State of Illinois to fully utilize RZBs before December 31, 2010.

Section I (d)	ARRA Act of 2009 Volume Cap Allocated ^[h]	City/Counties Ceded Voluntarily to/(by) IFA	Bonds issued as of December 31, 2014	Remaining ARRA Volume Cap for each Program as of December 31, 2014
Recovery Zone Economic Development Bonds**	\$ 666,972,000	\$ 16,940,000	\$ 12,900,000	N/A
Recovery Zone Facilities Bonds**	\$ 1,000,457,000	\$ 204,058,967	\$ 214,849,804	N/A
Qualified Energy Conservation Bonds***	\$ 133,846,000	\$ (17,865,000)	\$ 82,795,000	IFA Cap: \$4,755,783 Cities/Counties Cap: \$46,295,717

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

*** The IFA manages the 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 ^[a]

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

Section II	Principal Outstanding		Program Limitations	Remaining Capacity
	June 30, 2016	August 31, 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, 2016	August 31, 2016		
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	\$ -	\$ -	\$ 3,000,000,000 ^[d]	\$ 3,000,000,000

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

Section IV	Principal Outstanding		Program Limitations	Remaining Capacity	State Exposure
	June 30, 2016	August 31, 2016			
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance \$10,059,450	\$ 6,824,437	\$ 6,605,582	\$ 160,000,000	\$ 153,394,418	\$ 5,614,745
AG Loan Guarantee Program					
Fund # 205 - Fund Balance \$7,888,623	\$ 7,111,930	\$ 6,905,799	\$ 225,000,000 ^[e]	\$ 218,094,201	\$ 5,869,929
Agri Industry Loan Guarantee Program	\$ 3,693,098	\$ 3,522,879			2,994,447
Farm Purchase Guarantee Program	886,805	886,805			753,785
Specialized Livestock Guarantee Program	1,681,563	1,645,650			1,398,803
Young Farmer Loan Guarantee Program	850,464	850,464			722,895
Total State Guarantees	\$ 13,936,368	\$ 13,511,381	\$ 385,000,000	\$ 371,488,619	\$ 11,484,674

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

Section V	Principal Outstanding		Cash and Investment Balance
	June 30, 2016	August 31, 2016	
132 Fire Truck Revolving Loan Program Fund # 572	\$ 21,265,564	\$ 21,512,546	\$ 1,125,496
8 Ambulance Revolving Loan Program Fund # 334	\$ 247,280	\$ 247,280	\$ 3,976,277

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, 2016	August 31, 2016		
Environmental [Large Business]				
Issued through IFA	\$ 15,535,000	\$ 14,575,000		
Issued through IDFA	113,710,000	113,710,000		
Total Environmental [Large Business]	\$ 129,245,000	\$ 128,285,000	\$ 2,425,000,000	\$ 2,296,715,000
Environmental [Small Business]	\$ -	\$ -	\$ 75,000,000	\$ 75,000,000
Total Environment Bonds Issued under Act	\$ 129,245,000	\$ 128,285,000	\$ 2,500,000,000	\$ 2,371,715,000

Illinois Finance Authority Funds at Risk

Section VII	Original Amount	Principal Outstanding	
		June 30, 2016	August 31, 2016
Participation Loans			
Business & Industry	23,020,158	422,129	418,804
Agriculture	6,079,859		
Participation Loans excluding Defaults & Allowances	29,100,017	422,129	418,804
Plus: Legacy IDFA Loans in Default		843,173	843,173
Less: Allowance for Doubtful Accounts		960,726	960,726
Total Participation Loans		288,943	301,251
Local Government Direct Loans	1,289,750	103,000	103,000
Rural Bond Bank Local Government Note Receivable		17,179,937	15,514,637
FmHA Loans	963,250	185,778	184,952
Renewable Energy [RED Fund]	2,000,000	1,206,055	1,189,982
Total Loans Outstanding	34,353,017	18,963,713	17,293,821
IRBB funds were defeased and transferred into a note receivable with the IFA.			

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

Section VIII	Principal Outstanding		Statutory Debt Limitation	Remaining HELA Debt Limitation
	June 30, 2015	August 31, 2016		
Midwestern University Foundation - Student Loan Program Revenue Bonds	\$ 15,000,000	\$ 15,000,000	\$ 200,000,000 ^[d]	\$ 185,000,000

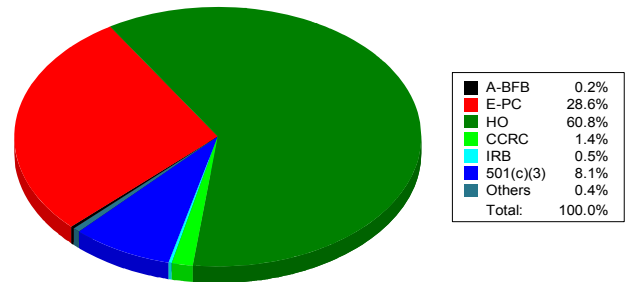
[a] Total subject to change; late month payment data may not be included at issuance of report.
 [b] State Component Unit Bonds included in balance.
 [c] Does not include Unamortized issuance premium as reported in Audited Financials.
 [d] Program Limitation reflects the increase to \$3 billion effective 01/01/2010 under P.A. 96-103.
 [e] Program Limitation reflects the increase from \$75 million to \$225 million effective 01/01/2010 under P.A. 96-103.
 [f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.
 [g] 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.
 [h] 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]
 [i] Includes EPA Clean Water Revolving Fund
 ** Conduit balances are unaudited as of June 30, 2016.

Bonds Issued - Fiscal Year Comparison for the Period Ending August 31, 2016

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
45		\$ 2,511,314,817

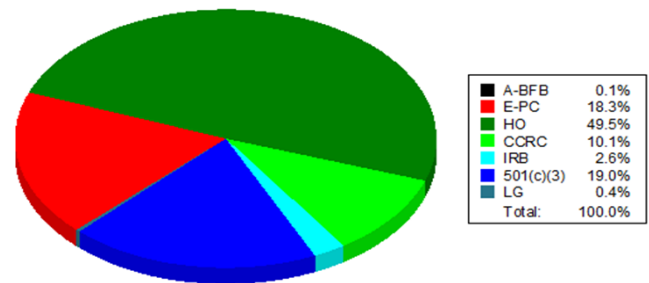
Bonds Issued in Fiscal Year 2015



Fiscal Year 2016

#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	3,762,495
10	Education	692,515,000
13	Healthcare - Hospital	1,869,903,000
6	Healthcare - CCRC	381,762,000
1	Industrial Revenue	100,000,000
9	501(c)(3) Not-for-Profit	717,050,000
1	Local Government	14,540,000
54		\$3,779,532,495

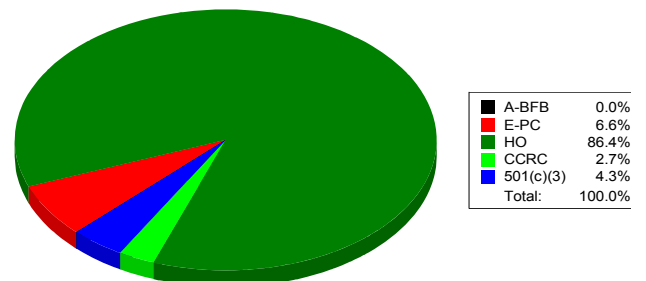
Bonds Issued in Fiscal Year 2016



Fiscal Year 2017

#	Market Sector	Principal Issued
1	Agriculture - Beginner Farmer	122,400
2	Education	78,775,000
2	Healthcare - Hospital	1,032,667,000
1	Healthcare - CCRC	32,500,000
2	501(c)(3) Not-for-Profit	50,810,000
8		\$1,194,874,400

Bonds Issued in Fiscal Year 2017





**Bonds Issued and Outstanding
as of
August 31, 2016**

Bonds Issued between July 01, 2016 and August 31, 2016

<u>Bond Issue</u>	<u>Date Issued</u>	<u>Initial Interest Rate</u>	<u>Principal Issued</u>	<u>Bonds Refunded</u>
A-BFB Beginner Farmer Bonds	07/01/2016	Variable	122,400	0
E-PC Illinois Wesleyan University	07/13/2016	Fixed at Schedule	56,775,000	56,775,000
501(c)(3) Better Housing Foundation	07/29/2016	Fixed at Schedule	13,560,000	0
E-PC Mount Carmel High School	08/01/2016	Variable	22,000,000	13,200,000
HO The Newman Foundation	08/02/2016	Variable	32,667,000	32,667,000
HO Presence Health	08/16/2016	Fixed at Schedule	1,000,000,000	1,000,000,000
CCRC Smith Village	08/17/2016	Variable	32,500,000	32,500,000
501(c)(3) The Art Institute of Chicago	08/25/2016	Fixed at Schedule	37,250,000	37,250,000
Total Bonds Issued as of August 31, 2016			<u>\$ 1,194,874,400</u>	<u>\$ 1,172,392,000</u>

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, 2016 and August 31, 2016

<u>Date Funded</u>	<u>Initial Interest Rate</u>	<u>Loan Proceeds</u>	<u>Acres</u>	<u>County</u>
07/29/2016	3.25	122,400	40.00	Jasper
Total Beginner Farmer Bonds Issued		<u>\$ 122,400</u>	<u>40.00</u>	



ILLINOIS FINANCE AUTHORITY
MEMORANDUM

PRELIMINARY AND UNAUDITED

Amounts are estimated and unaudited

To: Illinois Finance Authority Board of Directors
From: Ximena (Six) Granda - Controller
Date: September 8, 2016
Re: Monthly Procurement Report

CONTRACTS EXECUTED

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated Not to Exceed (NTE) Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>Illinois Procurement Code-Competitive Bids/Proposals</i>							
SRF Financial Printing and Other Services	ImageMaster, LLC	2 mos	08/16-10/16	\$ 5,740	-	-	-
<i>Illinois Procurement Code-Small Purchases</i>							
Website Hosting	GoDaddy	1	08/16-08/17	\$ 540	\$ -	\$ -	\$ -
Web Filter 310 and Energizer updates (5 yrs)	Tallgrass Systems, Ltd.	5 yrs	09/16-09/21	3,390	-	-	-
Cisco Smart Net firewall and router support	CDW-G	1	07/16-06/17	\$ 265	-	-	-

CONTRACTS PENDING EXECUTION

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated Not to Exceed (NTE) Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>Illinois Procurement Code-Sole Source Award (Upon CPO Approval)</i>							
Bond Ratings for SRF 2016 Series Bonds	Fitch Ratings, Inc	2 mos	08/16-10/16	160,000	-	-	-
Bond Ratings for SRF 2016 Series Bonds	S&P Global, Inc	3 mos	08/16-10/17	160,000	-	-	-
<i>Illinois Procurement Code-Competitive Bids/Proposals</i>							
Record Storage and Moving Services	East Bank Storage, Inc.	1	09/16-08/18	\$ 20,000	\$ 39,300	\$ 39,300	\$ 10,000

EXPIRED AND EXPIRING CONTRACTS

Services Provided	Vendor	Previous Term (Yrs)	Start/End	Estimated Not to Exceed (NTE) Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>Illinois Procurement Code-Competitive Bids/Proposals</i>							
Temporary Finance/Procurement/Compliance Staffing	Accounting Principals, Inc.	6 mos	04/16-10/16	\$ 302,724	\$ 71,103	\$ 71,103	\$ 605,448
IT Network Consulting Services	Catalyst Consulting, Inc.	9 mos	03/16-12/16	67,500	30,000	30,000	60,000
Loan Management Services	Mabsco, Inc.	9 mos	03/16-12/16	75,000	25,000	25,000	100,000
<i>Illinois Procurement Code-Small Purchases</i>							
Bloomberg Anywhere License for Remote Access to Services	Bloomberg Finance L.P.	2	12/16-12/18	\$ 37,538	\$ 42,000	\$ 37,538	\$ 18,769
HP Data Cartridges and Cleaning Cartridges	Malelo and Company	26 mos	01/15-10/16	3,357	-	-	-
Cloud based file sharing	DropBox	1	02/16-02/17	1,670	1,670	1,670	1,670
Water filtration annual lease	First Choice Coffee Services	1	02/16-02/17	699	699	699	699
Renewal for domain name 'www.il-fa'	Network Solutions	2	01/15-01/17	152	152	152	76

UPCOMING RENEWALS

Services Provided	Vendor	Proposed Renewal Term (Yrs)	Start/End	Estimated Not to Exceed (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>							
Trustee/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
Anticipation of Litigation	Jenner & Block LLP	1	12/15-12/16	\$ 125,000	-	-	-
Anticipation of Litigation	Jenner & Block LLP	3	02/13-02/17	\$ 250,000	-	-	-
Legal, Financial Advisory, Trustee	G&R Public Law & Strategies, LLC	1	11/15-11/16	\$ 50,000	-	-	-
<i>Illinois Procurement Code-Small Purchases</i>							
Postage Machine upgrade	Neopost	5 yrs	09/16-09/21	\$ 3,409	\$ 898	\$ 898	\$ 299

UPCOMING SOLICITATIONS

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated Not to Exceed (NTE) Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Expense
<i>Illinois Procurement Code-Competitive Bids/Proposals</i>							
Temporary Finance/Procurement/Compliance/IT Staffing	Anticipated award Oct 2016	2	11/16-10/18	N/A	\$ 302,724	\$ 302,724	\$ 605,448
IT Network Consulting Services	Anticipated award Nov 2016	3	01/17-12/19	N/A	67,500	30,000	30,000
Employee Benefits and Payroll Services	Anticipated award Apr 2017	5	06/17-05/22	N/A	353,518	353,518	353,518
Insurance Brokering Services	Anticipated award May 2017	3	06/17-06/20	N/A	300,000	300,000	300,000
<i>IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals</i>							
Bank Custodian Services	Anticipated award Oct 2016	3	01/17-12/20	N/A	\$ 7,000	\$ 2,000	\$ 2,000

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

\$175,020,000
Northwestern Memorial HealthCare

September 8, 2016

REQUEST	<p>Purpose: The proceeds of the bonds will be loaned to Northwestern Memorial HealthCare (the “Borrower” or “NMHC”) to be used for conversion of the Series 2011A/B/C (CDH-Delnor Health System) Illinois Finance Authority Revenue Bonds (“Series 2011 Bonds”).</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>												
BOARD ACTIONS	Final Bond Resolution (<i>One-time consideration</i>)												
MATERIAL CHANGES	None. This is the first time this project is being presented to the Board.												
JOB DATA	<table border="0"> <tr> <td>23,000+</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>	23,000+	Current jobs	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected				
23,000+	Current jobs	N/A	New jobs projected										
N/A	Retained jobs	N/A	Construction jobs projected										
DESCRIPTION	<p>NMHC is the corporate parent for Northwestern Medicine’s health system (“Northwestern Medicine”) whose medical staff of more than 4,000 includes over 1,600 employed physicians and more than 1,000 residents. Northwestern Medicine serves patients at nearly 100 diagnostic and ambulatory sites across the Chicagoland area, including approximately 1,900 licensed beds among seven hospitals located in Illinois; Northwestern Memorial Hospital (“NMH”) in Chicago, Northwestern Medicine Central DuPage Hospital (“CDH”) in Winfield, Northwestern Medicine Lake Forest Hospital (“NLFH”) in Lake Forest, Northwestern Medicine Delnor Hospital (“Delnor”) in Geneva, Northwestern Medicine Kishwaukee Community Hospital (“KCH”) in DeKalb, Northwestern Medicine Valley West Hospital (“Valley West”) in Sandwich and Marianjoy Rehabilitation Hospital (“Marianjoy Hospital”) in Wheaton.</p>												
CREDIT INDICATORS	<ul style="list-style-type: none"> • Current ratings for NMHC are ‘Aa2’/ ‘AA+’ long term by Moody’s/S&P. • The Bonds will remain in a variable rate bank direct purchase mode with new purchasers, as follows: U.S. Bank, National Association, Banc of America Public Capital Corp (“Bank of America”), and Wells Fargo Bank, N.A. 												
SECURITY	<ul style="list-style-type: none"> • Payments under the loan agreements are secured by notes issued pursuant to the Master Indenture. The notes are joint and severable obligations of the Northwestern Memorial HealthCare Obligated Group, of which NMH, CDH, NLFH, Delnor, KCH, Valley West, Marianjoy Hospital and certain other not-for-profit subsidiaries of NMHC are members. The Master Indenture contains certain covenants for the benefit of all Noteholders. 												
MATURITY	<ul style="list-style-type: none"> • Bonds will mature no later than 2038 • The initial commitment periods will be as follows: 2011A – 7 year initial term, 2011B – 5 year initial term, 2011C – 3 year initial term 												
SOURCES AND USES	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$175,020,000</u></td> <td>Conversion of Series 2011A/B/C Bonds</td> <td><u>\$175,020,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$ 175,020,000</u></td> <td>Total</td> <td><u>\$175,020,000</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	<u>\$175,020,000</u>	Conversion of Series 2011A/B/C Bonds	<u>\$175,020,000</u>	Total	<u>\$ 175,020,000</u>	Total	<u>\$175,020,000</u>
Sources:		Uses:											
IFA Bonds	<u>\$175,020,000</u>	Conversion of Series 2011A/B/C Bonds	<u>\$175,020,000</u>										
Total	<u>\$ 175,020,000</u>	Total	<u>\$175,020,000</u>										
RECOMMENDATION	Credit Review Committee recommends approval.												

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 September 8, 2016**

Project: Northwestern Memorial HealthCare

STATISTICS

Project Number:	12360	Amount:	\$175,020,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane
Location:	Chicago, Winfield, Geneva	County:	Cook/DuPage/Will
		Region:	Northeast

BOARD ACTION

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

VOTING RECORD

This is the first time this project has been presented to the Board.

PURPOSE

Bond proceeds will be used to convert the Series 2011A/B/C (CDH-Delnor Health System) Illinois Finance Authority Revenue Bonds.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal 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

Sources:		Uses:	
IFA Bonds	\$ <u>175,020,000</u>	Conversion of Series 2011A/B/C (CDH-Delnor Health System Bonds)	\$ <u>175,020,000</u>
Total	\$ <u>175,020,000</u>	Total	\$<u>175,020,000</u>

JOBS

Current employment:	23,000+	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

FINANCING SUMMARY

Credit Enhancement:	None.
Structure:	Variable Rate Bank Direct Purchase by U.S. Bank, National Association, Banc of America Public Capital Corp, and Wells Fargo Bank, N.A
Interest Rate:	The rates on each series will be determined on the date of pricing.
Interest Rate Modes:	Variable.
Underlying Ratings:	Current ratings for Northwestern Memorial are ‘Aa2’/ ‘AA+’ long term by (Moody’s/S&P).
Maturity:	Not later than 2038
Estimated Closing Date:	September 29, 2016

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

The proceeds will be used to convert the Series 2011A/B/C (CDH-Delnor Health System) Illinois Finance Authority Revenue Bonds.

BUSINESS SUMMARY

Northwestern Memorial HealthCare (“NMHC”) is the parent of an integrated not-for-profit health care organization, anchored by Northwestern Memorial Hospital and Northwestern Medical Faculty Foundation d/b/a Northwestern Medical Group (“NMG”), which provides services to communities in Northern Illinois. NMHC partners with Northwestern University’s Feinberg School of Medicine (“FSM”) to form an academic medical center providing patient care, research and training of resident physicians. Northwestern Medicine is the shared strategic vision of NMHC and FSM.

NMHC is the corporate parent for the Northwestern Medicine health system (“Northwestern Medicine”) whose medical staff of more than 4,000 includes over 1,600 employed physicians and more than 1,000 residents. Northwestern Medicine serves patients at nearly 100 diagnostic and ambulatory sites across the Chicagoland area, including approximately 1,900 licensed beds among seven hospitals located in Illinois; Northwestern Memorial Hospital in Chicago, Northwestern Medicine Central DuPage Hospital in Winfield, Northwestern Medicine Lake Forest Hospital in Lake Forest, Northwestern Medicine Delnor Hospital in Geneva, Northwestern Medicine Kishwaukee Community Hospital in DeKalb, Northwestern Medicine Valley West Hospital in Sandwich and Marianjoy Rehabilitation Hospital in Wheaton.

NMHC and each of its not-for-profit subsidiaries are corporations organized and existing under the laws of the State of Illinois and are exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”), as organizations described in Section 501(c)(3) of the Code and are not private foundations within the meaning of Section 509(a) of the Code.

Highlights from each of Northwestern Medicine’s seven award-winning hospitals:

- **Northwestern Memorial Hospital (NMH)** is an 894-bed academic medical center hospital that is the primary teaching affiliate for the Feinberg School of Medicine and has nearly 1,900 affiliated physicians representing virtually every medical specialty. The hospital is ranked No. 1 in Chicago and Illinois, as well as 8th in the nation according to the *U.S. News & World Report 2016-2017 Honor Roll of America's Best Hospitals*, which ranks the hospital in 13 out of 16 clinical specialties. Northwestern Memorial is recognized for providing exemplary patient care and innovative advancements in a variety of clinical areas including cardiovascular care; oncology; neurology and neurosurgery; solid organ and soft tissue transplants; orthopaedics; and women’s health at its Prentice Women’s Hospital.

- **Northwestern Medicine Central DuPage Hospital (CDH)** is a 392-bed acute-care facility located in Winfield, Ill., that has provided quality healthcare to the residents of DuPage County and beyond for more than 50 years. The hospital has been recognized as a 100 Top Hospital by Truven Health Analytics and as one of the best hospitals in Chicago by *U.S. News & World Report*. With more than 1,150 physicians on the medical staff in 89 specialties, the hospital is a regional destination for such clinical services as oncology, neurology, orthopaedics, pediatrics and cardiology. In 2014, the Ronald McDonald House near Central DuPage Hospital opened, becoming the first House in the western suburbs. The House provides a ‘home away from home’ for families of children being treated at the hospital or at the Northwestern Medicine Chicago Proton Center, the first and only proton center in Illinois.
- **Northwestern Medicine Lake Forest Hospital (LFH)** is a 198-bed community hospital that has more than 700 physicians board-certified in 68 medical specialties, located in Lake Forest and at its Grayslake campus, which also includes a free-standing emergency room. The hospital is ranked among Illinois' "Best Hospitals" by *U.S. News & World Report* and has been named the Consumer Choice hospital in Lake and Kenosha counties for ten years in a row by National Research Corporation. In 2017, Northwestern Medicine will open the new Lake Forest Hospital which will include 114 private inpatient rooms, 72 outpatient care spaces, eight operating rooms and 483,500 square feet of new construction on its 160-acre campus.
- **Northwestern Medicine Delnor Hospital** is a 159-bed acute-care facility in Geneva, Ill., with a medical staff which includes nearly 600 physicians in 60 specialties providing comprehensive medical care. Delnor was the first hospital in Illinois to earn nursing Magnet® Status from the American Nurses Credentialing Center, the nation's highest recognition for patient care and nursing excellence and is ranked among Illinois' "Best Hospitals" by *U.S. News & World Report*. The hospital is home to a state-of-the-art Cancer Center and its Breast Health Center was first to be recognized by the prestigious National Accreditation Program for Breast Centers (NAPBC) through the American College of Surgeons.
- **Northwestern Medicine Kishwaukee Hospital** is a 98-bed acute-care hospital in DeKalb, Ill., with more than 150 physician members on the voluntary medical staff representing nearly every specialty. In 2007, Kishwaukee Hospital opened its Joint Center and in 2013 a Spine Center was added. In 2015, Kishwaukee Hospital's Breastfeeding Center opened a human milk depot to provide donor milk to at-risk infants; it is one of the first four locations of its kind in Illinois.
- **Northwestern Medicine Valley West Hospital** is a 25-bed critical access hospital in Sandwich, Ill., that has served the Fox Valley community for more than 70 years. In 2014, construction of a new patient wing and renovations to remaining areas of the hospital were completed, including a new MRI suite that is home to one of the only large bore MRI in the area. Valley West earned 100 percent quality core measure scores by The Joint Commission three out of four quarters in fiscal year 2015.
- **Marianjoy Rehabilitation Hospital** is a teaching hospital in Wheaton, Ill., with 100 acute inpatient rehabilitation beds and 27 Medicare-licensed sub-acute beds. Dedicated to the delivery of physical medicine and rehabilitation, Marianjoy offers specialty programs for adult and pediatric patients recovering from illness or who require intensive therapy to regain their function and independence. Marianjoy rehabilitation programs are: brain injury, spinal cord, orthopaedic, musculoskeletal, stroke and neuromuscular. Marianjoy also has inpatient and outpatient pediatric rehabilitation programs and one of the only Commission on Accreditation of Rehabilitation Facilities (CARF)-accredited pain management programs in Illinois.

Each hospital continues to be recognized for patient safety and quality, and NMH, CDH, LFH and Delnor have achieved Magnet® recognition for nursing excellence from the American Nurses Credentialing Center (ANCC), the prestigious gold standard for nursing care. The health system has also received numerous awards for consumer satisfaction, its inclusive diversity practices, and for financial stewardship for maintaining its superior bond ratings for over 30 years.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Northwestern Memorial HealthCare

Site Address: Northwestern Memorial Hospital
251 East Huron Street
Chicago, IL 60611

Contact: Leah Hobson
Director of Finance
Leah.Hobson@nm.org
312-926-7146

Website: www.nm.org

Project name: Northwestern Memorial HealthCare

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

State: Illinois

Ownership/2016 Board Members (501(c)(3)):

Directors

Carol L. Bernick
John A. Canning
Nicholas D. Chabraja
James E. Comerford
Michael Cullen
Manny Favela
William P. Flesch
Roger T. Harris
Dean M. Harrison
Michael J. Kachmer
Thomas Matya
W. James Mc Nerney
Timothy P. Moen
Eric G. Neilson
William A. Osborn
Gregory W. Osko
J. Christopher Reyes
Matthew J. Ross
Morton O. Schapiro
Byron O. Spruell
Timothy P. Sullivan
Glenn F. Tilton
Douglas E. Vaughan
Patricia A. Woertz

Business Affiliations

Polished Nickel Capital Management LLC
Madison Dearborn Partners, LLC
(FORMER: General Dynamics)
Sears Holdings Corporation, Inc.
National Bank and Trust
(FORMER: McDonald's Corporation)
Gordon Flesch Company, Inc.
Producers Chemical Company
Northwestern Memorial HealthCare
Duravant
Zea Mays Holdings, LLC
The Boeing Company
Northern Trust Corporation
Northwestern University, Feinberg School of Medicine
Northern Trust Corporation
Trust Company of Illinois
Reyes Holdings LLC
Midwest Neurosurgery & Spine Specialist
Northwestern University
Deloitte, LLP
Madison Dearborn Partners, LLC
United Continental Holdings, Inc.
Northwestern University, Feinberg School of Medicine
Archer Daniels Midland

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Dentons US LLP	Chicago	Mary Wilson
Financial Advisor:	Kaufman, Hall & Associates, LLC	Skokie	Glenn Wagner
		Skokie	Marek Kowalewski
Bond Counsel:	Chapman and Cutler LLP	Chicago	Rich Tomei
Purchasers:	U.S. Bank National Association	Chicago	Justin Meany
	Banc of America Public Capital Corp	Chicago	Cherie Boettcher
	Wells Fargo Bank National Association	Chicago	Christie Davis
Bank's Counsel:	Nixon Peabody LLP	Chicago	Julie Seymour
Bond Trustee:	Wells Fargo Bank, N.A.	Chicago	Gail Klewin
Issuer's Counsel:	Foley & Lardner LLP	Chicago	Laura Bilas
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Phoebe Selden

LEGISLATIVE DISTRICTS

Congressional:	7, 6, 14
State Senate:	13, 21, 25
State House:	26, 42, 50

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September 8, 2016

\$250,000,000
The University of Chicago Medical Center

REQUEST	<p>Purpose: Bond proceeds will be used by The University of Chicago Medical Center (“UCMC” or the “Borrower”), together with certain other funds to: (i) partially refund the Series 2009A&B Illinois Finance Authority Revenue Bonds, (ii) to fully refund the Illinois Finance Authority Series 2009C and Series 2011C Bonds, (iii) to reimburse UCMC for previously paid capital expenditures; (iv) fund any original issue discount or premium, if applicable; and (v) to pay certain expenses incurred in connection with the issuance of the Series 2016 Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																
BOARD ACTIONS	Final Bond Resolution (one-time consideration).																
MATERIAL CHANGES	None. This is the first time this project has been presented to the IFA Board of Directors.																
JOB DATA	<table data-bbox="482 737 1568 825"> <tr> <td>7,044</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>	7,044	Current jobs	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected								
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DESCRIPTION	<ul style="list-style-type: none"> • Location: Chicago (Cook County/Northeast Region) • The Corporation currently operates three hospitals and an ambulatory care facility located on the main campus of the University as well as certain outlying facilities and activities. The three hospitals operated by the Corporation consist of the newly opened adult patient care facility for complex and specialty care (the Center for Care and Discovery), the original adult patient care facility (Bernard Mitchell Hospital), and a children’s hospital (Comer Children’s Hospital). 																
SECURITY	<ul style="list-style-type: none"> • All Obligations issued under the Master Trust Indenture, including the Series 2016A Bonds will be secured by a security interest in the Unrestricted Receivables of the Obligated Group. 																
CREDIT INDICATORS	<ul style="list-style-type: none"> • The University of Chicago Medical Center’s ratings are currently ‘Aa3’/ ‘AA-’/ ‘AA-’. <p>(Moody’s/S&P/Fitch).</p>																
STRUCTURE	<ul style="list-style-type: none"> • The tax-exempt fixed rate Bonds will be sold in a public underwriting by JP Morgan Securities, Citigroup Global Markets, Inc. and Loop Capital Markets, LLC. • Bonds will mature no later than August 15, 2041. 																
SOURCES AND USES	<table data-bbox="482 1318 1568 1507"> <thead> <tr> <th colspan="2">Sources:</th> <th colspan="2">Uses:</th> </tr> </thead> <tbody> <tr> <td>IFA Bonds</td> <td><u>\$250,000,000</u></td> <td>Refunding Escrow</td> <td>\$247,500,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of issuance</td> <td><u>2,500,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$250,000,000</u></td> <td>Total</td> <td><u>\$250,000,000</u></td> </tr> </tbody> </table>	Sources:		Uses:		IFA Bonds	<u>\$250,000,000</u>	Refunding Escrow	\$247,500,000			Costs of issuance	<u>2,500,000</u>	Total	<u>\$250,000,000</u>	Total	<u>\$250,000,000</u>
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RECOMMENDATION	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 September 8, 2016**

Project: The University of Chicago Medical Center

STATISTICS

Project Number: 12359	Amount: \$250,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane
Location: Chicago	County/Region: Cook/Northeast

BOARD ACTION

Final Bond Resolution (<i>One-time consideration</i>)	No IFA Funds at Risk
Conduit 501(c)(3) Revenue Bonds	No Extraordinary Conditions
Credit Review Committee recommends approval	

VOTING RECORD

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

PURPOSE

Bond proceeds will be used by **The University of Chicago Medical Center** (“UCMC” or the “**Borrower**”), together with certain other funds to: (i) partially refund the Series 2009A&B Illinois Finance Authority Revenue Bonds, (ii) to fully refund the Illinois Finance Authority Series 2009C and Series 2011C Bonds, (iii) to reimburse UCMC for previously paid capital expenditures; (iv) fund any original issue discount or premium, if applicable; and (v) to pay certain expenses incurred in connection with the issuance of the Series 2016 Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 7,044	New jobs projected: N/A
Retained jobs: N/A	Construction jobs projected: N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	<u>\$250,000,000</u>	Refunding Escrow	\$247,500,000
		Costs of issuance	<u>2,500,000</u>
Total	<u>\$250,000,000</u>	Total	<u>\$250,000,000</u>

FINANCING SUMMARY

Security:	The Bonds will be secured by a security interest in the Unrestricted Receivables of the Obligated Group.
Structure:	Fixed Rate Bonds sold in a public offering by JP Morgan Securities, Citigroup Global Markets, Inc., Loop Capital Markets, LLC.
Interest Rate:	To be determined the day of pricing
Interest Mode:	Fixed Rate
Credit Enhancement:	None
Maturity:	Bonds will mature no later than August 15, 2041.
Rating:	The University of Chicago Medical Center's ratings are 'Aa3'/'AA-'/'AA-' (Moody's/S&P/Fitch).
Estimated Closing Date:	October 31, 2016

PROJECT SUMMARY

Bond proceeds will be used by **The University of Chicago Medical Center** (“UCMC” or the “Borrower”), together with certain other funds to: (i) partially refund the Series 2009A&B Illinois Finance Authority Revenue Bonds, (ii) to fully refund the Illinois Finance Authority Series 2009C and Series 2011C Bonds, (iii) to reimburse UCMC for previously paid capital expenditures; (iv) fund any original issue discount or premium, if applicable; and (v) to pay certain expenses incurred in connection with the issuance of the Series 2016 Bonds.

BUSINESS SUMMARY

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ECONOMIC DISCLOSURE STATEMENT

Applicant:	The University of Chicago Medical Center 5841 S. Maryland Avenue Chicago (Cook County), IL 60637-1447
Contact:	Jim Watson, Chief Financial Officer
Website:	www.uchospitals.edu
Borrower:	The University of Chicago Medical Center

Board Members:	Emily Nicklin Diane Atwood Paul Carbone Sandra Culbertson Thomas Duckworth Rodney Goldstein Patrick Kelly William Morrison Joseph Nolan Kenneth Polonsky Jeffrey Sheffield Michael Tang Paula Wolff	James Abrams Ellen Block Robert Clark Daniel Diermeier Richard Edelman Richard Gonzalez Rachel Kohler Joseph Neubauer Brien O'Brien Nicholas Pontikes James Stephen Terry Van Der Aa Paul Yovovich	Andrew Alper Kevin Brown John Cooney Craig Duchossois James Frank Stephanie Harris Jonathan Kovler Cheryl Mayberry McKissack Sharon O'Keefe James Reynolds, Jr. John Svoboda Scott Wald Robert Zimmer
<i>Life Trustees:</i>	Paul Anderson Jules Knapp Barry MacLean Robert Weiss	Robert Feitler Howard Krane Robert Schloerb	Stanford Goldblatt John Mabie Gordon Segal

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman	Chicago	Janet Hoffman
Bond Counsel:	Chapman and Cutler LLP	Chicago	John Bibby
Financial Advisor:	Melio & Company	Chicago	Mark Melio
Underwriter:	JP Morgan	New York City	Susanne Beitel
	Loop Capital Markets, LLC	Chicago	Prakash Ramani
	Citigroup Global Markets Inc.	Chicago	Brian Caristead
Underwriters' Counsel:	Polsinelli	Chicago	Janet Zeigler
IFA Counsel:	Burke, Burns & Pinelli, Ltd.	Chicago	Stephen Welcome
IFA Financial Advisor:	Sycamore Advisors, LLC	Chicago	Melanie Shaker

LEGISLATIVE DISTRICTS

Congressional:	1
State Senate:	13
State House:	26

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SERVICE AREA

UCMC's primary service area covers much of the south side of the City of Chicago. The primary service area is bounded by 36th Street to the north, Lake Michigan and the Indiana border to the east, 130th Street to the south and Western Avenue to the west. The primary service area is eight miles long, four miles wide at the northern boundary and eight miles wide at the southern boundary. Travel time from UCMC's facilities to the most distant parts of the primary service area is 25 to 30 minutes.

